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From the Editor

In response to a recent e-mail query, as to what his plan was for stopping the Iraq war, after Social Security privatization had been defeated, Lyndon LaRouche responded:

“Defeating Bush’s effort to impose the fascist ‘Social Security reform’ from the Augusto Pinochet dictatorship, is not one of a series of battles. The defeat of Bush’s Social Security swindle is a matter of defeating fascism, the same fascism which was the impulse for the Iraq war. If we defeat the fascist crew associated with George Shultz et al., then we should and must act on a broad front of issues. All of this will be driven by the impact of the onrushing breakdown of the present world monetary-financial system.”

In this issue of *EIR* we proceed from this standpoint, with new ammunition against the Bush Administration’s lies on Social Security, and a battle report on where the forces opposing the Bush Administration stand. Crucial background to how that opposition was catalyzed appears in our “U.S. National Studies” section, with insider reports from leading representatives of the LaRouche movement on how LaRouche and his Youth Movement have led the fight.

As to what the consequences might be should we fail, that is made crystal clear in our exclusive report on Lebanon, and in the historical and strategic overview presented by Helga Zepp-LaRouche in her recent speech to the U.S. Schiller Institute conference.

During the course of this last week, Lyndon LaRouche mooted the possibility that leading institutions, within both the financial and political community internationally, might be in the process of deciding to write off President Bush. The pattern of establishment press attacks on the Administration for being “non compos mentis” on the precarious financial system, over the recent week, provided one hint. Another very powerful message against the Administration’s course was sent by the participation of leading retired military figures in a suit filed against Defense Secretary Rumsfeld this last week. Our coverage of this action is absolutely exclusive. We note that the letter issued against Bush Administration policy on biomedical research also fits a pattern of institutional revolt.

We stress that LaRouche’s mooted question is still unanswered. In fact, the answer will be determined by actions not yet taken, by forces committed to returning the United States to its founding principles, in collaboration with the leading spokesman for the American System, Lyndon LaRouche.



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Demographics!
Bush Team Is Lying
Once Again*



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Italian Parliamentarian Luigi Olivieri is a member of the Left Democratic Party, and recently visited Argentina.

20 Brig. Gen. James Cullen

Brigadier General James Cullen, now retired, last served as the Chief Judge (IMA) of the U.S. Army Court of Criminal Appeals. He is a retired Brigadier General in the United States Army Reserve Judge Advocate General's Corps, and currently practices law in New York City.

58 Gilles Munier

Gilles Munier is the Secretary General of the Franco-Iraqi Friendship Association, and author of "Guide to Iraq" (Jean Picollec Publishing-2000) and "Iraq, an Illustrated History (Northampton, Massachusetts, www.interlinkbooks.com-2004).

Editorial

80 Greenspan Spills the Beans

Social Security: No, It's *Not* the Demographics, Stupid

by Dennis Small

It's pretty much the way Lyndon LaRouche called it, back in mid-February. If the LaRouche Youth Movement does its job, he said, and makes sure that the Democratic Party and sane Republicans get into fighting shape against the Bush Administration's plan for Chilean-style privatization of Social Security, then that fascist policy can be turned into a loser for Bush. That is essentially what has transpired over the last 2-3 weeks, as we report elsewhere in this magazine.

But, LaRouche warned at the time, do *not* expect Bush to stop the privatization drive, no matter how unpopular it becomes, or how nervous his own Republican Congressmen get. Wall Street financial interests, and Bush-Cheney handlers such as George Shultz, will not allow the Bush White House to quietly drop the matter, or wait for a "better moment." The gravely worsening global financial crisis demands drastic action now, as far as they are concerned.

And so it is that the Treasury Department announced on Feb. 28 that it has created a Social Security "war room" to oversee the propaganda for the privatization campaign—modelled, believe it or not, on the joint U.S.-U.K. Coalition Information Center which handled propaganda for the war on Iraq. It was that Center which pumped out all the lies and media confetti about WMD and yellow-cake, to obfuscate the fact that the policy of going to war against Iraq had already been adopted, long before the "facts" were cooked up to justify it.

Same thing on Social Security. The Bush Administration's accounting perverts have goosed up totally lying statistics which presumably demonstrate that Social Security is bankrupt, while Bush waves his hands and repeats, in menacing monosyllables: "Do the math! Do the math!" Fed Chairman Alan Greenspan

meanwhile confounds the gullible with his polysyllabic equivalent of the same: "inexorable demographics," he intones, is leading Social Security into certain bankruptcy.

Both men are lying. "The math" does not show that Social Security is sinking. And no, it's *not* the demographics, stupid.

As we document below, and will be further elaborated in upcoming issues of *EIR*, behind both of these arguments are a set of Bush Administration assumptions—regarding wage rates, job creation, demographics, etc., and regarding the nature of the economic process itself—which are scientifically indefensible. More than mere lies, the Administration's dire predictions of bankruptcy, based on low job, wage, and productivity growth, simply reflect the bankers' *intention* to Hooverize the United States.

Fed Chairman Greenspan let it all hang out, in March 2 testimony to the House Budget Committee. The crisis is not in 2042, nor in 2018, as has often been stated; the crisis is in 2008, he insisted, when the Baby Boomers start to retire; and so we have to impose Schachtian austerity *now*: "I fear that we may have already committed more physical resources to the Baby-Boom generation in its retirement years, than our economy has capacity to deliver," the oracle said.

That statement of fascist intent, has the virtue of at least posing the real issue: not money and mathematical formulas and projections, but whether or not we can insure that the *physical economy* will continue to grow. Greenspan says no; LaRouche says yes. Let's look at the next 50 years of Social Security from this standpoint: will those five decades be of continuing scientific and economic advance, as Lyndon LaRouche presented in his report, "Earth's Next 50 Years" (see *EIR*, Feb. 11), or will they sink the United States and the world



Bush (left) keeps trying to con Americans into dismantling Social Security; while Fed Chairman Greenspan (right, on March 2) gives Congress the hard stuff—orders to cut benefits now for people of all ages, and send their payroll taxes to Wall Street. Both use the same lying “demographic arguments” as window-dressing.

into a New Dark Age, as the Bush Administration’s statistical predictions reveal that they intend?

The Little Lies

Let’s begin by looking at what the published numbers and predictions of the Bush Administration’s Social Security Administration (SSA) itself show. Start with the most frequently repeated scare tactic of all:

Little Lie #1: *Social Security will be running at a deficit by the year 2018.* Not true—even according to the data reported by the SSA itself. As **Figure 1** shows, under the SSA’s so-called “Intermediate” set of assumptions (which are premised on overall low growth of the economy—more on this below), the system’s total Cost (i.e., pension and other payout of benefits) will rise from \$510 billion in 2005, to about \$1.872 trillion in 2055. The Total Income is the sum of two elements: Contributions, or Tax Income, which comes from the payroll tax; and Interest paid on the Total Assets (i.e. Treasury securities) held by the Social Security Trust Fund, which stood at \$1.684 trillion at the end of 2004.

Costs exceed Income in 2018 only if you consider Tax Income alone—i.e., if you ignore interest payments in that year, which are expected to be some \$201 billion. The only way that can happen, is if the U.S. Treasury defaults on the trillions in Treasury Bonds held by the Social Security Trust Fund. Is that what is intended by those who keep hollering about 2018?

Otherwise, the linear extrapolation of the SSA’s incompetent assumptions in this Low Growth scenario, indicates that there will be a (diminishing) year-to-year surplus until the year 2028. After that, a (growing) deficit will commence. What that translates into for the Social Security Trust Fund is shown in **Figure 2**: the fund grows to a high of \$3.8 trillion, and then declines until it goes negative in 2042.

This is the much-ballyhooed date on which something akin to the heat-death of the universe occurs, if the Bush crew are to be

believed. But is this in fact our inexorable fate, as we are being told? It will be so only if the disastrous economic “assumptions” behind these graphs are imposed on the United States as policy, as Shultz and the other Wall Street hit-men intend.

A word about the SSA’s economic assumptions is in order, at this point.

Table 1 presents four of the principal economic assumptions in the SSA projections. The first two—real wages and employment—are arguably the most decisive, as together, they directly determine the Contributions portion of the Total Income curve. In a nutshell, multiplying the real wage rate by total employment gives you a total national wage bill. Not all wage income is taxable by Social Security—e.g., income above about \$90,000 per year is not taxed—but by and large, if wages rise and employment rises, Social Security Contributions will rise proportionally (see “Social Security: A Jobs Boom Would Perpetuate the Surplus,” *EIR*, March 4).

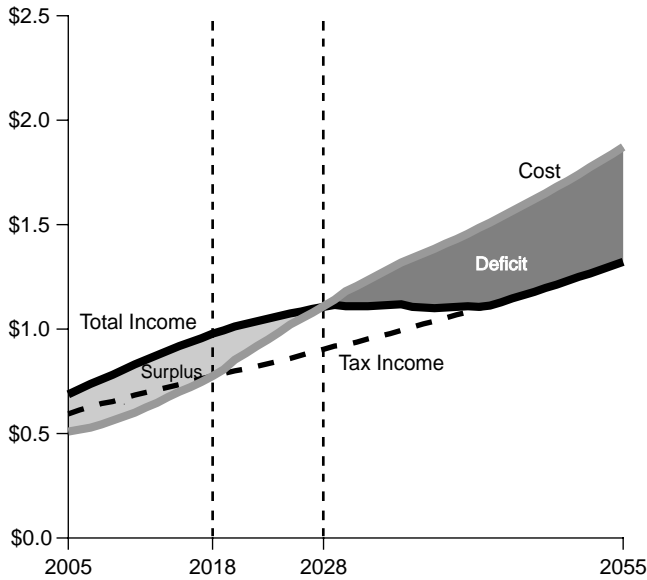
The GDP and Productivity assumptions, although mathematically quite significant in the SSA models, are much flakier, and may reflect next to nothing about the actual physical economy. Productivity is measured simply as an increase in the dollar value of output, per unit of labor time worked. Thus, productivity will tend to rise under conditions of labor speed-up, even if the physical economy and its labor force are being ground up in the process—as is occurring under the Bush Administration.

The SSA presents projections based on three different sets of assumptions. The first they call “Intermediate,” which generates the Low Growth scenario of Figure 1. The second is called “Low Cost,” a misnomer, because it generates a somewhat higher growth trajectory of the economy. A final set of assumptions—which we have not listed in Table 1—is called their “High Cost” case, which in fact amounts to a zero-growth, or collapsing economy. Here, real wages rise by only 0.6% per year, and employment by 0.0%, i.e., it stops growing altogether. (For reasons we explain below, *EIR* has also interpolated a Moderate Growth scenario, by taking a mid-point between the SSA’s assumptions of Low and High Growth.)

Two things are immediately evident from Table 1. The first is that the SSA’s most optimistic, High Growth scenario is premised on economic growth assumptions which are *lower* than what was historically achieved in the five Clinton years of 1995-2000! Second, the Low Growth “assumptions” look an awful lot like what the Bush Administration has already achieved by its *policy intent*, from 2001-2003.

FIGURE 1
Social Security Income and Cost, Low Growth*

(Trillions Constant 2004 Dollars)

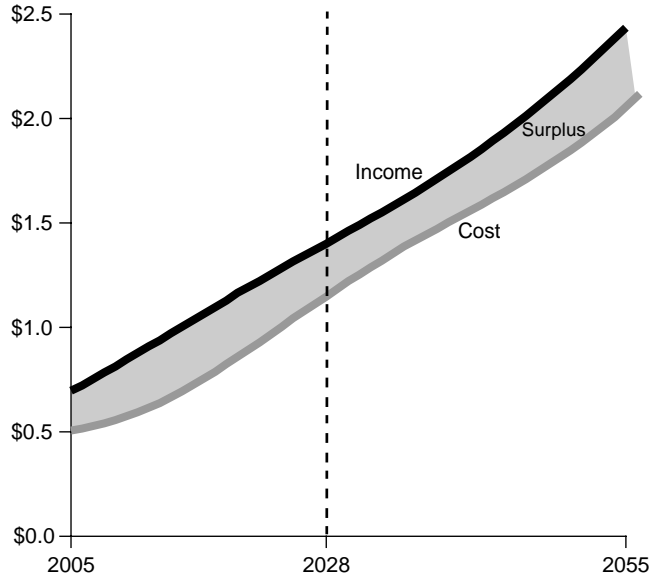


*SSA's "Intermediate" assumptions.

Sources: Social Security Administration (SSA); EIR.

FIGURE 3
Social Security Income and Cost, High Growth**

(Trillions Constant 2004 Dollars)

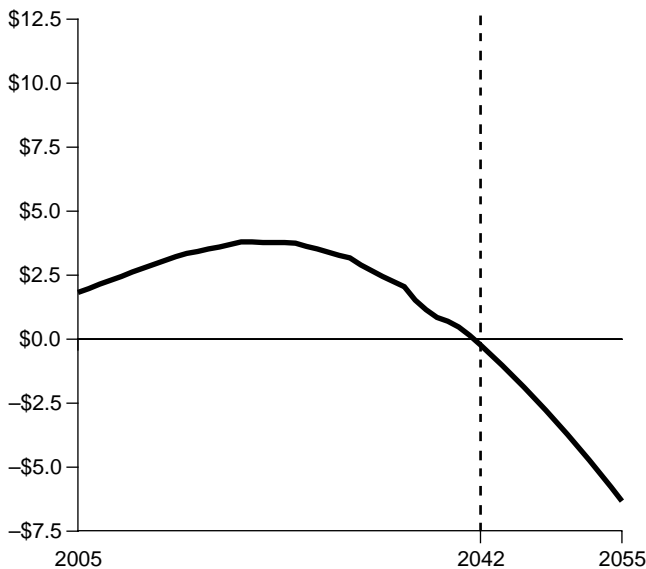


**SSA's "Low Cost" assumptions.

Sources: Social Security Administration (SSA); EIR.

FIGURE 2
Social Security Trust Fund, Low Growth*

(Trillions Constant 2004 Dollars)

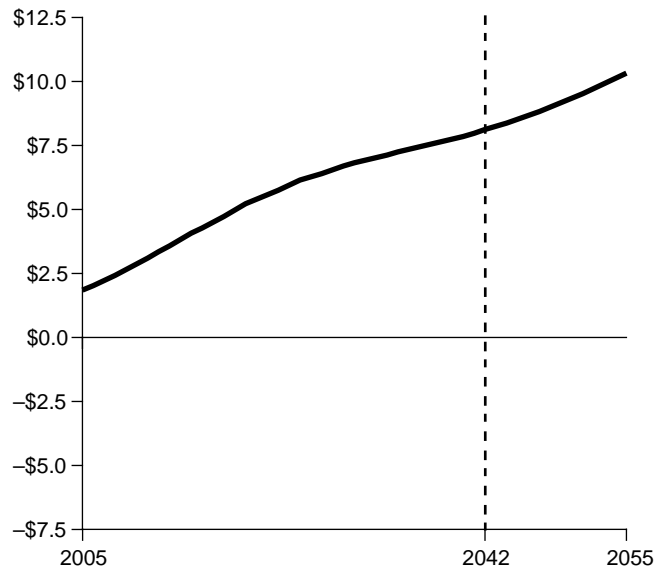


*SSA's "Intermediate" assumptions.

Sources: Social Security Administration (SSA); EIR.

FIGURE 4
Social Security Trust Fund, High Growth**

(Trillions Constant 2004 Dollars)



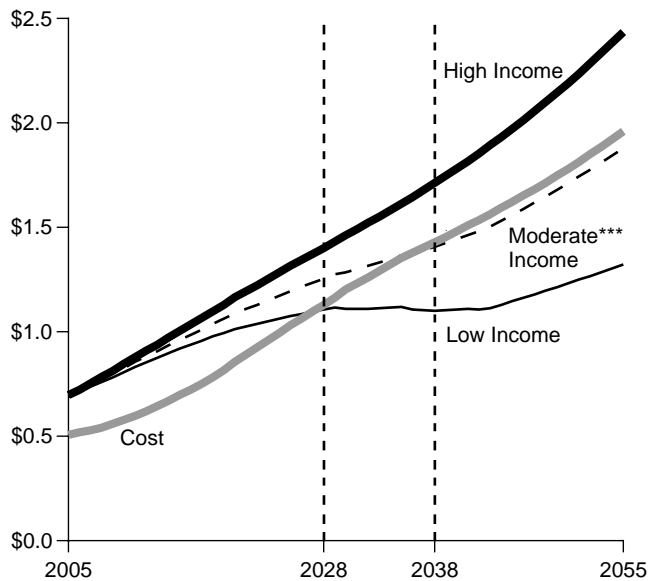
**SSA's "Low Cost" assumptions.

Sources: Social Security Administration (SSA); EIR.

FIGURE 5

Social Security Income and Cost, 3 Options

(Trillions Constant 2004 Dollars)



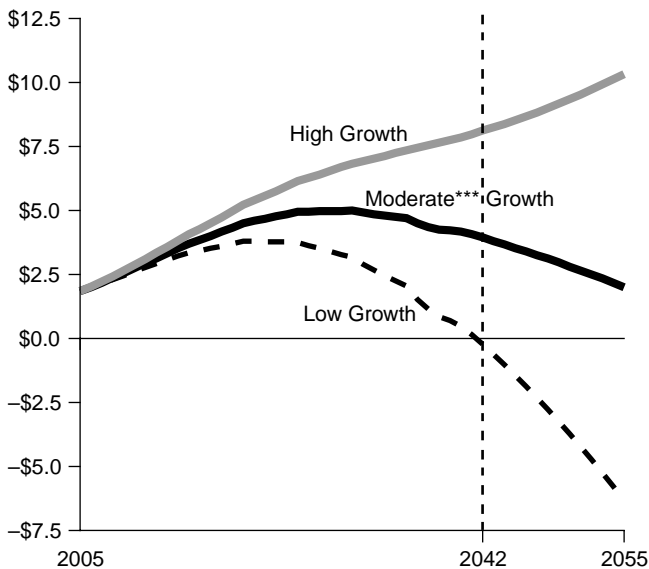
***EIR estimate.

