

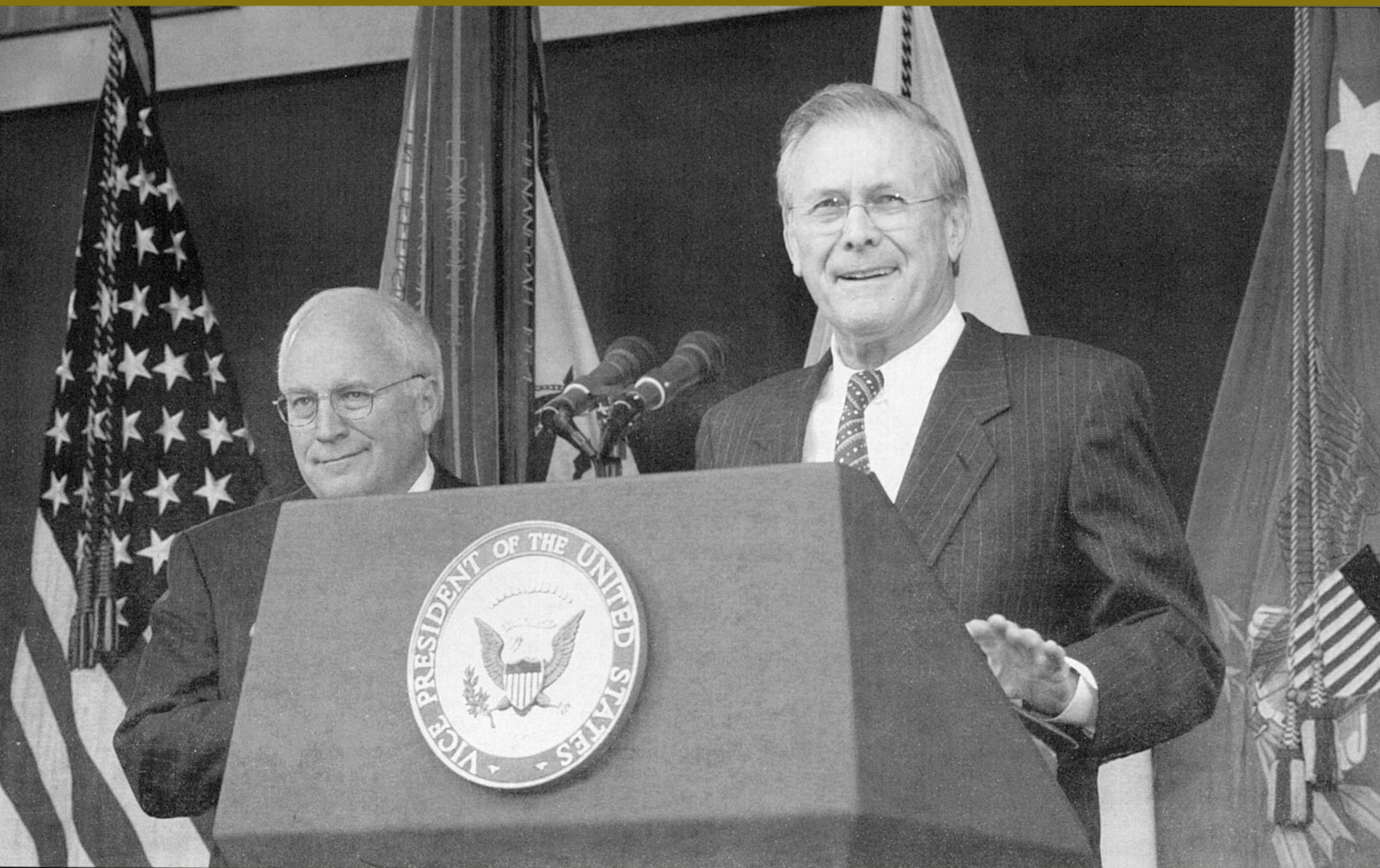
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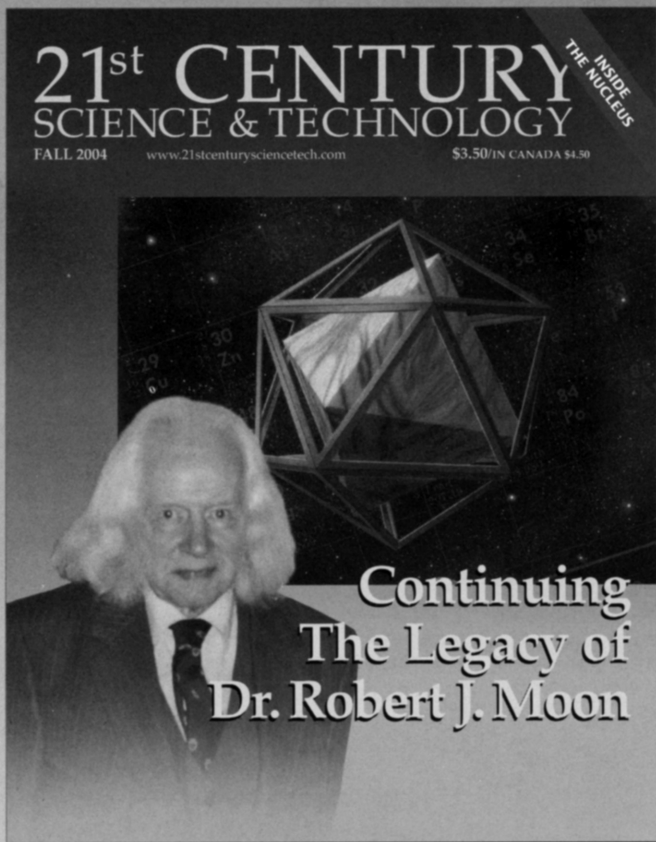
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Cabal Like Political Tsunami**



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From the Associate Editor

Now that the inaugural balls and hoop-la have wound down, it is clear that a more serious political battle has been joined in Washington than at any time since G.W. Bush's first inauguration. The stakes now are very, very high.

As Jeffrey Steinberg reports, a phase shift occurred with the publication of investigative journalist Seymour Hersh's *New Yorker* article on "The Coming Wars: What the Pentagon Can Now Do in Secret." Hersh's story signifies that a bipartisan coalition of military, intelligence, press, and Congressional forces is determined to stop the Bush-Cheney cabal from implementing fascism. The fact that the President's nominees for both Attorney General and Secretary of State were not immediately confirmed by the Senate, as expected, but were put on "hold" for further scrutiny, shows a degree of combativeness not hitherto demonstrated by the Democrats. See *International* for responses from around the world to Hersh's report of the drive for war against Iran.

The political fight is focussed around two other areas as well: the torture of detainees by U.S. forces, and the Bush drive to privatize Social Security. Ed Spannaus's interview with legal historian Scott Horton gives a startling picture of how legal experts, both military and civilian, are warning that the U.S. Administration is perpetrating war crimes, using the very same arguments used by the Nazis, which were rebuffed at the Nuremberg Tribunals. See *Economics* for the battle to stop Wall Street's theft of the Social Security Trust Fund, and an exposé of the Cato Institute ideologues who are churning out the propaganda for it.

Our *Feature* is a first report from EIR's seminar in Berlin on Jan. 12-13: the keynote speeches by Lyndon and Helga LaRouche, on the need for a new Treaty of Westphalia, to ensure cooperation among sovereign nation-states, for the general welfare, over the coming 50 years. Jeffrey Steinberg spoke from the floor, to underline the indispensable role that LaRouche is currently playing, to make possible a transformation of the U.S. political situation, away from what many Eurasians see as an incomprehensible tilt toward imperialism and fascism. In future issues, we will publish the contributions of other participants, who came from many nations to discuss the solutions and the powerful ideas offered by LaRouche.



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Hersh Exposé Hits Cheney Cabal Like Political Tsunami

by Jeffrey Steinberg

The Cheney-Rumsfeld-Wolfowitz cabal that runs the Bush Administration's military and national security agenda, was hit with the political equivalent of a tsunami on Jan. 17, with the publication of a story by investigative journalist Seymour Hersh in the Jan. 24-31 issue of *The New Yorker*. Hersh revealed that the Administration is working on plans to launch missile and commando attacks against as many as three dozen of Iran's suspected nuclear and chemical weapons facilities, perhaps as early as Summer 2005. While the Administration's wanna-be imperialists, led by the Vice President, fantasize that such military strikes will trigger a "velvet revolution" of Gap Jeans-wearing young Iranians, who will peacefully overthrow the mullahs, in yet another Bush-induced outbreak of spontaneous Western democracy, experts warn that such an action would deepen the grip of the Islamic Revolution, and trigger regional chaos.

In his keynote address to an international symposium in Berlin, Germany on Jan. 12 (see *Feature*), Lyndon LaRouche warned that chaos is what Cheney and his neo-con minions are out to detonate in the Persian Gulf, as part of their imperial raw-materials grab. LaRouche warned that, in the insane world of Cheney and the neo-cons, the chaos gripping Iraq does not represent a policy failure, but rather, the successful opening shot of a campaign aimed at triggering a Thirty Years' War of religious and ethnic genocide throughout the oil-rich region. If Cheney and company have their way, over the course of the second Bush Administration, much of the world will be thrown into the same Dark Age; what George Shultz and Henry Kissinger call the "post-Westphalia System."

Hit Teams and 'Pseudo-Gangs'

Hersh's story also revealed, for the first time, that President Bush, beginning in the Summer of 2002, signed a series of secret Executive Orders, giving Defense Secretary Donald Rumsfeld *carte blanche* to dispatch Special Forces assassination squads around the world as part of the "global war on terror" (GWOT). These teams, Hersh reported, are already operational in at least ten countries, and their activities are conducted behind the backs of Congressional oversight committees, the American ambassadors, CIA station chiefs, and defense attachés.

The transfer of paramilitary covert operations from the CIA to the Pentagon's Special Operations Command (SO-COM), and the recently established Office of Undersecretary of Defense for Intelligence, according to Hersh, eliminate the requirement that the President issue a formal Intelligence Finding, and inform the appropriate Congressional bodies, before launching covert operations. In Cheney-Rumsfeld doublespeak, these covert operations are now referred to as "black reconnaissance," to further conceal the fact that these death squads are run by the Cheney-Rumsfeld cabal, with no oversight, and to reinforce the idea that they are being deployed as part of normal U.S. military deployments in support of combat operations.

American diplomats are up in arms over this scandalous violation of international law, which among other things jeopardizes the safety of American embassy officials, who will be the first targets for retaliation, now that the existence of these death squads has been revealed.

With the departures from Foggy Bottom of Secretary of

State Colin Powell and Deputy Secretary of State Richard Armitage, both retired military officers, there is no reason to expect that Secretary of State nominee Condoleezza Rice will lift a finger to defend the integrity and safety of the U.S. diplomatic corps. It was Rice's hysterical defense of every foreign and national security policy blunder of the first four years of the Administration, that led Sens. John Kerry (D-Mass.) and Barbara Boxer (D-Calif.) to vote against her confirmation, in hearings of the Senate Foreign Affairs Committee on Jan. 19. Senator Boxer all but called Dr. Rice a liar, for placing the defense of the Bush Administration's indefensible pre-Iraq-war intelligence fabrications above the truth. Senator Kerry, for his part, directly cited the Hersh article and the planned military attacks on Iran in his questioning of Rice. He had just returned from a tour of Southwest Asia, which brought him to Iraq and Syria.

In his detailed *New Yorker* account of the Bush-Cheney forced march to new war and mayhem in Iran, Hersh mooted that the Rumsfeld-Wolfowitz Pentagon would also be pursuing a favorite strategy of the British Empire: the creation of controlled terrorist cells, dubbed by the famous British counterinsurgent Gen. Frank Kitson as "pseudo-gangs."

Hersh reported that one of the architects of the new Pentagon strategy, John Arquilla, a professor of defense studies at the Naval Postgraduate School in Monterey, Calif., had written a widely studied piece in the *San Francisco Chronicle*, which drew upon the British imperial counterinsurgency lessons from the 1950s Kenya campaign of General Kitson: "When conventional military operations and bombing failed to defeat the Mau Mau insurgency in Kenya in the 1950s," Arquilla wrote, "the British formed teams of friendly Kikuyu tribesmen who went about pretending to be terrorists. These 'pseudo-gangs,' as they were called, swiftly threw the Mau Mau on the defensive, either by befriending and then ambushing bands of fighters or by guiding bombers to the terrorists' camps. What worked in Kenya a half-century ago has a wonderful chance of undermining trust and recruitment among today's terror networks. Forming new pseudo-gangs should not be difficult."

Of course, Arquilla failed to acknowledge that such "pseudo-gang" operations have been a cornerstone of Israel's "Terror Against Terror" program, which has failed, over the past 35 years, to quell the Palestinian uprising, instead recruiting whole new generations of insurgents.

The Covert War Has Already Begun

The Hersh story made it clear that the covert war against the so-called "axis of evil" state of Iran has already begun. Indeed, in her Senate confirmation testimony, Condoleezza Rice flashed the latest Bush-Cheney propaganda slogan, dubbing Iran, North Korea, Cuba, Belarus, Zimbabwe, and Myanmar the "bridgehead of tyranny." According to the *New Yorker* account, reconnaissance teams of U.S. Special Opera-



Seymour Hersh, who broke the story last year of the Abu Ghraib prison torture, now exposes "The Coming Wars: What the Pentagon Can Now Do in Secret."

tions personnel have been working inside Iran since the Summer, and are targeting Iran's suspected nuclear weapons sites, chemical weapons sites, and missile sites, preparing for U.S. rocket attacks, bombing raids, and commando assaults.

The U.S. effort, according to Hersh, is being backed by both Pakistan and Israel. Undersecretary of Defense for Policy Doug Feith, one of the leading Pentagon neo-cons, who co-authored the 1996 "A Clean Break" geopolitical strategy paper for then-Israeli Prime Minister Benjamin Netanyahu—the paper which first targetted Iraq, Syria, and Iran for regime change, is coordinating the anti-Iran insurgency campaign with Israeli intelligence and military planners, according to Hersh. Furthermore, Israeli commandos have been involved already in some of the on-the-ground operations, according to the *New Yorker* story. It is, in fact, the Ariel Sharon government's policy of "preventive assassinations" that Cheney and Rumsfeld have adopted, in grabbing control over the covert paramilitary operations formerly housed in the CIA, and dispatching their own death squads to countries such as Algeria, Tunisia, Sudan, Syria, and Malaysia—five of the countries named in the Hersh story.

Feith has reportedly assembled a team of Iran-Contra veterans to join in other aspects of the anti-Iran covert program. According to *EIR*'s sources, one of the Irangate criminals tapped by Feith is self-professed "universal fascist" Michael Ledeen. Ledeen is already under investigation for his role in peddling forged documents from the African state of Niger,

which purported to show that Saddam Hussein was illegally pursuing acquisition of uranium to build a nuclear bomb. Cheney and Rice exploited the fear of Saddam possessing a nuclear bomb to ram through the Iraq invasion, with scare propaganda about “nuclear mushroom clouds.” Ledeen has been a longtime proponent of all-out war to oust the mullahs in Tehran, and has called for the United States to tap the Mujahideen el-Khalq, a group on the U.S. State Department’s list of International Terrorist Organizations, as part of the effort. In a speech at the Willard Hotel in Washington on the eve of the March 2003 invasion of Iraq, Ledeen gloated that, after Iraq, the Bush Administration would next be compelled to fight the “GWOT” battle on Iranian soil.

Promoting Terrorism

The involvement of Pakistan’s Inter-Services Intelligence (ISI) in the United States’ anti-Iran covert effort, according to Hersh, comes at a very high price. The Bush Administration has reportedly agreed to drop any efforts to shut down the nuclear material black-market operations of Pakistani scientist A.Q. Khan, in return for Dr. Khan’s providing information on Iran’s alleged illicit nuclear weapons program. As Hersh wrote, “It’s the neo-conservatives’ version of short-term gain at long-term cost. They want to prove that Bush is the anti-terrorism guy who can handle Iran and the nuclear threat, against the long-term goal of eliminating the black market for nuclear proliferation.”

EIR’s own sources in the intelligence community in India, who usually have a precise reading on the situation in Afghanistan, confirmed the essentials of Hersh’s account of the U.S. deal with Pakistan, but added some further disturbing details. They charge that the Bush Administration used proof that officials of Pakistan’s ISI had advance knowledge about the kidnapping and murder of American journalist Daniel Pearl, and wanted to extract Pakistani help in infiltrating Iran, through the Balochistan region of Afghanistan. In return for silence on the ISI links to Pearl’s murderers, Pakistan agreed to provide assistance in the infiltration of Iran.

The recent ouster of Ismael Khan, Governor of Afghanistan’s Herat Province, bordering Iran, was intended, the Indian intelligence sources say, to clear the way for American covert operations teams to infiltrate eastern Iran from bases in Afghanistan, including a clandestine air base just a few miles from the Iranian border. Another price that the United States has been willing to pay for the Afghan secret basing: Washington has given Pakistan the green light to reintegrate the Taliban into the Afghan government. According to Indian sources, 81 Taliban prisoners have been released in recent weeks, and 400 more are soon to be freed. All of the Talibani held in the U.S. facility at Guantánamo Bay, Cuba, are also reportedly being released because they “failed to provide any useful intelligence” on al-Qaeda’s operations.

In other words, if the Hersh and Indian reports are accurate, the Bush Administration has struck a deal with one of

the world’s leading nuclear weapons black-marketeers, and with the very Taliban regime in Afghanistan which the United States ousted from power as the opening shot in the GWOT.

Behind the Hersh Revelations

The Bush-Cheney White House responded to the publication of the Hersh story with an instant series of official denials. U.S. intelligence community sources say that two aspects of the Hersh story have top White House officials—led by Dick Cheney—especially spooked. First, the story is seen as a particularly damning leak, originating from the legions of recently purged intelligence community veterans, particularly CIA veterans, who would like nothing better than to bring down the Bush-Cheney Presidency in a replay of Watergate—or worse. Second, the Hersh story was constructed in such a way that the Administration has been unable to pin down any of Hersh’s key sources.

Yet, at the same time that Team Bush was engaging in frantic damage control over the Hersh revelations, Vice President Cheney was telling TV host Don Imus that the United States and Israel are, indeed, on the verge of launching unprovoked attacks on Iran. Appearing on the “Imus in the Morning” show just hours before he and President Bush were sworn in Jan. 20, Cheney delivered an open threat to Iran: Dismantle your nuclear program or we will give Ariel Sharon the nod to bomb Iran. Using his best Orwellian prose, Cheney told Imus: “Given the fact that Iran has a stated policy that their objective is the destruction of Israel, the Israelis might well decide to act first, and let the rest of the world worry about cleaning up the diplomatic mess afterwards. . . . We don’t want a war in the Middle East, if we can avoid it.”

Even the *Washington Post*, the next day, got it right about Cheney’s invitation to Sharon to bomb Iran. Political columnist Al Kamen, reporting on Cheney’s threats that Israel “might act first” to take out the alleged Iranian nuclear and chemical weapons sites, wrote: “In June 1991, during a visit to Israel after the Persian Gulf War, then-Defense Secretary Cheney gave Maj. Gen. David Ivri, then the commander of the Israeli Air Force, a satellite photograph of the Iraqi nuclear reactor, Osirak, which the Israelis had taken out in an airstrike 10 years earlier.

“ ‘For General David Ivri,’ Cheney wrote on the photo, ‘with thanks and appreciation for the outstanding job he did on the Iraqi Nuclear Program in 1981, which made our job much easier in Desert Storm’ . . . So was Cheney concerned? Or was this diplo-speak to the Israelis to ‘do the right thing’?”

Cheney’s Fascist Fit

Cheney’s war talk aside, the Hersh revelations, and the Democratic Party’s recently found spunk in challenging the Administration’s non-existent “mandate,” have made for some frayed nerves at 1600 Pennsylvania Avenue—despite

Bush and Cheney's efforts at appearing triumphalist. Thus, for example, when Senate Judiciary Committee chairman Arlen Specter (R-Pa.) dared to publicly chastize Attorney General nominee Alberto Gonzales, for outright refusing to respond to a number of questions submitted by his Committee members, as part of the confirmation hearing process, the White House practically bit Specter's head off, demanding that he toe the White House line or face losing his chairmanship. And when the powerful GOP chairman of the House Ways and Means Committee, Bill Thomas (R-Calif.), described the Bush-Cheney scheme to loot the Social Security Trust Fund by turning it over to Wall Street "private accounts," as "a dead horse," he, too, was inundated with harassing calls from top White House officials. The *New York Times* reported on Jan. 19 that Cheney is actually the driving force at the White House, pushing the Social Security ripoff, a scheme long embraced by Cheney's guru, ex-Secretary of State George Shultz.

The psychological strains have been building since the beginning of the year. According to a well-placed Republican source with close ties to the Bush Administration, Cheney nearly had a meltdown on Jan. 6. Attending a White House strategy session just hours before the historic Joint Session of Congress to ratify the Electoral College vote, the Vice President was informed that Senator Boxer had joined Rep. Stephanie Tubbs Jones (D-Ohio) in formally challenging the Electors in Ohio, a state that decided the outcome of the Nov. 2, 2004 election by just over 100,000 votes, amidst massive reports of voter suppression and GOP fraud, heavily implicating Ohio Secretary of State Kenneth Blackwell, who also happened to chair the state Bush-Cheney re-election campaign.

According to the source, Cheney told White House attorneys that, when Boxer and Tubbs Jones formally challenged the Ohio vote, triggering mandatory two-hour debates and votes in the two Houses of Congress, he would rule them out of order and quash the debate. Shocked White House attorneys reminded Cheney that he could not unilaterally override the U.S. Constitution and the procedures set forth in an 1877 Act of Congress governing the formal process for an Electoral College challenge.

A Raging Bull

After a heated back-and-forth, the Vice President reportedly relented, and, hours later, did preside over the historic Joint Session, in his capacity as president of the U.S. Senate. As one eyewitness in the House Gallery reported, Cheney's anger at the proceeding was palpable. During the Senate vote on the Ohio vote irregularities, following two hours of historic debate, Cheney stood near the door of the Senate chambers, alone, quietly fuming. The *New York Times* the next day editorially called the debate a serious challenge to the Bush-Cheney claims of an electoral mandate.

It was a classic Cheney performance. The Vice President,

who was the architect of the Bush Administration's disastrous Iraq war, its post-9/11 doctrine of "preventive nuclear war," its mammoth tax cuts for the super-rich, the Halliburton no-bid government contracts worth billions of dollars for the Veep's old firm, and the leak of the identify of covert CIA operative Valerie Plame, has no use for the U.S. Constitution, particularly its General Welfare clause, when it stands in the way of his radical agenda. In a recent interview for The History Channel, Cheney spoke of his vision of an imperial Presidency, totally out of sync with American historical precedents. For Cheney, the Presidency encompasses absolute monarchy and papal infallibility. He candidly boasted that, as Secretary of Defense in 1990, he had urged President George H.W. Bush not to go to the Congress to seek authority, under the War Powers Act, to invade Iraq.

The question on the minds of many Americans today, particularly many leading traditional Republicans, is: When will Cheney's antics cause the Administration and the Republican Party to crash-land?

The Jan. 12 issue of the widely read newsletter *The Big Picture*, published by long-time Republican Party campaign strategist Richard Whalen, took up the Cheney issue in the following terms:

"Vice President Dick Cheney is behaving more like the *de facto* Chief Executive each day. He is focussed and intense, taking charge inside the White House more firmly and thoroughly than ever before." The new National Security Advisor, Steve Hadley, whom Whalen describes as Condi Rice's "docile successor," now allows Cheney's chief of staff, Lewis Libby, "to run the 7 a.m. White House senior staff meeting." Cheney, Whalen wrote, has moved against two old guard allies of Bush, Sr.—Brent Scowcroft and James Baker III—by dumping Scowcroft as head of the President's Foreign Intelligence Advisory Board, and blackballing several Baker nominees to be Rice's State Department deputy. According to Whalen, early in January, Cheney and Paul Wolfowitz held a private sit-down with President Bush, "with Condi Rice conspicuously absent. They urgently laid out what a top-level source calls 'a breathtakingly comprehensive plan' to centralize in the Pentagon control over all Iraq-related intelligence, cutting out CIA, DIA and the military service agencies."

But Whalen also observed that Cheney is moving at such breakneck speed in order to consolidate his position before the scheduled Jan. 30 Iraqi elections, which are expected to be a fiasco. Cheney knows that a disaster in late January could "trigger a Congressional GOP revolt against Defense Secretary Rumsfeld and his Iraqi policy." Whalen named Sens. John McCain (Ariz.), Richard Lugar (Ind.), and John Warner (Va.) as three prospective Republican leaders of a move to oust Rumsfeld, and perhaps Cheney. "A debacle and soaring U.S. casualties in a bloodbath" in Iraq "could spell both Rumsfeld's and perhaps Cheney's downfall."

And not a moment too soon.

Berlin Seminar Promotes a New Westphalia Treaty

by EIR Staff

An international *EIR* seminar of political figures, economists, military, strategic analysts, regional experts, and intellectuals, was convened in Berlin on Jan. 12-13, to discuss the current strategic, economic-financial, and cultural world crisis and the perspectives for solving it through concerted international action for a “New Treaty of Westphalia.”

Lyndon LaRouche and Helga Zepp-LaRouche engaged in an intensive discussion with 40-plus participants from the United States, Russia, China, India, Germany, France, Italy, Austria, Switzerland, Poland, Slovakia, Hungary, Egypt, Iraq, Zambia, and Zimbabwe.

The aim of the seminar was to outline the parameters of a new world financial and monetary system, to be brought into being by a new transatlantic-Eurasian dialogue, on the imminent breakdown crisis. These concepts were developed in LaRouche’s article in *EIR* of Jan. 7, “Dialogue of Civilizations: Earth’s Next Fifty Years,” which had been circulated in advance to all seminar participants.

Reports were presented on the internal political process in the United States, highlighting the role of LaRouche and his movement; the Russian crisis, characterized by internal economic-social dislocations and external geopolitical pressures, as well as enormous scientific and economic potentials; the current situation in China and India; the continuing disaster in Iraq, and the broader Southwest Asian region; and the political and economic situation in Western and Central Europe.

The strategic alternative presented by LaRouche, was a vision of U.S.-Eurasian cooperation over the next 50 years, to guarantee all countries just access to vital raw materials resources and the joint development of new raw materials and technologies. This should be the content of a revived “Peace of Westphalia,” and the true meaning of a dialogue of cultures.

LaRouche identified three focal points in the current juncture, in his keynote speech (published below):

- The solution to the global financial, economic, and strategic crisis, must emerge from the United States, despite the insanity prevailing in the George W. Bush Administration. There is, currently, a major shift occurring in U.S. politics: Forces in the Democratic Party, which have been catalyzed by LaRouche’s



Lyndon H. LaRouche, Jr. addresses EIR's seminar in Berlin on Nov. 11. Also at the podium are Helga Zepp-LaRouche (left) and Michael Liebig (right). The theme of the meeting was "Dialogue of Civilizations: Earth's Next Fifty Years."

faction since the 2000 elections, and in particular since the July 2004 Democratic Party Convention in Boston, are challenging the Bush-Cheney regime, notably on the issue of Social Security privatization. This involves important circles, including Republicans, in the U.S. Congress. In parallel, "institutional forces" in the military and the intelligence services, and among diplomats and intellectuals, are mounting a major effort to redirect U.S. domestic and foreign policy. These forces will initiate cooperation with the countries of Eurasia.

- We require a new long-term agreement among sovereign nations, for equal and just access to existing raw materials resources, as well as the development of new categories of resources. The greatest deposits of raw materials are in Central Asia and Siberia. In this context, the role of Russia's scientific sector was defined as key for the elaboration of raw materials.

- The collapse of the post-Bretton Woods monetary system requires abandoning the "independent" central bank system, and replacing it with national banking systems, through which sovereign governments hold the sole right to issue currency, and are bound by the duty to promote economic development in the interests of the common good. Under such conditions, a cooperative treaty agreement for a New Bretton Woods system can be achieved between the United States and the states of Eurasia.

Agreement on Raw Materials Required

On the meeting's second day, LaRouche took up the issue of raw materials further. He emphasized that, faced with the

challenge of providing for a large population, China realized that it needed to concentrate on major infrastructure development projects, especially water development projects such as the Three Gorges Dam. Russia, although politically weakened, has mineral resources and also the science to develop raw materials. The key is the scientific tradition of V.I. Vernadsky. India may not be concerned now with raw materials, but it will become so. Europe needs raw materials and it also needs a science-driver project. For that reason, Europe needs Russian, Chinese, and Indian cooperation.

LaRouche also addressed the question, "How do you get rid of the financial oligarchy?" You have to destroy its power, he said, by putting the economy under the control of sovereign nation-states. The United States must go back to sovereign nation-state banking, it must regulate prices, including those of raw materials.

He also called for the nullification of Third World debts, which are illegitimate and must be cancelled. The debt has been paid many times over! It is the International Monetary Fund which must be put into financial receivership. We must then create credit and loan capital, to invest in infrastructure development.

But, to accomplish this, the crucial fight is that against the privatization of Social Security in the United States. We must invoke the principle of the General Welfare as that is expressed in the Preamble, as President Franklin D. Roosevelt did, in finding a solution to the Great Depression.

The seminar concluded with five members of the LaRouche Youth Movement singing a multiple-voice setting of Beethoven's "Ode to Joy."

LaRouche to Berlin Seminar: We Need a New Treaty of Westphalia

Here is the keynote of Lyndon LaRouche to the EIR seminar in Berlin, on Jan. 12, 2005. He was introduced by Michael Liebig, executive director of EIR's European headquarters in Germany.

Liebig: It's a privilege to welcome you all here, for this strategic seminar here in Berlin, hosted by *EIR*. My name is Michael Liebig. I'm from the *EIR* office in Wiesbaden. And this seminar, here, today—and tomorrow—Mr. LaRouche decided that the depth of the issues which we are discussing here, necessitates a discussion which goes beyond a one-day event, so the seminar will extend into tomorrow afternoon.

So, the prehistory of this seminar, here, goes back right after Nov. 2, 2004, when Helga Zepp-LaRouche proposed, that in view of what happened then, at the earliest possible time we convene a seminar that discusses Euro-Atlantic and Eurasian relations in the context of the systemic economic, financial, and strategic crisis. . . . So Mr. LaRouche agreed, that he would be available in January, and that the topic of the discussion would be extended to address *fundamental cultural-political issues*, which normally, in discussions on Euro-Atlantic and Euro-Atlantic/Eurasian relations, tend to be pushed aside in favor of generalities and slogans. Mr. LaRouche has provided an extensive conceptual framework for that discussion in two articles printed in *EIR* magazine [Dec. 17, 2004 and Jan. 7, 2005]. . . .

Now, what is addressed in the two texts, and what will be discussed today and tomorrow, is an in-depth analysis of the political battleground within the United States. And specifically, the leadership role, both in respect to the Democratic Party and in respect to U.S. institutions, played by Mr. LaRouche, and his movement. And that an understanding, an *adequate* understanding of this situation, in the United States, which (and I speak out of personal experience), does represent a significant problem in Europe—and not just in Europe—where, in spite of a lot of knowledge and insight into the U.S. situation, there simply is a tendency for a not-differentiated-enough understanding, in terms of the internal dynamics of U.S. politics.

So therefore, correlating the understanding of the situation within the United States, to the question of building a new foundation for Euro-Atlantic and Euro-Atlantic/Eurasian relations, on a solid, sustainable, non-sloganeering foundation, will be a central feature for the coming two days.

So, saying that, I would once again emphasize, that we

would like to focus on the things that usually are *not* being discussed at such seminars—as I said, in favor of formulas and slogans—things which tend to be taboo issues, which tend to be characterized as “too heavy” for discussions of this sort. And, as we want to do this, we—and that's my hope—we do it in a Socratic fashion: in the sense that we will have a combination of contributions and free discussion. But, I would implore you all, that this occur in a Socratic fashion, so that we don't have simply the dropping of “idea-packages” or “concept-packages” one after the other, but that we have an actual discussion dynamic, which takes up the core concept evolving in the course of this seminar.

Now, we'll face certain time constraints, frictions, but I think that is the characteristic of any good seminar. And having said that, I would ask Dr. [M.K.] Saini from India to say a few words concerning the tsunami disaster, before we begin with the keynote address of Mr. LaRouche. Please.

Saini: A large number of people have died in the tragedy in Southeast Asia, particularly India, Indonesia, are the ones which were the worst hit, Sri Lanka, and we must stand for two minutes to pay our last respects to those who have died in the tragedy. We hope that their souls may rest in peace. Can we stand for two minutes?

Liebig: So, I want to ask Mr. LaRouche to start off with his keynote address, which is, as we say in German, the *Diskussionsgrundlage* [basis for discussion] for this seminar. Please.

Lyndon H. LaRouche, Jr.

What I'm going to lay before you, contradicts the diplomatic and related assumptions of discussions around the world today: That, in the coming period, especially with the onrushing financial collapse, which is inevitable now, that what people believe today, will no longer be believed. The system is coming down. The present world monetary-financial system is finished, and *will never rise again*. It's coming on now. Exactly when the official collapse occurs, is uncertain, but it will be soon. And in terms of the system itself, there will be no remedy which will ever allow for its recovery as a system, again, in future history.

So, we're going into a period of either chaos, which could be a Dark Age, or we're going into a period in which the assumptions of relations among states, especially respecting

economic and related kinds of relations, will be changed forever—either for the better, or very much for the worse.

We are looking, as I said, at a potential New Dark Age.

Now, this became clear, this process, or this part of the process, became clear on the morning following Nov. 7, 2000, when a Democratic Presidential candidate, Al Gore, earned a loss of a Presidential election by his own foolishness, and brought in a very dangerous factor—not merely a President, George Bush, who is mentally ill, and incompetent, who is essentially a puppet of people such as George Shultz, and more immediately of his Vice President, Dick Cheney; but, a Vice President and a Shultz who are committed to a policy of the use of developing new nuclear weapons as part of a retinue for *global, preventive nuclear warfare*, in which the first nation on the target list—as of the moment that Mr. Cheney was sworn in as Vice President—was Iraq.

Nothing that happened subsequent to that, had any effect on the decision to invade Iraq. It was a predetermined decision, which had been the policy of Cheney since he had been the Secretary of Defense under George Bush I. And he didn't give it up; he worked for it. There's an international group called the "neo-conservatives," who are for it.

The Nazi International

Now, these people, to make the point clear—and I exaggerate nothing in what I'm about to say: The force behind Cheney and behind Shultz, is what we knew formerly as the Nazi International. That is without exaggeration. That is not a comparison; that is a fact. The same group, such as Lazard Frères in Paris, the other groups which were involved in the Versailles agreement, which set up the Germany reparations agreements, at Versailles, were part of a plan of a process, which led through the British putting Mussolini into power in Italy, through the instrumentality of Volpi di Misurata, who is the actual author of Italian Fascism, run out of London.

And these people had a plan, by using war reparations against Germany, to crack Europe—that is, Germany would not be able to pay the war reparations, but the war reparations would be scheduled to go primarily, directly, to France and England, which were bankrupt as a result of the First World War. And that this would create a situation, in which the monetary system would collapse—the Versailles monetary system—as it did; and then they would create a new monetary system, which they created in 1931, called the Bank for International Settlements, which still exists today. A key member of the Bank for International Settlements, was Hjalmar Schacht, who was one of the authors of Hitler's government, who was a British agent: an agent of the head of the Bank of England, specifically.

The plan was to create a new monetary system, based on an international financial cartel. This financier cartel, made up of private banking interests, private financier interests of the Venetian style, became essentially the government of Europe. They planned for a war. They planned to mobilize Eu-



Lyndon LaRouche: "On the day people perceive, in general, that the system is coming down, that the institutions which they took for granted are no longer there, they're going to scream. If we provide the answer, they'll probably grab it then, where they would refuse it, before. If we don't provide the answer, then the Devil will!"

rope, under Hitler—putting Hitler into power in Germany—as their tool, to conduct the war which initially was supposed to be aimed directly at Russia, first—at the Soviet Union. But then, because of discussions between the Soviet government and the German government, the Ribbentrop-Molotov agreements as they became, the British had to change their agenda. They first, initially intended that Germany would attack the Soviets, and be caught in depth in Soviet territory; then the French and British would attack the Germans from the rear (which is a favorite British stunt).

But, because of the change—and this, of course occurred in the context of the visit of Marshal Tukhachevsky to France, in particular; and the failure of the Tukhachevsky mission was the signal that this thing was on, even before the treaty, the Molotov pact was signed. So, at that point, the British and French knew they had to bring the Americans in—they didn't want to have the Americans in, because they were afraid that if the Americans were in on the war, the Americans would come out as a dominant force. They didn't want the Americans in the war, until the middle of the 1930s.

But then, after they dumped Edward VIII, who was too close to Hitler at that time, the people who had backed Hitler, from the Anglo-Americans in particular, shifted to an anti-Hitler position—gradually—not all of them. Lord Beaverbrook was still for Hitler in May of 1940. Lord Halifax was still for Hitler, in that period. Remember, Beaverbrook then became the propaganda minister for the British for World War II; Lord Halifax was sent to Washington as the British ambassador to the Roosevelt Administration.

Then, the crowd in New York which had backed Hitler—which included Harriman, the family of Harriman; which included, of course, the father of the present Sen. Ted Ken-



Franklin D. Roosevelt (left) was committed to a post-war, American-led program for building up former colonies, into modern nation-states. When this was proposed to Sir Winston Churchill (right), during a wartime conference, the British Prime Minister exploded in rage.

nedy, Joe Kennedy; who, up until this period had been pro-Hitler, gradually changed. They were anti-Hitler, but, they were still part of the international financier cartel, which had created the Nazi overrun of Europe and the war.

The Death of Roosevelt

And the end of the war, with the death of Roosevelt, the policies of the United States changed, absolutely, strategically, on the day of the death of Franklin Roosevelt, the following day. Roosevelt had been committed to a post-war decolonization of the world. Not merely decolonization, but a specifically American-led program for building up former colonies, into modern nation-states. This had been proposed, for example, at the meeting with Churchill, where Churchill was very upset, on this proposal, detailing what the plans were for Africa, especially Northern Africa, by the United States government at the end of the war. Similar programs for India and other countries.

And the idea was, that we would use the military power, the economic power, that we had developed in the United States for the war: We would convert these industries which had been mobilized for war production, we would convert them into industries to support capital formation in developing countries. The intention was to create a world order among sovereign nation-states, as a replacement for the kind of European-dominated system which had existed before.

This could be considered the Second Treaty of Westphalia prospect: to go beyond what was accomplished by ending

religious war, as such, in Europe, with the Treaty of Westphalia—a system of nations, where the nations are each committed primarily to the common good of all nations, first, and themselves second. And by this kind of commitment, to create an order of sovereign nation-states on this planet, which would be the security system, as well as the promotion of economic growth, for the future of humanity thereafter.

On the day after Roosevelt's death, a very little man—Truman—a very stupid man, a nasty little fellow; just an instrument of Harriman and Company—these fellows did several things. A friend of mine, for example, had been involved in Italy, through the Vatican Office of Extraordinary Affairs, then under Montini who was later Paul VI, in negotiations on behalf of the Emperor of Japan with the United States and other powers, for a peace treaty. The peace treaty depended upon recognizing the position of the Emperor in the post-war period, as the head of state. The argument was, that if the Emperor remained the head of state, Japan would hold together, it would not split apart, and therefore there would be a workable solution.

The death of Roosevelt *ended that*. The Truman Administration suppressed the fact of that agreement, negotiated through the Vatican's Office of Extraordinary Affairs, *in order to drop nuclear weapons—needlessly—on Hiroshima and Nagasaki*. The purpose was, to establish a world empire, based on the assumption of Anglo-American control of nuclear arsenals. It was a policy designed by that great pacifist, Bertrand Russell, an enemy of mankind, who said, we must



President Nixon meets with Cabinet members on May 4, 1971, three months before collapsing the Bretton Woods system—a fateful decision in which George Shultz played the leading role. Left to right: Arthur Burns, John Connally, Nixon, Paul McCracken, and Shultz.

use nuclear weapons for *nuclear preventive war*, in order to establish world government, world empire.

Now, that policy, which Truman expressed, by his actions in that period, the Russell policy, has continued. What happened? The Korean War didn't go the way it was planned on the U.S. side. It was discovered that the Soviet Union had a deployable *thermonuclear* weapon, when the United States didn't have one yet. So therefore, they called off preventive nuclear war, for the time being. And there was a shift into "nuclear deterrence," developed, again, under the direction of Bertrand Russell, which became known as Mutual and Assured Destruction, MAD—which is what I tried to bring an end to, sometime later (not without some success, and not with success—anyway).

So, what happens is, now, with the collapse of the Soviet Union, instead of a new arrangement of the type we sought with the SDI—and, President Reagan was, with all his faults and other questions, was *seriously dedicated to that prospect*. He was dedicated to that, because he was, among other things, among all his faults, he was committed to the legacy of the Franklin Roosevelt Presidency. And therefore, this was his sentiment, and he expressed it sincerely and honestly. I designed the policy, in detail; he adopted it, exactly as I had designed it.

It was turned down by Andropov—and Hell broke loose, as a result. And for me, too, personally, because, what I had nearly done, had gotten the apparatus so upset, they wanted me out of the way, in any way possible. They just didn't want to take credit for it.

So, with the collapse of the Soviet Union, which was clear

in 1989—it took them all by surprise; they didn't foresee it. They say they foresaw it; they *didn't* foresee it. *They didn't understand the situation*. They were blinded by their own schemes.

Post-War Redeployment of the Nazis

But, at that time, they immediately responded, with a revival of the Nazi International. And this thing, was not something that was brought out of the grave: The Nazi International never died. For example—the case of Pinochet is an example of this, the Pinochet government. And I'll indicate the importance of this particular event, for what we're discussing today.

Allen Dulles had been a key partner, of the international backing for the Nazis, he and his brother John Foster Dulles; and in principle, the younger brother Avery Dulles, the Cardinal—now in Rome—who's relevant to the corruption of the Church. So, what they had done, on the death of Roosevelt, they had proceeded to bring in large sections of the Nazi system, into the Anglo-American system. And it eventually became an integral part of NATO. The argument was used, that these guys were the best anti-Communists, the best anti-Communist fighters; therefore, you bring them in for that purpose—and you will look the other way, when you come to looking at their credentials. Many of them went down into South America, through a "rat-line" organized by Dulles, through Schacht's son-in-law.

Then, you come to 1971: George Shultz was a key member of the Nixon Administration, one of the controllers of Nixon at that time—with Henry Kissinger as an also-ran, and people like Paul Volcker. These people, in 1971, in August,

pulled off the first step to collapse the Roosevelt-designed Bretton Woods system, the original IMF. The following year, with Shultz at Azores, fighting Pompidou, imposed upon the world a change in the world monetary system, the IMF, from the fixed-exchange-rate system to a floating-exchange-rate system.

Now, that change, and the U.S. government's participation in that change, changed the world. We were on the road to Hell, already at that point. And George Shultz was key.

One of the first products of this change, occurred in Chile: You had two groups who were part of the Synarchist International, actually: Fidel Castro, who is actually a very right-wing character, if you know his background; who changed to a left-wing character when the opportunities required it. So, he was used, with the Allende regime, to create a stunt, including this Kalashnikov display—personal Kalashnikov for Allende; and this stunt was used to create the impression, in the wild-eyed parts of the world, that there was a “Communist menace” about to take over all of South America. And they were going to deal with this first of all in Chile!

So, what they did, is they took Allende, they got him killed by Pinochet and Company; made Pinochet a dictator; and to follow it off, they took the Nazi International—that is, people who were first or second generations part of the SS!—and they organized what was called Operation Condor, a mass slaughter throughout the Southern Cone area of South America.

This was part of a “strategy of tension,” which we saw with the unleashing of terrorism in Italy. And the terrorism in Italy was done by the Nazis! It was done by the sequels of SS Gen. Karl Wolff—who ran Gladio for NATO; and who committed the assassinations, the terrorist wave, in Italy, Germany and elsewhere, during the early 1970s.

These guys are the same guys, who, with Shultz involved, are behind the present Bush Administration. Shultz, in the middle of the 1980s, actually crafted the structure of what became the Bush Administration. Cheney was his number-one man. Shultz represents international finance. He represents the same interests, which we knew as that group of private bankers, that financier cartel, which gave us the Nazi system and so forth, during the 1920s and 1930s. They're back.

The President of the United States is a mental case. This is not a characterization; this is a clinical diagnosis: The man is *mentally ill*. He's non-functionally mentally ill. But he's a puppet. And it is dangerous to have a mentally ill person, in the position of a head of state of a powerful nation, even if he's only a puppet, even if he's chiefly controlled by people like Shultz and Cheney.

Our Strategic Intervention

So, we are in a period of *incalculable* possibilities, in which the checks and balances of politics no longer can be relied upon. But that does not mean we don't have resources:

As in warfare, you have your strategic resources, you have your strategic options. And that's what we have, is strategic options.

Very soon the system will collapse.

Now, where are we right now? I raised these questions with a group of Democrats and others, during the period immediately following Nov. 7, 2000. And that began a process, which more or less directly, leads to what we're discussing here, today, the circumstances we're discussing here today. Early on, parts of the U.S. establishment agreed with me, especially people around former President Clinton, who has been listening to me, shall we say, a little more and more, as time passes on. We fought a number of issues, with the idea of trying to rebuild the Democratic Party. But, we had strong opposition to this within the Democratic Party, which has its own Nazi-connected types in there, as well as other things; as well as Republicans.

We also had a network of Republican figures, who are the same variety of Republicans: particularly people who come from the military background, intelligence services, the diplomatic services, or who are out of service, but who still are functioning in that mode, as professors of this or that, in this part of our system—this part of our Presidential system.

So, the ideas, the influence of our discussions spread. When it came to the 2004 election campaign, the determination was to keep me out of this, if at all possible. Well, they didn't keep me out. They tried; it didn't work. At the Boston Convention of the Democratic Party, we reached an agreement, agreement to collaborate. After Sept. 1 of this past year, when Clinton spoke to Kerry, and told Kerry that his present campaign was nonsense, that he had to change his ways, and that I had to be brought in, as an advisor on how to run the campaign.

We managed to salvage a good deal of the campaign. We probably actually won the Presidency, in terms of what we did. However, the other side cheated, and since that was the party in power, it was difficult to overturn it. But, recently, in the past week, we did raise the question: that we, in a sense, declared George Bush a “lame duck,” as what we call it in U.S. politics—he's already on the way out, before he's even inaugurated.

Now, we got people to take a stand on that. What we have now, you have probably about 1,500 people who form a network, largely in the Democratic Party, but also Republican pedigrees, who are part of the network that I work with; who I'm in touch with every day, directly or indirectly. That is, the policy discussion among us, passes around the network very rapidly, particularly in these days of Internet electronic communications. And therefore, the policies are discussed.

We do not yet have a consolidated control of the Democratic Party, but we have many Republicans, and many Democrats, who are oriented to finding a solution. And since we represent the United States, we think in terms of the American history, our precedents, our capabilities, what we can do, what

we must do in the world.

What that means, of course, is that we have to take actions that no other part of the world can do.

The problem is this: The present international monetary-financial system is coming down. It can not be saved. It's only a question of when—and "when" is soon. The system is finished. Now anybody who understands the system *knows that*—including my enemies, at the highest level. Their game is, how are they going to play the situation?

Now, many people say, "Well, if the financial system collapses—It can't collapse! If it collapses, what happens to our money?" This is where this illusion, the brainwashing, about belief in political economy, comes in: Money is not anything! Money is a creation of somebody. And somebody else accepts it; that makes it currency. But there's no intrinsic value to money. Money has value under various terms: Do you have a financial group, such as the Bank for International Settlements, or the bankers associated with that, who run central banking systems—so-called "independent" central banking systems, which are more powerful than governments?

The American System vs. Anglo-Dutch Liberalism

There's not a government in Europe, which is more powerful than its central banking system! The government is a flunky of the central banking system! And they even have a control mechanism, called the Maastricht Agreement of the European Union, which ensures that no country has any sovereignty, no government has sovereignty. Because, as long as you're under the control of an independent central banking system, which is independent of government control, but is controlled by a group of international financier-oligarchs, who's running the world?

Now, of course, government has the intrinsic power to *take that power away* from central banking systems. But, when you look at the political systems of the world, who has the *guts*, among the politicians, to take that, and not be shot in the morning? *Where do you have a concert of political forces, which are willing to rise in the defense of the sovereignty of their nation or of a group of nations, against the tyranny of international central banking systems? . . .*

So, the problem is, the United States is the only nation which was created with a Constitution which is adequate to this situation. And, as in the case of the immediate post-World War II period, where the United States was the only nation with any integrity as an authority in monetary affairs, so in 1944, at Bretton Woods, President Roosevelt used the American System of political economy—the *anti-British system* of political economy—and shoved it down the throats of the British, including Keynes and others, to set up what became known as the Bretton Woods system, or the fixed-exchange-rate system, based on the power of the United States to *back a gold-reserve-based fixed-exchange system*.

Now, that's the character of the United States. One has to

understand, that the United States was created as the first revolution against the establishment of the British Empire: a British Empire, which was established on Feb. 10, 1763, at the Treaty of Paris. This British Empire, which was then an empire of the *British East India Company*, not the foolish British monarch, then used the power it gained by the submission of these countries at the end of the Seven Years' War—which the British had organized! The British organized the powers of Europe, to fight one another, to weaken the nations of Europe, so that the Anglo-Dutch Liberal system of imperialism could prevail!

The one place in which this fight was staged, against this new empire, the British Empire, was in the United States. It started, actually, in that period, in the period of the Seven Years' War; at a time that people in Germany, like Kästner and so forth, from here, were involved in connections to Benjamin Franklin; where leading Europeans were working with North Americans, especially around Benjamin Franklin, to build an alliance, with the idea, that the establishment of an independent republic among the English-speaking colonies of North America, could be a precedent for bringing that effect *back into Europe*, as a precedent.

The French Revolution, which was supposed to occur in the form that Lafayette and Bailly proposed, would have been the second step, to establish the liberation of Europe, from this kind of system. But the British intervened, because the

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British *ran* the French Revolution! From July 14, 1789 on. There were British agents who orchestrated it, including Necker. It was run on his behalf.

And you had a British intelligence operation, called the Martinist freemasonic association which *ran* Napoleon! Joseph de Maistre created Napoleon! Invented him! Designed him! Based on the model of Torquemada, the Grand Inquisitor of Spain. Ruined Europe, through Napoleon! And established the power, first of all, primarily, of the Anglo-Dutch Liberal system. And the Habsburgs were soon finished off, and made merely puppets of this Anglo-Dutch Liberal system, thereafter, through financial control.

So, because of that, the United States, which was beleaguered, small, weak; because Spain was collapsed, which had been an ally of the United States; because Spain and France were divided from the United States in the peace Treaties of Paris, 1782-83, by the cleverness of the British under Lord Shelburne—who was probably one of the most evil men of that century—and the creation pretty much of the British system, today: because of that, apart from the Bolshevik Revolution and similar events, there has been *no alternative, to the British Anglo-Dutch Liberal system of imperialism on the Continent of Europe, so far.*

There have been thrusts. De Gaulle made a thrust in that direction, with the Fifth Republic, with the heavy franc, which was an act of guts. But, after John Kennedy was killed, de Gaulle was more or less isolated, in point of fact, with no U.S. ally of worth. And therefore, what happened, happened.

So, the United States today has a tradition, a Constitutional tradition, which many Americans know. Those of us who understand the United States, understand it: We are capable of reviving the Franklin Roosevelt precedent, that I referred to. And in the time when the entire international financial system is collapsing, if you have the right government in the United States, the right government in the United States will, preemptively, *act*, to do what Roosevelt did. When all monetary systems are collapsing, the United States will say, “We repudiate the present IMF. It’s bankrupt! And we go back to a fixed-exchange-rate system as policy.” Under those conditions, we can crack it! And those nations which wish to be free from the slavery of the Anglo-Dutch Liberal system, can then declare their freedom, which has been long awaited.

Looting by ‘Globalization’

Now, the world has not been exactly unchanged, during the past 40 years, the 40 years of decadence. In the past 40 years, Europe, and the Americas, have been destroyed: have been destroyed by a process called “environmentalism”; a process called “globalization”; a hatred against technological progress, real technological progress. The substitution of playing or masturbating with computers, as a substitute for technological progress. You’re playing with numbers, not

actually creating anything—just moving things around, according to the numbers. Bertrand Russell’s system.

Therefore, what we’ve done, is we said: “All right. First of all, we use the IMF”—from 1971-72 on—“we use the IMF to impoverish nations which have been nations.” Look at South America! Look at Mexico! Go through the period 1971 to 1982: Look at the transformation in the conditions of South and Central America. We bankrupted them! How? Through London! How? By using the international monetary system of the bankers: Through London, we organized runs against national currencies. We then said to them, “Well” (to the government in question), “you want this run to stop? You better call in the IMF and get some advice—or the World Bank, or both.” So, the IMF and World Bank, which were then the “Thief of Baghdad” of the world as a whole, now move in, and advise the country to reduce the value of their currency, arbitrarily—a currency which had been collapsed by a financial warfare attack from the London market, from the concert for the system. They dropped their currency.

Ah! “But,” the IMF says, “that’s not going to work. You’re going to have to create, on paper, a new debt, to make up for what your creditors will lose by your devaluation of your currency.” Now, all of the countries of South America and Central America, combined, have more than paid *every penny they ever borrowed! They don’t owe anything*, except the effects of this superimposed, artificial debt, dictated debt.

You have a similar situation—this happened, of course, in India, earlier, with the rupee devaluation, which was intended to break India, and to break the will of Nehru. This is what Mrs. Gandhi dealt with, all the time—till they killed her, too! And her son, too! To prevent a powerful nation from standing up against this.

So, what is the situation of the world? Now, we have created desperate nations, which no longer have the ability to develop their own economy. We now offer them, to give us their cheap labor. At slave-labor rates, to allow us *to loot* their natural resources, and their people.

Look what we’re doing to Africa. An example of this: Henry Kissinger, National Security Study Memorandum 200, written in his capacity as the National Security Advisor. Policy for Africa: Africa is overpopulated. Africa has natural resources, particularly the Southern Shield—mineral resources. *We intend to take those resources. They’re ours!* We can not allow the Africans to *eat* them! We can not allow so many Africans to live: They will eat resources, that we want for our future. We can not allow them to develop, because then they will use more natural resources, per capita. We can’t allow that: *We must conduct population reduction against Africa! Sub-Saharan Africa.*

And look at Sub-Saharan Africa, since the beginning of the 1970s. It was already started then, clearly. This was the Anglo-American IMF policy, the World Bank policy, all the way through. The IMF and World Bank have become the

Adolf Hitler of the planet. They've done more killing—. And the way it works: They would go into a country—the bankers would go in first, formerly; now, it doesn't work that way, they send the killers in, first. The bankers go in first; the bankers induce the country to take loans, under these IMF conditions. The country is then induced to bankrupt itself. Then, the IMF moves in, through its agents, and orders the country to submit to certain arrangements—under the pressure of this debt crisis. As in Indonesia, for example. And then, if the government *resists* these conditions, then members of the Nazi International, or their second or third generation, *move in to kill, assassinate heads of government, heads of state*, and other key figures who are impediments to the good interests of the IMF and the World Bank.

This is the system.

As a result of this, what did we do? We took Europe—great Europe! Great, independent, wise Europe! Great, independent, wise United States—we said, “Ah! We have cheap labor! We don't have to keep paying our wage rates to our people! We can get conditions for free that we have to pay for in the United States. We can close down our factories, and move the production of our materials, to countries where they have cheap labor. And now, we will get these things that we want to consume, from the cheap labor of South America and Asia.”

Now, therefore, we have an increase in technological levels of activity, in countries which are beneficiaries of this becoming cheap labor for the United States. But, they're also competing in cutting each other's throat, by undercutting each other with cheapness of labor. And therefore, you have a growth of employment, in Asia for example, in these categories, which may look attractive to people in Asia now—but, it is also a *threat*. It's a threat to do to Asia, exactly what they did to South America and Africa.

India, of course—India and China are the chief targets. And that will express itself, at certain times, in certain ways, as a part of this process.

If Europe were to collapse—and it can collapse, now—Europe is in a state of collapse. Germany has a very successful export program, but the export program is not enough to make up for the loss of employment inside Germany itself. Germany is bankrupt. The European Union is bankrupt. It may, because of political institutions, it may be able to pretend it's not bankrupt; it may have alternatives, political alternatives. But it's bankrupt!

The United States is *hopelessly* bankrupt! Financially.

We have a world system, which is in the order of magnitude of less than \$50 trillion a year, gross product. That is the net of gross product. And we have a financial derivatives complex, in *hundreds of quadrillions!*—of implicit debt.

The system is bankrupt. There's no way you could reorganize the system, in an ordinary way. The only thing you can do, is declare bankruptcy and repudiation of obligations to

the system. Then the state intervenes, under the principle of the general welfare, the European principle of the common good, the general welfare—and says, “The state must now act, to defend the general welfare, the common good: That means, to maintain employment, to maintain institutions which are essential to the population, and essential to the future of the nation. They come first. Everything else comes second—or maybe never.”

New monetary systems are created.

Now, that's what I want to get to, now. That's where we are, now.

Create a New Monetary System

We're at the point, the decision is on the table: Are we going to create a new monetary system, which presumes that a concert of nation-states, sovereign nation-states, will put the existing IMF system—the so-called Anglo-Dutch Liberal system—into *bankruptcy receivership*. In other words, governments would take over these banking institutions, and the financial institutions; take them into receivership, as it takes any bankrupt into receivership; and manage these bankrupt entities, in such a way as to promote the general welfare, first; and then, if there's something left over, maybe some of the claimants may get something back, if they behave themselves. But, nothing on financial derivatives, because we can't afford it. That's number one.

But the world has changed: The world of 40 years ago, no longer exists. We're in a new world.

Right at the present time, as many of you know, the only business, international business of any importance, is speculation in assets in so-called raw materials. The United States is engaged in speculation for seizing control, financial control—that is, future ownership—of raw materials assets.

Europe, in two parts—continental Central and Western Europe, are engaged in the same game, trying to reach outward, to get control of assets, mineral assets especially, from various parts of the world, for Europe's future. The British Commonwealth, which is a special predator in this thing, has its own game, as part of the European system. Russia's territory, with associated countries from the former Soviet Union, is a great raw materials power, in terms of the intrinsic resources lying within that territory.

China is not a great raw materials power, but China is a great bidder, today, in the world, for future raw materials. China has entered into contracts with, say, Brazil. It's entered into contracts with Canada, on tar-sands development. It's just recently added agreements with Argentina, and Argentina's Patagonia has one of the great reserves of mineral resources on the planet; one of the greatest potentials for development, actually, on the planet. Brazil has vast resources, under the Amazon, which the British and others are trying to keep them from developing. And naturally, countries move into these areas.



A scene in Kolkata (Calcutta), India.
"We've got to bring the poor of Asia out of poverty! And we have to do it in a generation. We can not sustain this planet, with this kind of poverty: It must be changed."

Eliminate Poverty in a Single Generation

Now, the question is this: We've come to the point, with the expansion of population—and let's take the case of India and China, who are represented here, at least by citizens who can respond to the interests and sensitivities of these countries: All right. We've got an expanding population. We have over a billion people now in India. And we have probably—moving toward 1.5 billion people in China, or something like that. Most of these populations are extremely poor. Of over a billion Indians, about 700 million are extremely poor, desperately poor. In China we have—society may be more orderly in terms of the poor, but it has a vast amount of poor. They're not developed for modern society; they're coming in on the tail-end. The same situation exists throughout Southeast Asia and South Asia.

What are we going to do? Given this crisis, this raw materials business, and this population growth? Can we provide, to the human race, a guarantee of sufficient availability of mineral and related kinds of raw materials, for the indefinite future on this planet? *Yes, we can. If we do what we have to do, to do it.*

However, this is extremely important, especially since we must lift the poor populations, the poor part of the populations of Asia, out of the extreme poverty, which is merely typified by the situation in India, and the poor in China. If you're going to have a society which can develop itself, protect itself, you have to increase the productive powers of labor intrinsic to the people, by developing the people: developing their education, developing their opportunities, creating new communities where they live a normal life. *We've got to bring the poor of Asia out of poverty!* And we have to do it in a generation. We

can not sustain this planet, with this kind of poverty: It must be changed.

Therefore, we have to have a mission-orientation in that direction.

What does that mean? Number one: We have to use the power of governments, to protect the mineral resources of the planet from being seized by private entrepreneurs, or interests or combinations of private entrepreneurs, who *hold them and will use them in speculation against populations*, and use that to tyrannize governments to reduce their populations.

Therefore, we must have an agreement among nations, to say that the question of the planet's common interest, in the management of our mineral resources, of the planet as a whole for the future of humanity, is a principle of the general welfare, and it is not a matter of private interest. Private interest can operate, but private interest must operate *under regulation*. And the regulation must guarantee the access of every part of the world to the needed raw materials, or developed raw materials, they require for their populations and those populations' development for times to come.

An Emergent Eurasian Culture

Now, when people are talking about a Dialogue of Cultures, we've come to the point, that we must, in particular, we must bring Europe and Asia together: This is inevitable. A division of labor exists, for example, like the German trade with China; the Russian trade with China, and especially with India. A division of labor exists between Europe and the countries of Asia, especially the developing countries of Asia.

Therefore, Eurasia is a reality: It is an emergent economic reality. We have before us, the prospect of a Eurasian culture

emerging. Now, of course, Russians have some experience with Eurasian culture, because Russian culture *is* a Eurasian culture; it's become that. But, we have to develop a Eurasian culture.

Now, some people approach this thing, from the standpoint of, "Let's get the religions together." I say, "Stop it! If you try to run the religions together, you're going to get a religious war. Forget it! Don't try to get people to give up their religions. Don't try to get them to compromise their religions."

Take a different approach. The different approach is the *common interest of mankind*. And what we should be aiming for, culturally, is the idea of the nature of man: that the human individual has certain inherent rights, which distinguish the human being from the animal. And rather than arguing about how that should be interpreted religiously, why not deal with the problem as governments can? Practically. Let us affirm the responsibility of government, individually and collectively, for the dignity of the human individual, as expressed by the *right* of that individual, that family, to have for their

children and grandchildren, the prospect of an improved condition of life, a worthwhile future, and the recognition of their personal identity, as a person who, in their lifetime, has been given the opportunity to *contribute* to the future of humanity as a whole—to the honor of the past, and to the benefit of the future.

So therefore, my view is, that the way we can get at a Eurasian culture, is take this crisis, right now—the system is coming down—the American System, or return to a Bretton Woods-style of fixed-exchange-rate system, is feasible. But this time, as an integral part of that, we have to recognize, we're up against the point which, without development of the management of natural resources, we're not going to be able to meet the needs and aspirations of the peoples of the world, as a whole.

And therefore, we must take the fact, that we're at a boundary condition: The planet is being strained by a lack of development. We have population growing, but a lack of development. Our friends in Russia, from institutions such as the Academy, the Geological Museum, Vernadsky Museum,

The Treaty of Westphalia

The Treaty, dated Oct. 24, 1648, brought an end to the Thirty Years' War, which had drowned Europe in bloody battles over religion. The Treaty defined the principles of national sovereignty, becoming the constitution of the new system of states in Europe. Here are excerpts.

Peace Treaty between the Holy Roman Emperor and the King of France and their respective Allies.

In the name of the most holy and individual Trinity: Be it known to all, and every one whom it may concern, or to whom in any manner it may belong, That for many Years past, Discords and Civil Divisions being stir'd up in the Roman Empire, which increas'd to such a degree, that not only all Germany, but also the neighbouring Kingdoms, and France particularly, have been involv'd in the Disorders of a long and cruel War: . . .

I. That there shall be a Christian and Universal Peace, and a perpetual, true, and sincere Amity, between his Sacred Imperial Majesty, and his most Christian Majesty; as also, between all and each of the Allies, and Adherents of his said Imperial Majesty, the House of Austria, and its Heirs, and Successors; but chiefly between the Electors, Princes, and States of the Empire on the one side; and all and each of the Allies of his said Christian Majesty, and all their Heirs and Successors, chiefly between the most

Serene Queen and Kingdom of Swedeland, the Electors respectively, the Princes and States of the Empire, on the other part. That this Peace and Amity be observ'd and cultivated with such a Sincerity and Zeal, that each Party shall endeavour to procure the Benefit, Honour and Advantage of the other; that thus on all sides they may see this Peace and Friendship in the Roman Empire, and the Kingdom of France flourish, by entertaining a good and faithful Neighbourhood.

II. That there shall be on the one side and the other a perpetual Oblivion, Amnesty, or Pardon of all that has been committed since the beginning of these Troubles, in what place, or what manner soever the Hostilities have been practis'd, in such a manner, that no body, under any pretext whatsoever, shall practice any Acts of Hostility, entertain any Enmity, or cause any Trouble to each other; neither as to Persons, Effects and Securitys, neither of themselves or by others, neither privately nor openly, neither directly nor indirectly, neither under the colour of Right, nor by the way of Deed, either within or without the extent of the Empire, notwithstanding all Covenants made before to the contrary: That they shall not act, or permit to be acted, any wrong or injury to any whatsoever; but that all that has pass'd on the one side, and the other, as well before as during the War, in Words, Writings, and Outrageous Actions, in Violences, Hostilities, Damages and Expences, without any respect to Persons or Things, shall be entirely abolish'd in such a manner that all that might be demanded of, or pretended to, by each other on that behalf, shall be bury'd in eternal Oblivion. . . .

represent a repository of people, who have experience with the Asian aspect, and other aspects, of the problem of managing raw materials, mineral raw materials, for the future of this planet. Russia is a key part of the Russia-India-China partnership for Asia. Russia is a partner, with Western Europe, in these enterprises.

Therefore, is there not a common interest which has several features? Do we not require, that Western Europe—say, typified by Germany where we’re standing here, today—must go back to becoming a high-technology exporter? Of goods, high-technology goods? *Because Asia needs that technology.* Why should Europe try to compete to get back markets from Asia? It’s crazy. Why does not Europe, as the United States, take the responsibility of developing its people, and its capabilities, for the kinds of technological *frontier development in technology*, which is needed for the peoples of the world as a whole?

Why not think of a constructive, mutually beneficial *division of labor*, rather than competition? Why not recognize, that in contributing to the common good, to the general welfare first, as the Treaty of Westphalia prescribed, that we find a greater advantage for ourselves than in trying to compete, in competing advantages against one another in a world market?

Why can’t we learn to cooperate?

This means, of course, a change in the way that we look at the individual in society, today. It means the death of what has been called “environmentalism.” It was that weapon, of the so-called “environmentalism,” as defined by the Club of Rome and others, which has done the greatest amount to help destroy, or to help induce Europe and the United States to destroy themselves; and has also contributed to oppression, which Europe and the United States have imposed, upon so-called developing countries. This has been a piece of unscientific, anti-scientific *idiocy*. We should stop it! We have to stop it, if we want to survive.

We have to now think in terms of what is good for the planet, from the standpoint of the working scientist, who says, we must develop the means to cope with any problem which presents itself to us, or to humanity in general. If we are willing to dump this mysticism, this crazy, Satanic cult of ecology, and get back to becoming what Europe was at its best, a repository of technological and scientific progress, then, we can educate our populations accordingly—and we can do things: We can create new industries.

What we need now is, of course, in this new period, a series of treaty agreements among nations, long-term treaty agreements of 25- to 50-year duration, for capital formation. And the way we can muster the capital, is by creating long-term loans, with the aid of governments, to fund, to provide credit to entrepreneurs and others, who will produce what is needed, as capital goods. This must be at low rates; it must be a fixed-exchange-rate system—you can’t do it otherwise. If you have a floating-exchange-rate system, you can not engage

in long-term treaty agreements. You must have state treaty agreements, state-to-state; or multi-state treaty agreements; 25 to 50 years’ term, as blanket agreements which cover a lot of smaller agreements, and smaller projects.

These treaty agreements then become like a banking facility: They issue loans, which they think meet the purpose of their institution, in assisting the progress of this enterprise, that enterprise, and so forth, which they think is going to fulfill the purposes of their agreement.

So therefore, I think that’s where we stand.

Serve the Common Aims of Mankind

In trying to get nations together, rather than trying to argue about bits and pieces of cultural this, and cultural that—flotsam and jetsam—why not take the most fundamental thing? The human race is in danger. We have a common interest. We have a common interest, above all, in development; in development and management of such things as the mineral resources of the planet. We’re now bumping up against the point, there are no wild areas to be raped: We now have to develop whatever we need, to provide our mineral resources.

Therefore, let us take that task, as a task of *common interest*, and let us create agreements, under a new monetary agreement, dedicated to that and include that. And then, let us look at each of our countries, and say, “What can each contribute to the general good, in this way? In way of production?” Put the Europeans back to work, in producing what they could produce, if they’re saved in time. Put them back to work! Especially in the high-technology areas, where they can produce a product which would be useful for emerging countries, emerging economies.

And define that as a *common aim of mankind*—the common aims of mankind. And let us, rather than trying to impose a cultural model upon Eurasia, and the rest of the world, why not take the one issue, which best defines our *unified*, common interest, and use that to bring us together, in cooperative ventures? And take two generations, 25-50 years. We can’t mortgage the future indefinitely, but the next 50 years is our responsibility. If we start it now, I think that’s the solution.