Sources: Social Security Administration (SSA); EIR.

FIGURE 6

Social Security Trust Fund, 3 Options

(Trillions Constant 2004 Dollars)



***EIR estimate.

Sources: Social Security Administration (SSA); EIR.

The Question of Wages

Little Lie #2: *The only way to maintain a Social Security surplus is by cutting benefits or increasing taxes.* Not true. Consider **Figure 3**, which shows the curves derived from the SSA’s so-called “Low Cost” set of assumptions—which produce an overall higher growth trajectory. Under these assumptions—which keep both taxes and benefit levels as under current law—the system’s Income exceeds Cost throughout the entire 50-year period, and on down the line. This leads to a Social Security Trust Fund which continues to grow, reaching some \$10.343 trillion in 2055 (**Figure 4**).

The principal assumptions behind such a High Growth trajectory are listed, again, in Table 1. Employment, for example, increases by an average 0.6% per year, as compared to 0.2%

in the SSA’s Low Growth scenario. And real wages rise at 1.6% per annum, rather than the 1.1% assumed in the Low Growth scenario. Note that even that higher level of wage increases is only *half* the rate of growth during the 1995-2000 Clinton Administration years.

Little Lie #3: *No matter how much you raise GDP or real wages, this won’t produce a Social Security surplus.* Not true. This lie was stated in almost as many words by Treasury Secretary John Snow, in testimony to the House Ways and Means Committee on Feb. 8. Snow dismissed this option with the argument that, although such GDP and wage increases do raise SSA Income, they simultaneously raise benefits paid out by a corresponding amount, and therefore do not improve the net outcome significantly.

TABLE 1

Principal Economic Assumptions

(Average Annual Percent Growth)

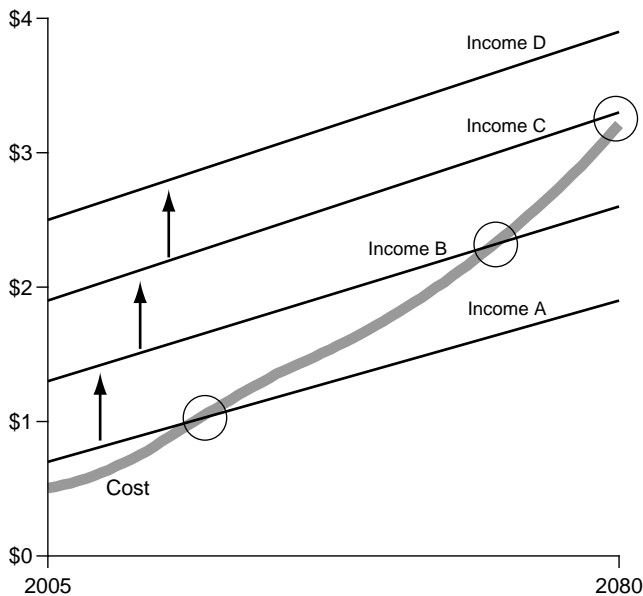
	1995-2000 (Clinton)	2001-03 (Bush)	2010-2080 Low Growth*	2010-2080 Moderate Growth**	2010-2080 High Growth***
Real Wages	3.1	-0.7	1.1	1.35	1.6
Employment	1.8	0.2	0.2	0.4	0.6
GDP	4.0	1.9	1.8	2.2	2.6
Productivity	2.0	2.9	1.6	1.75	1.9

*SSA’s “Intermediate” Assumptions **EIR Estimate ***SSA’s “Low Cost” Assumptions

Sources: Social Security Administration, EIR.

FIGURE 7
Income Curve Over Time Shifts With Economic Policy

(Trillions Constant 2004 Dollars)



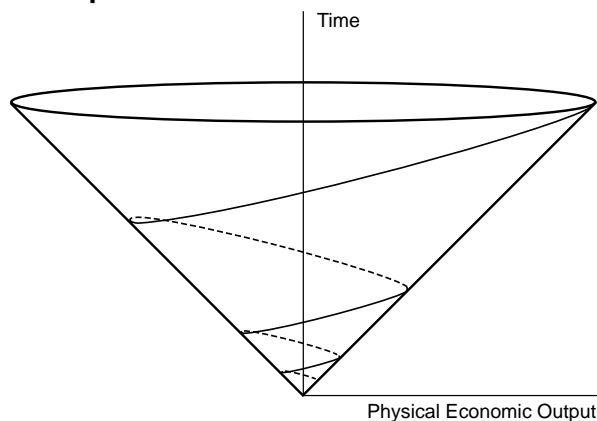
Sources: *EIR*.

To get at the wage issue, as a first step, simply compare two of the SSA’s own scenarios, and a third one generated by *EIR*—as we do in **Figure 5**. With the SSA’s most publicized Low Growth set of assumptions, total SSA Income is greater than Cost until 2028, at which point Cost starts to outrun Income—as noted in *Figure 1* above. Under these assumptions, real wages only increase at 1.1% per year.

Then, turn to the SSA’s High Growth scenario, which has real wages growing at 1.6% per year—as in *Figure 3* above. In this case, over the 50-year period 2005-2055, SSA Income rises by 84%, up to \$2.436 trillion. Costs also increase—but by a much smaller 9.5%. This produces a barely discernible upward shift in the Cost curve between the two cases. In other words, the changed parameters between these two sets of assumptions raise the Income several times as much as they raise Costs. So in this case, Costs *never* exceed Income—i.e., there is a long-term continuing surplus.

In *EIR*’s third scenario, of Moderate Growth—which we have drawn by simply taking a case halfway between the SSA’s Low Growth and High Growth scenarios, and which assumes real wage growth of merely 1.35% per year, on average—Income would continue to exceed Cost until 2038, and the Social Security Trust Fund wouldn’t run out until 2066 (see **Figure 6**). It should be emphasized that in no way, is this *EIR*’s *proposed* policy scenario—we will come to that point further ahead. It simply shows that a very slight increase of wages can postpone the purported doomsday, by decades.

FIGURE 8
The Physical Economy Grows: Self-Similar Conic Spiral Action



It is true that wages are not the only assumption that varies between the SSA’s Low Growth and High Growth scenarios. For example, employment grows more rapidly (.6%) in the latter case than the former (.2%), and there are questionable other assumptions such as an increased death rate (which reduces Costs), which are hardly desirable from a policy standpoint.

So, to try to further isolate the wage component from the other variables, *EIR* obtained from the SSA, the outcome of a computer run, using SSA’s model, in which all the other Low Growth set of assumptions were preserved, but real wages were increased, not by 1.1% per year, but by an average 2.6% per year, over the 75-year horizon from 2005—2080. According to the SSA itself, this produced only a miniscule “negative net actuarial balance” over that time frame—which means that total Income would exceed Cost for approximately the first half of that period, and then Cost would be greater than Income for the second half, and the cumulative total would pretty much balance out.

Put otherwise, under this scenario the Social Security Trust Fund Assets would grow from their current level of about \$1.684 trillion for the first half of this 75 year period, and then decline back down to \$1.6 trillion by 2080. The Trust Fund would not run out until well *after* 2080, under such assumptions of a real wage increase, alone.

It is clear that increasing real wages—the natural result of a healthy, growing economy, with continuous growth of real productivity—is a policy option that can help keep the Social Security system in the black to perpetuity.

The Big Lie

Which brings us to the big lie which is the bedrock of each and all of the Bush Administration’s scenarios and assumptions.

The lie usually takes the form of arguing that, you can increase this, and increase that, but, in the final analysis, our population is growing older and living longer, and we just can’t sustain all of those “useless eaters” (retirees, disabled people) with a smaller and smaller labor force. In other words, “inexorable demograph-

ics” will eventually end up bringing the system crashing down.

This is nothing more than a rewarmed version of the old Malthusian argument that population growth—which progresses geometrically—will eventually outpace the growth of food production—which only progresses arithmetically, and ultimately runs into the brick wall of finite resources which sooner or later run out.

Malthus was wrong and a fraud back in 1798, when he penned these arguments to justify the British Empire, and to attack the newly independent United States. And the Bush privatizers are wrong and a fraud today, when they repeat these lies in defense of their proposed new world empire, and against the legacy of FDR in the United States.

To look at the matter in terms of the graphics presented above, the modern Malthusians argue that you may be able to put off the day of reckoning of the Social Security system by having your Income curve rise more steeply, but eventually it will dip under the Cost curve, and lead you to deficits and oblivion.

But that is *not* how the real, physical economy works. A more accurate first approximation is presented in **Figure 7**, where you see a series of *shifts* over time in the Income curve—from A, to B, to C, to D, and so on—which are the result of deliberate policy changes. These policy changes include not only such monetary measures as increasing real wages, but more fundamental ones such as investment in science, technology, and basic infrastructure, which modify the overall physical productivity of the economy.

Such transformations make it possible for a given society, such as the United States, to maintain the retired portion of its population at a standard of living compatible with human dignity and society’s continuing need to advance, *with progressively smaller proportions of its total societal labor time*. This is because man’s unique nature as a cognitive, creative being, allows for the constant improvement of the productive powers of labor.

This is the very essence of a successful physical economy—the American System of Economy—as discussed by Lyndon LaRouche in his numerous writings on the subject. LaRouche has frequently represented this process of unending increases of the productive powers of labor, with that of self-similar conic spiral action (see **Figure 8**. Here, each new unit of rotational action (360°) sweeps out a larger and larger area—i.e., the same action produces more and more work, and thus physical economic output.

The upward shifting Income curves shown in Figure 7 should thus be thought of as the shadow cast by the actual physical economic process represented in Figure 8. For this same reason, such upward shifts have no upper limit—man can continue to progress infinitely. So long as he does so, there is no reason that a Social Security system such as that designed by President Franklin Roosevelt, cannot continue to remain solvent—and then some—to perpetuity.

The only real question is whether you want the Earth’s next 50 years to be as forecast by LaRouche, or as planned by the fascist banking cabal that has instructed George Bush that he must privatize Social Security.

Mexico’s Privatization: A José Piñera Disaster

by Dennis Small

In an April 10, 1998 open letter to President Bill Clinton, José Piñera, the architect of Chile’s fascist Social Security privatization, wrote: “This [Chilean] success has led seven other Latin American countries—Argentina, Bolivia, Colombia, El Salvador, Mexico, Peru, and Uruguay—to emulate our example in the last five years.”

Let’s look at what Piñera and his Wall Street sponsors wrought in Mexico—a country that Piñera personally visited in 1997, to help ram through pension privatization.

In December 1995, during the government of the pathetic Yale economist Ernesto Zedillo, Mexico’s Congress passed a new Social Security Law, which went into effect in July 1997. It made it mandatory that all private sector employees “invest” their pensions with private *Afores* (Retirement Fund Administrators), rather than with the state-run, pay-as-you-go IMSS (Mexican Social Security Institute).

The agency for public sector workers, ISSSTE, has not been privatized as of 2005, although there is a campaign under way to do so. Of the total Social Security system in Mexico, the IMSS covers about 81%, the ISSSTE 15%, and a handful of other smaller programs account for the remainder.

Looting by Foreign Banks

After almost eight years in operation, the privatized system is a disaster. According to a study published in 2004 by the Parliamentary Group of the opposition PRD party, *The Pension System in Mexico*:

- 26% of the labor force are not covered at all, because they do not pay in, or they do so at a level too low to qualify for a pension. This reflects—and probably understates—the massive unemployment and underground or “informal” activity in Mexico.

- 47% of the labor force is either seasonally employed or have wages so low, that they will receive benefits less than the official minimum pension.

- Only 27% of the labor force will receive a pension greater than the official minimum. This is almost as bad as Chile, where only 20% of the labor force will get a pension greater than the minimum.

Mexico’s *Afores*, like Chile’s *AFP*’s, skim a cool 25% off the top of what workers pay in, as administrative fees. There are currently 12 *Afores*, managing about \$37 billion in assets, and they are 77% controlled by foreign financial interests. These interests include Citibank, which controls 23% of the

TABLE 1

Mexico: Top Five Retirement Fund Administrators

(January 2004)

Name	Control	Assets (\$ Billions)	% of National Total
Banamex	Citibank (US)	\$8.5	23.0%
Bancomer	BBVA/Aetna (Spain/US)	\$7.7	21.1%
Profuturo	Bal Group (Mexico)	\$3.8	10.2%
ING	ING (Holland)	\$3.4	9.3%
Santander	BSCH (Spain)	\$3.2	8.6%
Sub-Total		\$26.6	72.2%

Source: PRD Parliamentary Group, *The Pension System in Mexico*.

system's total assets; Spain's BBVA, with 21%; and Spain's notorious, synarchist Banco Santander, with almost 9% (see **Table 1**).

Mexico's state-run IMSS was created in 1943 under the government of Manuel Avila Camacho, and was clearly influenced by the U.S. system established by FDR. Its 1942 enabling legislation states clearly: "Since the protection provided by Social Security involves a function which is in the public interest, it cannot be entrusted to private companies, but rather the State has the obligation to intervene in its establishment, because, in the final analysis, it is the entire collectivity which bears the risks of the loss of the labor capacity of workers."

In other words, the Piñera/Zedillo 1997 pension privatization attacked the basic principles of the general welfare on which the country's Social Security system was established—and it is illegal, to boot.

A number of the studies published in the above-mentioned congressional booklet address this point. For example, an essay by former IMSS Director General Ricardo García Sáinz reports that, for the system "to achieve its goals, it is necessary that it be the collective responsibility of society, which can be attained only by public action, and whose fulfillment becomes the obligation of the State and of collective activity."

García Sáinz explains: "In recent years, the reforms that were approved under the neo-liberal economic model have attacked the basic principles that gave rise to Social Security. . . . It was a radical turn to convert a social institution into a financial institution . . . based on the Chilean model."

As in the United States, one of the most widespread lies used to justify social security privatization in Mexico, is that "demographics" ultimately dooms any FDR-style system. In the case of Mexico, the cited demographics are as follows. In 1930, life expectancy was 35.9 years; in 2002, it was 74.6 years. The ratios of active workers per pensioner, in the IMSS (for private sector workers) and the ISSSTE (for public sector workers) are given in **Table 2**.

TABLE 2

Mexico: Ratio of Active Workers per Pensioner

	1980	2003
IMSS	13.1	6.0
ISSSTE	19.0	4.4

Source: PRD Parliamentary Group, *The Pension System in Mexico*.

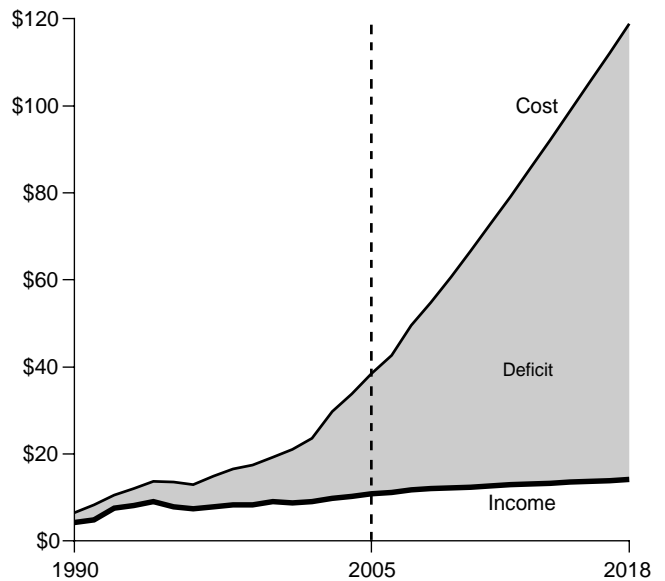
The particularly dramatic drop in the ratio for the ISSSTE is a result of the dismantling of state sector industries and employment in Mexico after 1982. This has led to a total stagnation of the income coming into the ISSSTE system (since it is directly dependent on the level of employment), while benefit costs have continued to rise (see **Figure 1**).

This same general problem of economic decay underlies the IMSS parameters as well. As National Autonomous University of Mexico researcher Berenice Ramírez López correctly argues, in her essay in the cited booklet: "Undoubtedly, these demographic changes affect the pension systems. . . . However, it's necessary to emphasize that the factor having the greatest repercussion on the pension funds, is the lack of economic growth. . . . The funds would not have collapsed so radically, if the creation of salaried jobs had not stopped, if public employment had not plummeted, and if the drop in income had not been of the magnitude seen over the last 20 years."

FIGURE 1

Mexico: ISSSTE Income and Cost

(Millions Constant 2002 Pesos)

Source: *The Pension System in Mexico*, PRD Parliamentary Group, Mexico.

Bush's Plan to 'Kill Amtrak' Meets Bipartisan Opposition

by Mary Jane Freeman

President Bush's 2006 budget proposes to zero out of existence the national passenger rail system, Amtrak. His scheme to sell off a part of America's most vital infrastructure, cheap, is incompetent economics at best, suicidal at worst. Fortunately, the proposal quickly ran into bipartisan opposition, as U.S. Senator Patty Murray (D-Wash.) fired off a letter to Transportation Secretary Norman Mineta, demanding answers on Bush's plan "to push Amtrak into bankruptcy," with his "no subsidies" budget for the national railroad.