And that’s what I will be working for, from the United States. I will be fighting for this. It’s going to be a big educational fight—but I think we can win it. We can win it, not because people want to be won over, but because they’ve suddenly become convinced they have no alternative, *but* to be won over.

On the day they perceive, in general, that the system is coming down, that the institutions which they took for granted are no longer there, they’re going to scream. If we provide the answer, they’ll probably grab it then, where they would refuse it, before. If we *don’t* provide the answer, then the Devil will!

Thank you.

Society Needs a New Paradigm, More Worthy of the Dignity of Man

Mrs. Zepp-LaRouche gave this speech to the EIR Berlin seminar on Jan. 12.

I just want to, in a certain sense self-reflect, or initiate a process of reflection, because actually what we are trying to discuss here with this seminar, is a vision for the 21st Century. We are not talking just about geopolitics, financial crisis—all of this; but, in a very fundamental way, we are struggling with the question: How can we make mankind more human? How can we make the political order on this planet more worthy of the dignity of man? And that has gone completely awry.

Now, for me, even though I'm a full-blooded politician and I'm working on this perspective of what we are doing here in the LaRouche movement for more than 35 years, I still look at the world, and say, "How could we come to this point? What went wrong with this world, that we have come to a point, where two continents are dying—Africa and Latin

America; other countries are in a terrible condition; we are faced with the danger of a global fascism, again?" And, me being German, it is not so long ago that in 1945, after the last great, Nazi tragedy had happened, people were asking themselves, "How could this happen?" And they were saying, there was a very clear determination, "Never again. Never again can this happen."

Now, Mr. LaRouche, this morning, illuminated for us what was the reason, or how this whole commitment to never again have fascism, got subverted. I mean, obviously, the most important strategic dramatic thing, was that Franklin D. Roosevelt died at the wrong moment. And therefore, the commitment to have, after the Second World War, the end of colonialism, and to establish a world of sovereign republics did not function. And instead, you had practically—in Germany there was no "zero hour," there was no "new beginning." Because, not Franklin D. Roosevelt determined who did the re-education in Germany, but it was McCloy, the Dulles brothers.

And therefore—and this is what detonates the remarks I want to make here—the thing which really, for a German is so unbelievable, is that the re-education was done in large part by the same people *who had financed Hitler to come to power*: the Eugenics Society in America, Harriman, people who actually endorsed Hitler's race policies; and when the Nazis went West first, changed their view—what Lyn was talking about this morning.

These were the same people, who, during the Second World War, started to pick up Nazis already, to incorporate them into their system, in the famous operation with Walter Schellenberg, François Genoud, the people who then transported the Nazis, after the Second World War, all over the world, including to Latin America: These were the same people who organized the de-Nazification program—but with what perspective? With the perspective, to basically destroy the historical Classical roots of the German people in the Classical culture. The whole question of the Frankfurt School, the question of the Congress for Culture Freedom, put Germany—and not only Germany, also France, because John Train opened the *Paris Review* in France—the "Congress for Cultural Fascism" had, all over the world, influence in planting the seeds of this present world fascistic takeover.

However, just briefly, this was a mixed process. Because,



Helga Zepp-LaRouche: "We have to find a way how we make this world livable. We can not sit here, and see the world go to pieces, just because the powers-that-be decide that that should happen. We need a new paradigm."

on the one side, you had Truman; you had McCloy; you had the efforts to uproot the European population from their actual cultural roots. But, you had also another impulse: You had Adenauer, you had de Gaulle, you had a true commitment for Third World development.

Remember, that in the immediate post-war period, there was a completely different philosophy. You had the idea of the two Development Decades in the United Nations. A Development Decade was the idea that you would look at ten years of development, and you would expect that the life-expectancy, the living standard of the so-called Third World, would improve in a measurable way. That was normal. There was a normal understanding, that eventually, the underdevelopment of the so-called Third World would be overcome. That was the period in which you had the Non-Aligned Movement. You had outstanding leaders, like Nasser, Tito, Nehru, later Mrs. Gandhi. And even in the United Nations, under U Thant for example, you had a clear perspective of overcoming the underdevelopment of the Third World.

The Cultural Paradigm-Shift

And then, basically, what went wrong? Well, you had the consciously induced paradigm-shift. And when Mr. LaRouche, this morning, was saying that the “ecology idea” has to go, or there is no way how we come out of this world, I want to point to the fact, that if you look at why is the world in the present crisis, you have to understand, that on top of this mixed bag of the post-war period, there was a consciously induced paradigm-shift in the '60s. The '68 movement, which toppled de Gaulle; which started to subvert—I mean, these were the children of the Frankfurt School, all the '68ers. Also in the European governments: If you go to the government here in Berlin, they are all the pupils of the Frankfurt School. And therefore, we have a real problem, because they have the wrong ideas in their head.

In '68, there came the idea of the Cultural Revolution from China. Now, the Cultural Revolution in China . . . was the lowest point in Chinese history, and perceived so by every Chinese. But, the Chinese were smart, because they got rid of them. They had Deng Xiaoping; Deng Xiaoping completely eliminated—overnight—the ideas of the Gang of Four, and said, “No, this was the wrong way. China is a country of stability, of Confucian values, and we will go back to these ideas.” And he started off to go really back to a course of science and technology.

The result is known: China is, despite all the problems, a



German Chancellor Konrad Adenauer (left) and French President Charles de Gaulle represented an impulse for national sovereignty in Europe, and for Third World development; but this was aborted by the Congress for Cultural Freedom operations.

tremendously prospering nation, which has made the *biggest jump* of any country in the world in these 25 years—well, 30 years, by now.

But, what was the problem? The problem was, that in the West, in Western Europe and the United States, we *did not* throw out the Cultural Revolution idea of the '68 movement, but these people said, “We will march through the institutions”—and there now, they have succeeded! They have succeeded in occupying the institutions, and they are sitting there, with what kinds of ideas?

Now, what was the change? The idea of science and technology was, all of a sudden, “fascist.” Nuclear energy was called “fascist.” Theater, whatever was left from the Classical theater in the post-war period—and I’m from a generation which still had the fortune to have Humboldt’s thinking in education: the idea that the goal of education is not the specific skills you have, but the beauty of the character. That you have to become a state citizen; you have to take responsibility for the well-being of the state. This is much more important than the specific particulars you learn, because those you can always improve as you go on. But, that was then kicked out—through what? The *Regietheater*, the idea that you have to basically modernize all Classical culture (if you perform it, and Mr. LaRouche has, in these [recent] articles, really blasted this idea, which I don’t want to go into now).

Then, there was a conscious idea to eliminate education, “dumb down” the population, to moronize the people. Dr. Alexander King, in 1963, when he was the representative of the OECD countries in Paris, said, we need an education reform in all OECD countries—which was then implemented

in the 1970s by Willy Brandt, the “Brandt Reforms” which threw out the relics of Humboldt, by making education more “practical,” more “suitable” for the interests of industry and so forth. And as a result of that, you have, today in Germany, for example, a generation which knows nothing about Classical culture! They don’t know Heine; they don’t know Lessing; they don’t know Schiller—maybe they have heard the name, but it doesn’t mean anything to them.

‘Limits to Growth’

So then, the next phase came, that very consciously the ecology movement was created. And I think it is essential, that people understand that this is not a sociological phenomenon: MIT had two professors, Meadows and Forrester, who put out—with a gigantic propaganda effort and *millions* of dollars—this book *Limits to Growth*, in all languages. Later, these people admitted that this was a computer study with an implicit fraud, where they had fed the outcome of the computer study in such a way, to *prove* that the limits of growth have been reached, by assuming we have now reached a finite level of resources. And, that they basically had faked it, by leaving out, deliberately, the idea that what *is* a raw material is entirely defined by the level of science and technology with which you look at this resource. If you say, “This is a stone” or “This is iron ore,” it depends on the level of technology.

But, that started then to build the green movement. All of a sudden, you had the spread of people being concerned more about trees than about people; the Rockefeller Foundation and others were instrumental in creating the *mythology* that there was an *overpopulation*—I remember when I attended the UN Population Conference in Bucharest in 1974, Mr. John D. Rockefeller III, who was an evil person, already a little bit senile, but he presented his idea that the world population had to be reduced. We intervened with our own conception of Third World development, and Mr. Rockefeller was, at that point, attacked by me very strongly for committing genocide worse than Adolf Hitler: At that point, all the NGOs, all the leftie groups, knew that “overpopulation” was a Rockefeller baby. People knew that the real problem of the Third World, was a lack of development, and not of overpopulation. But, that was another layer of creating the ecology movement.

And then you had various steps, like the New York Council on Foreign Relations, which, in 1975, produced 20 books on “controlled disintegration of the world economy,” which was the idea that the one thing which had to be prevented was that the “mercantilist tradition” of Europe would match with the so-called “socialist tradition” leading to Third World development. The idea was never to have a Japan again, a country which was completely isolated and backward for centuries, to all of a sudden, through the American System approach, make the jump from a developing country into one of the two or three most industrialized countries.

Then, in ’75, the IMF increased their conditionalities. They worsened them in such a way, that the debt became

In Commemoration of The Tsunami Victims

This statement was proposed to the seminar by Dr. M.K. Saini from New Delhi.

The enormous tragedy unleashed by the killer wave tsunami in Southeast Asia destroyed the lives and assets of millions of common men in Indonesia, Thailand, Sri Lanka, and India. All of them were citizens of the world.

In this hour of unbearable pain suffered by the helpless millions, we must stand by them. We express our deepest sympathies for the families of those who died and express our firm commitment to help their families. We must become the voice of hope for them.

The LaRouche International Movement has from the early 1970s worked out concrete development programs for Africa, South America, the Pacific Basin, India, Southwest Asia, and Eurasia. These programs, taken together, could provide a concrete basis for a New and Just World Order. The time has come to work in this direction immediately.

more expensive, and more expensive, and more expensive, so that it led to what we call “bankers’ arithmetic,” which is the idea that the so-called Third World paid back their debt 10 times, and they still have 10 times more debt than 20 years ago, simply by changing the conditionalities of the debt repayment, in such a way.

The LaRouche Intervention

Now, it should be noted that while this paradigm-shift was going on, there was a counter-movement, from the beginning, around the person of Lyn. Because Lyn had for the very first time, in 1958, forecast that the world, if it continued the then-already visible monetarist policies, would end up in the danger of a new fascism and a new depression. Then, in 1971, when Nixon, indeed, started the bubble economy—by decoupling the dollar from gold, by creating the private banking power over money creation in the offshore markets—Lyn said, this will lead to a new depression, the new danger of fascism, and the danger of a collapse of society—or, the just new world economic order.

And, the entire LaRouche movement, internationally, was built on that idea. You had always two tendencies: You had the increase of globalization, and you had the growing LaRouche movement, being absolutely certain, that the moment which we are seeing right now, would eventually come.

So, in 1975, Mr. LaRouche went to Iraq, to participate in

the celebrations of the Ba'ath Party. And he came back, and he made for the first time, the proposal to have the International Development Bank, as an instrument to replace the IMF, to be the vehicle for a \$400 billion credit per year for clearly defined development projects.

This idea, we then circulated for one year, among 85 countries, the countries of the Non-Aligned Movement. Many of these countries did feasibility studies, with the idea of Mr. LaRouche's work. Then, in Colombo, Sri Lanka, in '76, eighty-five nations accepted the idea of a new world economic order.

Then, all Hell broke loose! I remember this, because, when the resolution came from Sri Lanka, I called up DPA, the German news agency. I said, "Oh, this is great! When will you report about the fact that the majority of mankind has decided for a new world economic order?" And the officer of the day said, "What? Sri Lanka? That's not newsworthy."

So, then—a gigantic counter-attack by the neo-cons, by the same people Lyn was talking about earlier, started. They killed Bhutto, because Bhutto of Pakistan had dared to demand an international debt conference. They destabilized Indira Gandhi, because she, at that point—for various reasons having to do with her son, Rajiv, had made compromises with the World Bank, so it was relatively easy for them to destabilize her. They destabilized Mrs. Bandaranaike [in Sri Lanka], and every Third World leader who had dared to speak about the new world economic order.

Then, the next major thing, was when Lyn got the cooperation of López Portillo, to make a proposal—again, to have a new world economic order. This time coming from a debtors' cartel, from the Latin American debtor countries: Mexico, Brazil, Argentina. And Wall Street, at that point, was absolutely terrified, that if many countries have enough debt, they're powerful enough to dictate the terms to the creditors. But Lyn didn't want to bankrupt the banks, he just wanted to reduce their power to a normal means.

Then, the same year, he made the SDI proposal, which, again, was not what it was portrayed as, "Star Wars," but it was really the same thing as the Eurasian Land-Bridge: it was basically the idea that both superpowers would develop these modern [antiballistic-missile] weapons based on new physical principles, make nuclear weapons obsolete for the first time through the joint deployment; dissolve the Third World as proxy areas for superpower conflicts, and help the Soviet Union to use these modern technologies in the civilian economy as a science-driver, to then increase the productivity of the world economy, and have a gigantic technology and capital-goods transfer, from the industrialized world to the so-called Third World.

And this was on the verge of succeeding, because Lyn got President Reagan, for a short period of time, to go with this program. And, again, all Hell broke loose.

Now, Lyn, at that point, prophetically forecast that if the

Soviets would refuse this, they would collapse after five years. It took six years, and then, you had the '80s "Reaganomics," Thatcher economics, and eventually the Soviet Union started to collapse in 1989. And there, between '89 and 1991, you had what correctly can be called an historical chance of mankind to *completely* change the order on this planet! Because there was no opponent any more! You had the United States and the West; the Soviet Union, as the so-called "enemy," had just disintegrated. And there was the absolutely incredible possibility to totally re-create the relationship between the East and West on a completely new level.

But, as we know, at that point, the neo-cons emerged in the United States, and they talked about a "New American Century" doctrine, and the chance was lost.

We, however, knew that if you would make the mistake of imposing on the bankrupt Communist system, the equally bankrupt free-economic-market system, that eventually you would raise up an even bigger crisis. And that is the crisis which has arrived now.

Primitive Accumulation

Now, I know that one of the biggest difficulties in the contributions of the various speakers today, the point that people were not clear on, was that the system *is collapsing*. I mean, I think that this is conceptually debated, because everybody says, "Maybe, it collapses in 10 years"; "maybe it collapses some time, or even in 50 years, it will still be there." And I think that this is really, extremely important to understand, because the Soviet economist, Preobrazhensky, in the 1920s, developed the theory about why it is legitimate to have primitive accumulation against industry, labor power, and infrastructure, to build up the Soviet economy. And they did that. They did primitively accumulate, against agriculture, against industry, against infrastructure; and that was one of the inherent problems of why the Soviet Union collapsed.

Now, Mr. LaRouche wrote an extremely important article some years ago, where he described how the free-market economy model is using the same kind of primitive accumulation, in order to prop up the ever-increasing speculative bubble.

You know, first primitive accumulation against Africa: People think development aid was given, and these corrupt African leaders, they don't want development, they pocket their own money. Well, the reality is, that every African or other Third World leader, who was courageous enough to stand for the true interests of their people, got assassinated! And the people who were put in place, by the IMF, by the central banking system, got there only because it was opportune to have such people to fulfill the job of the system.

In reality, there was a net capital transfer *out of Africa*, of \$200 billion about every decade; so no development aid was given, but Africa was looted!

Latin America was looted, primitively accumulated

against; resources being taken out.

And then, after the collapse of the Soviet Union, the so-called privatization was just another effort to primitively accumulate the resources of the Soviet Union and the Comecon countries, just by privatizing, just flattening the so-called “obsolete” parts of the economy, selling the so-called “filet” parts, and just looting the Soviet Union and the Comecon countries.

Now, that has come to an end—also because of internal developments in Russia, as a reaction to what was done against Russia.

And now the very last phase of primitive accumulation is the privatization of the Social Security system. What we see in the United States, with what Bush-Cheney are trying to do, by stealing \$2 trillion worth of private securities; what in France is done by Mr. Sarkozy; what is being done with Hartz IV in Germany; what Berlusconi does in Italy, and so forth.

But, it is coming to an end. And I think it’s really important that people take the intellectual effort to study deeply, the reasons why the system collapses absolutely at this point, and not just say, “Oh, maybe it goes on for another period of time.”

A New Paradigm

Now, I think that what the purpose of this seminar is, and similar discussion groups which we are planning to have in the next months: We have to find a way how we make this world livable. We can not sit here, and see the world go to pieces, just because the powers-that-be decide that that should happen. We need a new paradigm. We need a new basis for society, which defines, at a point where nobody can deny that mankind is at probably the worst point of danger *ever*—I mean, if you think how close we are sitting to the potential of asymmetric nuclear global warfare; with madmen having their finger on the button, I think anybody who is not crazy should not sleep well! Because we are sitting on a volcano, a complete powerkeg.

And, if you look at the level of governments: *What are they doing about it?* Do they think: How can we change a world order which *clearly* doesn’t function? How can we remedy something which does not allow the survival of the larger part of mankind? One-third of the entire human race is hungry, every day; one-third is barely nourished; and only one-third has enough food! Fifty thousand children die every day! This is a failed system!

I’m sorry: This present world system, is as failed and bankrupt as the D.D.R. was in the beginning days of November ’89, and it is going down in the same way.

Now, what we have to do—and I want to really say this—once we have an idea that mankind is in danger, we have to think, what are the common aims of mankind? How can we agree on principles, which mean that mankind is going to get in a condition which is *human*, worthwhile of the name of being human?

And I think there was another problem in some of the

remarks, which are understandable, but nevertheless I have to address them: The second, major conceptual problem I saw in the discussion was that people say, “Okay, you have the danger of unilateralism from the United States, and we don’t like that. And therefore, we have to have macro-regions; we have to have regional multipolar arrangements”—and I think this is a big mistake. And it will not work.

Because, what comes out, then, is a geopolitical thinking, which is visible among many Europeans; it’s visible among many of our Indian friends, among our Chinese friends: And geopolitics must go! Geopolitics is the *root* of future wars! It’s not a multipolar world, which is needed, but I think we have to go much deeper into that, which in my view—and we will hear from Dr. Köchler later, who is a specialist on the United Nations—but, as good as the UN Charter is, as a continuation of the Peace of Westphalia process, it lacks one extremely important idea, and that is, what you would have called “metaphysical” in the past. Now, “metaphysics” is old-fashioned, and you’re not supposed to use it any more, but, I think it lacks a metaphysical dimension.

In Indian philosophy, one would say, it lacks the connection to a “cosmic order.”

And since I’m a fan of Nicolaus of Cusa, who was the founder of the modern nation-state, who was the founder of modern science, a Cardinal from the 15th Century, I want to use his terminology to say what I mean:

Nicolaus of Cusa said, that the universe at large, you can call the macrocosm, and that all the different entities in it are microcosms: For example, all human beings are microcosms, all nations, all cultures, are microcosms. And he had the very beautiful idea, that *concordia*—concordance, peace—in the macrocosm, is only possible if all microcosms can develop in their utmost possible way. And this is again, an idea which re-appeared in the Peace of Westphalia principles: that peace can only be based on the interest of the other. In other words, each microcosm not only has the right to develop in the best possible way, itself, but it has to be the self-interest of each microcosm to make sure the other microcosm—the other nation, the other human being—*is* developing in the best possible way.

So that, basically, I think that the idea of a peaceful world, is not “geopolitical multipolarity,” but to establish a common interest of mankind, which is progression, which is the development of all to a higher level of human development; the absolute right of every human being on this planet, to develop its fullest potential, its fullest cognitive potential, to—as Mr. LaRouche was saying—his potential as a “Promethean man,” who is continuously bringing new levels of science to Earth for the benefit of mankind. And that, once you establish common aims of mankind, then you can have a full development of all microcosms, in this way.

Now, I believe that not only Nicolaus of Cusa has contributed extremely important ideas, but also Leibniz: And Leibniz



Nicolaus of Cusa's idea of peace provides a conceptual framework for today: that "each microcosm not only has the right to develop in the best possible way, itself, but it has to be the self-interest of each microcosm to make sure the other microcosm—the other nation, the other human being—is developing in the best possible way."

was of the conviction that we are living in the best of all possible worlds. Now, when you look at the world, you could say, "Oh, Leibniz was a utopian idealist, who totally missed the boat. Look at the condition of the world!" But, I think that man is made in such a way, that every great catastrophe challenges man to come forward with an even greater good. And, for me, in that way, since I'm thinking like that, when the tsunami catastrophe happened—which was the largest natural catastrophe for mankind, ever—I immediately said, "Well, look, this must be the reason why we take back the idea of a new world economic order." Which, after the Soviet Union collapsed, and the word was, "there is no alternative to globalization; globalization is here to stay, forever"—well, maybe not!

Maybe this is now the opportunity to put the idea of a just new world economic order, back on the agenda: Because, why should we accept poverty? Why should we accept that the majority of the human race is living in a condition which none of the people in Western Europe or the United States who are well-to-do, would ever accept?

I was disgusted, when these tourists who got hit by this

tsunami, said, "Oh! We were running together with the natives through the same street. (The same natives, who otherwise, are our cheap servants)." You know? We have slavery on this planet! And that slavery has to go!

So, the reason why I'm optimistic that we can win this fight: First of all, the help, the tremendous outpouring of willingness to help the victims of the tsunami catastrophe, shows that the people who normally are crippled, they're brutally indifferent, they are selfish swine and pigs—normally. But, when they saw—this catastrophe is, indeed, changing everything—there was a little step in the right direction. And the people who Schiller would call "crippled plants"—"*verkriepelten Pflanzen*"—people who have no heart any more, they are totally *dead*: They started to bloom again a little bit. And see? "Maybe our lifestyle was not the right one."

So, why am I optimistic? Because, the dollar collapse will continue. It is the thinking among certain banking circles in Europe, that if Bush does not successfully privatize Social Security—meaning stealing \$10 trillion, in order to save and bail out the dollar, and save Wall Street—then the dollar will collapse very quickly. However, if he succeeds—and Lyn obviously doesn't want him to succeed, but that's the talk among banking circles—if he succeeds, and steals \$10 trillion, he may be able to stabilize the dollar for a very short period of time. But that [moment] will then be taken by the Asians, by the Japanese, who have \$820 billion foreign reserves; by the Chinese, by the Russians, the Arab states—to dump the dollar, then, quickly, because that's the last moment they can get out of it without major losses. And then, that will be the downfall.

So, the classical Catch-22 situation.

Prepare for the New World Economic Order

And I think what we have to do, also, with this discussion group, and similar circles, is to prepare: What can be put on the table, in the moment of the maximum crisis? Which *is* the New Bretton Woods idea, combined with the proposal which Lyn made this morning, which is an addition to the old-standing New Bretton Woods idea of Lyn, namely, to have, as part of this package, a rational agreement about the raw material distribution of mankind for the next 50 or more years to come, so that there is no war over raw materials, as part of the picture.

And each government should be induced and encouraged, to make feasibility studies about this soon-to-come eventuality. Very soon, you will see, the dollar collapse will continue, all the bubbles will start to bust, and there will come a moment of utmost crisis, but also of utmost chance.

Now, obviously, we want to combine that with the idea of the Eurasian Land-Bridge. And I think, that—people were talking about an implosion in the United States; we could have implosions in Europe as well. Because, you can not destroy the social fabric of the social state, which took over a hundred years to develop! I mean, this is one of the absolute, fundamental contributions of European civilization, to *have*



“Why not take the beautiful architecture of China? Of India? And make new cities along the Eurasian Land-Bridge, and in Africa, and Latin America, using the beautiful architecture? Making them modern, with maglev trains, connected with module construction underground, so that they are totally modern, but you can make them beautiful!” Here: India’s Taj Mahal and the Transrapid maglev.

a social state—and now, you’re all of a sudden, ripping it away. You tell the old people, the sick, “Die earlier. Go home—”: euthanasia, “useless eaters.”

Okay, maybe people right now are in shock, and paralyzed! But, this will not be forever. Because, when people really are confronted with existential questions, I think you will have a social explosion, coming very soon.

And then, the question is, to have full employment: We proposed 200 billion euros investment *every year*, in addition, to create full jobs, in the context of the Eurasian Land-Bridge. And I think this will be—it’s the only rational way. The Eurasian Land-Bridge will either be implemented in the next year, this year; or in 200 years from now, people will crawl out of the rubble—and then they will build the Eurasian Land-Bridge.

So, since I’m an optimist, and I love life, and I love human beings, I would like that we do it now, and not 200 years from now. Because I think the human carnage would be just unacceptable.

A Sublime Idea

Now, let me just say, one last thing: I think—and even if this is not the usual kind of discussion at seminars and strategic discussions and so forth—but, I think we will not get out of this without love. Look: If you want to have a just new world economic order, it’s not a technocratic question; it’s not a question of a new financial system, a new economic system: It’s a question of a *passionate idea, of the idea of the international community of people*. That you have to not be able to stomach it, one more day, that the world is in this wretched condition! And you have to have a vision of how the world could look like, once we make it human. Blooming

gardens in places where there are deserts right now. People living decent human lives. Africa being totally, infrastructurally developed. Eurasia infrastructurally developed. Thousands of new cities we want to build—*beautiful cities!*

Not just Houston models, but why not take the beautiful architecture of China? Of India? And make new cities along the Eurasian Land-Bridge, and in Africa, and Latin America, using the beautiful architecture? Making them modern, with maglev trains, connected with module construction underground, so that they are totally modern, but you can make them beautiful!

I think that what is needed, is really a vision. And a love of people for mankind.

Now, Lyn has written, many times, that we will not get out of this crisis, if we don’t return to Classical culture; each country, each culture, must revive their high culture, their Classical culture. China has a beautiful Classical tradition. There are beautiful things in other cultures, which are right now endangered by the culture of globalization, moronization, imposition of flatness, stupidity, and so forth. So, we have to make an effort to revive the Classical culture.

And, we have to have leaders *who are not cowards!* Because, I mean, look—when John Perkins wrote this book about the “Economic Hit Men,”¹ where he described how the present system is functioning on the basis of knocking out, country by country, to make Third World countries slaves, to kill leaders who have the courage to stand up for the well-being of their people. Well, when we started to discuss this, who killed Herrhausen, who killed Rohwedder—people said, “We know that! We know that!” Who made the assassination attempts on de Gaulle? So, once you start to talk to people, it comes out, well, it’s really true that the system is such, that either you defend it completely, and you profit from it; or, if you oppose it, you risk being killed.

I think what is needed therefore, is the Sublime quality in the way Schiller describes this question: that, if you have fear, if you are controlled by fear, you are a slave. And therefore, you have to have this quality of locating your identity in a different plane, which Schiller calls, the Sublime.

So, I think we need to have the discussion on this level, and put the new world economic order, back on the agenda.

1. *Confessions of an Economic Hit Man: How the U.S. Uses Globalization To Cheat Poor Countries Out of Trillions* (San Francisco: Berrett-Koehler, 2004).

LaRouche Embodies The American System

EIR editor Jeffrey Steinberg spoke from the floor during the discussion on Jan. 12, in response to earlier comments, questioning the prospects of serious resistance to the Bush Administration from within the United States.

I think it's important, right off the bat, to mention something that's so obvious, that it could very easily be forgotten, but which I think gets to the heart of Lyn's comments this morning about the U.S. political situation: Namely, that Mr. LaRouche is an American! And is an American whose ideas and whose political initiatives are being both listened to and acted upon by a much larger and growing number of circles inside the United States, from the grassroots level to the levels of the institutions that make up this living Constitutional system. Because I think, it's easy from the outside, to see a false picture of the political situation in the United States, particularly filtered through such outstanding vehicles as CNN, Fox News, O'Reilly, the media owned by Rupert Murdoch and Conrad Black—which has some tentacles here in Europe, as well.

We had a guest visit the United States for about a month, who's someone we've known for a long time, who's lived in Paris, had lived in Israel; and he arrived in the United States the day after the election. And when he left the United States, he said to Lyn, at a lunch meeting just before his departure, that he felt as if he came to know the United States for the first time; that he came away with an extremely optimistic view of the kind of role the United States could play in the world, even given the circumstances of the apparent Bush re-election victory. And I think it's very important—I'd extend an open-ended invitation to anyone here, who's in a position to travel to the United States, to take advantage of the opportunity.

This fellow got a particular view of the United States, because he frankly spent most of the time working with us, met with a great number of people in Washington, and came away with a view of the level of fight inside the U.S. political institutions that would be impossible to view from the outside. . . . It's literally the case that there are aspects of the American political situation now, that are absolutely revolutionary, in the sense that Mr. LaRouche discussed it, but which are virtually impossible to see, except as barely flickering shadows on the wall of the cave, from outside the United States.

It is literally the case—I *was there*, I saw it, and I do a lot of the work in Washington, D.C. among these various political

institutions. I can say, with absolute certainty, that two international webcasts that Mr. LaRouche did, following the elections—the first on Nov. 9, one week to the day after the elections, when frankly most Americans were sort of puddles, in shock; and then the webcast on Jan. 5 of this year, the day before the historic Joint Session of the U.S. Congress. That historic event would not have happened, without Lyn's intervention. There was not a clear sense of political orientation, even among the people in the Democratic Party, and even in the people in the Republican Party who opposed Bush, as to what to do, with what was obviously a deeply flawed election. There was just a general sense, across the board, that Kerry probably won.

And Lyn laid out a very clear, immediate strategy: Take up the issue of vote suppression. Don't go for the universal question of somehow magically proving massive vote fraud, when the actual issue was that hundreds of thousands or more voters were simply denied the right to vote, even though they showed up at the polling places. In some cases, it was because there were no voting machines to vote on, or there were so few voting machines that people were forced to wait for nine or ten hours. But, the point is that Lyn laid out a perspective, that shaped action that was taken up by a whole array of people in and around the Democratic Party.

On Jan. 5, after Lyn's opening remarks, there was a question presented by a group of members of the U.S. Congress, who wanted to know what Lyn's marching orders were in terms of the events of the next day, when it was still undecided whether or not a member of the U.S. Senate would join with members of the House of Representatives, and challenge the authenticity of Bush's victory. And, Lyn delivered brief remarks, basically saying: *If you don't fight this issue, regardless of the outcome, then you will be unable to fight any other crucial issue*—from Social Security to the Iraq War.

And we know that Lyn's message resonated at the highest levels of the Democratic Party. It was probably *the* decisive factor in pushing Senator Boxer over the edge, to decide to take up this historic initiative.

Now, this is something that never happened before, in the history of the United States. . . .

And when Senator Boxer made her announcement, moments later there was a meeting at the White House, with all of the White House lawyers; Bush was there; Cheney was there. In his capacity as president of the Senate, Cheney was going to be chairing the meeting where this was going to happen. And Cheney simply told the people at the White House—we know it, because Republicans wanted Lyn to know this—Cheney said, "I'm not going to do it. I'm going to declare this out of order." A total defiance of the Constitution! And a fight erupted at the White House, with all of these lawyers saying, "You can't do this!" Not because they wouldn't have preferred to have done it, but because they knew the politically explosive consequences, if Cheney tried to do this. This would have been a colossal blunder. So, in-

stead Cheney had to hug his fibrillator, bite his tongue, and allow this process to play out.

This changed the political dynamic in the United States, in a decisive way, that makes it not merely a “possibility,” but a strong probability, that we’re going to destroy Bush on this Social Security issue.

Now, many of us—Lyn most emphatically—had a very frank appraisal of the U.S. elections, going into them. We knew that were Kerry to win, it would be a victory despite himself, because of the absolute failure of the Democratic Party, prior to Labor Day—prior to the beginning of September—to wage any kind of campaign with the intention of winning. And the first step, in that *impotent* campaign, was the failure to allow Mr. LaRouche to participate in the debates during the Democratic primaries. Some of those mistakes were corrected, very late in the game. And so, it didn’t come as a surprise, that Kerry didn’t reach the hurdle of overcoming the vote fraud apparatus that we knew was in place. So, we didn’t have all of our eggs in the basket of a Kerry victory.

Many other people had the view that Kerry was likely to win, and *did* put all their eggs in that basket, which is why so many people were shattered for a couple of months. And we spent a great deal of time dispensing psychiatric care to members of the Congress, to top people in the Democratic Party, former senior officials in government. I want to give an appraisal, from having come from Washington, D.C. just in the last 12 hours:

The fact that the Bush election has now been certified, has served as a kind of an unavoidable message, to many people in the United States, that they *cannot avoid* the personal responsibility, to actually take up the kind of fight that Mr. LaRouche has been leading. And, on many issues, there are very clear signs of a dramatic shift in the political environment.

Number 1, the fact that Senator Boxer and others in the Senate, did actually join in this historic challenge. And the *New York Times*, the next day said, “Oops, there goes Bush’s mandate.”

On the Gonzales question: Aside from what we’ve done on the issue, the lead has been taken up by a large number of retired military people, including especially people who are part of the Judge Advocates General system. These are, generally speaking, retired three- and four-star generals and admirals, who have come forward and essentially denounced Bush, Cheney, and Gonzales as war criminals. They explicitly cited the violations of the Geneva Convention. I was at an event yesterday in Washington, where one former ambassador got up, and said that the entire Joint Chiefs of Staff were behaving like—he mentioned General Keitel, who was the military officer in charge of Hitler’s inner staff. He just flat-out said, that this is what’s going on. There was a class on Tuesday, at Columbia University Law School, by one of the leaders of the New York Bar Association, on the historical parallels between Hitler’s approach to preventive war and the abroga-

tion of The Hague Conventions, and what the Bush Administration has done in abrogating the Geneva Conventions and adopting a doctrine of preventive nuclear war.

So, I’m very encouraged by many aspects of the situation—not because there’s going to be some Pollyanna idea of a change in the Bush Administration; but, because they’re running aground on a number of key issues. Armitage, not one of the great geniuses of American diplomatic history, came back from a trip to the Middle East yesterday, met with the President in the Oval Office, and told him, “We have lost Iraq”—and was promptly booted out of the office. Because such reality is not permissible inside the Administration.

So, there’s a very sharp shift in the political correlation of forces in the United States, which is going to become more visible, but is not really clearly visible from the outside.

A Political Realignment

The final point I want to make on this, is that one of the new and very crucial realities on the ground, in American politics, is the LaRouche Youth Movement, which is becoming a critical factor inside the Democratic Party in the United States. It is the official—or unofficial, whatever you want to call it—youth movement of the Democratic Party, by default: Because nobody else in the United States has even the foggiest concept, about how to recruit young people into politics today. And so, there’s a certain very real sense, inside the Democratic Party, that what Mr. LaRouche has done, in forming this Youth Movement—this is the future, of the Democratic Party, and the future of the republic. And there are also, increasingly among Republicans, people who see no vested interest, in continuing to throw any degree of support behind the Bush Administration.

So, there’s a period of political realignment already under way. And this Social Security fight—when Lyn said this morning, that winning decisively on this issue will turn Bush into an instant lame duck: There are other political institutions that are ready, under Lyn’s leadership, to step into that void. Increasingly, people are recognizing that the U.S. economy is in the trash-barrel; that the dollar is already collapsed, and is about to go through an even deeper crash. And so, in a sense, the biggest challenge that we face right now, is actually educating people in American System economics. That is the *biggest gap*, even among the very best people we deal with inside the Democratic Party: that, the level of understanding, other than knowing that FDR is a banner that’s a good banner to wave, the depth of understanding about infrastructure, about what Lyn is writing, is very shallow. But, the openness to learning these ideas, is there.

So, I think what’s happening here is that a trans-Atlantic dialogue of the highest order *is*, in fact, taking place, because of Lyn’s prominent role in this discussion. And you can take confidence in the fact, that this discussion here today, is going to resonate back in the United States, in a way beyond anybody’s imagination.

Dems Put Hold on Nomination As Gonzales Stonewalls

by Edward Spannaus

In the face of continued, flagrant stonewalling by Attorney General-nominee Alberto Gonzales, Democrats on the Senate Judiciary Committee put a “hold” on his nomination on Jan. 19, forcing at least a one-week delay in the committee vote. The White House had hoped to have both Gonzales and Secretary of State-nominee Condoleezza Rice confirmed by the full Senate on the afternoon of Jan. 20, immediately following the swearing-in of President Bush and Vice President Cheney. The White House was reported to be furious that its two most important Cabinet nominations were stalled.

Although a Democratic “hold” was already being discussed in the Judiciary Committee, White House Counsel Gonzales stoked the uncertainty over his confirmation vote, when he submitted over 200 pages of responses—better described as non-responses—on the afternoon of Jan. 18, to questions posed by members of the Senate Judiciary Committee. The ranking Democrat on the committee, Sen. Patrick Leahy (Vt.), accused Gonzales of falling into “the same pattern of stonewalling and non-cooperation that we have seen far too often from this Administration and from the current Attorney General,” referring to John Ashcroft.

Sen. Edward Kennedy (D-Mass.), who requested the “hold,” said that Gonzales had failed to answer critical questions—such as who had asked for the preparation of the infamous August 2002 “torture memo”—and that he had failed to search his files for information. “These are very important questions and issues on torture. I do not think our committee would be satisfied with the answers given,” Kennedy said. “These are very arrogant answers.”

One source involved in the fight around Gonzales, suggested that the reason Gonzales stated that he did not search for documents, is so that if damaging documents turn up later, he can protect himself against accusations of hiding them.

Committee Chairman Arlen Specter (R-Pa.) reportedly

said that he would consider asking Gonzales to supplement his answers. Specter also said that he hopes to avoid a party-line vote—an astounding statement, in that, up until now, it has been assumed that almost all Senate Democrats would reluctantly vote for Gonzales’s confirmation. Now, a number of Democratic Senators are declaring themselves undecided as to how they will vote.

No Recollection, No Search

The pattern of “I do not recall” and similar responses that Gonzales displayed in his Jan. 6 confirmation hearing, was carried forward in his written responses. A count done by the *Washington Post* showed that Gonzales stated “I do not recall” or “I have no recollection” six times; and “I have no present knowledge” seven times. He declared “I am not at liberty to disclose. . .” or “to discuss” certain matters, at least 17 times. And, showing that he had no interest in trying to find out the answers, he responded on seven occasions that he did not “conduct a search” for relevant documents or information.

In his responses in which he did answer something of substance, Gonzales said that CIA officers and other non-military personnel fall outside a 2002 directive issued by President Bush pledging humane treatment of prisoners in U.S. custody. He acknowledged, seemingly for the first time, that military personnel are bound by the Uniform Code of Military Justice and other statutes—a point that had been made strongly by a number of Senators and witnesses at his Jan. 6 hearing.

Gonzales also maintained that a Congressional ban on cruel, unusual, and inhumane treatment of prisoners has a “limited reach” and does not apply in all cases to “aliens overseas.” This is directly contradictory to what the Senate said when it ratified the Convention Against Torture only a

decade ago.

But, after carving out these gigantic, and improper, exemptions, Gonzales then said that the President has a clear policy opposing torture, by which the CIA and other agencies are bound.

Gonzales also reiterated his (and Cheney-lawyer David Addington's) view, that the President, using his commander-in-chief authority (i.e., the *Führerprinzip*—see interview with Scott Horton, below), could decide that a U.S. law prohibiting torture is unconstitutional—but he added that all this is irrelevant, since President Bush would never approve torture!

What should happen, before the committee, and then the full Senate, votes, is that Gonzales should be recalled and questioned, in depth, about these discrepancies, and also about the new disclosures coming out from investigative reporter Seymour Hersh and others, about the Administration's use of "hunter-killer" teams and El Salvador-style death squads to capture or kill suspected terrorists, without the slightest semblance of adherence to legal requirements under U.S. law and international treaties. (See article, p. 4.)

According to Hersh's account in *The New Yorker*, a major purpose of the shuffling of commando operations from the CIA to the Pentagon, is to avoid the reporting obligations and Congressional oversight to which the CIA is subject. Hersh also says that much of the consolidation of clandestine operations being carried out by Defense Secretary Donald Rumsfeld, is pursuant to Presidential directives. What does Gonzales know about this? It is difficult to imagine a Presidential directive being issued, that did not go across his desk.

Torture Is Continuing

While Gonzales was insisting there is no need for a prohibition on torture, two attorneys who have just returned from Guantánamo Bay, described the horrendous conditions under which prisoners at Guantánamo are held. Speaking at a press conference on Jan. 19 sponsored by the Kuwaiti Family Committee and the National Press Club, attorneys Thomas Wilner and Kristine Huskey, who were finally able to visit their clients—12 Kuwaiti citizens—after having represented them for almost three years, said that all of their clients have been physically abused.

No matter how you define torture, "the treatment of these men has crossed the line," Wilner said. "These men have been tortured, make no mistake about it."

Wilner said that there are two types of abuse: physical abuse, "which we call torture"; and psychological abuse. Wilner said, "I believe there is still some physical abuse occurring. I think it is probably more intermittent and less systemic than before. I have no doubt that initially, it was systemic and a matter of policy. I think there is still some going on." Describing the conditions under which detainees live, Wilner said that he had visited convicted murderers in U.S. prisons, "and they live in palaces compared to this." And of course, the Guantánamo detainees have not been convicted

of anything.

Huskey, another attorney from Wilner's firm (the D.C. office of the Wall Street law firm of Shearman & Sterling), said that all the detainees are "startlingly thin," and have complained of poor medical care, but their biggest complaint is the "disgracing of Islam" by interrogators and military personnel, including the throwing of a Koran into a toilet. They all said that torture is occurring, Huskey said.

Wilner was a lead attorney in the case decided by the Supreme Court in June, which held that Guantánamo detainees must have access to the courts. Yet it took these attorneys six months to be able to see their clients, and even now, their notes of their discussions with their clients are classified.

That torture continued at Guantánamo, is also stated in a new Red Cross report cited in the Jan. 24 issue of *Newsweek*. The report shows that prisoner abuse was still going on at Guantánamo last Fall, even after exposure of Abu Ghraib and the opening of a number of official investigations by the Pentagon. The confidential report, given to U.S. officials last month, reportedly reaffirms the Red Cross's previous finding, that the abuses were "tantamount to torture."

Nuremberg Standards

EIR raised a question at the press conference about the principle applied by American prosecutors at the Nuremberg Tribunals, that those who formulated the policy and wrote the policy memos were just as responsible as those who carried out the policy on the front lines. (See Horton interview.) Yet, in this country today, we seem to promote them, as in the case of Alberto Gonzales, or keep them in place, such as in the case of Donald Rumsfeld.

Attorney Wilner hastened to add that "our new Secretary of State," Condoleezza Rice, should also be asked about these matters.

Douglass Cassel, who teaches international law at Northwestern University, responded that there are two ways in which superiors can be held responsible for war crimes committed by low-ranking soldiers: 1) if they authorized or ordered such conduct; and 2) if the superiors had information brought to their attention, from which they knew or should have known, that these kinds of things were happening. Cassel noted that much of the information about the treatment of prisoners at Guantánamo, which has come out more recently in the press, FBI memos, Red Cross reports, etc., "was available to people inside the government long before those of us outside the government knew about it."

Under the UN Convention Against Torture, U.S. officials are obligated to conduct a full investigation of any such reports, but "a full investigation has not been done," Cassel stated. "There have been many, many investigations of low-ranking soldiers. But what about the CIA? What about the White House? The Justice Department? The State Department? The National Security Council? Who knew what, when? And did they meet the standards that have been in place since Nuremberg?"



Bush Team Revives Nazi Legal Ruses, Rejected at Nuremberg

Scott Horton is chair of the Committee on International Law of the Bar Association of the City of New York and lecturer in international humanitarian law at Columbia University. During 2002 and early 2003, when civilian lawyers in the Pentagon, working with White House lawyers such as Alberto Gonzales and David Addington, and Justice Department lawyers in the Office of Legal Counsel, were developing policy positions declaring that the Geneva Conventions did not apply to the Afghanistan conflict, and were loosening restrictions on methods of interrogation so as to violate U.S. military law, Horton was contacted by top lawyers in the military services who opposed these new policies, but whose voices were not being heeded. Edward Spannaus interviewed Horton on Jan. 14, 2005.

EIR: Scott, the most famous of the Gonzales memos, is that of Jan. 25, 2002, which talks about the war on terrorism being a new kind of a war, and that this renders provisions of the Geneva Conventions obsolete, and so forth and so on. Is this argument—that this is “a new kind of a war”—actually a new argument? Or, is this a rather old argument?

Horton: It’s an absurd argument, actually. Only a person with very little background in history could make such an argument. The major launching point for modern international humanitarian law, is the 1907 Hague Convention. And, at the time that Convention was being negotiated and was being drafted, the United States and Europe were in the midst of a wave of terrorism, which people at the time said was “completely unprecedented”! Which people said, had “never occurred before in human history!”—and, of course, that was principally the Anarchist movement.

The Anarchists were systematically targeting leaders of the intellectual community, and the political community; the American President had been assassinated, an extremely traumatic event in this country; numerous political figures all across Europe had been assassinated—the Empress of Austria, the Prime Minister of Russia. And then of course, leading into World War I itself, we have the Archduke Franz Ferdinand.

EIR: Yes, exactly.

Horton: So, these documents were drafted against the backdrop of a wave of terror, in fact, which bears parallels to

what’s going on today.

Then, when we get to 1949, there was a realization at the end of the war, which I would say started with the Americans, that the old Geneva Convention and the Hague Convention didn’t go far enough; that *horrible* things had happened that hadn’t been adequately covered by the law: crimes that had been committed by the Nazis. There was a need to move away from the old model, which was based on very technical rules of the law of war, and required declarations of war, and things of that sort; and that operated on a model of “just war”—to move away from that, to something that was *much more* encompassing, and was designed to protect, in particular, also, civilian populations, not just combatants.

And so, when you get the 1949 restatement of the Conventions, that is the major transformation that occurred. So, it was really a sweeping expansion of the old Convention.

EIR: Now, the general way the Administration talks about this, is that the Geneva Convention is the question of prisoners of war, and that if someone, say, al-Qaeda or Taliban, is not entitled to be classified as a prisoner of war, therefore they have no protections whatsoever.

Horton: Well that sounds like someone has derived their understanding of law from watching Hollywood movies. That’s not the way the Geneva Conventions operate.

EIR: How do they operate?

Horton: They operate on the basis of application to conflicts. So that a conflict is either covered by, or is not covered by, the Conventions. And, of course, in 1949, things were redrawn with the notion that *all* kinds of conflicts would be covered, in some respect, by the Convention: Whether it’s a civil war, or an international conflict, there would be some level of coverage by these Conventions.

EIR: So, if someone’s not classified as a prisoner of war, what are they entitled to?

Horton: Well, there’s a comprehensive plan of categorization and treatment under these Conventions. And, a major focus, of course, is the rights of prisoners of war. But, we have combatants who are *not*, who are not entitled to that treatment under the Convention, and the specific category label for them is “spies and saboteurs.”

By the way, the Administration is always saying, “These Conventions don’t cover ‘unlawful combatants.’ ” And, can you *think* of a combatant that is more unlawful than the spy or saboteur? Of course, they’re covered! They don’t have the extensive protections that POWs have, privileges against coerced interrogation, for instance. But the unlawful combatants still have a basic right to humane treatment. There are also specific categories for civilian noncombatants. There’s a special categorization and treatment of humanitarian aid workers, like the Red Cross—who have very particular rights and responsibilities, in connections with conflicts. The intention of the people who drafted the ’49 Conventions (as distinguished from the 1864 Convention, the 1906 amendments and the 1907 Hague Convention, which were not all-encompassing), was to cover every actor and every non-actor, and any fair reading of the text reveals that.

EIR: Now, are there any other precedents from the World War II period, or going into it, to what’s happening now?

Horton: Well, I’d say in the course, really, of the last two years, a very great number of scholars are finding sweeping precedents across-the-board, between things that happened and the years leading up to World War II and during World War II, to what’s happening now.

For instance, Fritz Stern, former Provost at Columbia University, probably the nation’s leading historian of the Nazi state, gave a major speech recently, in accepting the Leo Baeck Award, in which he paralleled the interaction between the Bush Administration and the Religious Right, to the political campaign that the Nazi Party launched *in 1933*, and its exploitation of religious values. Stern gave a sustained and convincing comparison which raised so much comment that it was reported in the *New York Times*.

It’s not an exact parallel, obviously; it’s not a *complete* parallel. But, nonetheless, it’s clear, that there are very strong similarities.

And then other scholars, in the legal area, which is of course my major field, people have been noticing for quite some time, that legal policy advocates in the Bush Administration produce arguments—particularly about international law—that are startlingly similar to the arguments that Nazi international law scholars articulated. For instance, Sanford Levinson at Texas, Detlev Vagts at Harvard, and Robert Bilder at Wisconsin—three very important scholars who are actively writing and speaking on this subject now. But to the comparison: They’re similar in content; they’re similar in style of presentation; they include a strident voice of ridicule; a strong sense of a paramount national interest that overrides any international obligation; an insistence on preservation of unilateral prerogatives for the Executive.

There is a tendency to have an asymmetrical pattern of interpretation; that is to say, the United States has rights under these Conventions, which it may enforce against others—but it has no corresponding obligations. Or, the United States has



Nazi jurist Carl Schmitt espoused the “asymmetrical” doctrine popular in Rumsfeld’s Pentagon, that our friends have rights, but our enemies don’t.

all these rights, but other nations don’t have corresponding rights. Completely asymmetrical. And also, the asymmetry is consistently based on a notion of countries being friends or enemies: and the friends have rights, but the enemies don’t. And, if we look at the Nazi international law scholar Carl Schmitt, that was the core of his writing, and his theories. That’s exactly the path he took in addressing almost every significant issue.

EIR: We’ve written—that is, Mr. LaRouche and others in our publications—about Carl Schmitt, in particular; and his notion that everything is justified by the state, or the interest of the state. And those arguments seem to be popping up very much, again.

Horton: It’s not just the interest of the state—of course, if you look at Carl Schmitt, it’s the “interests of the nation,” I think is the way the Nazis would put it. And that they would have more of an ethnic understanding to it. So, that’s an area where there’s a bit of a difference, obviously, between our times and their times.

But, there would be a strong focus on the powers and prerogatives of the leader—specifically. And a very disdainful attitude towards the liberal core values of modern democracy. They would say that the “spirit of the nation” is reflected in the “leader.” And therefore, it’s essential to vest all power and all prerogative in that leader, and therefore, you work very, very hard to overcome any limitations that could be imposed on your leader’s prerogatives and rights, under international law.

EIR: Now, that sounds strikingly similar to some of the arguments made in the Justice Department torture memos, about the so-called “inherent powers of the commander-in-chief in wartime” that can’t be subject to any limitations.



According to Nazi legal ideology, the apex of the legal system and of legal authority was the Führer. This idea echoes in the current DOJ torture memos, about the “inherent powers of the commander-in-chief in wartime” that can’t be subject to any limitations.

Horton: That’s right. One of the things that was typical of writers in the Nazi period—like Carl Schmitt, for instance—is that even on points where the law was really quite well settled, and there was an international consensus, that no argument was *too ridiculous*, to avoid being presented by the Nazis.

It seems that their volume and the stridency would make up for the absence of logic in their arguments; that also, as a style, has a certain redolence to America, today; I certainly know of talk show hosts on cable TV who use this model.

EIR: There has been—and we wrote about this, some of my colleagues—a revival of Carl Schmitt, in the U.S., in the past decade or more.¹ Is there any seepage of that, explicitly into this sort of conservative theory about the “unitary executive” and the “strength of powers”?

Horton: No, we don’t see explicit citation of it anywhere. But, I think most people who read some of these things, and I think—you know, you can go to recent meetings of the

Federalist Society, and listen to some of the speakers talk about these things.

It’s just a fact that their approach to belittling international law, international legal scholarship, and so forth, is remarkably similar to the writings of Carl Schmitt. Both in style and substance. No one ever doubted that Carl Schmitt was a brilliant writer and thinker; but it was a very dark brilliance, to put it mildly.

One thing that is different is racism. Carl Schmitt would stand up and say, “Jews!” “They’re all Jews!” And he would have long lists of the professors who themselves would become targets. That is not an element of the current debate. But, aside from that, we are seeing a wholesale revival of ideas which appear largely banished from legal scholarship since the end of World War II.

This idea of the “paramount power of the Presidency” is a critical element. Scholars purport to cite *The Federalist Papers* and Alexander Hamilton, and other—I would say—conservative, strong-central-government writers, from the American tradition—purporting to cite these people for views which are *totally contrary* to the views of Alexander Hamilton and his contemporaries.

EIR: Absolutely.

Horton: Absolutely contrary. On the question of international law—or, as they would have said, “the law of nations”—there’s no question whatsoever, that Alexander Hamilton, for instance, felt that was a binding and very important part of the law. And something that just never would have been questioned.

EIR: In fact, the Constitution says that.

Horton: They are suggesting, frequently, that the “law of nations” exists to *usurp* the Constitution, or the Constitutional authority of the government. Frequently, they ask derisively, “What is this ‘international law’?”

And if you look at the Constitution, and you look at the writings of the Founding Fathers, they had little doubt about it: There was a law of nations, an integral part of the law. There wasn’t a really extensive body of law of nations, but there were rules. And those rules were binding, and had to be observed!

And one of the major areas, certainly, at the time of the Constitution—1789—was “the laws of war.” Another was the law governing “piracy.” Pirates were in a sense the terrorists of their day. But of particular importance to the drafters of the Constitution was the current question: How do you treat—as the Constitution calls them—“captures,” in time of war?

EIR: So, this is not something new.

Horton: Absolutely not! I mean—it was so important, that it was, in fact, one of the *expressly* articulated prerogatives of the Congress, *not of the President!* Congress was given the

1. See, for example, Barbara Boyd, “Carl Schmitt Revival Designed To Justify Emergency Rule,” *EIR*, Jan. 19, 2001; *Children of Satan* (Leesburg, Va.: LaRouche PAC, 2004).

right to set the rules implementing the law of war, including treatment of detainees. And for a military person at the end of the 18th Century, this was important, for many reasons. I would say the concerns weren't entirely humanitarian: The concerns were also a matter of deciding who got the benefit of a ship or wagon-train that was seized!

EIR: Now, moving ahead to the 20th Century, the types of arguments that are made—which have been made in the context of the current, so-called “war on terrorism,” there are echoes of that, also, in the Nazi period, or going into World War II.

Horton: No doubt about that! I think if you look at the Nazi climb to power, starting from 1933, that climb to power was driven by fear-mongering on what might be an historically unprecedented scale.

Fear-mongering was used as the tool to change the law, to undermine civil liberties. So, where the constitution was changed, the code of criminal procedure was changed in this period, and extraordinary powers were vested in the Executive, including police powers; the powers of an independent judiciary were destroyed. And, this was all done based on a “terrorist menace.” And exactly what the menace was, shifted from time to time during the Nazi period. It was a matter of opportunism, or convenience.

But clearly, 1933, at the beginning, if you look at the campaign speeches in the elections to the Reichstag, probably the number-one target is the “international Bolshevik conspiracy.” So, it's multi-ethnic, rooted in ideology, it's all around us, you never know if your next-door neighbor isn't a member of this conspiracy—but it is also tied to a local political party. And they're definitely labeled as a terrorist conspiracy.

The seminal event for the Nazification of Germany, the so-called *Gleichschaltung*, was, then, the burning of the Reichstag building—1933. And, again, that event occurred a matter of months after the new government was formed. It was seized upon *immediately* by the Nazi leadership, as a pretext for strengthening their control of the state and rooting out the liberal democratic protections of the Weimar Constitution and of German law.

EIR: On the specific military questions that have come up—on treatment of captives, prisoners of war, enemy combatants, and so forth—what kind of parallels are there in that respect?

Horton: Let's just start at the threshold question: Do the Geneva Conventions apply to the conflict? From the outset Nazi leaders talked dismissively of the Geneva Conventions and looked for ways to avoid them.

They looked for technical exceptions. And the arguments that were advanced, are essentially identical to the arguments that are made in Judge Gonzales's memorandum of Jan. 25, 2002: First, the adversary didn't sign the Convention, and therefore the adversary is not entitled to its protections. And in this case, you have the Soviet Union, which, of course, was



The Reichstag fire of February 1933 was the seminal event for the Nazification of Germany. “It was seized upon immediately by the Nazi leadership, as a pretext for strengthening their control of the state and rooting out the liberal democratic protections of the Weimar Constitution and of German law.”

not a state party to the Geneva Convention.

And then, secondly, all the demonization of the Russians as “Bolshevik terrorists” was trotted out: That these people, they are terrorists, and therefore, in the language of the Geneva Convention, “they don't abide by the rules of war.” And therefore, you cannot fight a modern war against terrorists, under the rules of this Convention. And we see a specific argument being trotted out, about the “obsolescence” of the Convention; it's being described and denigrated as the “product of a notion of chivalry of a bygone era.”

EIR: Who said that?

Horton: That was General Field Marshal Keitel.

And he said that in response to the famous memorandum that was written by Helmuth von Moltke.

EIR: Yes, can you say something about that? Let's talk about the opposition that arose within the German military to this.

Horton: I think the German military was viewed as one of the few places in German society, where there was a sort of “internal emigration” from the Nazis. Because while the Nazi Party took control of almost all the important institutions of



Helmuth von Moltke's arguments for extending POW treatment to Soviet soldiers are almost identical to those used by Colin Powell, in a letter to Alberto Gonzales.

German life, and that included professions, and trade unions, and government offices, and universities, the Army as an institution always remained outside of it. In fact, the Nazis seemed to be intimidated by the Army to a certain extent. And while they did appoint people loyal to them to the upper echelons of the Army, for the most part they focussed on creating their own parallel militarized structures, the SA, SS, and Gestapo.

And, at the top of the Army, we had a number of aristocrats, mostly north German aristocrats, but some from all over the country. And these people were well educated, and they had a very strong sense of military tradition; they had the German military tradition. Quite a few of them also had international exposure in education.

And one of the most significant of those was Helmuth von Moltke—Helmuth James von Moltke we should say—who was half-English. His mother was an English aristocrat. Well, her family actually had a very prominent position in South Africa; her father had been a judge in South Africa for some time. And von Moltke therefore was raised in a completely bicultural, bilingual environment—speaking English and German; going to university in Germany and England; and studying law. And he studied law with some of the most important international law scholars of his age in Germany. He also was at Oxford; and he also became a barrister, in London. And his own convictions—it would be too strong to say he was a pacifist. That's not right. And he was a strong believer in the curative power of international law: that international law would provide a way, over time, to make the brutal consequences of war milder and milder. And ultimately also, provide a way to bring an end to war.

EIR: What was his response to the Nazi trespass, so to speak, on these concepts?

Horton: He courageously opposed what he saw was going

on. He was legal counsel to the Abwehr, what we would call Military Intelligence. And, he, in this capacity, was being briefed about things that were going on, on the Eastern Front and the Western Front, and about legal orders that were being given by the government. Whenever he saw what was transparently a violation of international law, he raised a very loud objection to it.

And I think he was careful to pick things which were the most egregious of violations: So, in the case of the Russians, for instance, he wrote a memorandum, presenting the case for giving Soviet soldiers POW treatment. And, in fact, the arguments in that memorandum are close to identical to the arguments that are made by Gen. Colin Powell, in the letter that he sent to Alberto Gonzales.

Moltke acknowledges that there are “technical” legal grounds for saying the Convention doesn't apply and for excluding Soviet soldiers from POW protections; but, he says, we have strong interests in giving them those protections. Those interests are, to protect our own soldiers, who might be captured in battle, whether in this war, or in future wars, because it creates a tradition of compliance with the Geneva Conventions, and that tradition, that historical practice, protects you, under the terms of the Conventions themselves.

He also said, this is necessary to maintain discipline, and order. If you lead the soldiers to believe that the Geneva rules and Geneva protections don't apply, what you get is mayhem, violence, and chaos, in dealing with the detainees, which is very bad for military discipline and order.

EIR: How much support did von Moltke have among the military lawyers?

Horton: I'd say he had broad support from the small circle of international law lawyers. That includes people like Berthold Schenk von Stauffenberg, and Peter Yorck von Wartenburg. And Admiral Canaris backed him, of course.

But, then, I think when we get generally into the broader General Staff, there he met with derision, and disrespect. I would say, in his case, of course, I think people were a little bit reluctant ever to show disrespect, because his name was a powerful one to someone in the German military; imagine in our world someone whose grandfather was Robert E. Lee and whose father was Douglas MacArthur. Moltke's great-uncle was *the* most important figure in German military history, and his father was the Chief of General Staff of the Army in the First World War. That protected him.

EIR: What eventually happened with him?

Horton: It only protected him so far. Because, there was an enormous struggle over control of counterespionage and intelligence that went on between Nazi leaders and Admiral Canaris. And that led to raids on people who worked for Admiral Canaris, and he was arrested. He was arrested over really nothing of consequence. But then, the investigations began, and it became clear that there had been a whole con-



Adm. Wilhelm Canaris, who supported von Moltke's effort to prevent war crimes, was executed for his role in the plot to assassinate Hitler in 1944.

spiratorial group and that he was in the center of it. And ultimately, he was executed.

His conspiratorial group include Count von Stauffenberg, and others who actually carried out the attempt to assassinate Hitler. Now, Moltke himself had actually been arrested before any of those plans were finalized. And he always insisted that he had never been involved in any plans to assassinate Hitler. But, he and his group had been involved in discussions all along, about how to deal with this “dilemma,” as they put it. And the “dilemma,” of course, was Hitler.

EIR: Now, these were the military lawyers, the equivalents of our JAGs. What about domestic lawyers, the equivalent of our Ashcrofts, or Gonzales (the would-be Attorney General), and so forth?

Horton: A very sad story there: By and large, the legal profession in Germany consisted of a small group of lawyers, who were courageous to oppose the Nazis, and almost all of whom fled the country. A large number of them came to the United States, in fact. And others, who stayed behind and were coopted. And the process of cooption started with the professional organizations, and also with the civil service. They were all forced to swear oaths of loyalty to The Leader, and to accept new notions of law based on Nazi legal ideology, under which the apex of legal system and of legal authority was The Leader.

EIR: You've talked about Franz Schlegelberger, in this regard. Can you say something about him? [Schlegelberger served in the Ministry of Justice from 1932 to 1942, was its director in 1941-42.]

Horton: Schlegelberger, I think, just offers you a perfect counterpoint to von Moltke. Because, von Moltke is someone who had a profoundly ethical sense of the lawyer's responsibilities to society and to mankind. On the other hand, Schle-

gelberger approached the profession the way a plumber approaches repairing a broken pipe—he viewed his role as doing the client's bidding and enforcing the law as written. Moreover, he ultimately bought into the Nazi political and legal ideology. As the judgment in his case in Nuremberg stated, he “prostituted an entire system of justice to a totalitarian dictatorship.”

EIR: What was his formal position?

Horton: He had been a judge for many years, and afterwards he was the Minister of Justice. And Schlegelberger, when he was tried at Nuremberg, defended everything by saying, “Well, under our system, the Führer was the source of all law and all authority.” And he gave a complete articulation of this notion, known as the *Führerprinzip*.

I think, not a few people who look at this today, and then look at the memoranda prepared by John Yoo (I guess two of them, now), in which he argues that the President has unlimited authority, is not beholden to international law, or to Congressional enactments, and see a certain intellectual similarity. In fact if you had to render the notion advanced in Yoo's memo—the notion of the supremacy of the Executive—into German, the word almost certainly would be *Führerprinzip*.

There are important distinctions, of course. Yoo's notion limits it to certain areas of competence, and the commander-in-chief's authority in time of war. But then, the other thing we have to keep in mind, is that they've introduced a new definition of “war,” which seems to be without any limitation in time, or in terms of space. So that all we have, is “in times of war” today.



Gen. Field Marshal Wilhelm Keitel in the Nuremberg courtroom. Rather than going in front of a camera and saying “I am responsible,” but suffering no punishment, he was condemned, and executed.

And that's certainly not the way the Founding Fathers viewed war and peace, and not the way it's described in the Constitution.

EIR: Absolutely. Now, let's jump ahead to the Nuremberg Tribunals. Just describe what happened there, please.

Horton: Well, at the end of the war, there were a whole series of trials dealing with the worst Nazi abusers. And I guess the trials that had the most immediate bearing on international humanitarian law and the Geneva Conventions, were the Wehrmacht trials, and right in the center of that, was the case against General Field Marshal Keitel. And, in that case, you had a very, very long charge-sheet against him.

But, at the beginning of it, is his disrespect for the Geneva Convention and the Hague Convention. And the fact that he was behind what was called the "Commando Order," which had provided for the summary execution, or, let's say in the first instance, refusal to provide Geneva Convention protections to Allied commandos captured behind lines. And, the so-called "Airmen Order," under which airmen who were captured and who were "guilty of terrorist acts," were to be treated as terrorists and not as prisoners of war. And therefore, were to be subject to summary executions—

EIR: So these were British, French, American?

Horton: Absolutely.

Then, the so-called "Commissar Order," which had to do with the execution of Russian political leaders, again, justified on the grounds that they were terrorists. Although political officers would also have been uniformed officers of the Red Army, because the Red Army units had political leaders and military leaders, side by side.

So, this series of orders he gave, had direct bearing on the interpretation of international legal obligations. And in every case, Keitel came and justified the decision he had made—in a technical sense, he would say, "Oh yes, but of course, the Soviets were not a party to the Geneva Convention, so of course, they were not entitled to these protections anyway"—and, moreover, he justified what happened on the basis of terrorism! That they were engaged in terrorist conduct.

Ditto with the airmen. He said this didn't apply to all airmen. It applied to airmen who had bombed and strafed civilians. And bombing and strafing civilians is, and was, conduct inconsistent with international humanitarian law, and was consistent with international legal definitions of terrorism, and therefore, these people will be labelled as terrorists, and therefore they weren't entitled to any protections.

And on and on, in this nature.

Then, he also went on to say, that, "Well if abuses occurred, it wasn't a result of *my* instructions." Because all soldiers were given a service book, a service pamphlet, which had at the very beginning of it, a statement of what the rules of the Geneva Convention were and how they were to be applied.

EIR: Isn't that somewhat similar to the defense that's



Under President Bush, "the rule seems to be: Scapegoat a few enlisted men, but no senior official or senior officer will be held to account for anything. It's the total abnegation of the Nuremberg rule." Here: Abu Ghraib Prison in Iraq.

raised, today?

Horton: It's absolutely similar. It's what we would call today, the "rotten apples defense." He was saying, "Oh yes, well, those who did it are an affront to the military as a whole, I can't be held accountable for these rotten apples."

And the Tribunal absolutely rejected each of these defenses. I would say, to start with, this idea that you would interpret the Geneva Conventions in a niggling, technical way, and deny protections based on highly technical interpretations of something that was rejected: The view of the Tribunal was, that, whether a country is a member or not, this is international customary law, accepted by all the nations of the world, and you have to observe it. So, they dismissed that pretty quickly. They also dismissed, absolutely, all these notions that these people were terrorists, and therefore to be segregated out and treated differently: That was viewed as inhumane, and not justified. In any event, such a determination could only be made by raising charges against the detainee and trying him through a military tribunal, as provided in the Geneva Convention.

And then, when we came to sentencing, the fact that he had talked about the “obsolescence” of the Geneva Conventions, was specifically cited as a reason for seeking the death penalty.

EIR: And he did receive the death penalty.

Horton: Yes. He was executed in 1946. But, I would say, his ideas, obviously, are not dead.

EIR: Now, you hear, also, from the Administration—Rumsfeld and others—that these memos, drafted up there in outer space, or in the ether some place, have no connection whatsoever, to what happened in Abu Ghraib, or Guantánamo. Was that type of argument raised also at Nuremberg?

Horton: Absolutely! First of all, there was evidence given at Nuremberg, that there had been one meeting at which Keitel had said: All these matters are so dangerous that let’s avoid creating paperwork to deal with them. We will have orders, and make decisions orally, and we won’t leave a paper trail.

This is something he talked about very explicitly, so as to limit the amount of paper. And all paper that was generated about this, was to be very tightly guarded, and kept very secret. Does that strike you as having any parallels to recent developments?

And then, of course, they made this argument: We may

have had policy discussions about this thing, or that thing, or the other thing. But there’s no evidence that shows that these policies were transmitted into orders directly at the front anywhere. Where’s the paper trail showing that?

And the Tribunal was utterly unimpressed with these arguments. They took the view, that if the policies were made at the top, and you saw the results of it out in the front line, that was quite enough. And they moved forward with a notion of almost absolute ministerial accountability: That is, in this case, with respect to the Army, that those in senior command positions—and the ministerial position, of course, would have been Keitel; he would have been the equivalent, effectively, of the Secretary of Defense—they had a responsibility, positively, to enforce the Conventions, and a responsibility to *train* people, and a responsibility to *punish* people who failed to enforce the Conventions.

So, if we see that a consistent pattern of violations going on on the front lines, grave war crimes have been committed and the Minister (in our case Secretary of Defense) is held to account for them. And by “held to account,” I do not mean that he goes in front of a camera and says “I am responsible,” but then suffers no punishment of any sort. No. I mean the death penalty.

EIR: This is exactly the opposite of what seems to be hap-

Historian Fears Repeat of Nazi-Style Fanaticism

Fritz Stern, former provost at Columbia University and a leading scholar of European history, made some attention-drawing comments on Nov. 14, 2004, in accepting the Leo Baeck Award. Stern, whose family fled Nazi Germany in 1938, told his audience that “events of the past 10 days [i.e., around the U.S. Presidential elections] have intensified my reasoned apprehension, my worry about the immediate future of the country that saved us and taught us and gave us so much.” Stern noted the contrast between Hitler, “who preached fear in order to exploit it,” and Franklin Roosevelt’s motto that “the only thing we have to fear is fear itself.” There were “unpleasant elements” in the United States in those days, Stern said, “but the dominant note of Franklin Roosevelt’s era was ebullient affirmation of reform and progress.”