"Zero money means zero trains," Amtrak spokesman Marc Magliari said. Bush's proposal "would mean curtains for inter-city passenger rail," declared Ross Capon, executive director of National Association of Railroad Passengers. Sen. John Kerry (D-Mass.) rebuked the proposal as "incomprehensible," adding that such a move is "backwards" since we should focus on building high-speed rail systems to support industry and create jobs. In fact, Bush's budget also zeros out the Federal Railroad Administration's Next Generation High-Speed Rail Program, which got a measly \$31 million in 2005.

Besides Senator Murray's demand letter, Senators Frank Lautenberg (D-N.J.) and Conrad Burns (R-Mont.), backed by 35 other Senators including seven GOPers, asked the Senate Budget Committee to reject Bush's proposal and fully fund Amtrak. A "bankruptcy shutdown of all Amtrak services" would "leave millions of riders and thousands of communities without access to essential . . . transportation." they wrote.

Democrat James Oberstar of Minnesota blasted Bush's "shocking" move. "Having failed to persuade Congress to pass legislation to destroy Amtrak . . . now [the White House] proposes to accomplish this result by the back door." Economic chaos would result, leaving Amtrak's 20,000 employees jobless, severely impacting local economies, and bankrupting the railroad retirement system and its unemployment account, he warned. Without Amtrak's infrastructure, disruption of commuter services across the nation would result, said Oberstar, who is the ranking Democrat on the House Transportation and Infrastructure Committee, and has fought for Amtrak since 1997.

Mineta Stumps for Bankruptcy

Bush and Mineta argue that "restructuring" and "greater efficiencies," using a forced bankruptcy of Amtrak, is the only solution. In its place, Mineta—now on the road "selling" the

plan—told a North Carolina crowd, "[We] will re-introduce" a Passenger Rail Investment Reform Act, to set up a 50-50 Federal match for state investments in (private) passenger rail companies. In other words, the states must pay if they want to have rail service at all. Said Mineta, "You ought to be free to choose who will run the trains." States, awash in budget deficits, can hardly assume these new costs. But Mineta is adamant, "If there is no local share, then we do not contribute." The *Pittsburgh Post-Gazette's* retort to Mineta: "The secretary might just as well [call] on states to share the cost of Bradley Fighting Vehicles for the war in Iraq."

Mineta claimed the Administration is "not trying to kill Amtrak," merely to bankrupt it, and noted that the Bush budget provides \$360 million to the Surface Transportation Board (STB) to maintain existing commuter operations after an Amtrak bankruptcy. But Oberstar shredded this fig-leaf, saying that an Amtrak shutdown would disrupt commuter operations across the country. In the Northeast Corridor alone, the independent SEPTA Philadelphia and New Jersey transit "require the use of Amtrak infrastructure. . . . They also require the continuation of Amtrak's dispatching system." The STB, he notes, "has no experience managing passenger rail operations," nor is it clear if the Board's power to operate could be preserved in a bankruptcy context. Moreover, "the Board has informed Congress . . . that the STB and the Federal Rail Administration cannot envision any realistic scenario that would allow them to direct commuter service for more than 60 days.' "

Buttressing Mineta's roadshow, the Amtrak Board of Directors' annual financial report failed to provide Congress its estimate for the subsidy needs of the railroad, as it is obligated to do under law. Instead, it praised the President's budget with some qualifiers, and proffered that it would send estimates at a later date. Senators Murray and Daniel Inouye (D-Hi.) berated the five Board members, all appointed by Bush, charging that they had "undermined Congress's ability to assess Amtrak's needs." As fiduciaries responsible for the well-being of Amtrak, they have the duty to "responsibly and independently work to improve and sustain a safe and efficient passenger railroad—not to dutifully line up behind the reckless policies of the President that appointed them," the Senators reminded them.

In her letter-demand to Mineta, Senator Murray, the top

Democrat and past chair of the Senate Transportation Appropriations Subcommittee, quoted page 243 of Bush's budget: "With no subsidies, Amtrak would quickly enter bankruptcy" leading to "elimination of inefficient operations and the reorganization of the railroad through bankruptcy procedures." She asks, how can the "needs of over 25 million Amtrak riders nationwide" be protected if the railroad is "run by a bankruptcy trustee . . . whose statutory responsibility is to the railroad's creditors?"

The Senator put eight hard-hitting questions to Mineta, asking what plans the Administration has to deal with Amtrak's shutdown in bankruptcy. Noting that Amtrak's long-term debt is \$3.8 billion, of which \$1.3 billion is held by foreign entities in Germany, France, Japan, and Canada, Murray wondered, "Have you alerted these entities, or their parent governments," of the Administration's intention to "put repayment of these debts under the control of a bankruptcy trustee?" She adds, "Amtrak's debt is collateralized," with "the consortium of lenders led by Credit Lyonnais, as their agent," and in the event of a default, valuable historical assets, such as Penn Station in New York City could be repossessed.

Budget Battle—What's at Stake?

Amtrak was established in 1970 by Congress and began operation in 1971. It services more than 500 stations in 46 states. Forced to manage on a shoestring budget since 1971, and even more so after then-Speaker of the House Newt Gingrich's conservative revolutionaries targetted it for takedown in 1997, Amtrak sought a meager \$1.8 billion for Fiscal Year 2006. But Bush, looking for loot to cover his trade and budget deficits, seeks to axe Amtrak's funding as demanded by the bankers' faction, led by George Shultz. Privatizing Amtrak, like dismantling Social Security, also suits these conservative revolutionaries' hatred for the General Welfare role of the Federal government.

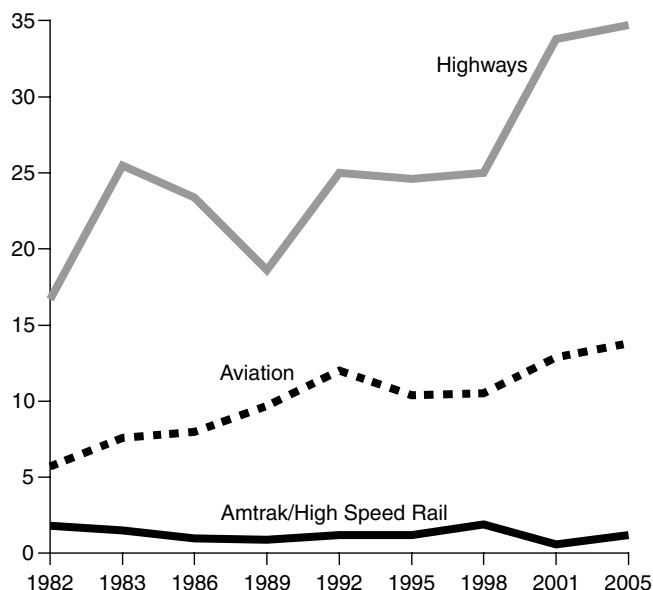
Amtrak has been under siege and targetted for extinction since the free-enterprise-inspired 1997 Amtrak Reform and Accountability Act required that it reach "operational self-sufficiency," with minimal Federal funding, by December 2002. Otherwise, it was to be "restructured and rationalized." But self-sufficiency, an concept antithetical to a national rail system, was an impossible goal. Amtrak inherited the wreckage of the looted, bankrupt private Penn Central rail system. Federal funding was always at breakeven or below, precluding needed capital investment in track and trains. By 1982, Federal aid for rail reached \$1.7 billion, surpassed only twice since. In seven years of the 23-year span shown in **Figure 1**, rail funding went below \$1 billion. This puny level is in sharp contrast to funding levels for both highways and aviation. Highways aid more than doubled from \$16.7 billion in 1982 to \$34.7 billion in 2005, as did aviation funds, going from \$5.7 billion to \$13.7 billion in the same period.

Lack of sufficient funding to ensure a national passenger rail system has led to vast areas of the United States being deprived of rail service. Compare the 1981 and 2002 Amtrak

FIGURE 1

Passenger Rail Nearly Redlined, Highways Funding Soars: 1982-2005

(Real \$ Billions)



Sources: National Association of Railroad Passengers, www.narprail.org; EIR.

maps (**Figures 2 and 3**). First, notice that you cannot travel north-south from farther west than Chicago, until you reach the West Coast. Otherwise, you see an increase in frequency of trips in the densely populated regions; e.g., routes on the East Coast and in the Midwest, such as Washington, D.C. to Raleigh, North Carolina, and Cleveland to Chicago; or on the West Coast, Seattle to Eugene, Oregon. But over the same time, entire routes and major cities lost service. The easterly route from Los Angeles up to Portland, Oregon is gone, leaving Nevada, Utah, and Idaho with no north-south service. The Washington, D.C.-to-Cincinnati northerly route was cut while the southerly route between these two cities became a less-than-daily route.

As minimal as the Amtrak system is now, forced bankruptcy and shutdown of it will leave the nation with sporadic enclaves of city-to-city routes within states, but few, if any, between states. The Bush-Mineta plan is a death warrant for the nation's passenger rail system.

Rail Is Critical to Economy

From coast to coast, opposition mounts. "Any industrialized nation has good public rail transportation, and the United States should be no different," Mayor Larry Bonderud of Shelby, Montana, told the media. Amtrak service is "critical" to his area, with over 28,000 riders last year, he said. Illinois Gov. Rod Blagojevich told Bush in a letter, "Eliminating

FIGURE 2



FIGURE 3



[Amtrak’s] operating budget would be a major blow to the families [in] rural America.”

A recent *Detroit News* article, “Budget Cuts May Doom Michigan Amtrak Routes,” reported that more than 600,000 passengers used the Michigan Amtrak routes last year and a map shows nearly three-quarters of the states’ land area would

lose rail service. Bush’s budget would end interstate service to Louisiana, leaving 180,000 Amtrak users in the state without service. California’s 9.3 million riders, as well as the economic activity built around the stations up and down the coast, will be devastated. Much of the state’s passenger rail is state-supported, but it depends on Amtrak for engineers, conductors, etc., and for train and track maintenance.

Bankruptcy is not an option. The economic significance of the nation’s freight and passenger rail system was a key focus of Lyndon LaRouche’s campaign for the 2004 Democratic Presidential nomination. As early as September 2002, LaRouche’s platform called for a national infrastructure rebuilding effort, starting with rail. “We have to restore a true, interconnected, transcontinental rail system. . . . If we have a continued breakdown of the rail system, away from the idea of a transcontinental, interconnected system; if you have an accompanying crisis in air travel; then the United States ceases to be an integrated nation. . . . It is no longer a unified, efficient national economy. . . . Air travel and rail represent aspects of the transportation sector of basic economic infrastructure, which is largely government funded, controlled, and regulated.”

At the core of debate is whether the radical free-trade privatizers, or the American system of Alexander Hamilton, which President Abraham Lincoln adhered to as he launched the building of our transcontinental railway system, will dictate economic policy. If Congressional opposition is serious, rather than debating dollars and cents, it will initiate a fully funded national rail program, with an eye to the future of high-speed rail and maglev trains.

Argentine Bond Deal: 'Revolt' Against the IMF

by Cynthia R. Rush

There is an audible sound of teeth-gnashing coming from various world financial centers, not to mention from the International Monetary Fund (IMF), as financial predators try to digest the fact that Argentina has just successfully concluded a complicated bond swap to restructure \$82 billion in defaulted debt, with a bondholder participation rate of 76.07%. In statements made March 3 President Néstor Kirchner announced that the proposal first put forward in September 2003 had received "the maximum acceptance of the markets," and that the numbers are "conclusive." One of the "greatest obstacles for the economy has now been overcome," the Argentine President said.

In the midst of global financial disintegration, the statements made March 2 from Montevideo by Argentina's Foreign Minister Rafael Bielsa pinpointed what the IMF and allied usurers most fear: "The Monetary Fund has ceased to be a corral and the little animals are beginning to escape. . . . It's like a revolt down on the farm." Bielsa added that "the 80% acceptance of a heterodox [debt restructuring] solution proves that financial institutionality is in crisis."

Exactly. Argentina "hasn't emerged from hell," Kirchner cautioned. It still has a sizable debt load, even after the restructuring. But, desperate bankers worry, in today's volatile financial environment, what kind of precedent has Argentina set for other debtor nations?

When Finance Minister Roberto Lavagna first presented the government's proposal at an IMF conference in Dubai 18 months ago, bondholders, the IMF, the Group of Seven industrialized governments, and others went berserk, outraged that the country would dare to propose a 75% debt writedown. Such defiance was not tolerable.

Vulture funds, represented by the Global Committee of Argentina Bondholders (GCAB), backed by the IMF, and most particularly by the government of Italian Premier Silvio Berlusconi, spent all of 2004 demanding that Argentina could and *must* pay more—by implementing savage austerity against its people. GCAB co-chairman, banker Nicola Stock, publicly committed himself to guaranteeing the restructuring's failure.

Foreign Debt Looted the Country

When Kirchner later reduced the writedown only slightly, prioritizing instead the needs of the Argentine people, he was accused of acting "unilaterally" and failing to play by the "rules

of the game" spelled out by international financial vultures.

The Argentine President stuck to his guns, however. "The writedown wasn't to steal anything from anyone," he said on Feb. 25. "It was rather the ultimate will of the Argentine people, to try to meet their [debt] obligation, one which was created, built, and structured to **loot** them."

As for those Argentine "wisemen of neoliberalism" who attacked the offer, they have been proven wrong, Kirchner said. They wanted to pay the usurers because they deliberately ignored "the social exclusion, the impoverishment of our middle class, the bankruptcy of our productive apparatus . . . and the global disintegration our Argentina had suffered." Now, "billions that were to be looted from our coffers have been saved and won for all Argentines" through a restructuring that is the largest "in our history."

That Argentina's debt, and the insane attempts to collect it, were never anything but a mechanism to loot the country, as Kirchner charged, is seen very clearly in the Italian government's collusion with the GCAB.

Berlusconi, and the GCAB's Nicola Stock, claimed that by refusing to improve its offer, Argentina was defrauding 450,000 Italian middle-class workers and retirees out of money they had lost by investing in the bonds on which Argentina later defaulted.

But that lie was exposed when the Risk Office of the Italian Central Bank revealed in mid-February that Italian banks had unloaded a huge quantity of Argentine "tango bonds" in their own portfolios during 2000 and 2001, when it became clear that Argentina would default. Violating agreements not to sell on the retail market, the banks aggressively sold to unwitting small investors, lying that the high-risk bonds were only of "medium risk" and very "profitable."

The news of this fraud broke at the moment that three Italian parliamentarians were in Buenos Aires on a mission precisely to investigate the role of Italian banks in the Argentine debt crisis, and meet with officials and political leaders from across the political and economic spectrum to gain a better understanding of the country's current situation.

Giorgio Benvenuto and Luigi Olivieri of the DS parliamentary group travelled together with Lega Nord member Giovanni Didone. Benvenuto was a prominent supporter of the 2002 New Bretton Woods resolution in the Italian Parliament, inspired by Lyndon LaRouche's programmatic initiatives, while Olivieri has introduced draft legislation that would force banks to pay up to 50,000 euros in cash to those small bondholders to whom Argentine bonds were sold illegally.

In the interview which *EIR*'s Claudio Celani conducted with Cong. Olivieri, published below, the Italian legislator reported that he had received detailed evidence from Deputy Finance Minister Guillermo Nielsen documenting exactly how Italian banks had cheated hundreds of Italian families out of their "life-long savings." By placing Argentine bonds on the retail market, the banks walked away with a tidy profit of 2.5 billion euros.

Italian Banks Unload Argentine Bonds In Italy; Investigation Blocked

Italian Parliamentarian Luigi Olivieri, a member of the Left Democratic Party (DS), reports on the IMF-caused crisis in Argentina. To resolve the crisis, without destroying their country, Argentine President Nestor Kirchner arranged a swap of new bonds for old defaulted bonds. Olivieri reports how Italian banks illegally sold the original bonds to Italian citizens, and how his investigation of this matter has been stalled. Olivieri was interviewed by Claudio Celani of EIR.

EIR: Mr. Olivieri, you were recently in Argentina on a fact-finding mission, together with your colleague Giorgio Benvenuto, and Giovanni Didon from the Finance Committee of the Italian Chamber of Deputies. Can you tell us whom you met there?

Olivieri: We met all the relevant authorities: President Kirchner's chief of staff Fernandez, Economic Minister Roberto Lavagna, Foreign Minister Rafael Antonio Bielsa, Deputy Finance Minister Guillermo Nielsen with all his technical staff, and the chairman and the director of the central bank with their staffs. We noticed a strong presence of new people, new energies. We also met the chairmen of the Congress, of the Finance Committee, and of the Budget Committee. We met, of course, the Italo-Argentine business community. We had a meeting with the Reconciliation Committee, which was formed, as you might know, after the 2001 default. We had a public meeting at the University of Buenos Aires, which was well attended, with over 300 people. We met the Economic Minister of the Province of Buenos Aires, Mr. Gerardo Otero, who will soon launch a swap offer for the provincial bonds (Argentina has a federalist structure). We met representatives of the Argentine banks and finally, on Saturday, we had a final briefing with Deputy Finance Minister Nielsen, after we had examined the documents he provided us in the first meeting. We met also the Mothers of Plaza de Mayo.

EIR: What is your impression of the political and economic situation in Argentina?

Olivieri: Our first impression was that the situation is politically stable. They now have a strong leadership, as President Nestor Kirchner increases his popularity by the way he has handled the issue of foreign debt. This was visible, for instance, in the government decision not to change anything in the swap offer, rejecting foreign pressures.

On the economic side, I have some thoughts. The country has moved some steps forwards. Argentina has even rebuilt its monetary reserves to pre-default levels. However, I have noticed some difficulties on the fiscal front. The tax burden has increased from 19% of GDP in 2001, to 22% of GDP currently. Public debt is at 102% of GDP, and the overall debt is pretty large. Currently, Argentina has a 1.5-2% growth rate. That is not enough. If one takes into account the demographic tendencies and the targets in terms of social and economic policies, Argentina requires a steady growth of 4-5%, or more, in the coming years.

My impression is that there is still much to be done. We have an often dramatic social situation; 50% of the Argentine population is still living under the poverty threshold. There has been a devastating process of concentration of wealth in the hands of a few, leaving most of the population on the edge. The government, therefore, shall compose its economic policy to take into account the social situation.

If you stay in Buenos Aires, the situation is not so bad, but if you travel through the provinces, you realize that Argentina as a country has come down several rungs on the ladder of the world's nations. The country has enormous natural wealth, which has been emptied by a bestial process of liberalization. Entire sectors such as health care, schools, etc., must be completely rebuilt.

The International Monetary Fund bears a central responsibility for the Argentine crisis. The IMF pushed an insane policy of privatization, and portrayed Argentina as a model country until a few years ago. Many western politicians looked at the Argentine model, as well. I remember Mr. Berlusconi, the Italian Prime Minister, who promised a few years back: "I will be the Italian Menem." [Carlos Menem was the former Argentine President whose pro-IMF policies devastated the country, and led it into its debt and default crisis.]

EIR: Well, this does not spell a bright future for Berlusconi, if he wants to end up like Menem.

Olivieri: No, and not a bright future for Italy either. See, we went to Argentina to find out why so many defaulted bonds ended up in the pockets of Italian families, workers, retired people, etc. The issue here is that the institutions have betrayed the life savings of many Italian families. But also in Argentina: think of what they did with the "corralito," when



Italian Parliamentarian Luigi Olivieri collaborated closely with those who sponsored the 2002 resolution which called for a new international monetary system. He noted that in Argentina, "there is still much to be done. We have an often dramatic social situation; 50% of the Argentine population is still living under the poverty threshold."

they froze the bank accounts of all Argentine citizens [who were then not able to withdraw their money after the default]. Still today, I was shocked to see that bank entrances are armored, as in the days of the "corralito," when the enraged population stormed them, because they wanted their money back.

In our meetings, both private and public, we established two facts: 1) Everybody in Argentina knew that the default was coming; 2) The origin of the bankruptcy is to be found in the insane dollar-peso parity policy. This policy, even if it did block the inflationary policy at the beginning, should have been abandoned immediately when the dollar started to rise on the currency markets. Everybody knew that Argentina would not be able to survive at that parity.

EIR: This introduces the issue of a reform of the monetary system. You probably are familiar with the 2002 resolution voted in the Italian Parliament, introduced by Rep. Sigfried Brugger, and co-drafted by my colleague Paolo Raimondi, which called for a new international monetary system.

Olivieri: Yes, I supported it, and I worked closely with Rep. Brugger, who is a friend of mine and comes from the same region as I, Trentino. The initial formulation was better than the final version. It was voted up unanimously.

But today, our mission has been blocked. The Chairman of the Chamber of Deputies, Mr. Pierferdinando Casini, was against it and did not authorize it. He said that it was hostile to the activity which the government was performing at the international and diplomatic level. We also got pressure from the foreign ministry. On the other side, Piero Fassino and Mrs. Marina Sereni, respectively Secretary General and foreign policy expert of the Left Democratic Party (DS), my party, gave us full endorsement. We had to finance our mission privately, but we decided to go ahead because we had established a program of meetings and work which guaranteed a good result. We were convinced that this Italian anomaly, of

so many Argentine bonds sold to Italian families, could not be simply explained with the story that Italians love risky investments.

EIR: What was the real story?

Olivieri: In Buenos Aires, we collaborated closely with Mr. Nielsen, who gave us all the documents which showed that Italian banks, including those which had no experience in the international bond market, had played an upfront role in the bond placement. After 1999, those banks even became the leaders in the bond placement. This means, that they would purchase bonds from the Argentine government, to sell them on the secondary market, gaining a 0.4% commission. We made an approximate calculation, and concluded that Italian banks gained about 2.5 billion euros from the sale of Argentine bonds.

However, almost the totality of those bonds were bound to the condition that they should be sold to institutional investors, and not to the retail market. Despite that, the banks sold them to their customers. And in 2001, they were telling their customers to buy Argentine bonds, at the same time that they were getting rid of those same bonds, expecting a default. That is the anomaly, and now we have been able to document that. That is why we speak of betrayed savings, "risparmio tradito."

And now, especially after the conclusion of the Argentine swap offer, this has become a political and social question in Italy.

EIR: Can you explain that?

Olivieri: The most recent data show that insult has been added to injury. Whereas the participation in the swap has been 70-80% successful overall, in Italy only 40% of bondholders accepted. This means that holders of about \$7 billion in defaulted bonds now have scrap paper in their hands. This is the result of a masterpiece in engineering and cleverness on the part of the banks. Towards the end of 2002, the banks invented the Task Force Argentina (TFA), and convinced 420,000 of their customers to sign papers to delegate the TFA to represent them in the negotiations with the Argentine government. The TFA then became a major component of the GCAB, the Global Committee of Argentine Bondholders, and the head of TFA, Nicola Stock, is co-chairman of GCAB. Thus, you had an entity, the TFA, which was representing the banks and at the same time, the banks' customers: a gigantic conflict of interest. Such a conflict has deflagrated when the Argentine government presented the swap offer. The TFA has advised their customers not to participate in the swap, and many of them followed this advice.

EIR: What can be done now? You introduced draft legislation to refund bondholders, right?

Olivieri: We have been studying the question for one and a half years now. We have set up a series of committees:



After his fact-finding trip there, Olivieri reported that “Argentina has enormous natural wealth, which has been emptied by a bestial process of liberalization. Entire sectors such as health care, schools, etc., must be completely rebuilt. The International Monetary Fund bears a central responsibility for the Argentine crisis.” Here, Argentine children forage in the garbage.

1) A legislative committee: We introduced a proposal for a Parliamentary Investigating Committee, which was voted in, in the Chamber of Deputies, and now is stalled in the Senate, because the government has come out against it.

2) We introduced a draft bill for establishing the “class action” process in Italy, similar to what you have in the United States, so that citizens can unite in a legal suit if they are all damaged by the same entity.

3) We introduced another draft bill, to have the banks refund, up to a maximum of 50,000 euros in cash, or 70,000 euros in the banks’ own bonds, those small bondholders to whom Argentine bonds were illegally sold. Illegally means: bonds sold to the retail market, or sold without explicit written customer consent for dealing in such a high-risk investment. This proposal has been passed by a vote in the Chamber of Deputies, after which, last July, the government stopped it in the Senate.

Additionally, I must say, we had hearings in the Finance Committee last April, with the Stock Exchange Control Authority (Consob). Consob had received legal complaints from several hundred bondholders, and had initiated its own investigation. As a result, Consob asked the government to enact sanctions against two major banks, whose name I cannot reveal, but almost one year has passed, and Finance Minister Domenico Siniscalco has done nothing.

With my colleagues Giorgio Benvenuto and Mario Lettieri, I have now again picked up the draft bill stalled in the Chamber of Deputies, and added an amendment suggesting

a so-called “Reconciliation Committee” between banks and customers. This will be discussed tomorrow [March 1] on the Parliament floor . We have asked consumers’ associations to support us with a strong action and they have promised a sit-in on Thursday, March 3, in front of Parliament.

EIR: If I am not wrong, your proposal was supported by the whole opposition, plus the Lega Nord, a government party. Therefore, it should have enough votes to be passed by a majority of representatives.

Olivieri: Yes, on paper; but strangely enough, each time we vote, we go down (we missed passage by just two votes last time). This suggests to me that some parties want to save face in front of their constituency, especially in northern Italy where there is a high percentage of bondholders. However, when put to the test, they bend to the government’s will. This is sad but it is true. All our initiatives have been curbed by the government. The government has supported the TFA; then Finance Minister

Siniscalco rejected our proposal in the Finance Committee, with the argument that “we do not want to alter the market mechanisms.”

EIR: Does this mean that the banks are in charge in Italy?

Olivieri: Well, the banks are basically financial institutions, but they also have a large presence in the country, not only financially. They control some of the large information media, which explains why there has been virtually no debate on this issue in the national media.

For instance, about 20 days ago, Argentine Finance Minister Lavagna gave a long interview to the Italian press agency ANSA, but the interview was never published in Italy.

EIR: The real issue seems to be: What policy are the banks following? Are they worried about the development of the country, and the interest of their customers, or only with short-term profit?

Olivieri: Yes, this is the central issue. Italian banks have completely aligned themselves with the IMF. And I ask myself: how is it possible, as we found out in Buenos Aires, if everybody in the Italian business community there, knew about the default coming, that no information about it came through to Italy? Who had an interest in blocking the information? Who has organized all that? A Parliamentary investigating committee could give an answer to those questions. The conflict over Argentine bonds is an aspect of a general problem, of who has control over financial policy.

Former Military Lawyers Join Lawsuit Against Rumsfeld

by Edward Spannaus

“Mr. Rumsfeld’s policies have stained our military. . . . We want to remove that stain,” said retired Army General James Cullen, one of two retired military lawyers who are part of the legal team in a newly filed lawsuit against Defense Secretary Donald Rumsfeld. The action was filed on March 1 by the American Civil Liberties Union (ACLU) and Human Rights First, on behalf of eight former prisoners, four Afghan and four Iraqi citizens, who were tortured and abused at the hands of U.S. military personnel acting under Rumsfeld’s direction.

Retired Rear Admiral John Hutson, who is also part of the legal team, acknowledged to a packed press conference in Washington on March 1 that, after 28 years in the United States Navy, “this is not an easy thing for me to do.” But, Hutson explained, this lawsuit “is about our national defense, now and in the future; it’s about the role that the United States has traditionally played on the world stage; it’s about our self-respect and self-image; and it’s largely about protecting our own soldiers, sailors, airmen, and Marines who are already in harm’s way, and who will continue to be so in the future.”

Both Cullen, who was Chief Judge of the U.S. Army Court of Military Appeals, and Hutson, who was the Judge Advocate General of the U.S. Navy, told *EIR* that they have received many expressions of support from both active-duty and retired military personnel for what they are doing —on this and on their earlier public statements on prisoner abuse and torture.

“I have been called by many on active and reserve duty,” Cullen said, “and have been thanked privately for doing what they cannot do.” Hutson said that he has been gratified to receive many e-mails and phone calls from former colleagues and other people, who have encouraged and supported him; this includes both active-duty and retired military personnel, who are appalled by the events of the past

couple of years, and who don’t want the United States to continue down this path.

Indeed, there is a wide recognition that those retired military flag officers, such as General Joseph Hoar (see *EIR* interviews, April 9, 2004, and Jan. 14, 2005) and General Anthony Zinni (see *EIR* interview, May 14, 2004), who have spoken out against the Administration’s policies, are speaking on behalf of many active-duty officers who themselves cannot speak publicly.

As background to the March 1 filing, it is essential to recall that in September 2004, eight retired Generals and Admirals signed an open letter to President Bush calling for the creation of an independent commission to investigate prisoner abuse and torture in Afghanistan, Iraq, and Guantanamo. The signers, in addition to Hutson and Cullen, were former CENTCOM commander, Gen. Joseph Hoar; former Army Judge Advocate General, Gen. John Fugh; Army Gen. Robert Gard; former Navy Inspector General, Adm. Lee Gunn; Army Gen. Richard O’Meara; and former Marine Corps Senior Legal Advisor Gen. David Brahms.

Then in early January, 12 retired flag officers signed a letter to the Senate Judiciary Committee, expressing their concern about the nomination of White House Counsel Alberto Gonzales. At a Jan. 4 press conference, again sponsored by Human Rights First, Generals Cullen and Hoar called for the Senate to reject the Gonzales nomination. Signers included many of those who had called for the independent commission, plus former Chairman of the Joint Chiefs of Staff, Gen. John Shalikashvili, retired Army Generals Evelyn Foote, Robert Gard, and Claudia Kennedy, Navy Admiral Don Guter, Air Force Gen. Merrill McPeak, and USAF National Guard Gen. Melvyn Montano.

One well-placed intelligence source told *EIR* that there



Bestial treatment of prisoners by the U.S. military, as shown in this picture released under FOIA, was the result of policies coming from the top, a new lawsuit charges.

was an entire generation of military officers who had stayed in the military after the debacle of the Vietnam War, to put things back together again, and to ensure that this never happened again. (Colin Powell had been part of this grouping.) They now see all their efforts going down the drain under the Bush-Cheney Administration, and are determined to do everything they can to stop it.

All of this, however, went completely over the heads of the news media. Despite the fact that Admiral Hutson addressed the March 1 press conference, none of the “establishment” East Coast news media even so much as mentioned the military participation in the lawsuit. The only exception found, was the Knight-Ritter news service, which has a better overall record in this regard.

Rumsfeld and Cambone in Charge

The 77-page complaint in the case documents, in detail, the chain of command through which Rumsfeld directed and controlled the torture policy, in most cases operating through his intelligence deputy Stephen Cambone, to Maj. Gen. Geoffrey Miller, the commander at Guantanamo. Miller was sent to Iraq in August-September 2003 by Rumsfeld and Cambone, so that he could bring the interrogation methods used at Guantanamo into Iraq, including the use of dogs, the removal of clothing, the use of “stress positions,” and sensory deprivation and isolation. The complaint shows how Miller gave his orders and directives to the top U.S. commander in Iraq, Lt. Gen. Ricardo Sanchez, and to two commanders at Abu Ghraib, Brig. Gen. Janis Karpinski and Col. Thomas Pappas.

Cambone, as *EIR* has reported, played a particularly key role. The complaint charges that as of the summer of 2003, Rumsfeld and Cambone “knew of widespread torture and other abuses of detainees in Iraq and Guantanamo, but that “they took no steps to prevent or punish these abuses.” Rather, “Rumsfeld took measures to increase the pressure on interrogators in a manner that he knew was likely to result in further torture or other cruel, inhuman, or degrading treatment.”

The references to the CIA are particularly important, in light of constant reporting by the *Washington Post* and others which treats the CIA as an independent operator, rather than an agency which is operating under the direction and supervision of the Secretary of Defense and the Pentagon in the so-called Global War on Terrorism. In regard to the CIA, the complaint states: “Cambone supervised, and Rumsfeld approved, the activities of a clandestine program composed jointly of U.S.

military and CIA personnel. This program began operations in Iraq in or around the summer of 2003 . . . members of this program were authorized to use unlawful techniques, including physical and sexual humiliation, against Iraqi detainees.”

The torture and abuse against the eight plaintiffs, which are described in the complaint, include severe beatings, cutting with knives, mock executions, death threats to the prisoners and their families, sexual abuse and humiliation, use of dogs to threaten and intimidate, restraint and confinement in excruciatingly painful positions, and severe sensory deprivation. This all took place in U.S. military detention facilities in Afghanistan and Iraq between June 2003, and June 2004. These dates were after extensive reports and complaints about prisoner abuse had already been given to Rumsfeld and others. For example, Rumsfeld was on notice about torture and abuse being conducted at Guantanamo, as a result of complaints by FBI personnel made in December 2002.

Losing Our Soul

At the March 1 press conference, speakers from the ACLU and Human Rights First (formerly known as the Lawyers Committee for Human Rights) stressed that the lawsuit was not aimed at the military or the Department of Defense as a whole, or at the troops in Iraq and Afghanistan, but that it focusses on the official at the top of the military command structure who is responsible and accountable for the conduct of troops under him. Michael Posner, the Executive Director of Human Rights First, said that throughout the preparation of the suit, they had consulted with military leaders.

Elaborating on his prepared statement (see Documenta-

tion), Hutson said that the United States had always been a role model with respect to the treatment of captives during wartime, “but I don’t think we are now.”

“We’ve been the country that has given hope to the oppressed and the afflicted around the world, which has made us stronger and the world safer,” Hutson continued. “Unfortunately, we’ve now taken a dramatic step down a slippery slope.”

If this continues, we will have lost more than we have gained, Hutson said. “We will take generations to recover from this, unless we stand up on behalf of these plaintiffs who have been abused under our control and authority, and say, ‘Enough, Mr. Secretary! We want the old United States back.’”

“This lawsuit,” Hutson concluded, “is an attempt to get this country back on the course that our forefathers charted for us.”

In his statement, Hutson noted that the drafters of the Constitution had ensured civilian control of the military, but, he said, civilian leadership “is not a guarantee of success . . . civilian leaders bear a grave responsibility.” Defense Secretary Rumsfeld, Hutson charged, “has failed to uphold that duty,” and “has permitted, and indeed encouraged, military personnel to fall far short of the aspirational standards that Americans deserve and expect in our armed forces.”

Hutson pointed out that not only do direct orders go down the chain of command, but so do attitudes: “In dealing with detainees, the attitude at the top was that they are all just terrorists, beneath contempt and outside the law, so they could be treated inhumanely. Our effort to gain information vitiated 200 years of history. International obligations didn’t matter, nor did morality or humanity. It was okay to lose our soul as long as we got information, no matter how unreliable.