The rise of National Socialism “was neither inevitable nor accidental,” Stern asserted, and “the most urgent lesson is that it could have been stopped.”

Among the reasons Stern cited, as to why so many Germans embraced National Socialism, was that Hitler was “a brilliant populist manipulator who insisted and

probably believed that Providence had chosen him as Germany’s savior, that he was the instrument of providence, a leader who was charged with executing a divine mission.” Stern continued: “Some people recognized the moral perils of mixing religion and politics, but many more were seduced by it. It was the pseudo-religious transfiguration of politics that largely ensured his success, notably in Protestant areas.” For example, in his first radio address after taking power, Hitler declared: “The National Government will preserve and defend those basic principles on which our nation has been built up. They regard Christianity as the foundation of our national morality and the family as the basis of national life.”

There is no doubt that Stern intended to warn the United States, and American Jews, about the dangers of Bush and the religious right. “The Jews in Central Europe welcomed the Russian Revolution, but it ended badly for them,” Stern was quoted by the Jan. 6 *New York Times*. “The tacit alliance between the neo-cons and the Christian right is less easily understood. I can imagine a similarly disillusioning outcome.”

On Jan. 20, the *Frankfurter Allgemeine Zeitung* published an interview with Stern, in which the historian described what is emerging in the United States as “a new type of authoritarianism—a Christian-fundamentalist plutocracy system, based on secrecy, intimidation, and lies.”

pening right now, in this country.

Horton: Certainly the United States, in 1946-49, in the Nuremberg trials, articulated very firm and harsh rules; and during the International Criminal Tribunals for Yugoslavia and Rwanda, the United States repeated the Nuremberg rules—that was only a few years ago, in fact. Now under President George W. Bush, all of that seems completely forgotten, and the rule seems to be: Scapegoat a few enlisted men, but no senior official or senior officer will be held to account for anything. It's the total abnegation of the Nuremberg rule.

EIR: Just to emphasize what you just said: You're saying, that if those standards, that were used by American prosecutors at Nuremberg, were applied today, then Rumsfeld and so forth, would have to be held accountable for what has happened on the front lines.

Horton: We should start by noting that the crimes for which Keitel was convicted dwarf anything that has ever been alleged against U.S. forces in Iraq, Afghanistan, and Guantánamo. What Keitel did had strong implications of genocide and involved the death of millions, and of thousands of uniformed soldiers. By comparison the abuses and war crimes in the current war seem minor. But who can take solace in the fact that these abuses are less than the darkest chapter in the history of mankind? We have 50 deaths in detention and a good dozen or so raise serious questions of torture. That's grave enough.

Applying the Nuremberg rule, let's ask some questions: Were there policy memoranda created that opened the doors for abuse, that advocated or blessed unlawful conduct?

Absolutely. No question about it.

Did the abuse occur?

Absolutely. No question about it.

Was it widespread and systematic?

We have internal Department of the Army investigations that can be cited for that proposition. The number of "rotten apples" went from six to a dozen, to sixty, to several hundred, and the number is always climbing. Moreover, the nature of the abusive acts is so similar that the criterion of "systematic" has been met! And we have a number of other reports that they've been sitting on, nervously, not releasing.

Those facts, alone, would be enough, to establish a *prima facie* case under the Nuremberg standards. But the facts are not yet fully developed; much is unknown. The United States has prosecuted some offenders, which counts as intention to enforce and uphold the law. Keitel never did this. And of course, we would have to hear a defense from the accused. Unlike Secretary Rumsfeld, I believe in a presumption of innocence.

Let's keep in mind that in that Jan. 25, 2002 memo, Judge Gonzales seems to be driven by one particular fear: prosecution of members of the Administration for War Crimes. Based on what has happened, it certainly seems his concern is well founded.

Helmuth James von Moltke

Resistance Against Hitler's War Crimes

by Gabriele Liebig

This is an abridged and translated version of "Resistance to Hitler's War," published in the German weekly Neue Solidarität on July 21, 2004.

The systematic disregard for international law reflected in the treatment meted out to Iraqi and Afghani prisoners of war by American personnel, both civil and military, has been compared with Hitler's 1941 "Commissar Order" and "Barbarossa Edict" [see interview with Scott Horton, above]. But just as American military and retired military figures, as well as State Department officials, opposed the abuses and war crimes from the outset of the Iraq War, and are becoming increasingly outspoken today, so during World War II, Helmuth James, Count von Moltke, a key figure in the German resistance, did everything in his power, from his post in the Wehrmacht High Command (OKW), to prevent war crimes. Von Moltke also led the Kreisauer Circle in the resistance to Hitler.

Twofold Resistance

When Hitler seized power, Helmuth James von Moltke (1907-45) was completing his legal apprenticeship, after studies in international law with Alfred von Verdross (1890-1980) and Hans Kelsen (1881-1973).

From the outset, von Moltke had rejected National Socialism. This meant that any hope of a career as a judge was out of the question. He therefore became a lawyer, while discussing with his circle of friends an opposition movement. When World War II broke out with the German onslaught on Poland in 1939, von Moltke was found unsuited to combat duty, but assigned to office work in the High Command's Foreign Department, which reported to the counter-intelligence division led by Adm. Wilhelm Canaris.

Shortly after the war began, the international law section of the Foreign Department was enlarged to become an International Law Group, to which von Moltke again belonged. The group's leader, Major W. Tafel, was a hard-core opponent to the Nazis, close to the Resistance, and a relative of Dietrich Bonhoeffer brothers, leader of the Confessing Church who died for the important role he played in the Resistance to Hitler.

In joining the Foreign Department, von Moltke's idea was



Helmuth James von Moltke was condemned to death in a Nazi court, for planning to establish a just state, after the defeat of the National Socialists, "where everyone may advance and develop to the fullest."



Freya Moltke, von Moltke's wife, lived with their children far from Berlin. His almost daily letters to her are the main source of information about his role as a dissident within the Foreign Department.

to head off breaches of international law. The Department was not empowered to issue directives, but only advisory opinions. As time went on, these opinions were no longer sought, and the only option was to attempt to rein in such breaches wherever possible, and to keep war crimes down to a "small scale." After Poland was divided, von Moltke had hoped that the Western offensive, postponed by Hitler several times, might yet be averted through a compact with England mediated by the Vatican. But in 1940, the Wehrmacht, trampling upon neutral Holland and Belgium, swept through to France in a campaign that ended in victory in less than six weeks. As Hitler's star rose to its zenith, out of von Moltke's Foreign Department was to come a new group known as the Kreisauer Circle, which included men such as Peter, Count Yorck von Wartenburg.

Von Moltke was well aware that this would be a World War, and that England would enlist the help of the United States against a fascist Europe. On May 26, 1940, he wrote to his wife: "Should Europe fall, willy-nilly, into our hands, the war will become a struggle between the Western Hemisphere and our continent, and it may drag on for 100 years. As Germans, we shall find ourselves unable to travel anywhere without either being straightaway taken prisoner, or else barred entry."

On June 17, 1940, von Moltke wrote to Yorck von Wartenburg: "It has come to the point that we shall have to face the eventuality that Evil may triumph; although we had been prepared to take upon ourselves all the suffering and misery, as we now seem to go plunging towards a far worse slough of seeming happiness, well-being, and prosperity, it is more critical than ever to be clear about the foundations for a private school of thought, in respect of statecraft." In that same letter, von Moltke speaks of his own concept of what a "just state" would be, where "every man may advance

and develop to the fullest."¹

These were the themes raised among the friends who met at Kreisau, von Moltke's estate, for the three conferences held there in 1942 and 1943, and at countless luncheon and evening discussions. That is why von Moltke was to be condemned to death by the Nazi state's notorious People's Court. Here we shall deal only with the "official" aspects of von Moltke's work in the Resistance, that is, his struggle for international law and humanity. The main source is his letters to his wife Freya, written almost daily between 1939 and 1945, as she ran their estate at Kreisau and raised their children far from Berlin.²

The International Law Department

In the early weeks of the war, in 1939, von Moltke believed that it might yet be possible to influence the way the war was being conducted, by issuing international legal opinions and intervening very swiftly. On Nov. 18, 1939, he wrote to Freya: "Of course, I'm clinging to the lever's short arm, on its stump actually, and if ever I want to activate the lever, that is, move its long arm, I've got to make the most awkward efforts, but without the long arm ever noticing." Von Moltke took the matter seriously, and went so far as to oppose a certain war measure 25 to 1—von Moltke stood against 25 officers who thought otherwise. On another occasion, he risked losing his position because of his dissident stand.

Although early in the war the issue had been maritime and economic warfare, it quickly became that of war crimes perpetrated by the Germans in Poland. Von Moltke's superior, Major Tafel, noted in his diary on Feb. 8, 1940, that von Moltke had penned a report concerning the murder of 600

1. Ger von Roon (ed.), Helmuth James Graf von Moltke, *Völkerrecht im Dienste der Menschen, Dokumente* (Siedler/Goldmann, 1986).

2. Helmut J. von Moltke, *Briefe an Freya 1939-45*, Beate Ruhm von Oppen (ed.) (Munich: dtv, 1995).



Peter Count Yorck von Wartenburg was one of Moltke's grouping in the Foreign Department known as the Kreisauer Circle. Moltke wrote to him in June 1940 about the critical need to be "clear about the foundations for a private school of thought, in respect of statecraft."

Poles by SS commandos. "Graves for 50 persons, knocked on the back of the head—coup de grâce in the grave, one after the other." Von Moltke demanded severe punishment for the SS and wrote, "There are limits—even to following orders."³ In such cases, it was the Wehrmacht command that was to decide whether someone would be court-martialled, but that changed with the Russian campaign and the "Barbarossa-Edict"⁴ (Operation Barbarossa was the codename for the German invasion of Russia).

Contempt for international war-crimes law was being shown elsewhere than on the Eastern front. In occupied Holland, Commander Christiansen attended a dinner party to which von Moltke also came, and spoke of his first weeks in Holland in 1940, and the first parleys with Gen. Henri Winkelmann, High Commander of the Dutch Armed Forces. Von Moltke quotes Christiansen's words in a letter to Freya dated June 5, 1943. Winkelmann had said to Christiansen: "I assume, General, that you remain within the bounds of international law and the Hague Convention"—and do you know what I [Christiansen] replied: 'General, what did you learn of international law in school? I for one, learned nothing. International law is something that exists only in the newspapers.' And this was said amidst gales of laughter from the assembled company."

One wonders how history will report such episodes from the years 2003-2004.

War on the Eastern Front

On June 22, 1941, "Operation Barbarossa" began the onslaught on the U.S.S.R. Von Moltke states frankly that he had been "quite wrongly briefed" on the Russian situation. On July 17, 1941, he wrote to Freya: "The adventure is utterly

3. Roon, *op. cit.*, p. 232.

4. Steve Douglas, "Abu Ghraib und Hitlers Kommissarbefehl," *Neue Solidarität*, No. 24-25, 2004.

unpredictable, and I greatly lament having ever, in my heart of hearts, approved of it. Misled by prejudice, I had thought that Russia would collapse like a pack of cards, and that we might establish an order there that would not threaten us. But there's no sign of that: Far behind our own Front, the struggle goes on, carried out not only by Russian soldiers but by peasants and workers; it is exactly like China. We have begun something dreadful, the victims will be many, and good men will fall."

On Sept. 28, 1941, he wrote: "The days fly apace. They fly as I see how we decay, and every day that ends without a check on this wretchedness and killing, is as a year. Every day 6,000 Germans, and 15,000 Russians die, or are wounded. Every hour 250 Germans, and 625 Russians, every minute four Germans and ten Russians."

From Hitler's standpoint, the war against the U.S.S.R. was no "regular" war, but rather a war of worlds, against the "Jewish Bolsheviks," where international law had no weight. It was not easy for von Moltke's circle to rise against that, because the Soviet leadership had repudiated all the treaties signed under the Czars. The U.S.S.R. had even repudiated the 1910 Hague Convention on the laws and customs of war on land. The only treaties recognized by the Soviets were the Red Cross Treaty and part of the Geneva Prisoners of War Convention of 1929. In the interest of Germany's prisoners of war, cooler heads in the Wehrmacht Department for Prisoners of War pressed the German government to come to this agreement with the U.S.S.R.: We treat your soldiers in accordance with the Hague Convention, provided you do so towards our own soldiers.

These Wehrmacht officers turned to the Foreign Department, where von Moltke's colleague Schmitz informed them that many German orders contradicted the aforesaid proposal, and should be altered, in Germany's own interest. It so happens that there existed a notorious order known as the *Kommissarbefehl*, to shoot on sight all so-called Political Commissars or political leaders. There was also the so-called "Barbarossa Edict," a secret order from Field Marshal Keitel (1882-1946), dated May 13, 1941 and titled, "Regulating the Conduct of Troops in District Barbarossa and Dealing with Opposition." That order amounted to *carte blanche* to mow down civilians without fear of court martial.⁵

In July, the Soviet government, through Sweden, declared that it would be prepared to apply the Hague 1910 Convention to German prisoners, provided Germany reciprocated. Von Moltke's Department strongly recommended that Germany respond positively, but the Wehrmacht High Command dismissed the proposal.

Upon which, the International Law Group turned to the Abwehr (military intelligence). On Sept. 15, 1941, von Moltke drafted a document signed by Adm. Canaris, intended for Field Marshal Keitel, where von Moltke explained that

5. *Ibid.*

under international law, “the imprisonment of a soldier in time of war is defined neither as revenge, nor as punishment, but as a security measure, its sole purpose being to prevent the prisoner from continuing the struggle.” The orders concerning how Soviet prisoners should be handled, were, to the contrary, based upon the view that the mere fact of serving one’s country in time of war, was a crime. Were that view to prevail, “the measures will lead beyond doubt to arbitrary mistreatment and to killing, without regard to the fact that arbitrary acts are expressly forbidden.”

In particular, the document attacks the fact that security police and Sicherheitsdienst (SD, “Security Service”) men were allowed to “weed out civilians and politically undesirable prisoners of war.” As a result, “the opportunity to protest the poor treatment of Wehrmacht personnel taken prisoner by the Soviets would be lost.” Field Marshal Keitel waved those arguments aside, to scribble in the margin: “Such thoughts reflect a soldier’s notion of a war of chivalry. Here, our concern is to annihilate a world outlook. That is why I have put up with such measures, and will cover for them.” Those notes from Keitel were to resurface later, at the post-war Nuremberg Trials.⁶

On Oct. 21, 1941, von Moltke wrote to Freya: “New and horrific orders are being given, and no one seems to blink an eyelid. Who shall bear the guilt? In Serbia, in a single area, two villages were burnt to ashes, while 1,700 of the menfolk and 240 of their womenfolk were executed. This, in ‘punishment’ for an attack on three German soldiers. In Greece, 220 men in a single village were all shot. . . . In France, the shooting goes on as I write. I imagine that over a thousand human beings are killed thus every day. . . . And this is but child’s play, compared to the events in Poland and Russia. How do I come to know of these things, and sit here in my heated flat, write at a table, and drink tea? In so doing, may I too not bear some share of the guilt? What shall I say if ever I be asked, what did you do while that went on?”

This was when the Jews were first deported from Berlin. On Nov. 13, 1941, von Moltke wrote to Freya about the previous two days’ events: “Russian prisoners, evacuated Jews, Russian prisoners, evacuated Jews, evacuated Jews, Russian prisoners, hostages are shot, the ‘tried and true’ measures prevailing in the occupied zones now creep in upon the Reich itself, and yet more evacuated Jews, Russian prisoners, a mental health asylum for SS commandos who collapsed during the execution of women and children.” Von Moltke learned of the asylum from a nurse, whom he had met in a streetcar.

The following day, von Moltke was able to report, for a change, one success: “In this business with the prisoners, my main antagonist, Gen. Reinecke, has finally been compelled to propose that the Red Cross assist German prisoners of war, which means that we shall be compelled to allow the Red Cross in as well, and thereby change our methods.”

6. Roon, *op. cit.*, p. 258; von Moltke, footnote p. 40.

But there was to be no change in method. In August 1942, the International Law Group protested against Russian prisoners being tattooed on the buttocks. The Law Group’s document, drafted in telegraphic style, reads in part: “1. The identification-mark order is a breach of public international law, as the dignity and bodily integrity of prisoners of the Reich must be respected. 2. Enemy propaganda attacks D [Germany] for the use of medieval methods. . . .” Five further grounds are given. The order was immediately, although temporarily, withdrawn.⁷

Hitler’s regime always claimed that the Red Army had a “no prisoners” policy insofar as German prisoners of war were concerned. Based on that allegation, letters from Russian prisoners to their families in Germany were impounded, and the Gestapo set on the trail of anyone who did receive such letters, pursuant to an Order from the Führer, dated November 1942. Several hundred letters and postcards had, however, been forwarded by the Red Cross to the Foreign Department, to be sent on to the addressees. Department members would take some of those letters, and toss them into Berlin mailboxes, to ensure that they would reach home.

The Fate of the Jews

Three months after the war on the Eastern Front began, the International Law Group learned that Jews were being executed in Russia. An officer named Panning reported that he had found illegal dum-dum bullets on the Russian side. In order to prove “scientifically” that this was a breach of international law, he had carried out a “large-scale test, using said ammunition to execute Jews.”

That was von Moltke’s report on Sept. 12, 1941, and he added: “The bestiality, the utter squalor of it—and there’s no way to prevent it! One can only hope that the day will come when Herr Panning will stand before a court.”

On Oct. 21, 1941, von Moltke referred to deportations from Berlin: “Since Sunday evening the Jews in Berlin have been rounded up; they were collected at about a quarter past nine in the evening, and locked into the Synagogue overnight. Then, carrying only hand-luggage, they are to be taken off to Litzmannstadt, Lodz, and Smolensk. They don’t want us to see that the Jews are to be knocked off from hunger and cold, and therefore it’s all to be allowed to happen at Litzmannstadt and Smolensk.”

On Nov. 7, 1941, a discussion took place in the Foreign Department about the forthcoming issuance of an edict, under which the Jews would lose both their German citizenship and their property. Von Moltke went to the meeting in a colleague’s stead, his the sole voice raised in protest. In an attempt to thwart the edict, he insisted that a decision be taken in each individual case, rather than a “general provision,” that would, from the Abwehr’s standpoint, bring severe consequences in its wake.

7. Roon, *op. cit.*, p. 264.



Jewish children in a concentration camp. Moltke travelled to Copenhagen in November 1943 to warn the Danes of the imminent roundup and deportation of the Danish Jews. Earlier, when Berlin Jews were being deported, he wrote to his wife, "They don't want us to see that the Jews are to be knocked off from hunger and cold. . . ."

On Nov. 8, 1941, von Moltke wrote to Freya: "Yesterday, attended a Foreign Department conference on persecuting the Jews. It was the first time that I've had anything to do with the issue in an official capacity. With iron will, alone against 24 colleagues, I attacked, and, for the moment, hindered, an edict that had been approved by the entire Cabinet and by the OKW [Wehrmacht High Command]. Then I went back to my office, only to have the OKW's consultant ask me: 'Why ever did you do that? You won't change a thing, although those measures will naturally lead to a catastrophe.' "

Von Moltke entertained contempt for such men, including some members of his own family, at whom he took aim in the same letter: "I feel so very bitter, not to say more, at this fellow, because no one causes me more problems than people who are so at ease with themselves. These are the lot who give us the reputation, everywhere, of being a people incapable of ruling ourselves, let alone others. These men's views are of the narrowest, nor do they grasp that no single act in this universe goes unseen, that everything is tied to everything else, and that a murder at Warsaw will echo round the world—at Calcutta, at Sydney, on the North Pole, and in Kurdistan, no political echo perhaps, but surely a moral one. . . . They are like chameleons: In a healthy society, such men appear healthy, in a sick society like this one, they appear sick. The truth is, though, that they are neither the one, nor the other. They are fluff."

The International Law Group was able to head off a proposal by the SS "that for every German prisoner who could be shown to have been put to death at Russian hands, 500 German Jews would be transported to the East." This was a flimsy cover-up for the deportation orders.

In November 1943, von Moltke travelled to Copenhagen at the precise moment that the Jews there were to be rounded up and deported. He had given his Danish contact Kim Bonnesen forewarning, and the latter passed the word around. But a German diplomat posted to Copenhagen, the marine expert Georg Ferdinand Duckwitz (1904-1973), had already leaked news of the impending round-up; in the dead of night, the Danes transported Danish Jews over the sound to neutral Sweden and to safety.

The Shooting of Hostages

In the occupied areas both East and West, the Nazis reacted to attacks by the partisans (today, such partisans would be called "terrorists") by rounding up, and often shooting, bystanders. Even among the SS, some had difficulty in seeing what the point of such measures might be, as they served only to set entire peoples against Germany, and to swell the ranks of the partisans.

On Sept. 16, 1941, von Moltke wrote: "The dismal situation throughout the occupied zones has led to waves of measures designed to inspire terror, and thereby keep the populations to heel. Finally, it has been acknowledged that the death penalty is no longer dissuasive, but rather than draw the obvious conclusion that one has got to rule *with* men, rather than against them, the search is on to find something more fearsome than death itself. And so our Führer has busied himself with thinking up novelties in this respect." It was decided to start shooting hostages, a policy that von Moltke and his group had consistently opposed.

Increasingly, hostages were now being rounded up and shot in France as well. Von Moltke suggested that the Wehrmacht High Command resign in protest at these crimes by the SS and SD. On Feb. 15, 1942, Gen. Otto von Stülpnagel (1878-1948) did so.

In June 1943, von Moltke travelled to Holland, Belgium, and Paris, where, through discussion with some of the more insightful individuals, he managed to prevent further hostage-taking, and even to have some hostages freed. SD General Harster at The Hague was unexpectedly cooperative. "I can hardly expect the population to remain still, and refrain from backing the bandits (the partisans), if I once begin to lay hands on the innocent," he said, and he promised to free the hostages, little by little, and in utmost secrecy.⁸

Von Moltke achieved similar results at Brussels, and wrote to Freya at Kreisau on June 7, 1943: "These days will mean, and provided that all fulfill their promises, that I have succeeded in gaining the freedom of something like 1,000 men."

Von Moltke returned to Berlin and, on June 17, 1943,

8. Von Moltke, June 5, 1943 letter.

reported on an official meeting: “I was in the murderers’ lair of Wehrmacht High Command Generals and General Staff officers obedient to Hitler, and I scattered them all with a wild onslaught. They contended that what I demanded would mean contradicting an order from the Führer, to which I replied: ‘Gentlemen, do not try to creep away behind an order from the Führer. It would be doing a gross disservice to the Führer were we, from behind our quiet desks, to be so cowardly as to avoid telling the Führer that he was ill-advised in issuing that Order. Imagine, that on account of our cowardice, our own people should be killed!’ That was the tone I had to adopt with these nauseating slimeballs, and although one or two went red as a beet-root, they all ended by scampering away from the issue.”

The Kreisauer Circle happened to be discussing, at that very moment, what was to be done after the war with those who had committed crimes so unprecedented that the law books had no name for them. A draft dated June 14, 1943, moots the establishment of a court, made up of judges from every nation embroiled in the war, including Germany: “There shall be prosecuted as lawbreakers, all those who violate the fundamental principles of divine or natural law, of international law or of the corresponding positive law of the community of nations, in such wise that it be plain that they have blithely disregarded the binding nature of those terms of law.”⁹

But von Moltke, like the other members of the Kreisauer Circle, was opposed to retroactive provisions: The Nazis themselves had shown utter contempt for the fundamental rule *nulla poene sine lege* (no punishment, without a law forbidding the crime). The Kreisauer Circle later agreed that the fact of breach of the law should be simply demonstrated in court, but the sentence should be based upon the sum of all sanctions for breach of existing law.

In August 1943, Berlin came under heavy Allied air-raids. Panic erupted in the government, and on Aug. 2, von Moltke wrote to his wife: “I’ve come back to a madhouse. . . . Everything is dissolving into naught. . . . Early yesterday, Dr. Goebbels gratified his subjects with a leaflet that reeks of nothing but shrill panic. . . . But that leaflet itself is as nothing, compared to conditions in the Ministries. Work has ground to a halt. People do nothing but pack things away in boxes. . . .”

On Aug. 3, von Moltke noted, regarding the International Law Group of the Wehrmacht High Command Foreign Department, “Of a sudden, we’ve become the focus of all attention, as the issue is to save the files, which will become the only thing left in the form of self-justification. It’s scream-



A German motorcycle soldier is captured by the Russians. Hitler’s regime was so determined to prove the lie that Russians killed their prisoners, that they destroyed the letters sent by the German prisoners to their families in Germany.

ingly funny, actually. Everyone’s hammering away at me, to pull my files together and evacuate.”

A Task Accomplished

Von Moltke travelled to Turkey twice in 1943, in July and again in December, to talk with the American who had earlier been his interlocutor, Alexander Kirk, formerly the U.S. chargé d’affaires at Berlin. It was in vain. On his second trip, it proved impossible even to speak with the Ambassador, instead of which, the U.S. military attaché tried to sound out von Moltke strictly to gain secret intelligence. Like the British, the Americans were thoroughly indifferent to the German Resistance—Adam von Trott zu Solz too had been given the brush-off. Neither Trott nor von Moltke knew that Office of Strategic Services (OSS) agent Allen Dulles had, since January 1943, been engaged in talks with the SS leadership as to how the post-war period would be organized, and how to deal with SS funds and property.¹⁰

Through the Kreisauer Circle, von Moltke had aspired to a finer, a more just, Germany, while attempting to head off crime in the dreadful present. He had quite consciously put his life on the line. In 1941, it might still have sounded slightly facetious when he wrote: “Should I be hanged, I shall not be the first von Moltke to hang, and, I hope, not the last.”¹¹

On June 27, 1943, he wrote to Freya: “Again, the feeling has come to me that time is running out, and that I shall have to leave such an endless amount of things undone.”

On Jan. 19, 1944, on the slightest of pretexts, von Moltke was arrested; he had attempted, although in vain, to tip off his friend Otto Carl Kiep (1886-1944) that he was to be arrested. Von Moltke had had nothing to do with preparations

10. Michael Liebig, “Schacht, Skorzeny, & Allen Dulles,” *Neue Solidarität*, No. 14, 2004.

11. To F. Christiansen-Weniger, in Roon, *op. cit.*, p. 301.

9. *Ibid.*, p. 46.

for the attempted assassination on Hitler, which was carried out on July 20, 1944, by Claus Schenk, Count von Stauffenberg (1907-1944), although he certainly did know most of the plotters personally. Von Moltke had always been against any such attempt, fearing that Germany's defeat would forever be blamed on the Resistance, for having "stabbed the nation to the heart." Von Moltke was tried by Roland Freisler in the People's Court Jan. 9-11, 1945, along with other resisters, and condemned to death. The sentence Freisler handed down was founded on von Moltke's plans to establish a new order in Germany, to rest on Christian natural law, after the nation's defeat and the overthrow of the National Socialist state. On Jan. 23, 1945, von Moltke was executed. Ten days later, the odious Freisler died in an Allied bombing raid.

In one of his last letters to Freya, dated Jan. 11, 1945, von Moltke wrote: "The task for which God had made me is now done. Should he have a fresh task for me, it will be known. Therefore, should I live beyond this day, do not leave off your striving to save my life. Another task may lie ahead."

A Just World Order

The generation born after the war, to which this writer belongs, was born to the better half of the 20th Century. After the war, it was not our homes and our economy alone that were to be rebuilt. When the lawbreakers were punished—and despite the fact that the Nuremberg Tribunal did not, in many respects, live up to the intentions of the Kreisauer Circle—the international legal order was nevertheless put back on its feet. Wars of aggression and crimes against humanity, were henceforth the subject of an explicit prohibition under international law, an aspect further developed under the 1949 Geneva Convention.

A half-century later, it is precisely those issues in international law that have again been called into question and, in fact, are now held in a contempt unknown since the days of von Moltke. The crisis sweeping the world in our day is the result of decades of a decline that Lyndon LaRouche's political movement has vehemently opposed, but has, so far, been unable to arrest. Speculation has so disrupted the financial system that the crisis has come to resemble, on a far vaster, and far worse scale, that of the 1930s. Thus the post-war world economic order has come down to as much of a shambles, as international law. In Hitler's day, mass murder and genocide were "justified" by his War of Ideology; today, gruesome murder is "justified" by War on Terror. In Hitler's day, it was called War of Aggression; today, it masquerades under the euphemism of "Preventive War."

The ball is now in our camp, in the camp of the post-war generation and those who are now in their 20s and 30s, who must take the future in their own hands. We must find in ourselves the high-mindedness to oppose this outrage, these monstrous errors, and ring in a new world order, one that Helmut von Moltke himself would have found "just."

From the Congress

Dems to Ashcroft: Probe Ohio Vote Suppression

The House Judiciary Committee, of which John Conyers, Jr. (D-Mich.) is the ranking member, sent this letter on Jan. 14 to Attorney General John Ashcroft. It requests the naming of a special counsel to investigate the numerous documented cases of misconduct as the election was carried out in Ohio. Ohio Secretary of State J. Kenneth Blackwell was responsible for administering the election, and was at the same time the co-chair of the Bush-Cheney Campaign in Ohio. Footnotes have been omitted. The full letter and appendices are available on the website of the House of Representatives Government Reform Committee, Minority Office, at www.house.gov/judiciarydemocrats.

Dear Mr. Attorney General:

Over the last several months, we have conducted an extensive investigation concerning irregularities in the Ohio presidential election, including holding forums in Washington, D.C. and Columbus, Ohio. The results of this investigation are summarized in the attached Status Report. In the course of that investigation, we have come across a number of instances of misconduct which we would ask that you investigate for possible federal legal violations.

In brief, we learned of numerous instances of voter intimidation and misinformation, improper purging, caging of minority voters, misuse of Help America Vote Act (HAVA) funds, voting machine tampering, perjury, and most recently, potential misuse of the federal seal in a campaign solicitation by Ohio Secretary of State Blackwell. Since this and other apparent violations by the Secretary of State presents such an obvious conflict for your office, we would ask that you appoint a special counsel to investigate this matter.

While the Report contains numerous possible violations of state, federal and constitutional requirements that warrant your attention, we would like to draw your attention in particular to several specific apparent violations of federal law:

Voter Intimidation and Misinformation

Numerous instances of intimidation and misinformation occurred across the state of Ohio that would appear to violate the Voting Rights Act:

- The NAACP testified that it received over 200 calls regarding incidents of suspected voter intimidation or unusual election related activities, particularly actions taken by challengers who intimidated poll workers and voters. Other spe-

cific incidents involved a caller who reported that someone was going door-to-door telling people they were not registered to vote. A voter in Franklin County received information in the mail identified as being from the state, that said he would have to vote by provisional ballot because he had moved; in fact, the voter had not moved and had lived at the address for 10-15 years. One polling place worker was reportedly only asking African American voters for their address.

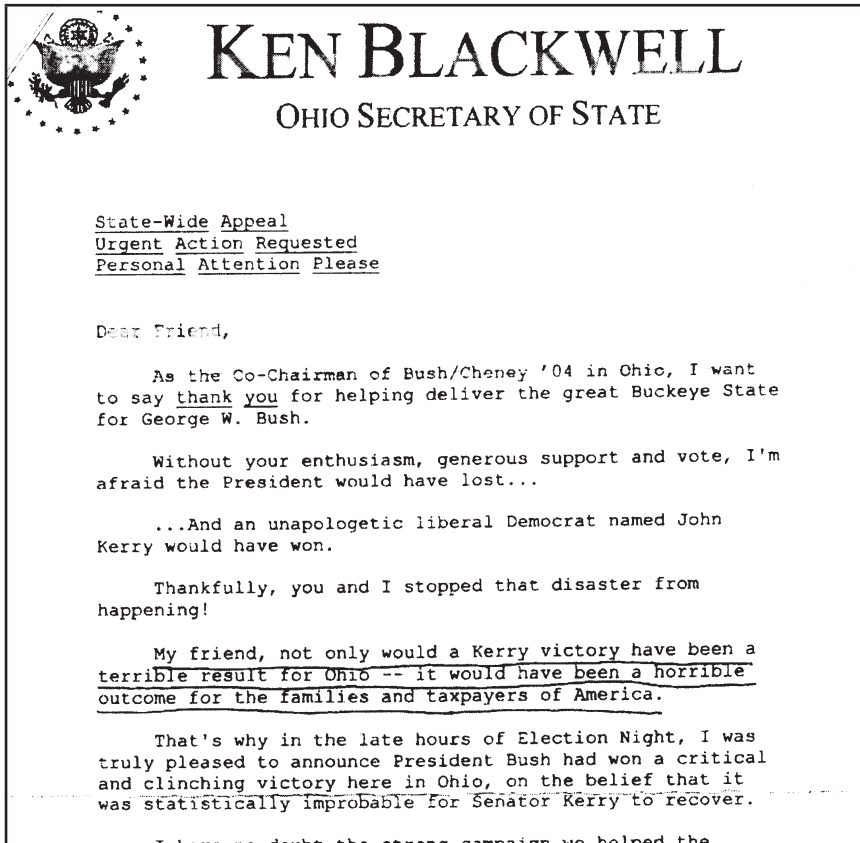
- In Franklin County, a worker at the Holiday Inn observed a team of 25 people who called themselves the "Texas Strike Force" using payphones to make intimidating calls to likely voters, targeting people recently in the prison system. We understand the "Texas Strike Force" members' hotel accommodations were paid for by the Ohio Republican Party, whose headquarters is across the street. The hotel worker heard one caller threaten a likely voter with being reported to the FBI and returning to jail if he voted. Another hotel worker called the police, who came but did nothing. There were also reports of phone calls incorrectly informing voters that their polling place had changed.

- The *Cleveland Plain Dealer* found that several Lake County residents received an official-looking letter on Board of Elections letterhead informing them that their polling place had changed or that they were not properly registered to vote. A fake voter bulletin from Franklin County Board of Elections was posted at polling locations, and fliers were distributed in the inner city, telling Republicans to vote on Tuesday and Democrats to vote on Wednesday due to unexpected heavy voter registration.

- In Cleveland, the *Washington Post* reported that unknown volunteers began showing up at voters' doors illegally offering to collect and deliver complete absentee ballots to the election office. The Election Protection Coalition testified that in Franklin County, voters received fliers informing them that they could cast a ballot on November 3. Also, in Franklin County there were reports that about a dozen voters were contacted by someone claiming to be from the county board of elections, telling them their voting location was changed, and "door-hangers" telling African-American voters to go to the wrong precinct were distributed.

Improper Purging and Other Misconduct

Our investigation uncovered numerous instances of improper purging and other official misconduct in apparent vio-



lation of the Voting Rights Act, the National Voter Registration Act, and HAVA.

- A *Washington Post* investigation found that many longtime voters discovered their registrations had been improperly purged. Numerous voters were incorrectly listed on roster as felons, and thus not allowed to vote. The NAACP testified to receiving over 1,000 calls related to voter registration issues, generally from individuals who were not on the voter rolls even though they had voted in recent elections, and individuals with concerns about not receiving a voter registration card. The Election Protection Coalition found that "Individuals frequently reported having 'disappeared' from the voter rolls . . . Many individuals expressed concerns that they had registered but never received confirmation or were not listed on the voter rolls at the precincts."

- The NAACP reported that many voters complained they were asked to show ID when it was unnecessary. At several locations in Cuyahoga County, all voters were being asked for ID, not just new voters as permitted by HAVA.

Caging of New Minority Voters

The Ohio Republican Party engaged in "caging," whereby it sent registered letters to newly registered voters in minority and urban areas, and then sought to challenge 35,000 individuals who refused to sign for the letters or the

mail otherwise came back as undeliverable (this includes voters who were homeless, serving abroad, or simply did not want to sign for something concerning the Republican Party). These tactics—which were found to be unlawful by three federal courts—would seem to constitute a violation of both the Voting Rights Act and the Civil Rights Act of 1968, particularly given the racial disparities involved.

Misuse of HAVA Funds

We received an affidavit from Rhonda J. Frazier, a former employee of Secretary Blackwell, describing several irregularities concerning the use of HAVA money and the acquisition of election machinery by the state (attached). She states that Secretary Blackwell’s office failed to comply with the requirements of the voting reform grant that required all of the voting machines in Ohio to be inventoried and tagged for security reasons. Ms. Frazier also asserts that she “was routinely told to violate the bidden contracts to order supplies from other companies for all 17 Secretary of State offices throughout the State which were cheaper vendors, leaving a cash surplus differential in the budget” and that, when she inquired as to where the money differential was going, she was essentially told that this was not her concern and that she should not inquire about where that money went. The affidavit appears to demonstrate a prima facie violation of HAVA due to the fact that the monies that were given under the act had been diverted without being reported.

Tampering of Voting Machinery and Records

The voting computer company Triad has essentially admitted that it engaged in a course of behavior during the recount in numerous counties in Ohio of unilaterally altering voting machines outside of the presence of election observers in order to provide “cheat sheets” to those counting the ballots. The cheat sheets informed election officials of how many votes they should find for each candidate, and how many over and under votes they should calculate to match the machine count. In that way, the election officials could avoid doing a full county-wide hand recount mandated by state law. These tactics appear to violate 42 U.S.C. §1973, which provides for criminal penalties for any person who, in any election for federal office, “knowingly and willfully deprives, defrauds, or attempts to defraud the residents of a State of a fair and impartially conducted election process, by . . . the procurement, casting, or tabulation of ballots that are known by the person to be materially false, fictitious, or fraudulent under the laws of the State in which the election is held.” In addition, Triad’s conduct would seem to violate 42 U.S.C. §1974’s requirement concerning the retention and preservation of all voting records and papers for a period of 22 months from the date of a federal election and makes it a felony for any person to “willfully steal, destroy, conceal, mutilate, or alter” any such record.

Perjury by a County Board of Elections Official

At one time, the Franklin County Board of Elections reported 81 voting machines were never placed on election day. However, a county purchasing official who was on the line with Ward Moving and Storage Company, documented only 2,741 voting machines delivered through the November 2 Election Day, while Franklin County’s records reveal that they had 2,866 “machines available” on Election Day. This would mean that an even larger number of at least 125 machines remained unused on Election Day. Yet Matt Damschroder, Chair of the Board of Elections for Franklin County, informed a federal court on Election Day that the county had no additional voting machines. Such testimony would appear to be perjurious on its face.

Misuse of Great Seal of the United States on Secretary of State Blackwell’s Personal Campaign Materials

We also learned that Secretary of State Blackwell, the co-chair of the Bush-Cheney Campaign in Ohio, recently sent a campaign solicitation that uses a mock U.S. seal (attached). This partisan replica may violate 18 U.S.C. §713, which prohibits the unofficial use of the great seal of the United States or its likeness. It is our understanding that the Justice Department has intervened when similar seals were used in past campaigns. As to this point, we request that you appoint a special counsel to investigate whether charges should be brought against Secretary Blackwell. This is because the criteria set forth for appointing a special counsel have been met, and the public interest is best served by having an independent individual investigate whether charges should be pursued. We hope you will agree that asking the Bush Administration to investigate the individual who takes credit for its re-election—J. Kenneth Blackwell—creates an apparent, if not actual, conflict of interest. While the election is over, we believe it is important that the American people understand that our nation will not tolerate the intimidation of a single vote, and that where election misconduct occurs, it will be vigorously investigated, regardless of the political party involved. Given the importance of these issues, we would ask that you meet with us at your earliest convenience so that we may understand the procedures you will undertake to respond to our concerns. Such a meeting is particularly important given that the Government Accountability Office has recently found that the Department has failed to appropriately track or respond to complaints of voting irregularities in past elections.

Please respond to us at your earliest convenience, and by no later than January 28, 2005 if at all possible. . . .

Sincerely,

John Conyers, Jr., Ranking Member
Jerrold Nadler
Robert C. Scott
Sheila Jackson Lee

Bush Inaugural Speech 'Most Megalomaniacal'

Psychiatrist Justin Frank, author of the book *Bush on the Couch: Inside the Mind of the President*, commented that President George W. Bush's Jan. 20 second inaugural speech was the "most megalomaniacal" speech he has heard by Bush—and that's saying a lot.

Frank noted that in the speech, Bush declared himself liberator of the planet, while never once mentioning Iraq or Afghanistan. However, using the word "freedom" 29 times, and "liberty" 15, Bush promised to intervene in every country where there is "tyranny"—but only if the repressed people, or "exiles," ask for it. At least the speech was short: It didn't take long to declare the United States the sole superpower.

Taken with Secretary of State-nominee Condoleezza Rice's testimony in her confirmation hearings, on "outposts of tyranny," Bush's speech was a pledge for more U.S. interventions.

In a soon-to-be-published interview with *EIR*, Dr. Frank said, "Bush's speech is quite stunning, because Bush himself feels embattled and wants to be protected by God." Frank added that Bush wants Americans to experience his anxieties as he does; the "talk of tyranny is Bush's own anxiety, and he wants the rest of the world to live in his fantasies."

"That's the way Bush deals with his anxieties," Dr. Frank said, "like he did in his inaugural speech—by oversimplifying things."

EIR published an interview with Dr. Frank on Aug. 20, 2004.

Ohio Officials Vengeful Over Election Challenge

Ohio Secretary of State Kenneth Blackwell and other state officials are seeking revenge against the attorneys who fought vote suppression and election fraud in the Nov. 2 election there. The Attorney General of

Ohio, James Petro, has moved to censure the four lawyers who challenged the certification of the Nov. 2 Presidential elections, in an effort to investigate voting irregularities and disenfranchisement of voters.

Petro's filing, which could result in heavy fines, charges that the election challenge was "frivolous," and was used to "harass public officials."

Although the complaint to the Ohio Supreme Court charges that the four attorneys—Robert Fitrakis, Susan Truitt, Cliff Arnebeck, and Peter Peckarsky—presented no evidence, Arnebeck counters that it was Petro and Blackwell who stonewalled the court proceedings and refused to allow any court-ordered discovery of evidence.

The Columbus *Free Press* says Petro's action "is widely viewed as revenge for the heavy toll on the credibility of the Ohio GOP and . . . Blackwell" caused by the protests and challenge, and the success of Rep. Stephanie Tubbs Jones (D-Ohio) and Sen. Barbara Boxer (D-Calif.) in forcing a debate in both houses of Congress on Jan. 6, whether Ohio Presidential electors should be certified.

The *Free Press* also reports discussion among activists of additional court actions based on violations of civil rights of African-Americans and students who were denied the right to vote on Nov. 2 for a number of reasons, the most important being a shortage of voting machines in critical precincts.

EIR has been advised that, under the 1965 Voting Rights Act, citizens can file civil actions to prosecute violations, if Federal prosecutors won't.

Harry Reid Tells Mayors Stop Bush Privatization

Senate Minority Leader Harry Reid (D-Nev.) spoke to the Jan. 19 luncheon of the National Mayors conference, stressing that infrastructure investment is the cornerstone on which America is built, and that President Bush's Social Security privatization swindle must be defeated. Reid said he will reintroduce his 2001 Rebuild America Act as an American Marshall Plan to rebuild

the infrastructure of cities and states. After speaking, Reid received a LaRouche PAC pamphlet and a copy of *EIR* on Bush's Social Security heist, à la Chile, and was urged by a LaRouche Youth Movement member to work with Lyndon LaRouche in the battle to save Social Security from the privatizers.

Reid told the mayors that that battle will be a huge one, and insisted that the drastic steps (theft) proposed by Bush are totally unnecessary, because Social Security is not about to go bankrupt; rather, it is the most successful social safety-net program in the history of the world.

The same day, Reid answered the charge of House Ways and Means Committee Chair Bill Thomas (R-Calif.), that Bush's privatization plan is "a dead horse" because of partisan politics. It is dead, said Reid, "not because of partisan politics, but because it is a privatization plan based on massive benefit cuts, risky Wall Street accounts, and \$2 trillion in additional Federal debt."

Calif. Teachers Wage War on the Governor

A coalition of California's largest education groups, facing the loss of another \$2 billion from the amount to which they are entitled under a voter-approved funding guarantee, are meeting to map out a strategy for attacking Gov. Arnold Schwarzenegger over his proposed budget cuts. Beast-man Schwarzenegger not only wants to steal more money from schools next year, but has also proposed a cap on future state spending.

"We're ready for an all-out battle, absolutely," pledged Bob Wells, executive director of the Association of California School Administrators, adding, "We can't afford to be intimidated."

Last year, educators caved in to Schwarzenegger's demand to accept \$2 billion less than they were supposed to get, with the Governor promising to restore lost funds and make no more cuts.

The education coalition is launching a media campaign aimed at voters; mobilization of legislators; and direct confrontation with Schwarzenegger.

Battle Over Social Security Could Make Bush a Retiree

by Paul Gallagher

Well before the President was inaugurated on Jan. 20, the Bush White House was geared up for a new, all-out election-style campaign with a new opponent—the Social Security system and the legacy of President Franklin D. Roosevelt. Since a Dec. 6 “roll-out” of Bush’s intention to change Social Security old-age and disability insurance, into a system of private retirement accounts invested in Wall Street stock and bond funds, the President’s chief priority and focus has been on this campaign. His Cabinet members and chief aides have been publicly deployed to push it. The impulsion is coming from Wall Street, faced with a dollar crash and urgently looking for a new source of cash to meet the \$2 billion/day flow now needed into the U.S. debt-and-deficit bubble. These Wall Street demands are being communicated via Vice President Dick Cheney (reportedly the mover of policy on Social Security privatization), through “free-trade” think-tanks led by the Cato Institute (see article, p. 53), and by Wall Street financial groups directly financing the anti-Social Security campaign.

While Treasury Secretary John Snow was meeting Wall Street bankers about privatizing Social Security, on Jan. 10-12, the Merrill Lynch and Co. investment bank circulated a “research report” showing how badly Wall Street wants the Social Security loot. The report, first detailed by the *Toronto Globe and Mail*, said the diversion of employees’ contributions out of Social Security and into “private accounts,” could provide 25% of all cash flows into Wall Street stock and bond funds for the foreseeable future. This would, at least briefly, pump up the dollar markets and add greatly to investment bank fees and profits—as has happened in the failed privatizations in other countries, particularly Chile and Britain.

The Washington, D.C. newspaper *The Hill* on Jan. 19 reported that Cheney and Bush have been meeting with campaign chief Karl Rove, House Speaker Dennis Hastert (Ill.),

and Senate Majority Leader Bill Frist (Tenn.) along with other Republican Senators, planning an “intensive nine-month campaign” to get Americans and their Congressional representatives into line on privatizing Social Security. The campaign would involve tens of millions in political action committee spending, *The Hill* said. It was already known that Wall Street-run lobbies like the Club for Growth, the Securities Industry Association, and the Alliance for Worker Retirement Security (AWRS) run by the Cato Institute, planned to spend more than \$100 million on television-ad propaganda against Social Security. The AWRS held a strategy meeting Jan. 21 for Congressional staff, and expected 120 to attend.

LaRouche’s Counter-Mobilization Taking Effect

But by mid-January, Americans were turning against the drive to privatize, and loot, Social Security, despite Bush’s and Cheney’s attempt strictly to prevent any specifics of their “plan” from being publicly discussed. (“I won’t negotiate with myself,” the President repeats whenever questioned about those specifics.) “GOP members [of Congress] have privately noted that they are facing more resistance to Social Security changes back in their districts, than they had expected,” the *Pittsburgh Post-Gazette* observed on Jan. 20 after interviews with Pennsylvania Representatives. The *Los Angeles Times* reported on Jan. 19 a national poll in which opposition to what Bush intends to do to about Social Security, jumped to 54%. Some leading Congressional Republicans were defecting; on Jan. 18, Rep. Bill Thomas (R-Calif.), the Ways and Means Committee and Joint Taxation Committee Chairman, gave the White House an unpleasant surprise when he told a Washington forum that Bush’s privatization scheme was “doomed by partisan politics. . . . It’s a dead horse.”

The Lyndon LaRouche Political Action Committee—LaRouche PAC—intends by a national mobilization including, so far, 600,000 copies of its pamphlet, *Bush's Social Security Privatization: Foot in the Door to Fascism*, to defeat Bush and Cheney—a defeat which could make Bush a lame-duck occupant of the Oval Office almost immediately.

LaRouche PAC started intensive leafletting in mid-December, exposing Social Security privatization as an “Enron II” swindle, and a looting of the working population’s insurance which required a dictatorship. LaRouche PAC calls it “the Chile model”—Bush’s cited model for privatization is the 1981 scheme of Gen. Augusto Pinochet’s fascist dictatorship. LaRouche PAC’s mass circulation of the *Foot in the Door to Fascism* pamphlet began at Christmas.

This counter-mobilization is being led to a great degree by the growing LaRouche Youth Movement, which was also intervening into many of the scores of policy debates on Social Security privatization being held around Washington at the time of the inauguration. President Bush has been pitching his attacks on Social Security to young people; at one televised meeting Bush called on younger workers to “think of a Social Security system that’s flat bust, bankrupt”—a lie that ranks with Cheney’s early 2003 repetitions that “Saddam Hussein has reconstituted his nuclear weapons.” The LaRouche Youth are effectively fighting this brainwashing of young people against the successful legacy of FDR.

President Franklin Roosevelt’s grandson James Roosevelt, Jr. and the Roosevelt family, in a Jan. 15 public letter, denounced White House operative Karl Rove’s use of FDR’s name and image in a TV ad campaign whose purpose is to help dismantle FDR’s Social Security.

LaRouche organizers have had meetings with Congressional offices for a unified Democratic resistance. Congressional Democrats have in fact been coming out in sharp opposition to the Bush privatization drive. On Jan. 16, Sens. Harry Reid of Nevada and Edward Kennedy of Massachusetts, and Rep. Rahm Emanuel of Illinois, appeared on separate television shows and denounced privatization as a plan to bail out Wall Street markets with Americans’ old-age insurance. On Jan. 18, Senate Democratic Policy Committee leaders Byron Dorgan of North Dakota and Debbie Stabenow of Michigan held a press conference to say that Bush is “claiming there’s a crisis so you can move assets into Wall Street.”

On Jan. 19, Reid answered Republican Thomas’s complaint: Bush’s scheme is a dead horse, said Reid, “not because of partisan politics, but because it is a privatization plan based on massive benefit cuts, risky Wall Street accounts, and \$2 trillion in additional Federal debt.”

Takeover by Cato Ideologues

EIR exposes in the following article, part of a series, that Cheney and Bush stacked their 2001 so-called Commission To Strengthen Social Security—all of whose members had to support privatization—with right-wing libertarian ideo-



Bush’s determination to pull out all stops to take down and privatize Social Security, is shown in the blatant use of benefits statement sent to hundreds of millions, to push crisis and fear-mongering about the program. “Turning the Social Security Administration into a White House PR firm,” charged one Senator.

logues fiercely opposed to everything Franklin Roosevelt stood for, and to the powers of the nation-state generally. Since then, Bush has appointed some of these ideologues to run the Social Security Administration itself. The Jan. 16 *New York Times* revealed that the Bush appointees have rolled out a plan to force the Administration and all Social Security employees, in all their contacts with the public, to retail the same lies about a “Social Security bankruptcy crisis” that Bush, Cheney, et al. are pushing. This outrageous policy, already operational, has been denounced by the American Federation of Government Employees; by Congressional leaders including House Minority Leader Rep. Nancy Pelosi (D-Calif.); and by former senior Social Security officials. The policy was drawn up by an “economic analyst” from the Cato Institute, Andrew Biggs, Jr., whom Bush recently made Assistant Administrator of Social Security for Retirement Policy.

The latest issuance of “Your Social Security Statement,” which is sent out annually to all recipients and payroll taxpayers to inform them of their benefits status, contains blatant “crisis” propaganda on its introductory page, insisting that Social Security is running out of money to pay benefits and “We need to resolve these problems soon.” The false statement is signed by Commissioner Jo Anne Barnhart, a Bush appointee.

Senator Reid and House Democratic Leader Pelosi accused Bush of “turning the Social Security Administration into a White House PR firm.” “The United States government is not a Republican propaganda machine,” Reid said in a Jan. 19 statement. But the Cato Institute plan being implemented by Biggs goes beyond the letter to demand that employees explain this “bankruptcy crisis” to the public at Social Security offices, and even deploy to locations like “post offices and big-box produce stores” to push it.

The scandal is only the biggest in a series which show the Cheney-Bush White House using the low tactics usually seen in a bare-knuckled election campaign fight, to promote their “domestic agenda” post-election. But LaRouche judges that

it is the attempt to take down Social Security, driven by Wall Street, that if beaten, can take down Bush instead into “lame-duck” status. LaRouche has made it his movement’s mission in the United States to do so. Bush will not let up on the drive to cut and privatize Social Security, though it is generating a growing backlash.

Republican ‘Defectors’

Reactions to Ways and Means Chairman Thomas’s “dead horse” speech of Jan. 18 show that a group of Congressional Republicans has defected, for now, from the Cheney-Bush-Rove drive, though supporters of privatization themselves. The LaRouche PAC national mobilization, the public proofs that the Cheney-Bush “plan” would make large cuts in Social Security benefits and would mean many trillions in new “off-budget” Federal debt to replace the payroll taxes being diverted to Wall Street, the mobilization of the American Association of Retired Person against the swindle—all have “spooked” these Republicans, who consider the White House privatization campaign a disaster thus far.

Democrats thus have to forget talking about compromises with the GOP “defectors,” and focus completely on the public battle to defeat Bush which made them defect. So far, this has been the order of the day with Democratic Senate leaders attacking Thomas’s nonsense on Jan. 19, and House Leader Pelosi continuing the attack Jan. 20.

The “defectors” include Thomas, Social Security Subcommittee chairman Jim McCrery (R-La.), Rep. Jim DeMint (R-N.C.), Rep. Phil English (R-Pa.), Rep. Bob Simmons (R-Conn.), and Sen. Lindsay Graham (R-S.C.), among others. It is possible they also include the McCarthy-like thug Rep.

Tom DeLay of Texas, the House Majority Leader. With Thomas—who also heads the Joint Committee on Taxation—out front, they are pushing “tax reform alternatives” to Bush’s privatization, and trying to get Democrats on board. DeMint, for example, claims private accounts to replace Social Security could be funded by a new “national sales tax” he’s prepared to introduce, and would be great for the poor. A Georgia Republican, John Linder, is preparing a “national flat tax” bill and claims 55 co-sponsors. These are economic austerity schemes, to raise revenue through extremely regressive taxes while the taxes of corporations, banks, and the wealthiest Americans continue to be reduced. Thomas, on Jan. 18, actually mooted eliminating the Social Security payroll tax in favor of other, new taxes, an idea more dangerous and just as foolish as another suggestion: lowering Social Security benefits for women because they live longer than men.

Some Democratic think-tank denizens led by Gene Sperling, former chief economic advisor under Bill Clinton, are lending credibility to these “defectors” which they do not have with Democratic Congressmen. Sperling, following Thomas at the *National Journal* event on Jan. 18, said, “Bill Thomas was accusing the White House and many Democrats of being stuck in their ideological corners. . . . The Chairman’s comments pointed the way to a compromise that could include many Democrats.”

LaRouche’s strategy is the opposite: Beat Bush decisively on privatization, his number-one policy priority; and then a different economic recovery strategy organized by a different political force, guided by LaRouche, becomes possible. National sales taxes and regressive flat taxes won’t be part of it.

The Real Crisis: Private Pensions

Nothing shows the insanity of “privatizing” Social Security more clearly than the conditions of the nation’s private (corporate) retirement pension plans, whose assets and contributions are invested in stocks and bonds as Bush would do to Social Security. While the Social Security Trust Fund is gathering a surplus of over \$150 billion a year, recent estimates are that private pension funds have a collective \$450 billion deficit. Fed Chairman Alan Greenspan’s low interest rates, and negative stock indexes since 1999, as well as corporate under-funding of the plans, have brought this about. Moreover, plans which offer reliable benefits in retirement—called “defined benefit” plans—are dying out; only 30,000 such plans remain of 130,000 a generation ago.

Faced with the ongoing collapse of the big airlines’ pension plans, the Bush White House is seeking to save the Pension Benefit Guarantee Corporation (PBGC), which has to absorb the bankrupt pensions. Bush on Jan. 10 announced a call for legislation to raise corporate insurance premiums to the PBGC by 58%, and add additional “risk premiums” to that. Congressional experts say this could cause more firms—especially in auto and auto-supply industries—to end their defined-benefit plans and perhaps enforce that by declaring bankruptcy.

Americans’ retirement funds are spoken of as having “three legs”—Social Security, private pension plans, and personal savings. But in 2004, “52% of working America has only one leg—Social Security,” said one expert. And among Americans earning \$25,000 or less annually, 80% now can look forward only to Social Security in retirement.

Thus the folly of taking away Social Security and replacing it with private accounts invested on Wall Street.

—Paul Gallagher

Cato Institute: Predatory Clique Leads the Attack on Social Security

by Richard Freeman

No organization is more responsible for the forced-march drive to privatize Social Security—stealing trillions of dollars of its funds for Wall Street accounts—than the Cato Institute, a multi-million dollar Washington, D.C. think tank. During the past 20 years, Cato has had more than a quarter of a billion dollars lavished on it in contributions by the most powerful Wall Street banks, and largest right-wing think tanks—led by the ultra-right-wing Koch group of foundations. Cato has spent this money on a host of projects intended to destroy the sovereign nation-state and implement fascist economic austerity. But the lion's share has gone into the privatization of Social Security.

Since its founding in 1977 by Ed Crane, currently its President, and Charles G. Koch, the heir of an oil and energy fortune who is a leading figure of the Mont Pelerin Society, Cato has methodically built up a far-flung network to propagandize for, and enact privatization. Some of that network is hidden, just out of public view; some is public, but the average observer would not know it belonged to Cato—which designed it that way.

A Commission To Steal

Take, for example, President Bush's misnamed Commission to Strengthen Social Security (CSSS), formed in 2001. Its December 2001 final report called for Wall Street-administered individual accounts outside traditional Social Security, and for Social Security retiree benefit cuts ranging from 10-45%. Cato ran the Commission, staffed it, and wrote some of its worst recommendations. But the CSSS was presented to the public as a bipartisan, independent commission acting on behalf of the President. Or consider the "constituency groups" clamoring for privatization: the Alliance for Retirement Worker Security; For Our Grandchildren; the United Seniors Association, etc. These were all directly created by Cato; and members of their boards of directors, and their senior staff, are Cato members or alumni.

There is not a single major policy statement or strategic decision of the pro-privatization forces that is not made by Cato and a small coterie of closely interlinked groups: Freedomworks; the Club for Growth; the Hoover Institution; the Institute for Policy Initiatives; and the Americans for Tax Reform. It is a single coordinated apparatus, with interchangeable personnel—all funded by the same sources, all

reading from the same script. Take Peter Ferrara, who for a long time directed and wrote extensively on Social Security policy for the Cato Institute. Ferrara was farmed out, holding the title either of director or senior policy advisor on Social Security for the Club of Growth, the Americans for Tax Reform, and the Institute for Policy Innovation. Same person, four different hats.

EIR has called this network Draculas from a common crypt. But among them, Cato is *primus inter pares*.

Cato and its sister organization, the Institute for Policy Innovation, have written legislation introduced into Congress, calling for the diversion into an Individual Account of the full 6.2% payroll tax that a worker now pays into the Social Security Trust Fund. Millions of Individual Accounts would provide dollars that Wall Street could use to save its endangered position. The world financial system is an advanced phase of disintegration, with crises in the derivatives market, Fannie Mae- and Freddie Mac-issued housing paper, the stock market, and so on. Bankers whose power relies on this failing financial system, are desperate to get their hands on a large stream of money to prop it up. The largest steady stream of cash is the U.S. Social Security system. The bankers' problem is that the money is not theirs, and legally, they can not get their hands onto a penny of it. Hence the "privatization" of Social Security, on a crash basis. Their strategy is to tell whatever lie is necessary, but get the money.

The whole Cato Institute network is now thrown into this fight; and that is quite a bit.

Mont Pelerin Society and Cato's History

To understand what Cato is, and what it can do, it is necessary to understand how and why it was formed. The commonly told tale is that Edward Crane and Charles Koch were active in Libertarian politics in California, and decided in 1977 that a new organization was needed. But that leaves out most of the real story of its creation by the anti-American System and pro-feudalist Mont Pelerin Society.

For this we take a trip to Mont Pelerin, near Vevey on the far side of Lake Geneva, Switzerland. In April, 1947, at the Hotel du Parc, a group of 36 men gathered. They included Friedrich A. von Hayek, the head of the reductionist Austrian School of Economics; Ludwig von Mises, another member of the Austrian School; monetarist Milton Friedman; radical



The patron of Cato is also the “godfather” of Social Security privatization, in Chile and the United States: senior Republican fixer George Shultz of Bechtel (left). He chatted with Hernando de Soto (right) at Cato’s gala to present the 2004 Milton Friedman Prize for Advancing Liberty, to de Soto.

Aristotelian philosopher Karl Popper; and the slavishly pro-British American “liberal” journalist Walter Lippmann. Most of the 36 were fanatical ideologues. But representatives of the higher layers of the wealthy oligarchical families, for whom these ideologues served as “Leporellos,” were there, including Sir John Clapham, long time official, and official historian of the Bank of England, who had served as President of Britain’s oligarchical power center, the Royal Society. Not present at the first meeting, but asserting themselves at subsequent meetings were Otto von Hapsburg, pretender to the throne of the Hapsburg empire, and Max von Thurn, of the immensely wealthy, Bavarian-based Thurn und Taxis family. Bankers of the City of London and Wall Street would soon appear.

The ideology of Mont Pelerin was that of radical free-trade, unrestricted free-market speculation, monetarism (financial aggregates, not men, rule society), deregulation, and so on. This witches brew was called “liberty.” They reacted in fear and loathing against the General Welfare clause of the United States Constitution and Alexander Hamilton’s American System of Economics. They rejected the Common Good, preferring the rats’ nest of pleasure/pain-based radical “individual self-interest.” The 1947 meeting occurred just two years after the death of U.S. President Franklin Roosevelt. The Mont Pelerinites viscerally hated Roosevelt’s towering General Welfare achievements, the pro-development Bretton Woods fixed exchange-rate international monetary system, and among his notable domestic accomplishments, the Social Security system. This, they vowed, they would tear down.

The wealthy oligarchical families that had directed the Synarchist/Nazi movement from 1921-45—and were defeated by Roosevelt—saw in the Mont Pelerin Society the instrument to re-establish that program internationally. The Mont Pelerin Society’s economics was no different than that of the Bank for International Settlements, Hitler, or Mussolini.

Take the case of Friedrich von Hayek. In the 1920s, von Hayek concocted a theory of “maladjustments” in production, which was extended into inflation and monetary quantities as well. Based on this wacko theory, in the 1930s, Von Hayek assessed that the ongoing 1929-32 Depression had been caused by a “maladjustment in production,” and the collapse had to run its “natural free-market course.” The evidence showed that this caused destruction of production, the labor force, and the fabric of society. But Von Hayek denounced those who would use monetary expansion or deficit spending to halt the slide. Von Hayek’s only recommended program was to “bring labor into balance,” which was his term for further gouging living standards. But this was Hitler’s program too. In fact, Von Hayek’s shrill demand that the collapse be allowed to hit rock bottom, was fulfilled in the social dislocation and impoverishment which created the recruiting ground for Hitler’s Nazis.

Von Hayek was the first President of the Mont Pelerin Society, from 1947-61. The Society realized that it needed to create “satellite think-tanks” to do its work. It created the Institute for Economic Affairs in London in 1955, directed by Lord Harris and Sir Anthony Fisher. In 1977, it supervised the creation of the Cato Institute.

Cato is merely an operational arm of Mont Pelerin. The Cato Institute’s headquarters at 1000 Massachusetts Avenue in Washington, D.C., is a virtual shrine to Friedrich Von Hayek. The main gathering center is the Friedrich Hayek auditorium, and the walls are festooned with von Hayek’s grim, soulless visage. Fourteen members of the Mont Pelerin Society serve in core positions at the Cato Institute, either as members of Cato’s Board of Directors, as Cato Adjunct Scholars or Fellows, or as members of the editorial board of *The Cato Journal* (see box). The Cato Institute carries out the fascist policies of the Mont Pelerin Society.

Cato promotes radical globalization (it helped sponsor NAFTA), extreme speculation (Theodore Frostmann, a Cato board member, is one of America’s biggest Leveraged Buy-Out pirates), deregulation, drug legalization, and economic austerity.

“Economic hit-man” George Shultz, because of his direction of the Mont Pelerin Society’s Chicago Boys, has special oversight over the Cato Institute. In 1995, Shultz’s network made his protected asset, the fascist José Piñera who privatized Chile’s Social Security system, the co-chairman of Cato’s Project on Social Security Privatization. Its goal was nothing less than imposing the fascist Chilean model upon the United States.

Building Up the Network

Immediately after its creation, the Cato Institute began fulfilling Mont Pelerin’s special purpose of assailing Social Security. By the early 1990s, Cato would be Wall Street’s command-and-control center for privatization. The think-tank worked from a template with three principal points. First, claim that the Social Security faces an alleged imminent fi-

Some Mont Pelerin Society Members at Cato

1. **Ed Crane**—Founder and president, Cato Institute.
2. **Gary Becker**—Cato Project on Social Security Privatization; president of Mont Pelerin Society, 1990-92; professor, University of Chicago.
3. **Leonard Liggio**—*Cato Journal*, Editorial board; president of Mont Pelerin Society, 2002-04; secretary-treasurer of Mont Pelerin Society; executive vice president, Atlas Foundation.
4. **Milton Friedman**—“spiritual leader” of Cato Institute (Cato presents each year the Milton Friedman Prize for Advancing Liberty); founding member, Mont Pelerin Society.
5. **Arnold Harberger**—Cato Project on Social Security Privatization; “Chicago Boys” pal of George Shultz, who supervised privatization of Chile’s Social Security system, 1981; professor at UCLA.
6. **Charles G. Koch**—Founder and heavy funder of Cato Institute; head of Koch Industries.
7. **David H. Koch**—Cato Institute, Board of Directors; Koch Industries; Citizens for a Sound Economy.

nancing crisis, to spur action; second, claim the solution to the crisis is setting up private accounts managed by Wall Street, to be invested into the stock and other financial markets; and third, claim the government is not legally bound to honor Social Security obligations.

Already in 1980, Cato issued a 484-page book, *Social Security: the Inherent Contradiction* by Peter Ferrara.

At that time, the Social Security Trust Fund (formally, the Old-Age Survivors and Disability Insurance [OASDI] funds), did have a shortfall in incoming pay-ins (one that its 1935 designers had foreseen for approximately 1980), but not a crisis. In 1983, the enactment of a payroll tax increase corrected that shortfall, and the basis was set into motion for the Social Security Trust Fund to build up a surplus. According to the 2003 report of the Board of Trustees of the Social Security Administration, following that 1983 payroll tax rise, there would not be a Social Security financing problem until 2042; the Congressional Budget Office says that that problem would not occur until 2052. Despite this undeniable reality, Cato has never ceased to shriek about a “Social Security crisis.”

But what jumps out about the Cato Institute 1980 study is this striking assertion: “Under traditional principles of equity, therefore, the Social Security pact . . . is unfair, immoral, fraudulent, and *voidable*” (emphasis added). While clearly

rejecting Social Security *in principle*, it signals Cato’s belief that the Social Security system does not have the force of law, and the system does not have to pay its retirees their benefits. Cato “analysts” have frequently made this statement during the past five years, and officials from the Bush Administration insinuated the point during the past few months, but Cato was asserting this 25 years ago!

During the 1980s, Cato published books with such titles as *Social Security: Averting the Crisis* (1982). In March, 1992, it released *Cato Policy Report 14*, with the provocative title, “Will the Social Security System Survive till 2001?”

In 1995, Cato went into a higher gear, establishing the Project for Social Security Privatization. It brought in George Shultz’s protected asset, the butcher of Chile’s Social Security system, José Piñera, to be its co-chairman. In 1973, Shultz’s network had installed General Pinochet as dictator of Chile in a coup-massacre; and in 1981, under this condition, Piñera had privatized the nation’s Social Security system, which (see *EIR*, Jan. 21) banks have since looted. Cato called on Piñera to replicate that in the United States. Showing the bankers’ strong hand, Cato appointed as the Project’s other co-chairman William Shipman, who has for many decades been a top officer of the Boston-based aristocratic State Street Bank, which is part of what is called the “Boston Vault” power structure.

The Privatization Project’s 20-member “Advisory Committee,” dominated by bankers and speculators, has a prominent Chilean connection. Conspicuous is Arnold Harberger, one of the capos of George Shultz’s Chicago Boys, who regularly flew to and periodically lived in Chile during the 1970s, to give direction to the economic policy of Augusto Pinochet’s dictatorship. In 1981, Harberger personally oversaw the privatization of Chile’s Social Security system implemented by Piñera.

Wall Street’s claim that it has no vested interest in privatization is shattered merely by the “Who’s Who” list of elite financial institutions which, during the past decade, have poured big bucks into the Cato Institute, and more especially, its Project on Social Security Privatization: J.P. Morgan Chase; Citicorp/Salomon Brothers; Fidelity Investments (mutual funds); the American International Insurance group of dirty money-linked Maurice “Hank” Greenberg; American Express; Prudential Securities; the Chicago Mercantile Exchange; the Bond Market Association; the *Economist* of London; and others. According to a 2004 study by University of Chicago Business School Professor Austan Goolsbee, financial firms that manage the workers’ Individual Accounts that would be set up by privatization, could rip off management and other fees equal to 15-25% of the value of the accounts—an immense windfall.