“That attitude dropped like a rock down the chain of command, and we had Abu Ghraib and its progeny. The self-respect of the military and the country was diminished. Our international reputation will be tarnished for generations. In the end, Secretary Rumsfeld’s nonfeasance and malfeasance has imperilled the war effort and endangered troops.”

In a response to questions from *EIR* following the press conference (see Documentation), General Cullen charged that Rumsfeld’s policies have “undermined core principles on which the military’s values and training have been based,” and he said that Rumsfeld’s “short-sighted and arrogant leadership” has put at risk the protections on which the U.S. military depends, when its personnel are made prisoners of war.

Cullen pointed out that, after World War II, the U.S. insisted that leaders be held to account for breaches of international law committed by forces under their command, and that the U.S. today cannot declare itself exempt from this same standard. He showed how the Commission investigating the My Lai massacre in Vietnam applied the same standard, specifically, that “the culture created by the then-Secretary of Defense, Robert McNamara,” that is, the “body count syn-

drome” as the measure of success, played a significant role in the circumstances leading to the My Lai massacre. The My Lai Commission also cited the dehumanization of the enemy, which Cullen compared to the dehumanization and humiliation of detainees under Rumsfeld’s policies today.

Documentation

Brig. Gen. James Cullen and Rear Admiral John D. Hutson (ret.) made statements on the law suit being brought against Donald Rumsfeld, reported below. Part of the lawsuit follows their statements.

Retired Officers Hold Rumsfeld to Account

Gen. James Cullen is a retired Brigadier General in the United States Army Reserve Judge Advocate General’s Corps, and last served as the Chief Judge (IMA) of the U.S. Army Court of Criminal Appeals. He currently practices law in New York City.

EIR asked General Cullen to briefly explain why he is participating in the lawsuit against Defense Secretary Rumsfeld, what he hopes to accomplish through this, and what has been the reaction of his military colleagues to his involvement in these matters, including his earlier call for an independent commission, and his opposition to the Alberto Gonzales nomination.

Here is General Cullen’s statement in response to EIR’s questions. Subheads have been added.

The decision to bring this action against Mr. Rumsfeld was taken out of a sense of deep frustration.

Mr. Rumsfeld’s policies have undermined core principles on which the military’s values and training have been based. His policies cast aside decades of military experience in employment of proper detention interrogation techniques. His policies also had us ignore Geneva Convention requirements to classify and treat properly individuals detained by our forces. Detainees are treated as though they are criminals before there has been any minimally satisfactory determination of their status in accord with the Geneva Conventions.

Mr. Rumsfeld authorized techniques that have led directly to acts constituting grave breaches of the Geneva Conventions. The Geneva Conventions have served as protection for our military in conventional wars and guerrilla wars. We rightly invoked their protections even when our adversaries



Brig. Gen. James Cullen (ret.) last served as the Chief Judge (IMA) of the U.S. Army Court of Criminal Appeals: "Command and leadership bear distinct responsibilities. . . . Mr. Rumsfeld put in place policies that facilitated the disgraceful acts about which we read with numbing regularity.

were guerrillas or a non-functioning government. Mr. Rumsfeld's short-sighted and arrogant leadership has put at serious risk those protections on which our prisoners of war and civilians caught in war zones have relied.

We sought appointment of an independent commission outside of the Department of Defense to investigate patterns of torture, inhumane treatment, and other abuse of detainees in facilities under the control of Mr. Rumsfeld. Those patterns of abuse bear striking similarities that defy suggestions of coincidence. There has been no effort to investigate these patterns independent of Mr. Rumsfeld's control. Earlier litigation and leaks by those outraged by Mr. Rumsfeld's directions revealed memoranda he issued authorizing interrogation techniques not previously permitted by the military. He refused to recognize some basic rights of detainees until the Supreme Court felt his notions of executive power; i.e., his power to detain indefinitely, violated fundamental constitutional principles.

Command and leadership bear distinct responsibilities. If there were any doubts about the range of these leadership responsibilities, those doubts were put to rest in cases decided by the courts after World War II. It is no longer sufficient for a leader to claim "I did not do the criminal act," or "I did not personally order it." Mr. Rumsfeld put in place policies that facilitated the disgraceful acts about which we read with numbing regularity. A leader has clear responsibility to take meaningful measures to stop grave violations of international law in facilities and areas under his control, especially grave violations spawned by his policies. A few public utterances issued for damage control purposes are not sufficient.

We called General Yamashita to account after World War II for grave breaches of international law committed by his forces, even though circumstances cast some doubt about his actual control of and communications with those forces. The courts felt he had failed to take sufficiently strong measures to insure his forces did not carry out grave breaches of interna-

tional law, and for these failures he was held to account. Our country argued that this standard of leadership responsibility should apply, and no one can persuasively argue we should exempt ourselves from the same standard.

The Lessons of the My Lai Massacre

The Peers Commission findings after the My Lai massacre reinforced these lessons. Among those lessons was the culture created by policies of the then Secretary of Defense, Robert McNamara, to measure success in war. The "body count syndrome" that evolved from the focus on quantitative "success" played a significant role in the circumstances leading to My Lai. Dehumanizing the enemy was also prominently mentioned by General Peers among factors bearing on war crimes' predictability.

The dehumanization and humiliation of detainees under Mr. Rumsfeld's policies should cause us to amplify the warnings that General Peers sounded three decades ago. Mr. Rumsfeld has made clear that he does not intend to accept responsibility for the patterns of misconduct emerging in the wake of his policy decisions. We feel the honor of our military is at stake. We owe it to those who still wear the uniform and continue to serve their country honorably to bring this suit. Mr. Rumsfeld's policies have stained our military's record for adherence to the rule of law and observance of human rights. We want to remove that stain.

I have been called by many on active and reserve duty, who serve proudly, and have been thanked privately for doing what they cannot do. They want the American people to look with pride on their sacrifices. They do not want to risk loss of that pride or support by imposition of policies in stark violation of core national values and military culture.

'Regaining the Moral High Ground'

Rear Admiral John D. Hutson (Ret., USN) is "of counsel" to Human Rights First in the litigation against Defense Secretary Rumsfeld. Admiral Hutson served as the Navy's Judge Advocate General from 1997 to 2000. He currently serves as the President and Dean of Franklin Pierce Law Center in Concord, N.H.

Here is Admiral Hutson's prepared statement on the Rumsfeld lawsuit. The subhead is added.

It is the mission of the United States Armed Forces to fight and win our nation's wars. Whatever contributes positively to that mission is good. Whatever degrades it or undermines it is bad.



*Rear Admiral John D. Hutson (Ret., USN):
“There is no reason to fight this war if we lose our soul in the process.”*

Our military should reflect our American culture and values. We want the military to be representative of what it is fighting to preserve. It ultimately weakens our national defense if we permit the Armed Forces to become foreign to the rest of society or to take on values that are inimical to Americans.

That’s why the drafters of the Constitution were so wise in ensuring civilian leadership of the military rather than a general staff, and why we have historically encouraged the participation of citizen soldiers.

Civilian leadership, however, is not a guarantee of success. The civilian leaders bear a grave responsibility. In recent years, Secretary Rumsfeld has failed to uphold that duty. He has permitted, and indeed encouraged, military personnel to fall far short of the aspirational standards that Americans deserve and expect in our armed forces. His leadership has been found wanting in the most fundamental and important ways.

During my career in the Navy, I learned the value and strength of the chain of command. Not only direct orders go down the chain of command, but also attitudes.

Vitiating 200 Years of History

In dealing with detainees, the attitude at the top was that they are all just terrorists, beneath contempt and outside the law so they could be treated inhumanely. Our effort to gain information vitiating 200 years of history. International obligations didn’t matter, nor did morality or humanity. It was okay to lose our soul as long as we got information, no matter how unreliable.

That attitude dropped like a rock down the chain of command, and we had Abu Ghraib and its progeny. The self-respect of the military and the country was diminished. Our international reputation will be tarnished for generations. In the end, Secretary Rumsfeld’s nonfeasance and malfeasance has imperilled the war effort and endangered troops.

The military becomes chaotic without accountability. Only by enforcing the concept of accountability can we begin

healing, redeeming our respect, and repairing our international reputation. I believe the buck stops at the desk of the Secretary of Defense.

For generations the United States was respected for adherence to the rule of law and for holding human rights first. That empowered our military prowess. Now we risk becoming just another country that countenances torture for short-term gain. That is beneath us and makes us weaker in the long run.

There is no reason to fight this war if we lose our soul in the process. That permits our enemies to win every bit as much as if we just surrendered. It doesn’t come from strength, but from weakness. It is the cowardly way out. Now we need to take a first step toward regaining the moral high ground.

Lawsuit Against Donald Rumsfeld

In the United States District Court for the Northern District of Illinois

Arkan Mohammed ALI, Thahe Mohammed SABBAR, Sherzad Kamal KHALID, Ali H., Mehboob AHMAD, Said Nabi SIDDIQI, Mohammed Karim SHIRULLAH, and Haji ABDUL RAHMAN, Plaintiffs,

v.

Donald H. RUMSFELD, Secretary of Defense of the United States of America, Defendant.

Complaint for Declaratory Relief and Damages

1. Plaintiffs are individuals who were incarcerated in U.S. detention facilities in Iraq or Afghanistan where they were subjected to torture or other cruel, inhuman, or degrading treatment or punishment, including severe and repeated beatings, cutting with knives, sexual humiliation and assault, confinement in a wooden box, forcible sleep and sensory deprivation, mock executions, death threats, and restraint in contorted and excruciating positions.

2. The Plaintiffs, Arkan Mohammed Ali, Thahe Mohammed Sabbar, Sherzad Kamal Khalid, Ali H., Mehboob Ahmad, Said Nabi Siddiqi, Mohammed Karim Shirullah, and Haji Abdul Rahman, are among the unknown number of U.S. detainees in Iraq and Afghanistan who have suffered torture or other cruel, inhuman, or degrading treatment.

3. Plaintiffs bring this action against Defendant Donald H. Rumsfeld, the U.S. Secretary of Defense, whose policies, patterns, practices, derelictions of duty, and command failures caused Plaintiffs’ abuse. Defendant Rumsfeld bears the ultimate responsibility for the physical and psychological injuries that Plaintiffs have suffered.

4. Official government reports have documented, and military officials have acknowledged, many of the horrific abuses

inflicted on detainees in U.S. custody. Such torture or other cruel, inhuman, or degrading treatment or punishment of detainees in U.S. custody violates the United States Constitution, U.S.-ratified treaties including the Geneva Conventions, military rules and guidelines, the law of nations, and our fundamental moral values as a nation.

5. For generations, U.S. civilian and military leaders have sought to ensure that U.S. soldiers complied with legal mandates prohibiting torture and abuse under all circumstances and at all times regardless of whether our enemies respect the same principles. U.S. Army Field Manual 34-52, which describes the legal standards governing interrogations by U.S. military personnel, unequivocally states that binding international treaties and U.S. policy “expressly prohibit acts of violence or intimidation, including physical or mental torture, threats, insults, or exposure to inhumane treatment as a means of or aid to interrogation. Such illegal acts are not authorized and will not be condoned by the U.S. Army.” The Manual specifically defines “physical torture” to include “infliction of pain through chemicals or bondage,” “forcing an individual to stand, sit, or kneel in abnormal positions for prolonged periods of time,” “food deprivation,” and “any form of beating.” The Manual, moreover, admonishes that “[r]evelation of use of torture by U.S. personnel will bring discredit upon the U.S. and its armed forces while undermining domestic and international support for the war effort. It also may place U.S. and allied personnel in enemy hands at a greater risk of abuse by their captors. Conversely, knowing the enemy has abused U.S. and allied [prisoners of war] does not justify using methods of interrogation specifically prohibited by [international law] and U.S. policy.”

6. In stark contrast to these mandates and our traditions, the public record shows that detainees in U.S. custody in Iraq and Afghanistan were subjected to unlawful torture and abuse. Those abuses, which pervaded multiple U.S. detention centers in two separate countries, did not spring from the spontaneous acts of individual soldiers. As the report of former Defense Secretary James Schlesinger concluded, the abuses of detainees were “widespread,” and “were not just the failure of some individuals to follow known standards, and they are more than the failure of a few leaders to enforce proper discipline. There is both institutional and personal responsibility at higher levels.”

7. The abuses occurred on a “widespread” basis because of orders and derelictions by Defendant Rumsfeld. Most critically, Defendant Rumsfeld authorized an abandonment of our nation’s inviolable and deep-rooted prohibition against torture or other cruel, inhuman, or degrading treatment or punishment of detainees in U.S. military custody. These acts precipitated further violations of law and directly led to the abuse of Plaintiffs and other detainees in Afghanistan and Iraq. Among other consequences of Defendant Rumsfeld’s actions, high-ranking commanders permitted and implemented an unlawful policy, pattern, or practice of torture and other cruel, inhuman, or degrading treatment of detainees.

8. In addition, and independent of his orders, authorizations and actions causing subordinates to commit torture and other cruel, inhuman, or degrading treatment, Defendant Rumsfeld also violated his legal duty by failing to stop torture or other cruel, inhuman, or degrading treatment when he learned of it. Despite many credible and reliable reports of torture from governmental and non-governmental sources beginning in January 2002 and continuing throughout 2003 and 2004, Defendant Rumsfeld failed to take reasonable, necessary, timely, and meaningful measures to prohibit and prevent abuses and to punish perpetrators. In doing so, Defendant Rumsfeld violated his obligations as a commander and acted with deliberate indifference and conscious disregard of the high risk of injuries inflicted on detainees and the violations of law committed by his subordinates. These actions and omissions caused the torture and abuses to continue and to spread. Plaintiffs, among many others, were injured as a proximate result of Defendant Rumsfeld’s conduct.

9. Defendant Rumsfeld cannot defend or rationalize the torture or other cruel, inhuman, or degrading treatment of Plaintiffs and other detainees on the grounds that such techniques were deployed against carefully selected individuals who possessed critical intelligence information, or occurred only during the heat of battle, or were ordered under exigent circumstances. Most fundamentally, the prohibitions against torture or other cruel, inhuman, or degrading treatment are absolute, non-discretionary, and subject to no exception. They are designed not only to safeguard the security and dignity of every human being in times of armed conflict but also to ensure the humane treatment of U.S. soldiers when they are captured on the battlefield by enemy forces. Moreover and significantly, the International Committee of the Red Cross cited estimates by military intelligence that 70-90% of persons detained in Iraq had “been arrested by mistake.” Similarly, the Army Inspector General estimated that 80% of detainees “might be eligible for release” if their cases had been properly reviewed, and an internal military report cited estimates from the field that 85-90% of detainees at Abu Ghraib “were of no intelligence value.” Finally and critically, the unlawful orders, policies, and practices did not issue under exigent circumstances or on the battlefield. Rather, the abuses had their genesis in and were continually reinforced by policies, patterns, or practices deliberately formulated and adopted in the United States over long periods of time, were inflicted in numerous places over lengthy periods, and injured an unknown number of innocent civilian detainees, including Plaintiffs, who posed no threat to U.S. forces.

10. Defendant Rumsfeld has not been held accountable for his acts, omissions, and failures of command. To this day, Plaintiff victims of Defendant Rumsfeld’s policies, practices, patterns, and actions have received no redress for their injuries. Accordingly, Plaintiffs seek a declaration that determines the responsibility of Defendant Rumsfeld for the violations of law that caused Plaintiffs’ injuries and seek monetary compensation for the injuries the Plaintiffs suffered.

Scientists: White House Ignores Public Health

by Marcia Merry Baker

The March 4 issue of *Science* magazine features a letter and supporting documentation from over 750 scientists, protesting the policy of the Bush Administration, since 2001, to focus funding for research on a select few microbial agents considered as candidates for bio-weapons, and to sharply reduce funding for research on bio-agents of general public health importance. As of Feb. 28, there were 758 signators, including the president-elect, and seven past presidents, of the American Society for Microbiology.

Such a mass initiative is unprecedented in recent decades. A few voiced similar concerns in the 1980s, calling for an all-out public health research effort at the time of both identification of HIV/AIDS, and the resurgence of previously conquered diseases. During that period, Lyndon LaRouche commissioned reports from a task force he had formed in the 1970s. He warned of the danger of growing neglect of public health causing a “biological holocaust” if full-scale research, sanitation, and public health infrastructure were not developed nationally and globally.

Open Letter to NIH

“An Open Letter to Elias Zerhouni,” Director of the National Institutes of Health (NIH), was first released on Feb. 28 of this year, on the website of *Science*, and copies were also sent to Dr. Anthony Fauci, Director of the National Institute for Allergy and Infectious Diseases of the NIH; to Dr. Jeremy Berg, Director of the National Institute for General Medical Sciences; to the relevant oversight committees in Congress; and to seven scientific associations (see *Documentation*).

The scientists’ action—uncommon in the academic realm—is in line with the unprecedented institutional, public objections to the Bush/Cheney “emergency”/warfare regime practices, expressed over the past 18 months from the ranks of the diplomatic corps, retired military, career intelligence officers, and others. The gist of their Open Letter is that, “The diversion of research funds from projects of high public-health importance to projects of high biodefense but low public health importance, represents a misdirection of NIH priorities and a crisis for NIH-supported microbiological research.”

The NIH is a major funder of both on-site research, and grants to projects all around the country.