The Bush-Cheney Trojan Horse

In November 2000, the U.S. Supreme Court had hardly decided by a 5-4 vote to declare George W. Bush the winner of the Presidential election, when the network of the Mont

Cato Directors: A Group of Predators

Chairman: William Niskanen; president: Edward Crane.
90 staff members, 60 adjunct scholars, 16 fellows.

Peter Ackerman—former head of a speculative criminal enterprise, Drexel Burnham Lambert; head of Rockport Financial.

Richard Dennis—President, Dennis Trading Group, one of America's biggest speculative commodity and derivatives trading firms; major funder and board member of pro-legalization Drug Policy Foundation.



Frank Bond—president, U.S. Term Limits; disciple of fascist Ayn Rand.

Theodore Frostmann—Principal of Frostmann, Little & Co, a large predatory corporate takeover firm; close business dealings with criminal Michael Milken.

David Padden—President, Padden & Comp; Koch family mouthpiece; Acton Institute.

Pelerin Society and Wall Street firms backing the Cato Privatization Project descended on the White House. They told Bush he needed to set up a Presidential Commission on Social Security, because the system was in crisis. Bush was compliant. In the first months of 2001, he announced the President's Commission to Strengthen Social Security.

Cato made the President's Commission a springboard for its own agenda. The Commission would have 16 members, two of whom—former New York Sen. Patrick Moynihan, and AOL Chief Operating Officer Richard Parsons—were co-chairman. Three members of the Cato Institute were made Commission members: two members of Cato's Project on Social Security Privatization, Sam Beard and Tim Penny; and Leanne Abdnor who had been the Cato Institute's Director of External Affairs. This gave Cato nearly 20% of the membership, but its influence was greatly amplified because some Commission members, like Social Security guru Estelle James of the World Bank, had worked on joint ventures with Cato for years.

But that was just the start. Much of the research and drafting for the Commission was done by its staff, and its leading staff member was Andrew Biggs, who happened to be the Cato Institute's lead Social Security analyst. Randy Clerihue, another Cato Institute member, was made the spokesman for the Commission to Strengthen Social Security. During 2001, according to a Cato Institute report, Cato's Privatization Project distributed pro-privatization "briefing books to members of the President's Commission to Strengthen Social Security."

Should anyone be surprised that in its December 2001 final report, the President's Commission, so stacked with Cato members, warned of a dangerous crisis, and came out recommending privatization? All 16 members of the Commission favored some form of privatization going in; but some members were less aggressive than Cato, which created some fric-

Who Funds Cato?

Cato Institute is heavily funded by the leading banks and insurance companies: J.P. Morgan Chase; Citicorp/Salomon Brothers; Fidelity Investments (mutual funds); the American International Insurance group; American Express; Prudential Securities; the Chicago Mercantile Exchange; the Bond Market Association.

It is also funded by the big ultra-right-wing foundations: the Sarah Mellon Scaife Foundation, the Harry and Lynde Bradley Foundation, and the Olin Foundation.

The biggest funders of Cato are the three interlocked Koch Foundations: the Charles G. and David H. Koch Foundations, and the Claude Lambe Foundation. In 1977, the establishment of the Cato Institute was undertaken jointly by Ed Crane and by the billionaire synarchist Koch brothers. Their wealth derives from the Wichita, Kansas-based Koch Industries, an energy producer and speculative-trading company. The Koches' three foundations have put nearly \$23 million into the Cato Institute since its founding.

tion. The Commission's Model 2 plan (the principal plan) recommended that 2%, roughly one-third of the 6.2% payroll tax paid to the Social Security system, should instead be diverted into Individual Accounts managed by Wall Street (there would be a \$1,000/year investment limit for each Account). This money would be stuffed into the collapsing stock and other financial markets.

The Commission's other notable proposal is austerity, and has become notorious: It recommended a change in the indexing of initial Social Security benefits from the wage-based system currently in use (consistently replacing just under 40% of a retiree's career-average wage), to a consumer-price index-based system, which change would slash retiree benefits over several decades down to about 20% of that average wage. Such deep cuts would be necessary to compensate for the shortfall in the Social Security system's funds caused by diversion of a portion of payroll taxes out of the fund, and into Wall Street.

For the first time in the 70-year history of Social Security, the Cato Institute had gotten a sitting Presidential Commission on that subject to endorse privatization.

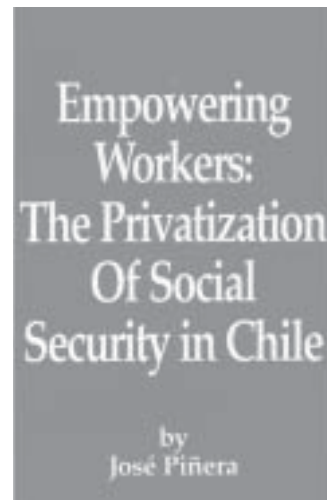
But the onrushing financial collapse left Wall Street needing, and demanding more. On Feb. 17, 2004, the Cato Institute's Michael Tanner, executive director of the Privatization Project headed by Piñera, released the Cato report entitled, "The 6.2 Percent Solution: A Plan for Reforming Social Security." This presents Cato's maximalist demands. The report asserted that *all* of the 6.2% workers' payroll tax should be diverted into workers' Individual Accounts, rather than into the Social Security system, and thence into the stock market.

The Cato "6.2%" plan is premised on a sharp reduction of benefits that the Social Security system would itself pay out to retirees, although for deceptive reasons, the plan doesn't go into detail.

Finally, the plan drops the bomb of default. Tanner states that according to his reading of the law, under Social Security, "workers have no legally binding contractual or property right to their Social Security benefits, and *those benefits can be changed, cut, or even taken away at any time*" (emphasis added). Tanner is cold-bloodedly arguing that the government can default on the \$1.5 trillion in Treasury bonds held by the Social Security Trust Fund (Treasury securities are the way that the Trust Fund holds its surplus), and that the U.S. government can severely cut or repudiate its Social Security benefit obligations to millions of elderly citizens. Immediately after Bush's re-election, Bush Administration officials started regurgitating Tanner's treacherous argument. Tanner et al. are rabidly fighting to get the Bush Administration to adopt Cato's maximalist policy of diverting the full 6.2% of a worker's payroll tax into Individual Accounts.

Cato Gestapo Operations

In preparation to ram Social Security through during the Bush Administration, Cato recognized that it needed to create a string of captive front organizations, staffed and run by the same shop-worn crew of privatizers, to claim "grassroots



Cato's chief promoter of privatization is José Piñera, who was fascist General Pinochet's Labor Minister when pension privatization was imposed on Chile's oppressed workforce in 1981. Piñera's "Chile model" is George W. Bush's exemplar for privatizing Social Security.

support." Cato has poured big money into these fronts, and spread them outwards. This is "popular support" a mile wide, and a millimeter deep, and one can see how some of the widely cited grassroots groups really operate. As well, Cato made a power grab to take over the Social Security Administration itself, so that it could radiate its lies from inside.

Of the many cases of this, two examples are sufficient to make the point: Leanne Abdnor and Andrew Biggs.

Leanne Abdnor should be called the Madame of Cato's stringers. From 1995 through 1998, Abdnor, as Cato Institute's Vice President for External Affairs, ran the campaign to try to shove Social Security privatization through Congress, or as Cato put it, "she educated Congressional members and staff on the virtues of personal retirement accounts in Social Security reform."

In 1998-99, Cato launched Operation Front Group, and deployed Abdnor to set up the Alliance for Worker Retirement Security (AWRS), an umbrella group that drew on money and office space from the National Association of Manufacturers (NAM), and had approximately 35 other groups as participants. To push Cato's perspective, Abdnor was made AWRS's Executive Director. While campaigning for President Clinton's removal from office, on Sept. 27, 1999, AWRS director Abdnor shrieked, "President Clinton knows as well as anyone that *the Social Security Trust Fund is a fraud*, a pile of IOUs that amounts to nothing more than a claim on the income taxes of the future" (emphasis added).

The Social Security Trust Fund, in fact, holds Special Obligation Treasury Bonds of the United States. A fraud? Would one want to publish that statement today in Chinese and Japanese, perhaps, and speculate on the reaction in U.S. Treasury debt?

In 2001, Abdnor was selected as one of the members of the Cato Institute contingent, on the President's Commission on Strengthening SociaOBI Security.

In 2001-02, Cato deployed Abdnor again, this time to manufacture the For Our Grandchildren (FOG) organization, where she is President. This group parades as a "grass roots organization" of grandparents who are concerned that their grandchildren won't get Social Security, and targets propaganda at young workers. FOG uses the buzz-slogan, "Strip power away from Washington and return it to the individuals where it belongs." In addition to Abdnor's presidency, the chairman of FOG is Tim Penny, a Cato Institute Senior Fellow, and member of the Advisory Committee member of Cato's Privatization Project (and of President Bush's Commission). Hilariously, among the more than half-dozen Cato members who serve on FOG's National Advisory Council is that venerable American grandfather, Jose Piñera, the privatizer of butchered Chile.

Abdnor is naturally an Advisory Committee member of Cato's Privatization Project. Dorcas Hardy, former Commissioner of Social Security, a speculator who sits on the board of the Options Clearing Corporation, is also an Advisor to Cato's Privatization Project. Hardy is one of the chief organizers and leaders of **United Seniors Association**, Cato's main elderly "constituency group" for privatization.

The second example is the shocking scandal of **Andrew Biggs**. The 37-year old Biggs, a graduate of the London School of Economics, was the Cato Institute's senior Social Security analyst. In 2001, Cato made Biggs the lead researcher for the President's official Commission. In May 2003, Biggs was promoted to Associate Commissioner for Retirement Policy at the U.S. Social Security Administration (SSA), part of Cato's coup-effort to take over the whole agency. Biggs sits just below the Deputy Commissioner who runs the Office of Policy, who "is responsible for major activities in the areas of strategic policy planning, policy research, and evaluation," as well as all statistical analysis, according to the SSA.

Biggs is running a Gestapo operation inside the SSA. Last year, Biggs wrote a "policy brief" internal document that mandates that all Social Security managers are required to present the idea "that Social Security faces dire financial problems requiring immediate action," in the words of the Jan. 15, 2004 *New York Times*. It would require the SSA to "insert solvency messages in all Social Security publications"; that is, to say that Social Security is in crisis. It would make Social Security managers spread Wall Street-lies in every public forum, as well as at non-traditional sites like farmers' markets and "big box retail stores." Biggs is illegally using money from the Social Security Trust for this campaign.

This is but a small sampling of the myriad ways by which Cato mingles manufactured crisis, and manufactured "grass-roots" support, to spread its campaign.

The Guiding Role of George Shultz

The oligarchy finds Cato Institute an indispensable instrument to "intelligently handle" many of its other major designs to tear down the nation-state.

One example is drug legalization. On Oct. 5, 1999, at its von Hayek auditorium, the Cato Institute held a major drug policy conference, entitled, "Beyond Prohibition: an Adult Approach to Drug Policies in the 21st Century," that carried the themes that drugs should be decriminalized, and that the War on Drugs was a "\$50 billion waste of money." The 100 attendees featured the pro-dope denizens of the drug world: Kevin Zeese, the 1980s head of the National Organization for Reform of Marijuana Laws (NORML) and Ethan Nadelman, the head of the George Soros-funded Lindesmith Center, a leading coordinating point for decriminalization; partisans of *High Times* magazine, among others.

Cato was in its element. Since its inception, Cato has pushed to create a legal market for marijuana, cocaine, and heroin. Representative of this, long-time Cato Adjunct Scholar Thomas Szasz wrote *Our Right to Drugs: the Case for a Free-Market* in 1992, and *Ceremonial Chemistry* in 1974. Richard Dennis, long-standing member of Cato Institute's board of directors and a wealthy derivatives speculator, is board member and funder of the pro-drugs Drug Policy Foundation.

Ed Crane, Cato's President, speaking at Cato's Oct. 5, 1999 conference, stated, "There are reasons . . . why some of the most prominent critics of the War on Drugs come from libertarian and conservative backgrounds. People like William F. Buckley, George Shultz . . . Milton Friedman. . . They understand what the great Nobel Laureate F.A. Hayek called the fatal conceit. . . They understand the powerful forces of supply and demand."

For those Mont Pelerin Society oligarchs, George Shultz directs the drive toward Social Security privatization, and broader fascist looting of the economy's and the labor force's funds. Shultz, with Henry Kissinger, authored Pinochet's Chile dictatorship in 1973, and oversaw that country's Social Security privatization in 1981, through the Chicago Boys networks that he controlled. He tried to bring the "Chile model" into the United States as early as 1981, in the Ronald Reagan Administration (see *EIR*, Jan. 21).

From August 1971 to 1974, Shultz was the key figure in the Nixon Administration who blew up Franklin Roosevelt's Bretton Woods monetary system, and brought in globalization, "free-floating currency exchange rates."

Ed Crane's praise of Shultz at the October 1999 Cato pro-drug legalization conference, merely reflects Shultz's long-time broad oversight and influence over Cato. When Cato celebrated its 25th anniversary at a 2,000-person black-tie gala at the Washington Hilton Hotel in 2002, Shultz was one of the luminaries selected to give Cato congratulations on a special video tape, stating: "Keep doing what you're doing."

Don't Reform Maastricht: Dump It!

European leaders have to finally abandon the nation-killing straitjacket of the Maastricht Treaty.

On Jan. 17, the finance ministers of the Eurozone Group, which includes 12 European Union members, held their routine session the day before the meeting of all 25 EU finance ministers, in Brussels. It was expected that the sub-group around France and Germany would have the upper hand, with its call for a "reform" of the Maastricht Treaty's budgetary straitjacket, and that this would have its impact on the all-ministers meeting on Jan. 18. What was not generally expected, was a defense of Germany's national interests by Chancellor Gerhard Schröder, published in an op-ed on Jan. 17 in the German-language edition of the *Financial Times*.

Schröder called for reform of the European "Stability and Growth Pact"—the Maastricht system, which limits government borrowing to a fixed percentage of GDP. He said that the EU has to urgently overcome any "mechanistic" interpretation of the Pact. A sound fiscal policy cannot be measured solely by the ratio of new borrowings to GDP, but all important economic factors have to be taken into account, before punishing a member state, Schröder wrote. In the case of Germany, the very large extra expenditures incurred by reunification obviously have to be included in the picture.

One also has to acknowledge, Schröder said, that the aim of reducing public deficits can collide with necessary government programs to foster growth and jobs. An overriding theme of Stability Pact reform, Schröder concluded, is the need "to pay more respect to the primary competence of

member states for economic and financial policy." Interventions by European institutions into the "budgetary sovereignty of national governments" should be "only permitted under very limited conditions." Schröder said he expects that decisions on these issues could be made at the EU summit on March 22-23.

While Schröder received instant support from the French and Italian governments, he was criticized by the Dutch and Austrians at the EU finance ministers' meeting.

The German central bank's neoliberal hardliner Jürgen Stark attacked Schröder for undermining the credibility of the euro, and Edmund Stoiber, party chairman of the opposition Christian Social Union, called Schröder's suggestions "entirely unacceptable," and told the German daily *Die Welt* on Jan. 18: "What Schröder is suggesting is not reform but, in practice, the abolition of the Stability Pact." This, then, became the dominant tone in the economic sections of the German press, especially after the finance ministers' meeting in Brussels okayed the Franco-German-Italian initiative for a reform, with the March EU summit being projected as the deadline for decision.

What Schröder wrote was taken from an internal government memorandum, which begins with the following assessment: "The philosophy to rely, in a mechanistic way, on quantitative controls as the exclusive parameters of the Pact for decision, has failed." The idea to curb deficits by monitoring even fractions of percentages in budget increases, at the ex-

pense of defining broader objectives of monetary policies, has proven a dangerous illusion, the memo continued. Instead, the central aspect of a reformed system should be monitoring of the "entire development of the conjunctural cycle," with the aim of assessing its qualitative, rather than quantitative achievements or non-achievements, the memorandum stated, listing all the factors that are special for the German situation, which Schröder had referred to in his article.

Ironically, the governments of France, Germany, and Italy do not really want to be disloyal to the Maastricht rules, but are being forced to turn disloyal, because the deepening economic depression is confronting them with vast and growing unemployment and other social requirements that strain the national budgets. They would never want to abandon the system, and they categorically deny any intention to go beyond "reform" of some aspects of the Maastricht rules; but that very "reform," timid as it may be, does in fact undermine the system. The European Union has, therefore, now entered a process that will lead to abandonment of Maastricht, which could occur according to one of two scenarios: 1) the slow dying away of the rules, to a point where they exist only on paper, but are ignored; 2) a conscious decision by the leaders of the EU to scrap Maastricht and replace it with something better—for example with something of the kind which the LaRouche movement has presented, with its call for a return to national banking and gold-reserve national currencies, and to productive industrial credit.

A new poll shows that 59% of the German population would welcome a return to the pre-Maastricht system, utilizing the deutschemark instead of the euro.

Resistance Flares Worldwide To Bush's New Round of Wars

by Muriel Mirak-Weissbach

Days before George W. Bush's second inaugural speech, a political shot was fired against the neo-con agenda, which ricocheted around the world from the pages of the *New Yorker* magazine. Veteran investigative journalist Seymour Hersh, who was the first to reveal the Abu Ghraib prison torture, published a devastating exposé Jan. 17 of what the second Bush Administration plans to do—or is already doing—to continue its “permanent-war” strategy (see article, p. 4).

The Hersh article, picked up in the world press, set off a series of unusually courageous interventions by leading political figures in Western Europe, as well as in Russia. Hersh's article was read, correctly, as the leading edge of a broader, powerful resistance effort being mounted by a coalition of bipartisan forces from military, intelligence, journalist, and Congressional layers inside the United States, committed to rendering Bush a lame duck.

The *New Yorker* article, titled “The Coming Wars: What the Pentagon Can Now Do in Secret,” unmasked crucial foreign policy initiatives already in motion. The centerpiece is the plan for a military operation against Iran, as part of a wider deployment of special commando groups and special forces against “terrorists,” in up to ten countries. Such operations are to be run not by the CIA, but out of the Pentagon, under Secretary of Defense Donald Rumsfeld and his neo-con stable, led by Stephen Cambone and William G. Boykin. The Iran assault is intended to target nuclear facilities and aim to destroy Iran's military infrastructure, at the same time igniting a revolt against the government leading to regime change. Pakistani elements are to be used, penetrating Iran through Afghanistan.

A Call to Arms

As the Hersh story flashed across the world press, Lyndon LaRouche characterized it as a “phase-shift, a turning-point in the world strategic situation.” The publication of this article, he said, represented a “direct throwing down of the gauntlet against Bush and Cheney.” As LaRouche has indicated, most recently in a seminar in Berlin (see *Feature*), if the opposition forces inside the United States move aggressively against the Bush agenda, this will encourage like-minded circles abroad to move. This is precisely what has happened.

The European press seized on the Hersh revelations, with headlines like these: “Preparing for an Attack on Iran” (*The Guardian*); “Neo-Cons Turn Their Attack to Iran” (*Financial Times*); “Why the Hawks Are Circling Over Iran” (*The Independent*); “Is Iran the Next Bush Target?” (*Today Singapore*); and “Bush Won't Rule Out Action Against Iran Over Nukes” (Reuters news service). Reports on the article were bolstered by quotes from Bush, who had just reiterated his position of not ruling out any military options against Iran, and Condoleezza Rice's testimony at her Senate confirmation hearings, in which she honed in on Iran as among the “outposts of tyranny” which had to be dealt with by the United States.

The nature of the new neo-con threat was quickly grasped by strategic analysts and politicians in Europe and Asia. One source in the City of London financial community suggested that the driving force behind the Bush-Cheney madness, is an unsustainable current account deficit. Bush et al. are seeking something that can be perceived as compensation for vanishing foreign capital flows into the United States,

he explained; hence, they are bent on privatizing and looting Social Security. But, as people like Karl Rove know, he added, they cannot ram this through without a major foreign policy crisis situation. In the view of this London insider, the Iran operation is very serious; it would be done “on the cheap” (because of financial and logistical restraints), using special units, rather than the Iraq model, with a full invasion.

Responses from Germany came from across the political spectrum, in clear denunciation of the permanent-war policy. Social Democratic Chancellor Gerhard Schröder, asked during a Jan. 18 press conference in Toulouse, France, about Europe’s dialogue policy toward Tehran, replied that he saw no reason whatsoever to divert from the European Union-Iran formula, which led to Iran’s halting the militarily relevant part of its nuclear program, in return for getting EU economic aid (also for peaceful nuclear technology). A military strike against Iran would be in no one’s interest, he added.

Social Democratic Party foreign policy spokesman Gernot Erler went further, saying the remarks by Bush and Rice were unacceptable, and Europe must ask the United States to explain what is going on. The United States must clarify whether it is just conducting reconnaissance flights over Iran, or whether these are part of preparations for a military strike. The fact that the United States has decided to provoke the Iranians at a time when Europe is negotiating a diplomatic solution with Iran—and to provoke without consulting the Europeans beforehand—aggravates U.S.-European relations and the functioning of NATO, Erler said. At the latest, when Bush visits Europe in February, he will have to clarify his policy on Iran, Erler added, urging European governments to bring up the issue with the American President.

Volker Rühle, Christian Democrat and former Defense Minister, said bluntly, “If the U.S.A. really wants the Iranian problem solved, it should stop issuing threats and start cooperating with the Europeans for a diplomatic solution.” Rühle said he saw certain problems on the Iranian side, but not such as to justify military action. Other German political parties lined up against the threats against Iran. Only neo-con fellow-traveller Wolfgang Schäuble, of the Christian Democratic Union, claimed Bush’s threats to Iran are “just aimed at increasing pressure on Tehran, nothing else.”

Even the British government of Tony Blair, who has functioned as Bush’s “poodle” for the past four years, had to distance itself from the new war-mongering. Foreign Secretary Jack Straw, in an interview with the *Financial Times*, defended the approach of the European nations (France, Germany, and Britain) to Iran: “Those who said we would be split apart by the Iranians are wrong. Those who said we would not be able to negotiate any substantial text [with the Iranians] are wrong. Those who said we could not build up a degree of trust with the Iranians—at the same time building up a strong

consensus with the U.S. and the non-aligned countries—are wrong. It has taken a phenomenal amount of work, but so far so good. And it’s a better strategy than the alternative.”

The Russian Response: ‘We Won’t Be Provoked’

Most significant, and fraught with strategic consequence, was the Russian response. Foreign Minister Sergei Lavrov gave a press conference in Moscow Jan. 19, underlining that Russia will not be provoked into confrontation on the world stage: “There are some who look at Russia with suspicion, and call for all but confrontation with and opposition to Russian activity in the international arena. We assess such approaches as a call to renew confrontation and will not yield to this. We won’t be provoked,” Lavrov said.

Lavrov added that the entire world community faces the task of preventing a slide towards confrontation. It is from this angle, he said, that Russia is approaching the major events scheduled for the beginning of this year, among them the Russian-American summit; the 60th anniversary commemoration in Moscow of the Great Patriotic War of 1941-45, to be attended by many heads of state; a Russia-European Union summit; a G-8 summit; and other important events. In response to statements by Condoleezza Rice, Lavrov said: “Russian internal policy is our internal affair. Life is developing on the basis of our constitution, and decisions that are made on the basis of our constitution by our leadership.”

Indeed, in the dense calendar of diplomatic events, the Bush-Cheney duo will be confronted in ways they have not expected. Schröder is to meet Bush Feb. 23, in Mainz. It is unusual for the Chancellor to receive an American President—especially on his first foreign trip after re-election—anywhere outside the capital, Berlin; meeting in provincial Mainz is tantamount to an insult.

German sources insist Schröder will not back down to any blackmail Bush may attempt, like demanding that Germany cooperate in Iraq deployments, or cut off cooperation with Iran, in return for a seat on the UN Security Council. Schröder knows a German seat on the Security Council is not on the immediate agenda.

On Feb. 24, following his meeting with Schröder, Bush will meet Schröder’s strategic partner, Russian President Putin, in the Slovakian capital, Bratislava. Lavrov described this as one of the most important events of 2005—a summit concentrating on economic, trade, and investment cooperation. Clearly, at its center will be U.S. policy towards Iran and other targetted nations.

Assault on Iran Is Operational

As detailed in Hersh’s article, the operations against Iran are already in place. Indian intelligence sources have reported several indications of this, especially regarding the role Paki-

stan is playing, via Afghanistan. Any U.S. attempt to penetrate Iran would pass through Afghanistan. Plans are under way to release large numbers of Taliban prisoners, and integrate them into the Afghan government. This would be the gesture required by Pakistan, to cooperate with its Taliban allies in such anti-Iranian adventures.

Furthermore, in Afghanistan's Herat Province, near the Iranian border, U.S. Special Forces are building an air strip large enough to accommodate cargo planes like the C130. Not long ago, the pro-Iranian Governor of Herat, Ismail Khan, was unceremoniously removed from power, which constituted a political blow to Tehran. The more recent assassination attempt against pro-Russian warlord Gen. Abdul Rashid Dostum, can be read in the same context.

Although Iranian officials have, for obvious reasons, denied penetration of their borders by U.S. special forces, Indian sources say penetration attempts began in 2002, after the murder of *Wall Street Journal* reporter Daniel Pearl. The story they tell is that Washington found out about Pakistani intelligence (ISI) indirect involvement in the brutal murder, and summoned ISI chief Lt. Gen. Ehsanul Haq to Washington. There, reportedly, he was offered a deal: The U.S. could use Balochistan to infiltrate agents into Iran, in return for hushing up the ISI involvement. This led to the resignation of Pakistani Foreign Minister Abdus Sattar, who objected to Pakistani involvement in anti-Iran operations.

The Iranian Response

What would happen if the U.S. went ahead with the mad project exposed by Hersh? The Iranians have responded by saying, first, that the story of special forces inside their borders is "psychological warfare." Second, they say, were their country to be attacked, it would defend itself, using military capabilities not known to the United States. "With reliance on enormous popular support, diplomatic capacity and full military capability, the Islamic Republic of Iran will firmly respond to any unwise measure or plan," Foreign Ministry spokesman Hamid Reza Asefi said, responding to "recent comments by U.S. officials," such as Bush's Jan. 17. "We see such moves as a psychological campaign and political pressure," he said, suggesting that one aim was "not to help and encourage Europe to peacefully settle some disagreements through diplomacy and talks, but to disrupt the Iran-EU nuclear talks by pretending they are unsuccessful."

Asefi gave Rice some advice: "We recommend the new American Foreign Minister avoid repeating past mistakes by reviewing America's wrong and unsuccessful policies of unilateralism and oppression. . . . The United States of America has fallen into an abyss of several crises as a result of the wrong attitude of hard-line neo-conservatives. There is no way out unless it reviews and corrects past mistakes."

A spokesman for Iran's Supreme National Security Council, Ali Agha Mohammadi, denied any special units had penetrated Iran, while former President and current head of the

Expediency Council Akbar Hashemi Rafsanjani, said Iran would not be intimidated. "We are not afraid of foreign enemies' threats and sanctions, since they know well that throughout its Islamic and ancient history, Iran has been no place for adventurism." Defense Minister Ali Shamkhani stated: "We are able to say we have strength such that no country can attack us, because they do not have precise information about our military capabilities, due to our ability to implement flexible strategies." He added: "We can claim we have rapidly produced equipment that has resulted in the greatest deterrent."

The Russian Angle

There can be no doubt that Iran, if attacked, would mount an aggressive defense, not only on its territory, but, in asymmetric fashion, by deploying assets in other areas. In addition to the substantive Shi'ite communities in many Persian Gulf countries (Bahrain, Kuwait, and others), the political majority in Iraq today is made up of Shi'ites, many of whom benefitted from Iranian refuge in the Saddam Hussein era. Any attack on Iran would spark rebellions among Shi'ites in the region, and worldwide.

This much is known. What is not known is what Russia would do, if Iran were attacked. According to a German military expert with experience in the Persian Gulf, any anti-Iranian hit would constitute a "red line" for Moscow. The Russian leadership has been forced to swallow a number of humiliations, and has been subjected to infamous attacks, from Chechnya to Beslan, on its own territory, while U.S. subversion operations, backed by the neo-cons, have been launched successfully in Georgia and in Ukraine. Kazakhstan, Kyrgyzstan, and Armenia are on the same target list, as well as, perhaps, Belarus, which Rice listed among the "outposts of tyranny."

For Russia, there is a limit to such provocations. Iran is that limit. Not only does Russia have long-term cooperation agreements with Iran, epitomized by the nuclear energy program starting with the Bushehr nuclear plant, but several strategically crucial infrastructure programs bring the two nations together, which cannot be sabotaged. These include the North-South transportation corridor, as a piece of the Eurasian Land-Bridge.

In addition, Russia has important economic and military agreements with other key nations in Southwest Asia, among them Saudi Arabia and Kuwait. As recent high-level meetings between the Russian leadership and those of Syria and Turkey indicate, Moscow is broadening these ties, and thus expanding its influence in the region. Russia's economic stake in Iraq was enormous, and the government is not expected to allow a repeat of the destruction of that country, in neighboring Iran.

What, then, could Russia do? According to the German military expert cited above, if push comes to shove, asymmetric war would break out worldwide, a new Thirty' Years War. And Russia could "play the atomic card."

Pakistani Cauldron Bubbles Over

by Ramtanu Maitra

Despite accommodating all of Washington's demands to help the United States to fight its war on terrorism, Pakistan's President-cum-Chief of Army Staff, Gen. Pervez Musharraf, is not sleeping well. With two assassination attempts, and the suspected assassin, a junior Air Force officer, having "escaped" from his Pakistani prison, President Musharraf is now virtually living in a bunker. Meanwhile, tribesmen along the Pakistan-Afghanistan borders are at war with the Pakistani Army, the gas fields are under attack by the Baloch tribes, and in the Northern Territories, where Pakistan meets Afghanistan, China, and the disputed state of Jammu and Kashmir, Wahabi and Sunni militants are baying for Shi'ite Ismaili blood.

Of all the crises that are keeping President Musharraf awake at night, it is the crisis in Balochistan that has staggered him the most. On Jan. 18, Pakistan's Prime Minister Shaukat Aziz, a Citigroup banker and a favorite of Wall Street, called a special meeting of the Cabinet to review the law and order situation in Balochistan. The meeting, which will include the Interior Ministry, is to discuss Balochistan, as well as take a closer look at the growing terrorism activities centered on the troubled Sui gas fields.

Musharraf Threatens Baloch Tribes

From a safe distance away from the Sui gas fields, President Musharraf, during an interview with Geo Television, issued a warning to the Baloch tribes:

"Don't push us. . . . It is not the 1970s, and this time you won't even know what has hit you."

Musharraf was referring to the crushing of a Baloch secessionist movement in the 1970s by the then-Prime Minister Zulfikar Ali Bhutto. Bhutto used the Army and Air Force to bomb his own people to submission. The Baloch Liberation Army (BLA), which was fomenting trouble at the time, was fragmented, and its leaders fled to safer havens in Britain, the Gulf states, and the United States. The Baloch movement at the time was inspired by the Bangladeshi liberation movement which separated East Pakistan from Pakistan in 1972, and by the humiliation suffered by the Pakistani Army when more than 90,000 Pakistani soldiers had surrendered to the Indian Army in Dhaka.

What President Musharraf reminded the Baloch, is that those conditions do not exist now. Pakistan is now a good ally

of the United States, and the Pakistan Army is strong and sound. There is no indication, however, that the tribes are frightened by President's strong words.

On the other hand, it is evident that the Baloch tribes have noticed that a ruthless military campaign by the Pakistani military against the Uighur, Uzbek, Chechen, Kazak, and Arab survivors operating from South Waziristan along the Afghanistan-Pakistan borders, has not been successful. Violent attacks on the Army continue to be reported. Already more than 200 Pakistani military and paramilitary officers have lost their lives, and some observers have begun to refer to South Waziristan as a "mini-Iraq."

The South Waziristan campaign was goaded on by the United States, urging Islamabad to take control of the area where the al-Qaeda and other anti-American militia live and recruit. In Balochistan, however, the sources of this particular trouble were different.

The Baloch Crisis

The latest crisis in Balochistan was triggered by a gang rape of a female doctor by an Army captain and three soldiers—reportedly all from the Punjab province—belonging to the Defense Security Guards (DSG) in the Sui gas fields. Since an Army officer was involved in the case, DSG hushed it up and shifted the doctor to Karachi. Subsequently, reports indicate, she was not allowed to meet anybody, so that nobody would know the reality. The incident, and the way the matter was hushed up, enraged the Baloch tribes. According to Pakistani media reports, the incident set off skirmishes between Pakistani security forces and insurgent Bugti tribesmen in the province's natural gas-rich Sui region. The gun fights and ambushes led to the death of at least eight paramilitary security men. Islamabad has ignored the gang-rape incident, and claims the tribesmen want more royalties from the gas taken from their lands.

As it is, the Bugti chieftain Sardar Akbar Khan Bugti is paid 70 million Pakistani rupees annually by oil and gas exploration companies in Balochistan as payola, so that they can carry out work in the Sui fields peacefully, Online news agency reported. Around 250 of the engineers employed by the companies reportedly belong to the Bugti tribes, and the exploration companies are not allowed to recruit unskilled manpower for their projects from outside Sui areas, reports claim.

As a result of these skirmishes, natural gas supplies to industry, transport, power plants, and for household use have been badly disrupted across the country, following the closure of processing facilities at Sui, some 350 km southeast of the Balochistan provincial capital, Quetta. The state-run gas plant was severely damaged when it came under attack from armed tribesmen on Jan. 11. Sui is the biggest of 24 gas fields in the country, producing 1 billion cubic feet of gas per day—about 45% of Pakistan's total production.

While the major Baloch tribes such as the Bugtis and



Marris are using their muscle to extract the most from Islamabad, it would be absurd to believe that the BLA is not involved. For instance, many members of this generation of the BLA had left the country when Bhutto rained bombs and bullets on the Baloch to tame them in the mid-1970s. Reports indicate that some of them went to the Persian

Gulf, and had joined the local police and security forces, acquiring in the process some expertise in the use of arms, ammunition, and explosives, and have since returned to Balochistan. It is these elements which constitute the hard core of the BLA.

The BLA was blamed for eight explosions in Quetta on

Pakistan's Independence Day on Aug. 14, 2004; the ambush of a group of seven Pakistani Army officers shopping in the Khuzdar area on Aug 1, killing five of them; the unsuccessful attempt to kill Balochistan Chief Minister Jam Yousef on Aug. 2; frequent disruptions of gas and oil supplies to Punjab by blowing up the pipelines; and blowing up the Sui local airport. But very little detail about who their leaders are, and what the strength of their cadres is, is public knowledge. This makes the cleaning up operation more difficult. Reports indicate that, if the Pakistani military chooses to hit the Baloch with yet another heavy hammer, the situation may turn virtually uncontrollable.