The six pathogens receiving the focus of NIH attention are those causing tularemia, anthrax, plague, glanders, melioidosis, and brucellosis. The number of NIH grants has shot

TABLE 1
Disease Cases vs. Priorities, for Pathogens Research

(U.S. Cases per Year)

Disease	Ave. Annual Cases 1996-2003
Disease from Six Bio-Warfare Agents Prioritized by Bush Administration	
Tularemia	122
Plague	0
Glanders	0
Melioidosis	0
Brucellosis	103
Anthrax	3*
Disease from Other Pathogenic Micro-organisms	
Tuberculosis	17,403
Salmonellosis	42,457
Shigellosis	22,567
Borreliosis	17,542
Legionellosis	1,334
Ehrlichiosis	591
Pertussis	8,252
Syphilis	38,007
Gonorrhea	346,765
Streptococcal Infection	685,508
Meningococcal Infection	2,290
Streptococcal Infection, Invasive	4,371
Streptococcal Infection, Drug-Resistant	3,083

*22 bio-terrorism cases, all in 2001

Source: Appendix 1, “Public Health Relevance of Prioritized Bioweapons Agents, Data for 1996-2003,” Feb. 28, 2005, posted on *Science Magazine* Online, www.sciencemag.org/cgi/content/full/307/5714/1409c/DC1.

up by 1,500% for these disease agents, when the time period 1996-2000 is compared with the period 2001 to the present. In contrast, the number of grants to study non-biodefense-related pathogenic microorganisms (tuberculosis, streptococcal agents, cholera, and so on) fell by 27% over the same time period; with a fall of 47% in grants for what’s called “model microorganisms” of this category.

Information from Appendix 1 of the Open Letter’s four appendices, is summarized in **Table 1**. The import of the data presented is that, while the six “Prioritized Bioweapons Agents” focussed upon by the Administration should be studied, it is a public health menace to underfund work on other microorganism threats, which are causing multi-thousands of cases of illness even in “normal” times.

Appendix 2 shows the “Increase in number of grants for research on prioritized bioweapons agents.” Appendix 3 documents the “Decrease in number of grants for research on non-biodefense-related microbial physiology, genetics, and pathogenesis.”

Appendix 4 reviews and recommends scientific work, under the heading, “Research opportunities in basic microbial science.” Here the scientists stress the importance of broad-

based research, and give their policy recommendations of what must be restored. They caution, “By allowing research funding on basic microbial genetics, physiology, and pathogenesis to decrease as a consequence of prioritization of research on bioweapons agents, the NIH and the United States risk losing research momentum and missing research opportunities. The funding decrease will hinder research progress, jeopardize research infrastructure, deny research training, and discourage research careers in basic microbial science. The threat to basic microbial science comes at a time when there are exceptional research opportunities and exceptional potential for breakthroughs.”

Three areas cited are the need for new antibiotics, the benefits of pursuing “systems microbiology” (involving gene sequencing, newly developed mass-spectrometry, imaging technologies, and so on), and what’s known as “model microorganisms.”

Need for New Antibiotics

Concerning the need for new antibiotics, the scientists’ document states: “The 2003 National Academy of Sciences report, ‘Microbial Threats to Health,’ warned that ‘The world is facing an imminent crisis in the control of infectious diseases as the result of a gradual but steady increase in the resistance of a number of microbial agents to available therapeutic drugs,’ and recommended that, ‘The U.S. Secretary of Health and Human Services should ensure the formulation and implementation of a national strategy for developing new antimicrobials.’

“These threats are posed by bacterial agents now established in human populations. Tuberculosis is in global resurgence. The World Health Organization projects that there will be more than 10 million new cases of tuberculosis in 2005, and that there will be nearly 1 billion newly infected people by 2020, 200 million of whom will become seriously ill, and 35 million of whom will die. Additional threats are posed by other bacterial agents, including the agents responsible for salmonellosis, shigellosis, borreliosis, legionellosis, ehrlichiosis, pertussis, syphilis, gonorrhea, chlamydia, meningococcal infections, and staphylococcal infections. For each of these agents, strains resistant to multiple current antibiotics have emerged, and strains resistant to all current antibiotics either have emerged or are expected soon to emerge.”

Among the overall policy recommendations posed by the scientists, to serve both public health needs, and provide for biodefense, are three main areas: “(1) Creation of new NIH initiatives for research on basic microbial science; (2) broadening of the NIH definition of biodefense, to include not only research on prioritized bioweapons-agents, but also research on basic microbial science; and (3) consolidation of study sections for research on prioritized bioweapons-agents with study sections for research on basic microbial science, thereby ensuring a uniform standard of evaluation and merit in study sections.”

The policy proposals conclude, “We recommend that the NIH implement these actions. We further recommend that, as a first step, the NIH establish a committee of eminent microbiologists to plan and coordinate implementation of these actions.”

Documentation

Researchers’ Open Letter

This letter, signed by 758 research scientists, is published in Science, March 4, 2005.

The NIH peer-review process and NIH investments in research on microbial physiology, genetics, and pathogenesis have made possible remarkable advances in science and public health, and have underpinned the development of recombinant DNA technology and the biotechnology industry.

However, the NIH peer-review process, and the research sector responsible for these achievements, are threatened by unintended consequences of the 2001-02 decision by the NIH National Institute for Allergy and Infectious Diseases (NIAID) to prioritize research of high biodefense, but low-public-health significance (see Appendix 1—**Table 1**).

This prioritization, which was implemented by creation of funding set-asides, special funding review panels, and special funding review procedures, has transformed NIH-supported research in microbial physiology, genetics, and pathogenesis.

The result has been a massive influx of funding, institutions, and investigators into work on prioritized bioweapons agents. . . .

Over the same period, there has been a massive efflux of funding, institutions, and investigators from work on non-biodefense-related microbial physiology, genetics, and pathogenesis. . . .

The diversion of research funds comes at a time when research on non-biodefense-related microbial physiology, genetics, and pathogenesis is poised for significant breakthroughs, made possible by the application of genomics, proteomics, and systems-biology methods. These breakthroughs, and the accompanying dividends for public health and economic development, now either may not occur, or may occur only outside the United States.

As researchers who have served on the NIH Microbial Physiology and Genetics, and NIH Bacteriology and Mycology Initial Review Groups, or who have received grants reviewed by those Initial Review Groups, we urge you to take corrective action.

The complete list of signatories is available at www.sciencemag.org/cgi/content/full/307/5714/1409c/DC1.

Mobilization To Stop Shultz's Fascism

Special to *EIR*

On March 1, Senator Minority Leader Harry Reid issued a press release announcing a series of high-profile events around the country, to mobilize citizens to protect and strengthen Social Security. These events, scheduled to begin in New York City and Philadelphia on March 4, will feature many members of the Democratic Senate leadership, including Senators Clinton, Schumer, Durbin, Dorgan, Kerry, and Reid himself. This initiative represents a qualitative escalation on the part of the Democrats, and a show for force against the Bush Administration's desperate drive for privatization.

The environment for the Democratic leadership's move has been created by the aggressive campaign the LaRouche movement began against Bush's Social Security heist at the end of December, a campaign that has escalated dramatically over the last 10 days.

Following a national conference over the President's Day weekend in Washington, D.C., and Pasadena, California, members of the LaRouche Youth Movement (LYM) and LaRouche PAC initiated a daily escalating mobilization to deliver a final blow to the Bush Administration's efforts to destroy Franklin Roosevelt's legacy of protecting the general welfare of the U.S. population through its frontal assaults on the Nation's social security system.

The organizers are out in the streets, armed with the first hundreds of thousands of copies of the newly revised mass pamphlet "Bush's Social Security Fraud—Stop George Shultz's Drive Toward Fascism!" The pamphlet includes newly developed material on the role of long-time oligarch towel boy George Shultz in pushing the Chilean Pinochet austerity model, and promoting Hitler admirer Arnold Schwarzenegger. The pamphlet takes on the ugly truth which most Americans still do not want to face: that before there were the populist demagogues, the Hitlers and the Mussolinis, and now the Schwarzeneggers, there were the "liberal" bankers, who demanded, under financial collapse conditions such as those of the present economy, that the bankrupt banks be saved at all costs. Bush's current Social Security swindle is nothing more than a final desperate grab on the part of these banking circles to shore up their collapsing system, analogous to the measure taken by Hjalmar Schacht in Nazi Germany. This pamphlet, along with its companion piece, the *Children*

of Satan book, is being distributed by youth at hundreds of campuses throughout the country, as well as at metro stops, DMVs, intersections, neighborhoods, and constituency meetings, with an intention to saturate the population with millions of copies, and to reduce the Bush Administration, along with all its fascist backers, to the status of "lame duck."

From Stockton to Wall Street

While many of the LYM organizers are hitting the nation's major metropolises, the campaign is not confined to urban centers. Immediately after the President's Day Conference, three LYM organizers based in Oakland, California, stuffed a pick-up truck full of bundles of literature and travelled the inner regions of the state. They sought out areas that Shultz protégée Schwarzenegger is expected to heavily target in his drive for a statewide privatization prototype, should the Bush national drive fail. Despite Stockton's traditional conservatism, at intersections in the area, the organizers found tremendous interest in their signs condemning Bush and Arnie's "Enron II" swindle. Close to 100 bundles of the pamphlet were distributed in a day and a half in this area.

In New York City, a team of LYM organizers boldly went to Wall Street with the message on Shultz. They set up the now-famous literature "pyramids" with both the pamphlet and its companion *Children of Satan* book strategically located on the street, and told people to "get the latest from Lyndon LaRouche." This approach had pedestrians screeching to a halt to grab pamphlets. One woman asked if this was against Bush: when told 'yes,' she grabbed the literature, looked at it, and said, "Thank you for doing this, and especially for doing it on Wall Street." One young fellow was among many who asked for extra copies of the pamphlet. He told the youth that he works for a think-tank and plans to have his staff read it.

In Boston, LYM members went to the Massachusetts State Legislature and got pamphlets into the hands of every elected official and aide they could find. As people were drawn out of their offices and into the hallways by the youth singing "Oh Freedom," they were engaged in discussions of the fight against Shultz and Schwarzenegger.

Another major focus of youth deployment has been the

hundreds of Town Hall Meetings on privatization being sponsored by Democratic members of Congress throughout the country. At these meetings, which have assembled elected officials, constituency leaders, college students, concerned seniors, and other citizens, the LaRouche Youth movement literature tables have become the focal point of dialogue and debate on the reasons behind Bush's crazy drive to destroy Social Security, and on the overall state of the collapsing economy.

The meetings have varied in size, but typically have drawn hundreds, and in one case, that of a Chicago event sponsored by Illinois Senators Durbin and Obama, and Representative Janice Schakowsky, 2,000 people of all religions, races, and ages jammed the main ballroom of Loyola University's downtown campus. The crowd was so large that two overflow rooms had to be utilized. In addition to distribution of literature, organizers at this meeting were able to briefly address the crowd with a blistering attack on Shultz and the Nazi international, warning Democrats that they must name the names and fight passionately against these latter-day fascists. One indication of the tenor of the crowd came from a woman who chided the Democrats for being much too passive, and wanted to know what former Presidents Clinton and Carter were doing. In this context, the LaRouche pamphlet went out like a hot potato being passed from hand to hand, up and down the crowd.

At meeting after meeting, the presence of LYM organizers has taken the discussion beyond well-meaning but limited power-point presentations on the details of the Bush privatization fraud, and introduced dialogue on the fundamental causes, the collapsing world economy, and the determination of the financial interests to shore it up through fascist austerity.

In New York, long-time New York Congressman Charles Rangel, one of the most prominent black lawmakers, wholeheartedly welcomed four young LaRouche organizers and two local supporters to his Feb. 26 Town Meeting, in Harlem. Rangel himself raised the level of discussion to the question of the individual's role in history, when he recounted his own experience as a soldier in the 1950s, and as an almost reluctant participant in the Civil Rights campaign. Wounded and left for dead in a hole during the war, he realized that the solution was to "get out of the hole." And today, "America is in a hole, and we need to work and pray to get out of it." We often think today, Rangel said, "What were people doing when Hitler came to power in 1933?" We are reaching a point like 1933. Is this how this happened to 6 million Jews in Germany?"

At a Michigan meeting sponsored by Congressman John Conyers, the LYM organizers were once again welcomed, and played a critical role in elevating the discussion. Midwest LYM member Joel Moise situated the discussion in the overall economic collapse, and made the point that you won't have a problem with Social Security if you have a national economy characterized by technological progress. Later a trade union official

came up the the LYM literature table and indicated that he was hoping that the Congressman would address his meeting. After a briefing on the LYM mobilization, he arranged for a LYM representative to address the meeting.

One of the more challenging dynamics developed in a Town Meeting sponsored by Ohio Congressman Dennis Kucinich. When LYM members arrived at this meeting, one uninformed aide attempted to prevent them from entering and speaking on the "Chile model," making the ridiculous assertion that people did not want to hear "this philosophical stuff," and threatening that the organizers would be dragged out if they attempted to raise the issue of the fascist model. After some back and forth, the organizers were allowed in and brought the issue to Congressman Kucinich in the question and answer period. Nick Feden, speaking for the LYM, gave the crowd and the Congressman a timely reminder that there is a lot of work to be done in the streets. It is good, he said, you have these older people here, but the young people are out in the street being seduced into supporting privatization because they don't see any future. It doesn't help when the leadership is not telling the whole truth. We were told that if we brought up Pinochet and the Chilean model in this meeting, we would be dragged out. Congressman Kucinich was visibly concerned and immediately said, "I never said that." It was clear that this was not his intent and the organizers remained in the meeting, and at the end nearly everyone came up to grab a pamphlet and engage in discussion with the youth.

And It's Not Just the Democrats

There are also encouraging indications that at least some Republicans are getting ready to face reality.

In Northern Virginia, LaRouche organizers catalyzed an outbreak of truthfulness from Republican Congressman Tom Davis, who took an unexpected public stand in support of the LaRouche organizers, probably to distance himself from Bush, but also because political reality is making it impossible to back a program which will impoverish your own constituents. A ranking Republican, Davis told three Town Hall audiences repeatedly that he does not support the push for privatized accounts, while at the same time clinging to his typical free-trade axioms. Nevertheless, he deliberately called on LaRouche organizers and quieted hecklers who interrupted. He also promoted the LaRouche PAC pamphlet and announced, "I'm going to be reading everything pertinent to proposals to solve these problems, including this LaRouche pamphlet on the table here."

By the third meeting, he held up the pamphlet for everyone to see, and said, "This pamphlet is being distributed here, by LaRouche PAC, and it goes into a lot of the background. . . ." It is not coincidental that Congressman Davis's district, which is adjacent to the LaRouche national headquarters in Leesburg, Va., has long been a stronghold of mass distribution and organizing.

Cheney's Perpetual War Doctrine Revived

by Jeffrey Steinberg

When President George W. Bush met with Russian President Vladimir Putin, on Feb. 24 in Bratislava, the Russian leader had more on his mind than looking “into the soul” of his American counterpart. In the aftermath of the U.S.-backed “rainbow revolutions” in Georgia and Ukraine, threats of U.S. or joint American/Israeli military actions against Iran’s Russian-built nuclear energy facility at Bushehr, and growing Bush Administration demands for increased “democracy” in Russia itself, the Russian leader no doubt was taking a measure of just how far American policy had tilted back to a revived Cold War posture.

A similar reassessment is under way in Beijing, as well, following the recent announcement by U.S. Secretary of State Condoleezza Rice and Secretary of Defense Donald Rumsfeld, that the United States and Japan have signed a new protocol, vowing to jointly defend Taiwan against any attacks from the mainland. It is no secret that the very same neo-conservatives in the Pentagon and in the Office of Vice President Dick Cheney, who pushed for the Iraq invasion, are also the leading proponents of a showdown with Moscow and Beijing. Andrew Marshall, the long-time head of the Pentagon’s Office of Net Assessments, is a leading proponent of the idea that war against China is inevitable, and that the United States must be in a position to start that war before China achieves a military breakout. It is in this context that strategists in Beijing will read the recent Washington-Tokyo-Taiwan axis announcement.

The Future As Past

This return to aggressive Cold War rhetoric, directed against two of the leading Eurasian powers, is the clearest signal yet, that the second Bush-Cheney Administration is hell-bent on pushing the “Cheney Doctrine” of preventive war—and not just against the familiar list of “rogue states.”

The “Cheney Doctrine” goes back to the 1992 Bush 41 Administration “Defense Planning Guidance,” prepared for then-Defense Secretary Cheney by a team of Pentagon war planners, including Paul Wolfowitz, Lewis Libby, Zalmay Khalilzad, and Eric Edelman, all of whom currently hold top national security posts in the Bush 43 regime. Addressing the new post-Cold War security environment, the draft document defined American long-term strategic interests.

A copy of the document was leaked to the *New York Times* in 1992, and featured the following formulation: “Our first

objective is to prevent the re-emergence of a new rival. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. These regions include Western Europe, East Asia, the territory of the former Soviet Union, and South-west Asia.”

While the Bush 41 Administration rejected the “Cheney Doctrine,” the Bush 43 Administration, in the aftermath of the Sept. 11, 2001 attacks on New York and the Pentagon, formally adopted the concept of unilateral preemption in its September 2002 “National Security Strategy for the United States of America.”

Six months later, the U.S. invaded Iraq, on precisely the terms set forth in the 1992 draft guidance, which had explicitly discussed Iraq and North Korea as likely targets for American preemptive or preventive action.

The Sharansky Corollary

The original 1992 Cheney draft had also prioritized America’s post-Cold War mission as encouraging “the spread of democratic forms of government and open economic systems.” President Bush’s Jan. 20, 2005 Second Inaugural Address elevated the promotion of democracy to a global crusade “against tyranny.” Simultaneously, at the personal urging of Vice President Cheney, the Bush Administration launched a top-down review of U.S. policy towards Russia, on the eve of the already scheduled Bush-Putin meeting. Team Cheney argued that the United States had to adopt a far more aggressive posture towards Moscow, seizing upon the Putin government’s crackdown on the Yeltsin-era Russian oligarchs, who had turned the nation’s oil and raw material patrimony into their personal baronies.

It is no secret that Bush has been brainwashed about the need for a “democracy jihad” since no later than October 2004, when National Security Council senior aide Elliott Abrams arranged a one-on-one Oval Office meeting between the President and Israeli minister Natan Sharansky, the author of a recent propaganda book, *The Case for Democracy: The Power of Freedom to Overcome Tyranny and Terror*, on the virtues of Jacobin democracy.

Sharansky was a former leading Russian “refusenik,” who later came under harsh criticism from some of his earlier collaborators for his opportunistic ties to the American neo-conservatives, and for his willingness to front for Russian Mafiya interests, once he emigrated to Israel and emerged as a leading political figure on the extreme right wing. Indeed, today, Sharansky is one of the most radical opponents of an Israeli pullout of the Gaza Strip and any concessions on the issue of a Palestinian state—a nominal contradiction with U.S. policy, which both Abrams and Rice choose to ignore.

Indeed, Sharansky’s ties to Abrams, Richard Perle, and other leading neo-cons, dates back to the mid-1970s, when Sharansky was the poster boy for Sen. Henry “Scoop” Jack-

son's (D-Wash.) campaign to link trade with the Soviet Union to Jewish emigration. In a recent *Newsweek* interview, Richard Perle described Sharansky and Jackson as his two heroes.

In point of fact, the Jackson-Vanik Amendment of 1974, which established the linkage between trade and Jewish emigration, was aimed primarily at busting up any further moves towards American-Soviet detente. According to one eyewitness, a deal had been already negotiated between President Richard Nixon and Soviet Premier Leonid Brezhnev, to allow Soviet Jewish emigration—two years before Jackson-Vanik, but it had been blocked by Senator Jackson and his allies, to allow him to push through the legislation and use it as a launching pad for his planned 1976 Presidential campaign.

In the same *Newsweek* story in which Perle was quoted, Sharansky boasted of his ties to the Washington neo-cons, dating back a quarter century. Sharansky named Abrams, Perle, Wolfowitz, Libby, and Doug Feith as his long-time collaborators, noting, "If you check their backgrounds, most of them were connected either to Senator Jackson or to the Reagan Administration or to both. And that's why, by the way, many of them are my friends from those years. And in the last 15 years, we kept talking to one another."

But over the same time span, Sharansky's ties to the Russian oligarchs have been just as tight; and this is of relevance to the neo-cons' recent turning up of the heat against Putin. One of Sharansky's oligarchical boosters, Boris Berezovsky, announced last week that he is moving to Ukraine, where he will take a personal role in a campaign to bring down the Putin government in Moscow. Another Russian Mafiya patron of Sharansky, Grigori Louchansky, who poured hundreds of thousands of dollars into Sharansky's political campaigns in Israel, has his own notorious ties to the Bush White House. A joint U.S.-European international criminal probe into Louchansky's Nordex Mafiya front company, turned up evidence that the real power behind the operation—and the source of its initial capitalization—was American financier and raw materials baron, Marc Rich. Cheney's chief of staff Libby spent a dozen years as Rich's attorney during the 1980s and '90s, when he wasn't in government as the deputy/protégé of Paul Wolfowitz.

McCain-Lieberman

On Feb. 18, Senators John McCain (R-Ariz.) and Joseph Lieberman (D-Conn.) introduced a resolution, calling for Russia to be booted out of the Group of Eight, for its "backsliding" on democracy. The McCain-Lieberman duo had just led a U.S. delegation to the Wehrkunde annual global security conference in Munich, which was the scene, three years ago, of the launching of their drive to force President Bush into invading Iraq. Following the Wehrkunde meeting, they travelled to Ukraine, to lend their imprimatur to the "Orange Revolution," and to promote the idea that Ukraine's President Yushchenko, along with Georgia's new President Saakashvili, should be jointly given the Nobel Peace Prize this year.

McCain is the current chairman of the International Republican Institute, the Project Democracy GOP front group that was instrumental in the Georgia and Ukraine destabilizations of the past two years, and which is now targetting Moscow itself. McCain's Democratic Party counterpart, the chairman of the National Democratic Institute for International Affairs, is Madeleine Albright, the self-proclaimed "Wellsian democrat," whose father, Joseph Korbel, also mentored current Secretary of State Condoleezza Rice.

The "new Cold War" propaganda drive coming out of the Bush-Cheney White House and the Project Democracy gang inside both parties has reached such a frenzied pitch that even Pat Buchanan has come out warning that the prospects for long-term Russian-American friendship are being undermined by a faction at the White House that is out to start a new Cold War, which, Buchanan warns, can actually lead to perpetual war. Of course, perpetual war is precisely what the "Cheney Doctrine" and its new "Sharansky Corollary" are all about.

Dick Cheney/Baroness Symons Dirty Tricks Revived

In August 2004, Lyndon LaRouche's Political Action Committee published the book *Children of Satan*, which featured an exposé and time-line, detailing a dirty tricks campaign against Lyndon LaRouche and the LaRouche political movement, run through the circles of Vice President Dick Cheney, and British Tony Blair intimate Baroness Liz Symons. While the media smear campaign, generated by the Cheney-Symons circle, ostensibly focussed on the death of a young British man, Jeremiah Duggan, the actual key to understanding the affair was the famous suicide case of British scientist David Kelly.

The links between the cases are detailed in the 17-page appendix at the conclusion of *Children of Satan*. In summary, the same Tony Blair, Baroness Symons, Dick and Lynne Cheney circles that launched the smear campaign against Lyndon LaRouche were all the enemies of David Kelly, from the time he stepped forward to expose the intelligence frauds behind the Cheney-Blair push for war on Iraq.

The Kelly-Duggan affair is seen internationally by political insiders as an offshoot of the close collusion between the U.S. Vice President and the Blair/Symons circles in London. The eruption of new slanders against LaRouche associates in the German media in recent days is but the latest manifestation of this ongoing trans-Atlantic corruption.—*Jeff Steinberg*

Senate Begins Debate on Bankruptcy Reform

For at least the third time in seven years, proponents of bankruptcy reform are trying to move legislation that would make it easier to force a Chapter 7 personal bankruptcy filer into Chapter 13, which would require him to repay at least some part of his debts. Proponents of reform, such as Sen. Charles Grassley (R-Iowa) have argued that the reason that personal bankruptcy filings have soared to well over 1 million per year, is that too many people are trying to game the system in order to avoid repaying their debts.

In the past, the majority of Democrats supported that argument, and voted overwhelming for the bill. The last time the Senate voted on bankruptcy reform, in 2001, the vote was 83 to 14 against. Previous efforts failed, however, either because they were vetoed by the President, or because the House and Senate could not reach agreement on a bill.

This year, the bill may face a tougher time than in the past. While Senate Judiciary Committee chairman Arlen Specter (R-Penna.) assured the Senate that the bill would not affect the ability of low-income Americans to get a fresh start from unpayable debts, Democrats noted that many things have changed in the last four years, and indicated less than enthusiastic support for the bill.

Sen. Patrick Leahy (D-Vt.) notified the Senate, on Feb. 28, that the Democrats would be offering amendments to address deficiencies in the bill. The issues to be addressed include bankruptcies resulting from corporate fraud, the loss of pensions resulting from corporate bankruptcies, and personal bankruptcies resulting from medical problems, among others. Leahy also told the Senate that Sen. Charles Schumer (D-N.Y.) would be

offering an amendment to prohibit people facing fines as a result of acts of violence against health clinics from being able to discharge their fines in bankruptcy court. A similar amendment was a deal breaker, last time around.

The next day, Sen. Richard Durbin (D-Ill.) went on the offensive against the bill. Previously, he had been a supporter of bankruptcy reform, he said, but he argued that the bill brought to the floor by Sen. Specter is too heavily biased towards the credit card companies. "The purpose of this bill is to make certain that if you go into court to file for bankruptcy, the slate will not be wiped clean," he said. "You will end up in a circumstance where you will carry many of these debts to the grave."

Specter Hits GOP, Dems, For Nominee Impasse

Senate Judiciary Committee chairman Arlen Specter (R-Penna.), in his first appearance before reporters since being diagnosed with Hodgkin's disease, did something his predecessor, Orrin Hatch (R-Utah), never did: spread the blame around for the impasse on judicial nominations in the Senate for the past several years. While accusing the Democrats of starting the whole process during the Reagan and first Bush Administrations, he noted that, during the Clinton years, the GOP-controlled Senate "slow-walked" a lot of Clinton's nominees by not giving them hearings. This was something that Hatch, who chaired the committee from 1995 until 2004, never admitted to, and that then, the filibuster became a problem during the present George W. Bush Administration. "So each side ratcheted it up, ratcheted it up, ratcheted it up, until you have a situa-

tion today where it might accurately be characterized as no one wants to back down and no one wants to lose face. And so the question is, where do we go from here?"

As for the so-called "nuclear option," where the filibuster of a judicial nominee is declared unconstitutional and upheld by a simple majority of 51 votes, Specter, first of all, said he wasn't even sure there were 51 votes for that option. Second, he vowed to try to solve the problem without the nuclear option. Then, he warned, "If we have a nuclear option, the Senate will be in turmoil, and the Judiciary Committee will be hell."

Sen. Charles Schumer (D-N.Y.), following Specter into the Senate TV studio, declared "we have a real chance under Senator Specter's leadership, to avoid the partisan breakdown that so many predict as inevitable as we approach a Supreme Court nomination."

Homeland Security Rules For Personnel Criticized

The new personnel regulations soon to be implemented by the Department of Homeland Security (DHS) met with something less than enthusiasm by the House Government Reform Committee's Subcommittee on Federal Workforce and Agency Reorganization, during a hearing on March 2. The DHS's plans to implement a pay-for-performance system in place of the 50-year-old General Schedule, as well as other measures, was the subject of close examination.

The subcommittee's ranking Democrat, Rep. Danny Davis (D-Ill.), ridiculed the notion that most of the reforms had anything to do with national security, which has been the justification all along for the changes.

“These regulations are not fair, not credible, not transparent,” he said. “They reflect DHS’s and the Bush Administration’s desire to have unchecked authority over the civil service.” He warned that the proposals risk taking the Federal government back to the time of Andrew Jackson, “when the entire workforce faced replacement after each election.”

Comptroller General David Walker, the head of the Government Accountability Office, although generally supportive of such reforms, testified that, “the details have yet to be defined” in DHS’s proposed regulations. He noted, as Davis had earlier, that there is no requirement in the DHS rules for managers to put into writing employee performance expectations. Walker told the subcommittee that although the features of the DHS’s proposed reform can be implemented fairly (he bragged that he had implemented similar reforms at GAO), DHS must have adequate infrastructure to do so, including “the existence of a modern, effective, and credible performance management system that includes adequate safeguards to help assure consistency and prevent abuse.”

The Federal employee unions have been opposed to the new rules from the start. Colleen Kelly, the president of the National Treasury Employees Union, warned that the reduction of collective bargaining rights “will be a huge detriment to recruitment and retention” of employees. T.J. Bonner, the president of the Border Patrol Council of the American Federation of Government Employees, told the subcommittee that people are leaving Federal service, already, in anticipation of the new rules. “We need the best and the brightest people, and we need to ensure that the personnel system hangs on them, and these regulations don’t do that,” he said.

Abizaid Promises Progress In Iraq in 2005

Gen. John Abizaid, the head of U.S. Central Command, expressed amazement at the “progress” that’s been achieved in Southwest Asia, during his testimony to the Senate Armed Services Committee on March 1. “I know that” U.S. Military forces deployed in the region have “helped protect the nation here at home from attack,” he said, “but it also has given the moderates in the region a chance for hope and a chance to change their own future.” With the exception of Sen. Joseph Lieberman (D-Conn.), who compared the political changes to the 1989 fall of the Berlin Wall, however, Abizaid was met with skepticism and repeated questions as to when Iraqi security forces would be able to take over the security mission from U.S. troops.

Sen. Edward M. Kennedy (D-Mass.) noted, in some detail, that the Senate has been told on numerous occasions that the Iraqi training program is making progress. “When are we going to have some sense that these Iraqis are going to be prepared to defend their own country and die for it and that all the good news . . . in terms of what’s happening over there is going to reflect itself in the idea that we are at least going to establish . . . a framework so that American troops can be withdrawn with honor?” he asked.

Abizaid responded that he believes that in 2005, Iraqi security forces will take the lead against the insurgency. “It remains to be seen,” he said, whether they’ll be able to do that in the toughest areas, but, he said, they are fighting. Later, he added the caveat that all this is being done in a war, and that “unexpected circumstances” can occur that can knock out even a well-trained unit.

Abizaid also targetted Syria in response to questions. He acknowledged

that Syria was trying to do something to stop infiltration across its border into Iraq, but, he said, “I would characterize Syria as continuing to be very unhelpful in helping Iraq achieve stability.”

Wolfowitz Grilled On Pentagon Budget

The debate over what should be considered in the annual baseline budget and supplemental spending bills moved to the Senate Budget Committee on March 1, when Deputy Secretary of Defense Paul Wolfowitz, and other Pentagon officials, appeared before it. Sen. Kent Conrad (D-N.D.), the ranking Democrat on the committee, started out by complaining that the Pentagon has been less than forthcoming about what the costs of the wars in Iraq and Afghanistan are going to be. He also noted that some items in the supplemental spending request, sent up to Capitol Hill a couple of weeks ago, should be in the baseline budget, instead. He warned that if the current practice continues, “that will lead us down a road that is even more unsustainable than our current course.”

Wolfowitz responded to Conrad’s concerns by claiming that expenses such as resettling Army units that have returned from the combat zone, and reorganizing the Army’s force structure into modular brigades, are both unpredictable and combat-related. He added that there’s “an enormous amount of reallocation” going on in budget priorities for fiscal year 2007 and beyond in order to get more money into the Army budget. “Trying to do that for this budget that we’re presenting now . . . would have thrown the whole budget process into chaos rather than help it,” he said.

Bring Back FDR's Democratic Party

by Debra Hanania Freeman

Debra Hanania Freeman is the spokeswoman for Lyndon H. LaRouche, Jr. She gave this speech to the Schiller Institute/ICLC conference on Feb. 20, in a panel with Jeffrey Steinberg and Harley Schlanger.

Steinberg: . . . Many of you probably recall, that in September of last year, at the annual Labor Day conference, Debra Freeman, Harley Schlanger, and myself presented a political battlefield report, on the state of the Presidential election campaign, the state of affairs inside the Democratic Party. Since that conference, the U.S. political situation has gone through a number of rather dramatic—I'd say revolutionary—changes. And this panel discussion this morning, is going to present you with an overview of those developments. The title of this session is "Bringing Back the Democratic Party of Franklin Delano Roosevelt." . . .

Freeman: Thank you and good morning to all of you.

As Jeff said, the last time that we met here—it's really, in some ways hard to imagine that it was less than six months ago. But, it was a Labor Day weekend conference. We had just come out of a very significant intervention in the Democratic Convention. And I just want to remind people what the situation was during the course of that convention. We went in there, with about 100 members of the LaRouche Youth Movement. And we met a Democratic Party that was in complete chaos. They had no platform to speak of. The convention itself got more boring as it proceeded. And it was without question the case, that the activity of the LaRouche movement, the singing of the youth, and most importantly, the saturation of the city of Boston with Lyn's Platform statement, really became the basis for any legitimate discussion that went on there.

Again, immediately following the nomination of John Kerry, Lyn announced the formation of the LaRouche PAC; he endorsed Kerry's campaign, which, for those of us who have been associated with Mr. LaRouche over the last decades, was an unprecedented move. It was particularly unprecedented, because at that time, Kerry wasn't doing very well. His campaign was somewhat without direction, he didn't have a clear message, and the Democratic Party simply was not in very good shape. But, Lyn made very clear that his endorsement was based, not so much on the positive qualities of Kerry, as it was on the fact that Kerry represented the only viable potential against something that was just incredibly dangerous, for our country and for the world.

But, Lyn also made very clear, that we would have to transform the Democratic Party and the Presidential campaign.

Shifting the Focus of the Kerry Campaign

Now, when we met here, over that Labor Day weekend, Kerry's campaign was as big a mess as it was immediately following Boston. But something promising had occurred: While we were meeting, there was a story that leaked in the national press, that we knew more details of at the time, that a shakeup had occurred inside the Kerry campaign. And that the people who were previously running his campaign, people who had been formerly associated with Sen. Edward Kennedy, were being moved out of positions of power, and that, in fact, former President Bill Clinton had intervened and had moved in a team of people who had been referred to as "Clintonistas." And that what we were going to see, was a very different campaign.

Now, I can tell you, from our perspective that that was a positive move, and it was positive for a number of reasons:

But most importantly, was that Lyn has had a significant influence on the Clinton faction of the Democratic Party over the course of the decade. And we knew that, in fact, it was Clintonistas running the Kerry campaign—well, it would be wishful thinking to assume that they were going to do exactly what Lyn said!—but that Lyn’s voice would be heard. It was also extremely important, because, although Kerry had been very open to us, and had probably performed best during the course of the New Hampshire primary campaign, it was also the case, that the Kennedy group inside the Kerry camp was giving us a very hard time.