Whether or not Islamabad acknowledges the existence of such conditions, the evidence is pervasive. According to a noted Pakistani journalist, Syed Saleem Shahzad, al-Qaeda activities along Balochistan's border with Afghanistan have made things dicier. The BLA has come to believe that the American presence in Balochistan, and elsewhere, has provided President Musharraf an added fillip not to work out any arrangement with the Baloch. The latest round of troubles will be seized upon by Islamabad to wipe out the rebels once and for all, and populate the thinly populated province with the Punjabis and Army personnel, the BLA claims.

In order to counter Islamabad's moves, the rebels themselves see this as an opportunity to deliver a knockout blow to Pakistan's ruling establishment and its close friend, the United States, in Balochistan.

Syed Saleem Shahzad points out that with its deep, warm sea waters, extremely rich mineral resources, and strategic location, Balochistan had been the center of many regional and international intrigues for almost half a century. With the Cold War over, new players that include Iran, Oman, the United Arab Emirates, Afghanistan, India, and the United States have new agendas in the region, ranging from a proposed Iran-Pakistan-India gas pipeline, oil and gas exploration, and a deep sea port to military bases, Shahzad says.

Americans in Their Midst

Pakistan is once more playing a frontline-state role in the U.S.-led "war on terror," by providing bases and facilities for the United States in Balochistan to monitor the Taliban and the ethnic Baloch part of eastern Iran. China is assisting in building a deepwater port at Gwadar in Balochistan that will cater to large ships. The port will be the one nearest to the Central Asian states that will have the potential to attract international traffic, which previously went to Bandar Abbas in Iran, to Oman, or to the United Arab Emirates.

Shahzad believes Islamabad is now left with no option but to wield the big stick against the Baloch. The days of dialogue and payouts are over. There are also indications that the United States needs Pakistan to help it change the regime in Tehran. One of the ways to subvert Iran is through eastern Iran, using the Pakistani Baloch tribal links to the Iranian-Baloch on the other side of the border. This had been done



President Pervez Musharraf, already jeopardized by mounting internal pressures from within Pakistan, will only see his problems exacerbated by the role the Cheney-Bush gang wants him to play in Iran and Afghanistan.

before in the late 1970s, and it seems that the war-hungry U.S. neo-conservatives are pressing for it.

Shahzad could be right about the exigency of the Americans. Based on exclusive information he has gathered, he claims Pakistan has provided extensive facilities to special United Kingdom and U.S. forces in Pakistan's port city of Karachi, which in many ways resembles the Iranian towns of Tehran, Shiraz, Isfahan, and other urban centers. Special Forces from the United States and Britain have staged unannounced commando exercises in Karachi. With its maze of high-rise buildings, communication networks, and the division of the city (Sher-i-Bala and Sher-i-Payien), Tehran and Karachi are very similar, Shahzad pointed out.

On Jan. 11, the troops conducted anti-hijacking exercises on a Pakistan International Airlines (PIA) aircraft at an isolated yard several kilometers from the main terminal and runway, although they were provided with detailed maps of the airport.

While confirming the exercises, a spokesman of the Pakistan Army's Inter-Services Public Relations (ISPR), Col. Tahir Idrees Malik, said they were anti-terrorist drills. He said it was an honor for Pakistan to be able to give training "to these friendly countries." This is the first time in the history of Pakistan that the Armed Forces, including the Army, have been known to stage exercises in urban areas.

Violence Elsewhere

President Musharraf's plan to accommodate London's and Washington's demands could very well push Pakistan

over the edge. The Pakistani government, a coalition of a number of political parties under Prime Minister Shaukat Aziz, survives with a thin majority in the National Assembly. The Balochistan episode has already jeopardized the majority government's rule. One of the coalition partners, the Muttahida Qaumi Movement (MQM), has hinted that the party may quit the government over the issue of launching Army operations in Balochistan. Addressing the party workers from London by telephone, the MQM chief said the military was preparing for an operation in Balochistan which the Muttahida opposed.

In addition, in the strategically important Northern Territories of Pakistan, which border China and Afghanistan, and include a part of the disputed state of Jammu and Kashmir, Sunni militants shot and killed an Ismaili leader, Agha Ziauddin, on Jan. 8. Ziauddin's killing sparked riots that left at least 15 dead. In December, two Sunni militants were arrested in connection with the killing that same month of two employees of an Aga Khan aid agency in the remote northern town of Chitral, which borders Afghanistan.

The Ismailis are a branch of the Shi'ite Muslim sect which considers Aga Khan as their Imam. The Ismailis live in large numbers in Pakistan's Northern Territories, as well as in nearby Tajikistan's Pamir plateau. About 350,000 Ismailis live in Tajikistan, and most of them reside in the Pamirs in

the Gorno-Badakshan region of the country. In the adjoining Xinjiang region of China, a large number of Ismailis live in virtual isolation from the Aga Khan-run international community.

Pakistan's Sunni militants, trained in an orthodox Deobandi school of Islam, work hand-in-glove with the Wahabis of Saudi Arabia. In fact, the political arm of the Sunni militants in Pakistan, the Jamaat-i-Islami (JII) and its student wing Islamic Jamiat Tulaba (IJT), are financed generously from Saudi Arabia. The JII have been infiltrating the Pakistani military in large numbers since the 1980s, and played a very important role in bringing the Taliban militants to power in Afghanistan in 1996.

North of Balochistan, where Afghanistan meets Pakistan's Northwest Frontier Province, the vast mountainous region remains out of bounds for non-locals. The main town of South Waziristan, Wana, looks like a military garrison. Reports pour out almost daily of skirmishes, land-mine explosions, and use of heavy artillery and occasional aerial bombing, making it a deadly conflict zone.

In Kabul, the Afghan President and the U.S. Ambassador to Afghanistan, Zalmay Khalilzad, an important member in Washington's powerful neo-conservative cabal, have decided to bring in most of the earlier-banned Taliban into the government. This would allow some disgruntled Afghan Pushtuns to give up weapons and join the Kabul government.

But most of the militants who are battling the Pakistani Army in the tribal areas are foreign and local tribal militants. The foreigners have nothing to do with the Taliban, but had boarded the bandwagon because all were under attack from the Americans. These foreigners have no place to go, and they are very well armed and trained.

At the same time, the local tribesmen, who had sheltered the foreign militants, have come under rocket and missile attack from fellow Pakistanis. To begin with, these tribesmen had lived all their lives independently, and no ruler in Islamabad ever tried to impose his or her will on them. Only following the invasion of Afghanistan in the Winter of 2001 by the Americans, did Islamabad, under intense pressure from Washington, send the military inside the tribal areas. The skirmishes that ensued over the months have killed many tribesmen, hardening their attitude against Islamabad. Battle-hardened tribesmen have taken the military action as an attack on their sovereignty, and have been putting up stiff resistance.

Some analysts say it is a no-win situation for the Pakistani troops. They cannot abandon the operation half-way, and now have to use bombers and helicopter gunships against what was earlier described as a "handful of foreign militants and some local miscreants." Observers point out that relations between the Pakistani authorities and local tribesmen have deteriorated to such an extent that the troops may remain bogged down long after all the foreign militants have been eliminated or flushed out of the region.

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Taras Vasilyevich Muranivsky and America

by Rachel Douglas

On Feb. 2, 2005, Prof. Taras V. Muranivsky would have turned 70. Our friend and colleague Profesor Muranivsky died on July 17, 2000. The work he did, as leader of the LaRouche movement in Russia during the 1990s, still reverberates, in the urgent discussions of a new monetary system and Eurasian development, conducted by Lyndon LaRouche with leading intellectuals and political fighters from Russia, Europe, Asia, and the rest of the world. To honor the 70th anniversary of Taras's birth, we present here the message from Rachel Douglas of EIR and the LaRouche movement in the United States, delivered at a memorial meeting held in Moscow in the Autumn of 2000.

On June 15 of this year [2000], I received the following message from Taras Vasilyevich Muranivsky: "I am prepared to speak in support of Lyn [Lyndon LaRouche] anywhere, including in the U.S.A., that it's needed." At the time, we were working hard to finish editing LaRouche's speech "On the Subject of Strategic Method," which he had delivered at the Schiller Institute conference in Bad Schwalbach on May 26, 2000 (you can read the translation in [Russian] Bulletin #9 of the Schiller Institute, which came out six days before Taras Vasilyevich's death). In June, Taras Vasilyevich also reported on his own presentation, at Prof. Pirogov's seminar on June 5, 2000, where he gave a report about the Bad Schwalbach conference and its deliberations about the potential for growing resistance against predatory monetarism and speculation on a world scale. In July, he sent his latest articles, published in *Ekonomicheskaya Gazeta*, in which he had brought Russian readers news about the steps taken by Italian Members of Parliament, this time, towards creating a New Bretton Woods system.

In other words, Taras Vasilyevich kept working until the last minute of his life. Rereading the lively correspondence of those last summer weeks of his, lines came to my mind from the Ukrainian poet Maxym Rylsky's sonnet about his father:

I knew not, then, that over his brow
Death, like a kite, had flashed its wing. . . .

I quoted Taras Vasilyevich on his readiness to travel to the ends of the Earth in order to disseminate valuable ideas, not in order to tell you what a hard worker he was. I'm sure

you all know that, already. Rather, I wanted to draw your attention to an especially precious ability that Taras Vasilyevich had, to grasp the most essential quality of the world strategic situation. It was evident in his attitude towards other countries, particularly the United States. I mean his ability to understand and even to love another country—to shape his attitude towards the life and politics of another country, on the basis of profound study of its history and culture, to care about its destiny and about the ways in which the principles of Universal History are manifested in that country.

An American is telling you this. Working at *EIR* magazine, serving from time to time as translator for Lyndon LaRouche and others at Schiller Institute conferences, helping to prepare the Russian Schiller Institute Bulletins for publication, I had the opportunity to work with Taras Vasilyevich for eight years—in Moscow, in Germany, in the corridors and offices of official Washington, and even at the Federal Prison in Rochester, Minnesota, where Professor Muranivsky came for his first meeting with LaRouche, in May of 1993. Therefore, what I am telling you are my personal recollections, but at the same time they are political recollections about that difficult decade after the collapse of the Soviet Union, and the criminal behavior of the Bush (Sr.) and Thatcher regimes, which imposed upon the countries of Eastern Europe and the former Soviet Union the worst possible economic strategies, in the name of "reform." I can also say something on behalf of the activists and supporters of the Schiller Institute in the United States, who all loved and treasured Taras Vasilyevich Muranivsky.

Everyone who was there remembers Taras Vasilyevich's speech at the Schiller Institute conference near Washington, D.C., in February 1994. The hall was packed, as the conference participants joyfully welcomed Lyndon LaRouche after five years of his incarceration as a political prisoner of the Bush Administration. Prof. Muranivsky came to the podium. I should note, that in May 1993 he had spoken Russian during his interview with LaRouche. In the intervening nine months, he had revived his command of English—having studied it in the past and having worked at the U.S.A./Canada Institute of the Russian Academy of Sciences—to such a level, that he was able to announce in beautiful English, with an accent, but without mistakes, Lyndon LaRouche's election to membership in the Universal Ecological Academy: "Every member

of our Academy,” Taras Vasilyevich began, very seriously and with great concentration, “has the right to name only two other people, as members of our Academy.” Pause. Prof. Muranivsky turned towards me, standing at a side mike, and said in Russian, “Please translate!”—and almost simultaneously with my exclamation, “You spoke English!” he burst out laughing. And the entire audience roared with him. At that moment, we all fell in love with this Russian professor.

He and I had a kind of linguistic mutual assistance agreement. We corrected each other’s mistakes. Once at a conference in the United States, a few years later, Taras Vasilyevich came up to me and asked in a conspiratory tone, “How do you say in English, ‘working an after-hours job’?” In a whisper (a panel was in session), I started explaining the expression, “moonlighting.” He frowned, not pleased with that suggestion. I thought some more, then proposed, “You can say it this way: ‘I wear two hats.’” “What, what?” I explained the literal meaning. Five minutes later, Professor Muranivsky was at the mike: “Allow me to introduce myself: Professor Muranivsky from Moscow. I am an economist, but I wear two hats.”

I don’t dare try to count how many hats Taras Vasilyevich really wore. Professor, scientific editor, journalist, polemicist, organizer of seminars, president of the Moscow Schiller Institute, unofficial ambassador of Russian and Ukrainian antimonetarist scientists at international conferences. You may continue the list yourselves. He had an ability to get into the mind and consciousness of another culture. That is the quality Schiller writes about—the ability to be simultaneously a patriot of one’s own country and a citizen of the world. (And it’s a quality Pushkin had, as do all great artists and poets.) To take upon oneself the tribulations of other countries, as one’s personal business. But, what could that have to do with the United States in the 1990s? After all, any citizen of the Russian Federation had every basis to be absolutely furious with the U.S.A. and to hate it! And, what tribulations?

I mean his understanding, that the policy of globalization with an admixture of neo-colonialism, conducted by Bush or Gore, is alien to the history and true character of the United States. Taras Vasilyevich was one of the few people in Russia, who picked up the idea LaRouche expressed this way:

“There can be no competent U.S. strategic doctrine or foreign policy, which does not proceed from understanding of the nature of, and reasons for the irreconcilable, principled difference in moral character between the British monarchy and the constitutional Federal republic of the United States.

“It is a corollary of that same point, that there can be no competent understanding of the United States by any nation, unless that nation recognizes that the very national identity of the United States, and its most vital interests, are rooted, since no later than Royal Governor Andros’s pranks of 1688-89, in a fundamental conflict of interest between the British monarchy and the continued existence of the United States. At issue is nothing less fundamental, than *two, mutually exclusive con-*

ceptions of man and nature.” (From “The New Role For Russia In U.S. Policy Today,” *EIR*, Sept. 25, 1995.)

Prof. Muranivsky’s innate intellectual curiosity helped him a lot. He was not afraid of fresh ideas, even if they ran counter to established conceptions. He had what the late Israeli Prime Minister Yitzhak Rabin called “the courage to change axioms.”

After arriving in Washington to meet LaRouche in 1993, he stopped, on the way to Rochester, in the town of Leesburg, Virginia, where *EIR*’s editorial offices are located. He stayed several days at the home of Richard Freeman, an economist, friend, and colleague of Lyndon LaRouche. For three days and three nights, Taras Vasilyevich practically didn’t sleep. Hearing from Richard the view that Keynes and Roosevelt did not represent the same thing, Prof. Muranivsky demanded from his new acquaintance everything he could get his hands on: articles, unpublished reports, archival material, demonstrating how President F.D. Roosevelt differed from Keynes. The second night, he spent reading the history of the greatest 1930s infrastructure project in the United States, the Tennessee Valley Authority.

It was on the basis of understanding who Roosevelt was, that Taras Vasilyevich could write things like the short introduction to the last Bulletin, under the title “LaRouche and Russia”: “Some people think that mediocre persons are generally elected as President of the United States. But in critical situations, the voters prefer talented leaders, like Franklin Roosevelt.” And, “LaRouche interests us not only as a U.S. Presidential candidate from the most rational and constructive, FDR wing of the Democratic Party. He himself is a brilliant and experienced politician, whose ideas and principles are needed today not only for America, but for the peoples and nations of the entire world, including Russia.”

I witnessed, in May 1993, how Professor Muranivsky with his penetrating gaze skewered a young, self-assured official of the U.S. Treasury Department, who was lecturing his Russian guest to the effect that “all world history” teaches us to follow the postulates of “free trade,” and so forth. Calmly demonstrating the flaws in the young man’s assumptions, Taras Vasilyevich warned of the ruinous impact such policies would have in Russia. After the meeting, he asked me, “What type of guy was that?”—and mastered a new socio-political term, “yuppie.”

In conclusion, I would like to share with you Taras Vasilyevich’s own words. They come from his short talk, given in English, to the staff of *EIR* in April 1995. You will hear, why we love him, and you will understand how much we miss him. He spoke after the Ukrainian Members of Parliament, whom he was accompanying, and said:

“Dear friends, when we discussed the order of our speeches for you, I proposed myself to be the last. There were three reasons for it. The first reason is that these people have appeared in Leesburg, and in the United States, for the first time. The second reason is that you have heard and listened

to me many times. . . . The third reason is that I knew that the first part of our meeting would be very pessimistic, and I would try to turn the mood of our meeting in an optimistic way.

“The first optimistic line is connected with the activity of the Schiller Institute in Moscow. A month ago or so, you did not see me, but you met three Moscow representatives [including two members of the State Duma]. Now, my friends from my historical motherland, Ukraine, are here, and you are listening to them. And don’t be astonished if a month or so later, you will meet here some representatives from Belarus, Kazakhstan, or maybe Uzbekistan.

“But the main optimism is connected not only with different countries, different persons, etc. The main optimism is connected with Lyn’s ideas. Lyn’s ideas are spread more and more widely, and our movement has gained more and more strong support, all over the world.

“Before our representatives from Russia went to the United States, there was one interesting event in the Russian Parliament, the Duma. On the 20th of February, we got a Memorandum from Lyn, 37 pages in size. And, together with Jonathan Tennenbaum, we prepared specially for hearings in the Duma, a summary . . . [so] I used in my speech in the Duma, the material of Lyn’s Memorandum. . . . Many people were satisfied, that Lyn proposed some very interesting principles. . . . I would like to draw your attention to such things as Lyn’s proposal to take decisive measures. He wrote in his Memorandum about measures, as if connected with the war period—the so-called war mobilization of the economy. The second thing, which didn’t appear before, is measures connected with the development of political activity. He proposed the idea of the so-called National Party—the national party, which can be against the oligarchical movement, all over the world. And the third thing is the same as this last conference in Washington [took up]—it is connected with the possibility to make real reforms in our country. Because the condition is only one: not the conditionalities of the IMF, but the condition to unite all countries against IMF conditionalities.

“If we take it together, we can organize it, and the sources for such organization, we got from our movement, spreading more and more, all over the world. The example is its spread among the countries of the former Soviet Union.

“The ideas of Lyn are very good and are supported by many people in different countries, because of their humanis-



Prof. Taras Muranivsky: “I am prepared to speak in support of Lyn [Lyndon LaRouche] anywhere, including in the U.S.A., that it’s needed.” Here he is speaking at a 1998 Schiller Institute conference in Germany, holding a Russian biography periodical, Who is Who, which featured LaRouche.

tic direction. Humanism and high morality are a very important thing, which find support in all other countries. And my friends from Kiev told us, that some ideas that appeared with the Schiller Institute and were appreciated by Lyn, had been in their heads earlier, too, and so they met Lyn’s ideas with such great pleasure.

“But in Russia, we have some interesting things about not only economic, not only philosophical, but purely *moral* aspects. I remember one book that was written in the 1960s in the former Soviet Union and published in the late 1980s. The author’s name is Yuri Dombrovsky. I don’t know if you read it or not; it was published in *Novy Mir* in 1988. The book was called “The Department of Useless Things.” He was imprisoned, because of these “useless things.” Because he said—it was an *ironical* novel—man doesn’t need such things as truth, sincerity, poetry, music, etc. Man can survive without them! And a little later we got the ideology of Adam Smith in the person of Jeffrey Sachs and the IMF. And now our people understood, and felt it on their own skin, what is this “Department of Useless Things.” Human beings cannot live without such useless things.

“And Lyn’s criticism of the IMF, and Adam Smith’s ideas, and such persons as Jeffrey . . . excuse me if I pronounce Sachs as Sex-Maniac!—has a wider sense than criticism of some persons or some narrow economic ideas. It is morality, it is human beings, it is the future of humanity, all over the world. Thank you.”

Those were the words of Taras Vasilyevich Muranivsky.

Australian Released from Guantánamo

Mamdouh Habib was tortured by the United States with complicity of the Australian government.

Australian citizen Mamdouh Habib will soon be released from the notorious Camp Delta in Guantánamo Bay, Cuba, after languishing there without charges for over two and a half years. He was being held as an “unlawful enemy combatant,” accused of training with al-Qaeda, and assisting with the Sept. 11 terrorist attacks. Despite the accusations levelled against Habib by both the U.S. and Australian governments, the Bush Administration announced on Jan. 11 that it will not press any charges, and that Habib will be returned to Australia.

The only “evidence” which the Bush Administration ever had on Habib, was extracted under torture. And by all accounts—his own, those of his family and lawyers, and of the fellow prisoners who knew him—he certainly was tortured.

The surprise announcement of Habib’s release came in the wake of the June 2004 decision by the U.S. Supreme Court that Guantánamo Bay, despite Bush Administration arguments to the contrary, fell within the jurisdiction of the U.S. civil court system, thus entitling detainees to challenge their indefinite detention. Habib’s Sydney lawyer, Stephen Hopper, said that this had forced the Administration’s hand.

“The U.S. government has to put up or shut up,” he said. “When the pressure is put on them, they can’t produce the . . . evidence—because there is no evidence.”

Habib’s ordeal began in October 2001, when he was arrested in Pakistan. In U.S. court documents released

early this year, Habib’s American lawyers report that he was tortured for a week in Islamabad before being transferred to Egypt, where he was detained for six months. The documents describe at length a shocking array of torture techniques.

In one particularly hideous example, Habib was suspended from hooks on a wall, his feet on a drum connected to a battery, which would send a shock through his feet. “The action of Mr. Habib ‘dancing’ on the drum forced it to rotate, and his feet constantly slipped, leaving him suspended by only the hooks on the wall.

“Eventually, Mr. Habib was forced to raise his legs, leaving him to hang by his outstretched arms until he could stand it no longer and, exhausted, dropped his legs back on to the electrified drum. This ingenious cruelty lasted until Mr. Habib finally fainted. . . . Inflamed by his protests and indifferent to his screams, the sessions typically ended only when he admitted whatever they were questioning him about at the time—whatever it was,” the documents added. “In the midst of horrendous torture, Mr. Habib ‘confessed’ to it all.”

Such “confessions” were then used to justify his detention in Guantánamo Bay, where he was transferred in May 2002, and where the mental and physical torture continued. Australian government officials were repeatedly told by Habib and fellow Australian Guantánamo inmate David Hicks, that they were being tortured, yet the government refused to lift a finger. Not surprising, since that same

government tortured *children* for years in its own concentration camps for refugee “boat people” (*EIR*, June 18, 2004).

The U.S. and Australian governments have repeatedly denied any wrongdoing. While the Bush Administration’s complicity in torture and human rights abuses has been well-documented by *EIR*, the Australian government’s attitude is no better. According to Habib, an Australian consular official was present at his initial interrogation in Pakistan by U.S. agents, and was also present when he was aggressively subdued and photographed at a Pakistani airfield. This has been denied by the Australian government, but is only one of several examples that show they knew what was going on.

Although Habib will be returned to Australia without facing any charges, the Australian government has continued to publicly insinuate his guilt. “Mr. Habib remains of interest in a security context because of his former associations and activities,” Attorney-General Philip Ruddock, a member of Amnesty International, said. Habib will not be allowed to leave Australia, and will be placed under surveillance. And Prime Minister John Howard has firmly declared that, “We don’t have any apology to offer. We won’t be offering compensation.”

To date, the Howard government, one of the leaders of the “coalition of the willing” in Iraq, has unquestioningly accepted the Bush Administration’s treatment of Guantánamo Bay prisoners. It has refused to do anything to help Habib or David Hicks, who the U.S. insists will still face a military commission. Howard has dismissed the numerous reports of torture and human rights abuses, simply repeating Bush Administration lies that Guantánamo Bay detainees were being treated humanely.

International Intelligence

Sudan North-South Peace Is Signed in Nairobi

The formal signing of the agreement between Khartoum and the Sudanese People's Liberation Movement/Army (SPLM/A) took place Jan. 9 in the Nyayo National Stadium in Nairobi, Kenya, promising an end to 50 years of civil war between the Arab Muslim North and the black African, primarily Christian and animist, South. Two million died in the second part of the war (which broke out anew in 1983, after a decade's uneasy peace).

Sudanese Vice President Ali Osman Taha and SPLM/A leader John Garang signed the accord in the presence of Sudanese President Omar al-Bashir, American Secretary of State Colin Powell, Algerian President Abdelaziz Bouteflika, Rwandan President Paul Kagame, and Arab League chief Amr Moussa. Kenyan President Mwai Kibaki and Ugandan President Yoweri Museveni signed as witnesses. The proceedings were carried by radio to all of Sudan.

The terms of the accord include:

- Khartoum will form a national unity government in which Garang will be Vice President and 30% of civil service positions will be filled by Southerners.
- The two armies will remain separate forces and will be treated equally as the National Armed Forces.
 - Southerners will have 26% of positions in the intelligence service.
 - Only the North will be subject to Shari'a (Islamic law).
 - Oil revenues (Sudan's oil reserves are mostly in the South) will be split 50-50 between North and South.
 - The South will vote on unity or secession in 2011.

More Ethnic Conflict in The Offing Inside Iraq

On Jan. 14, an agreement was reached among representatives of the two main Kurdish parties—Jalal Talebani of the PUK and Neshirvan Barzani (nephew of leader Massoud) of the DPK—and Iraqi interim

Prime Minister Iyad Allawi, for Kurds who had been displaced from Kirkuk, and who have returned to live there, to be able to vote in local provincial elections. Of an estimated 175,000 Kurds expelled under Saddam Hussein, 142,000 are demanding the right to vote. The Kurdish parties had threatened that if they did not get it, and if Kirkuk were not recognized as a Kurdish city, Kurds would boycott Iraq's Jan. 30 election.

Meanwhile, Turkey warned the interim Iraqi government against allowing Kurdish returnees to vote, unless they could prove they had been expelled. The Iraqi Turkmen Front threatened to boycott the election if this proviso were not followed.

The Kurds prevailed, and will therefore win a majority in the 40-seat provincial council; heretofore, they had 15 seats, Arabs had 11, Turkmen nine, and Christians seven. The Kurds also gained recognition of areas around Kirkuk as Kurdish; Arabs who were settled there under Saddam Hussein will be relocated.

Agreement was also reached (behind closed doors) on the Kurdish portion of Iraq's national income, set for 2005 at 17.5%. This agreement was ratified by the Kurdish regional parliament and signed by the ambassadors of the United States and United Kingdom—constituting another step in the direction of ultimate partition of the country.

The Turks are concerned at the possible emergence of an independent "Kurdistan," with a guaranteed percentage of Iraqi national and oil revenues enabling it to survive. Turkey itself has a substantial Kurdish population.

Peru: Humala's 'Putsch' A Synarchist Operation

With each passing day, it becomes easier to see the significance of the New Year's Day "Beer Hall Putsch"-style uprising in the Peruvian Andes city of Andahuaylas, where rebel leader Antauro Humala and 100 heavily armed Army reservists occupied the police station for three days, slaughtering four policemen—one in front of the TV cameras—before being arrested.

The idea of the international synarchists behind the Humala "indigenists," as expressed in the Lima daily *La Razón* and the Miami *El Libertador*, is to make the imprisoned Antauro Humala a folk hero, exploiting the deep discontent of Peruvians over the economic crisis and the government's impotence to deal with it.

On Jan. 12, the lead editorial of the Lima daily *El Expreso* summed the crisis up: "That 34% of those polled in Lima (the most educated and westernized in the country) say that they are in agreement with the Humala uprising, is" an invitation to "look for airplane tickets."

The Andahuaylas takeover occurred days after the founding of the Peruvian Indigenist Party, which combines all the "indigenist" and *cocalero* (cocaine-growers') movements with the Humalist Movement. Also, unsurprisingly, the ethno-fascist Humalas are supported by Venezuela's President Hugo Chávez, whose government reportedly gave them \$100,000 in 2001 to launch operations in Peru.

World Jewish Leaders Meet Pope John Paul II

Over 130 Jewish leaders from around the world met with Pope John Paul II on Jan. 18, to thank him for his efforts at reconciliation between Christianity and Judaism. The half-hour private audience with the delegation of Jewish leaders, rabbis, cantors, and their relatives—the largest Vatican audience ever granted by a Pope to Jewish representatives—was organized by the New York-based Pave the Way Foundation. Foundation founder and Jewish layman Gary Krupp told the Pope: "You have defended Jewish people at every opportunity, as a priest in Poland and during your pontificate. You have denounced anti-Semitism as sin against God and humanity." A group of 12 cantors sang a Hebrew blessing for the Pope.

Rabbi Jack Bemporad of Englewood, N.J., from Pave the Way's Board of Advisors, said that "posterity will surely consider the last 40 years as the most revolutionary and significant in terms of progress in relations between Jews and Catholics."

A Lesson From Franklin D. Roosevelt

“Necessitous men are not free men,” said President Franklin Roosevelt in his 11th annual message of Congress, given Jan. 11, 1944. He went on to outline his proposal for an Economic Bill of Rights which he wanted to see at the top of the national agenda after World War II ended, a proposal that included the rights to a home, medical care, jobs, and economic security overall.

But President Roosevelt was not only thinking of the domestic situation when he argued that people could not be left in a condition of destitution. In January 1945, he issued a message to Congress calling for immediate action on the Bretton Woods proposals for an International Monetary Fund and an International Bank for Reconstruction and Development. In this speech, FDR put forward the challenge of “measuring up” to the task of peace, something which he understood was not the same as the task of war. For peace, he argued, we need solid foundations of international political and economic cooperation.

But such foundations can only be established, FDR went on, if “solutions are found to the difficult economic problems we face today.” It was to find these solutions that he chose to propose the IMF and World Bank, which were intended to create the conditions for prosperity for all peoples.

In the immediate post-war conditions, there was not much question about what these institutions had to do. People in the liberated countries had to rebuild virtually from scratch, and find the means to feed and house themselves. Essential components for this reconstruction had to be provided from highly developed nations such as the United States, and credit—long-range, and low interest—had to be provided by new institutions. This meant, as FDR pointed out in his speech to Congress, that various forms of economic warfare of one nation against the other, had to be ended; stable exchange rates established; and the means for expanded channels of trade opened up throughout the world.

For almost two decades after FDR’s death, the philosophy which inspired these measures, and mechanisms which permitted them to go into effect, remained intact. There was a substantial recovery in war-torn

Western Europe and Japan, and moves in that direction in places such as South America and other parts of Asia. The imposition of the Cold War—something FDR was committed to preventing—impaired the same kind of progress in Eastern Europe, and between Eastern Europe and the West.

In the middle of the 1960s, however, the paradigm began to change, at first imperceptibly, and then full force, into not the conquering of poverty and want, but its “management.” Now, the idea was that mankind had used up too many natural resources—even produced too many people! People would have to survive by only meeting their “basic human needs.”

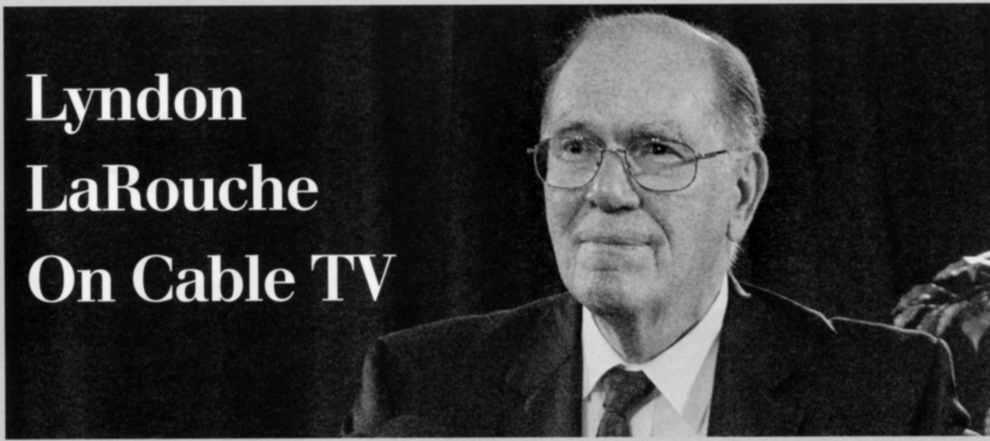
By the 1980s, it got worse. Economic cooperation now was replaced by economic competition, precisely the same kind of fighting for markets and resources and scarce funds which FDR was polemicizing against. Now, it was “each against all” in Hobbesian fashion, with nations being subjected to the cruel judgments of the “markets,” which didn’t have enough credit to dispense to all.

Eventually, we move to the George W. Bush era. By now, the ideas put forward by the likes of Henry Kissinger in the 1970s—that only those who “behaved” could receive the food and other materials they required—had become U.S. government and IMF/World Bank policy. Now, the concept was just the opposite of FDR’s. “Implement ‘democracy,’ and we may feed you,” the mantra goes. Even worse, if you don’t meet our conditions, we will ensure that you don’t get the resources you require.

The international financial reorganization we require today, which has been put forward by Lyndon LaRouche, has to go back to FDR’s concept. First come the requirements of humanity for food, shelter, work, energy, health. To facilitate that, we establish the necessary institutions of credit and trade, insulated from the predator speculators and money-grubbers who are only interested in their short-term profit.

If we want free men, which we surely do, we will act now to make sure they are not starving, sick, and poor. “True individual freedom cannot exist without economic security and independence. ‘Necessitous men are not free men.’ ”

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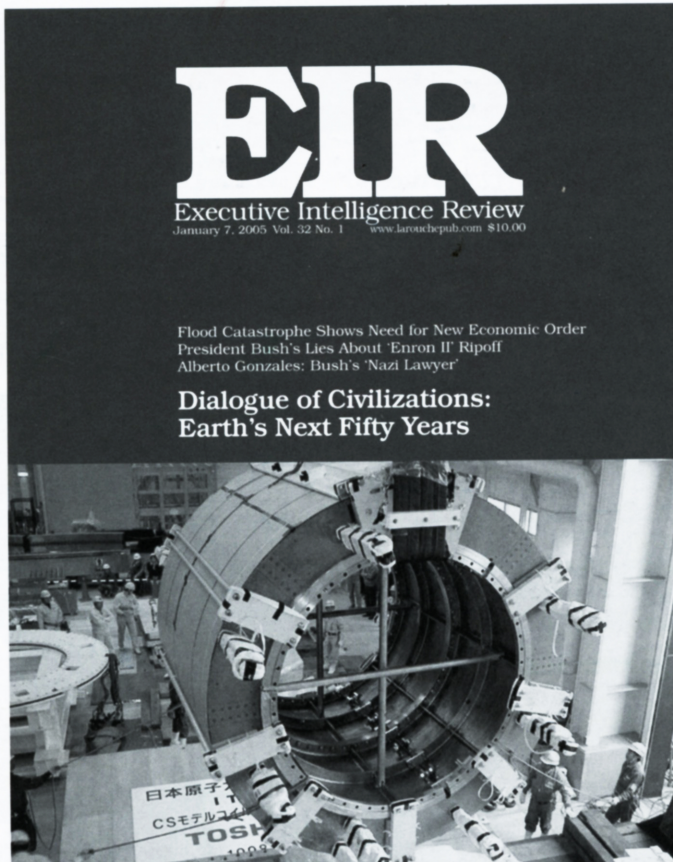
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