Now, there were also complicating factors that occurred, during the course of our conference. One complicating factor, was that President Clinton was diagnosed with a heart condition that required surgery. That took him, a little bit, out of the fray. And that was unfortunate. But, the fact of the matter was, that we knew that he was in touch with Kerry; his people were in place; and we had a day-to-day role in Kerry’s campaign.

It was an *extremely difficult situation*. And a lot of that difficulty was caused by Kerry himself, because, rather than doing what he should have done, which was to just move the Kennedy guys out of there—because they were incompetent, at best—he kept them there. And anyone who visited Kerry’s headquarters in Washington had the feeling that they were entering an armed camp. There was one group on one side and another group on the other side. And the debate over what the focus of the campaign would be, really never stopped. There were many people who thought—largely the Kennedy grouping—who felt very strongly that the message of the campaign should be an anti-war message.

Lyn intervened very forcefully, and made the point that the people who were against the war, were against the war! They didn’t need any more convincing. And those people were likely to come out and vote. But, the problem that we had, was that we were entering a Presidential campaign with a Democratic Party that had been dormant for over five years. The Democrats that we knew, had never recovered from the atrocity of the Y2K Presidential election!

And it was really hard to tell the difference, between Democrats and Republicans. You still had a prevailing view, inside the Democratic Party, that minorities were an unreliable constituency, and that the people whom we had to focus on, were the same people whom Al Gore focussed on in the Y2K election. And, I remember being at an event where Terry McAuliffe spoke, and people challenged him, on what he planned on doing differently than had been done in the year 2000. And what he said was, in the year 2000, we really concentrated on Soccer Moms. And this time we’re going to broaden the net. We’re going to reach out—to SUV Dads.

And I started to get a stomach ache—as did many other people!

But, the whole question of not only how you win a campaign, but what it is that needed to be done in our country,



Debra Hanania Freeman: “We have to do the equivalent, of rendering the Bush Administration a lame-duck administration.”

and what had to be offered to the population, was the question on the table.

And the fact is, that Lyn intervened, and Lyn intervened *powerfully*. Immediately following the convention that we had here over Labor Day, Lyn issued two critical statements: One was “How to Campaign for Kerry,” and the other was, “Had I Not Been Excluded.” In those statements, Lyn made very clear that the issue on the table, was the issue of the U.S. economy. And that Kerry was going to have to transform his campaign and transform himself, and reach out to that vast portion of the U.S. population that, in fact, was *not* likely to vote. And Lyn continued the theme that he had developed at that ICLC Labor Day conference: *That we had to go out there, and organize a landslide*. That we weren’t organizing for a “51% win” over Bush. That we had to mobilize the U.S. population, but that in order to do that, you had to *give people something to come out for*; and that the Democratic Party was going to have start acting like Democrats! That 80% of the U.S. population was unrepresented, and that it was a moral obligation—not simply a campaign tactic—to represent them.

And that was what *we* did, during the course of the Presidential campaign, and *we did not let up*.

We didn’t have the forces to intervene everywhere in the nation. We would have, if we had had the forces—but we didn’t. What we did, in coordination with like-minded people inside the Democratic Party, was to concentrate our efforts in key places, where we knew we could make a difference, and places that we knew were critical to the outcome of the election.

One place that became a showcase of our efforts, and the efforts of the LaRouche Youth Movement, was the state of Ohio. And it was indeed the case, that Ohio became the paradigm for the nature of the national campaign. We were not the only people organizing in Ohio, but there is no question, that we had the decisive influence in the state.

And not too long into the post-Labor Day campaign, the

idea of organizing for a landslide began to catch on. But the reason that it began to catch on, was because our intervention on the ground, around the question of the U.S. economy and around the question of returning the Democratic Party to the principles of FDR, as Lyn defined them—as Lyn *uniquely* defined them—was sufficient to inspire the people whom we were reaching out to, and the people that they were reaching out to.

We reissued Lyn’s Democratic Platform, which had been previously been put out as a LaRouche in 2004 document; we reissued it as an LPAC document. Lyn commissioned a second pamphlet, which was called “It’s *Still* the Economy, Stupid!” And that came out on Sept. 22. And we flooded the nation with this material. The LaRouche Youth would not compromise, on the key points of the campaign.

As we got close to the election, we knew that we had done *our* job. As for John Kerry? Well, sometimes he performed very well. And sometimes, he performed very poorly. He made mistakes. But, the one thing that we knew, was that both John Kerry and John Edwards had been very seriously affected, dramatically affected, by our mobilization. They also—and I think that in a certain sense, this was more the case for Kerry, than it was for Edwards—Kerry was genuinely affected by what he saw when he campaigned across the United States. John Kerry has been in the Senate for a long time; and he’s rich, and he comes from Massachusetts. And, you put all that stuff together—and I would have never said it during the Presidential campaign, but it was true—he didn’t really have a sensuous view of what the condition of the U.S. population was. But, when he went out there and campaigned, he actually saw it. And because he’s a decent person, he responded to it. And the fact of the matter is, that the John Kerry who went to the polls on Nov. 2, was not the same John Kerry whom we met at the convention just a couple of months earlier.

One of the things that had gone on in the period leading up to the election, in addition to the programmatic intervention that Lyn repeatedly made, is that Lyn, consistently, was trying to make clear to the people that we were working with, what they were up against. I think everybody remembers the effect of Justin Frank’s book and Justin Frank’s interviews.¹ And Lyn repeatedly made the point that when you were looking at Bush and Cheney, that what you were looking at was a psychopath and a sociopath. And that that wasn’t hyperbole: It was a clinical assessment of what we were dealing with! And that was important on two counts: One, is that people had to understand the existential nature of the need to defeat

1. Dr. Justin Frank, M.D., is a practicing psychoanalyst in Washington, D.C., and is on the faculty of the George Washington University Medical School. He authored *Bush on the Couch—Inside the Mind of the President*, which was reviewed in *EIR*, Aug. 20, 2004. An interview with him appeared in the same issue, and another interview was in *EIR*, Feb. 4, 2005, following the President’s State of the Union speech.



John Kerry campaigning in Ohio, May 2004. When he got out of the circumscribed environment of the Senate and travelled around the country, he found out what the condition of the population really was, and responded to it positively, with LaRouche’s input.

these two; but it also was extremely important in understanding how far they were prepared to go.

Suppressing and Stealing the Vote

And in the period immediately prior to Nov. 2, the fact that they were engaged in a massive attempt to intimidate likely Democratic voters, was inescapable. And part of the problem, was that, while we had sufficiently mobilized one section of the Democratic Party, the party as an institution was not prepared. And when Election Day came around, the worst-case scenario really was borne out: Ohio became a national spotlight, because it was so hotly contested. But, Ohio was not the only place that voter suppression kicked in. And it *was* massive.

Looking at the situation today, and looking back, there is absolutely no question, that, had we conducted fair and honest elections, had there not been a criminal attempt to keep people from the polls, and had there not been significant and documentable irregularities at the polls on Election Day, George Bush would not be President of the United States, today.

The propaganda that you read in the aftermath of the election, something that we exploded very effectively, and I’ll get to that in a minute—but the propaganda that you read is that George Bush will say, that he had a mandate going into this election; that more people voted for him than any President since—I don’t know who; whoever. (That doesn’t really make for a good speech. You can’t say, “More people voted for me than whoever.” But it was the case.) But it was also the case that more people voted for John Kerry, than had voted for any previous President. *We had* mobilized the population.

In places like Ohio, people stood on line for hours, and hours, and hours, to cast their vote! The same was true in

many other states—in Florida, in Pennsylvania, across the Midwest. We *did* mobilize people to come out and vote. And the fact that we mobilized the numbers that we did, *despite* the voter suppression, was startling.

But, the fact was, that it was not enough. It wasn't enough to overcome the voter suppression, and it was not sufficient to deal with something that I think many people in the United States did not calculate, which was the absolute insanity of the U.S. population in certain areas. One of the things that the Bush crowd used to mobilize people were the churches. And in many communities—and we have to be clear on this—this was a campaign of *raw fear*. Because of the overall collapse of many institutions in the United States, particularly in more rural areas, the fact is that the church is still the principal social institution. And the pressure, coming out of these fundamentalist churches to vote for Bush, was enormous. There was also a mixed message, coming out of many black churches, and we should be honest about it. The Bush apparatus had poured billions of dollars, via the Faith-Based Initiative, into black churches across the United States. And while I didn't get any word of any black churches mobilizing people to vote for Bush, they were perhaps not as enthusiastic as they might have been.

Post-Election Collapse

The fact is, the election was, until the wee hours of the morning, too close to call. The next day, Kerry did concede the election, against our advice and against the advice of Bill Clinton. But worse than Kerry's concession, was the fact that the Democratic Party was in a complete state of despair.

People had worked hard for the election. But the fact is, they started too late. And I think that probably the most important reflection that day after the election, was the statement that Lyn had put out on Sept. 11th, which was "Had I Not Been Excluded." If Lyn *had not* been excluded, if Lyn had been permitted to participate in the Democratic debates, if the Congressional Black Caucus had not acted like a bunch of stupid prostitutes in that first debate that took place at Morgan State [University], where they excluded Lyn, then the fact is, that Lyn's influence would have asserted itself earlier, and all the voter suppression in the world, would not have allowed Bush a shot at the Presidency.

The day after the election, people were talking crazy! Some of the most combative people during the course of the campaign, people like James Carville, were going on national TV saying crazy stuff! About how Democrats lost because they didn't talk enough about "values," and—. What "values"? I mean—you're going to talk to me about George Bush and "values"? He has the values of a Nazi Stormtrooper! If that had just been said directly and straightforwardly, very early on, that would have been the end of the discussion about "values." No one is going to convince me, that George Bush became President because people were upset about gay marriage. Hell! I'll support gay marriage. They ought to get mar-

ried and stop screwing around! It would bring the AIDS rate down significantly! There's nothing wrong with monogamy! (I'm kidding—I always forget that I'm Lyn's spokeswoman.)

I think one of the big ironies of this is something that—I don't know how big a story this is outside the Beltway, but inside the Beltway, one of the big scandals of the day, is the role of this character Jeff Gannon, who's—I mean you want to talk about gay marriage; that's a good reason why you should make gay marriage legal! This guy was planted in the White House press corps to pitch softballs to Bush. There's other stuff that could be said about him. But, one of the things that came out, when he was exposed, was that not only was he not a legitimate journalist, but he runs five gay porn sites! They all have titles that would lead you to believe that they're kind of "military newsletters." And they are—you just have to picture, remember those photos of Sly Stallone with the bandoliers of bullets. Well, just picture him that way, not wearing anything but the bullets! So, much for the great Christian values of the Bush Administration.

LaRouche's Crucial Nov. 9 Webcast

But, getting back to matters of importance: Anticipating that Lyn's intervention would be critical regardless of who won the election, we had already scheduled a webcast in Washington, D.C. for Nov. 9. And it was actually at that point, that Lyn made an intervention, that I think determined everything that has occurred since then. The fact was, as I said, the Democratic Party was in very bad shape: Kerry had already conceded, and was virtually in hiding at the time. And when Lyn took the podium on Nov. 9, he was absolutely combative and unequivocal. And he stepped forward into a leadership vacuum.

People who had fought valiantly during the course of the Presidential campaign, were nowhere to be found! The people who were visible, were saying things that were stupid. Lyn stepped forward, and Lyn made clear, that the voter suppression that had been carried out in the campaign was nothing less than a coup against the U.S. Constitution. And he was absolutely emphatic on the point. I really can't stress to people enough, how important Lyn's intervention was.

People who were upset about the voter suppression, were screaming "vote fraud" at the time. And the fact is, that to have proceeded on the question of vote fraud itself, would have been a catastrophe: Because, while there were significant irregularities, and while those irregularities were well-documented, the fact of the matter is, that what we knew—and also what John Kerry knew—was that *you could not document sufficient irregularities, to change the outcome of the election.*

There were also other tactical issues which were involved, which is, that if you take up vote fraud, if you're going to fight for discrete votes in discrete areas, then you're forced into state courts, and you're arguing, not based on a fundamental principle, but on a point of discretion. Lyn's point, was that what there was sufficient evidence of, was voter suppression,



Lyndon LaRouche addresses a Washington webcast on Nov. 9, giving the moribund Democratic Party its marching orders: fight on the crucial Federal civil rights issue of voter suppression (not vote fraud, an unwinnable fight); and counter the Bush Administration's drive to fascism by defeating Social Security privatization.

that these were *Federal offenses*. And they were Federal offenses, the penalty for which was jail time. And that, if in fact, we were going to maintain any credibility among our constituents, *that was the fight that had to be made*. And Lyn just refused to back off.

You had two different views that we were dealing with: One view, was among people who were well-meaning, but just thought in the wrong way: They weren't good strategic thinkers; they weren't good military leaders. And they were talking "vote fraud." And the fact is, it was a losing effort! We would have found ourselves counting chads, as we had in the year 2000, and essentially you would have put yourself in a situation, where, once again, you would have to deal with a Supreme Court whose general inclination was clear.

But, approaching it from Lyn's standpoint, we were doing something much different: One, it was something that actually could be documented, it was a fight that could be won. It was also an issue that had to be resolved. Not because it would change the outcome of this election, but because it was critical for all future elections.

And it also was a point of principle.

Lyn also anticipated that telling the truth on this would drive Bush into a wilder frenzy, than he was already in. But, what Lyn said, at the webcast—just to remind people—he said, "We have them dead to rights on violations of Federal law, on Voting Rights Act violations. That is a crime. That's

a five-year Federal sentence, once someone is caught committing that crime. Simple vote fraud is more difficult to deal with, but if you go at the Federal criminal violations—Federal criminal violations—in terms of election tampering and in terms of Voting Rights Act frauds, then you open up the whole area. You have to investigate the whole territory in which these crimes have been committed. Which means that the entire question, the larger question, of the vote fraud, has to be considered."

And again, Lyn would not back off on this. Lyn continued to charge that the Republicans had carried out a "not-so-cold coup" against the Constitution. At the same time, Lyn identified that their willingness to tear up the Constitution in this area, would also extend to other areas. And at that Nov. 9 webcast, Lyn identified what was a little-known fact, which was Bush's plans to rip off Social Security through privatization, as the second major focal point of a mobilization that was necessary to salvage the country. And Lyn, again, asserted over and over again, the danger that an insane second Bush Administration posed.

And it was at that Nov. 9 webcast, that we put on the table the facts of the rip-off that Bush was proposing. Now, I'm not going to go into the facts of the Social Security campaign. But, it was on that day that Lyn kicked this effort off. And, literally within hours of Lyn's statement, the fight was on.

Congressmen Take on Voter Suppression Fight

It took a few days for people to kind of gather themselves, but the question of voter suppression became the battle of a group within the Democratic Party that was prepared to fight. Michigan Congressman John Conyers, who is the dean of the Congressional Black Caucus, and who is also the ranking Democrat on the House Judiciary Committee, took the point on this question. He and about a dozen other Democrats—actually 11 other Democrats who served with him on the House Judiciary Committee—sent a letter to Ohio Secretary of State Ken Blackwell, asking Blackwell to cooperate with them in investigating irregularities that had occurred in the Ohio election. Needless to say, Blackwell was not inclined to cooperate.

Congressman Conyers' pleas to the Judiciary Committee went unheeded, and it was very clear, both on the House side and the Senate side, that there was going to be no collegiality in this new Congress. Democrats were denied a voice, at every point. The Republicans engaged in a purge of their own ranks, and it was made clear that *no* opposition would be tolerated. We began to hear talk of something that was called "the nuclear option." On the Senate side, there were threats of rules changes to stop any potential filibusters.

And Conyers did something, which without question was borrowing a tactic that we had used repeatedly—and which set the tone for much of what happened afterwards—which is, Conyers said, that if the Judiciary Committee as a whole



Rep. John Conyers (D-Mich.) chaired a de facto Congressional hearing on the Ohio elections on Dec. 8, after the Republicans failed to respond to Democrats' request for an investigation of election irregularities and voter suppression.

would not conduct an investigation, then the Democrats would. And on Dec. 8, Conyers held what was called “a Congressional forum”—but it was a hearing. And what was put on the table were *volumes* of evidence of voting irregularities, of voter suppression, of voter intimidation. The LaRouche Youth Movement played a very significant role in those hearings. Conyers announced at the close of those hearings, that the same group would travel to Ohio a few days later, to conduct yet the next round of investigations.

Now, interestingly, the very same day that Conyers was holding hearings in Ohio, we started to see action on the Senate side of the U.S. Congress. Sen. Byron Dorgan, who chairs the Senate Democratic Policy Committee, held a press conference in the Capitol, in which he announced that Democrats would act on their own to carry out their responsibility of oversight and investigation, wherever and whenever Republicans attempted to block Congress from carrying out their Constitutional responsibilities.

Now, some of you here remember, that when Lyn was in jail, and we were fighting to get him out of prison, and then when he was out of prison, and we were fighting to expose the political assassination bureau that operated inside the Department of Justice, we tried to get the U.S. Congress to exercise its oversight responsibility. When they refused, we went ahead and we did it without them: We convened a panel. In our case, it was not a panel of Congressmen; it was a panel that consisted of former members of Congress and state legislators, who essentially carried out a responsible action, where the Congress was not prepared to do so. And we held hearings, on Department of Justice misconduct—not simply in Lyn’s case, but in many cases. And to this day, there are many people who still discuss those hearings.

We did the same thing during the Y2K election: When Al

Gore and the Democratic Leadership Council refused to allow Democratic Party platform hearings, *we* convened platform hearings.

The success of that tactic in mobilizing the population clearly impressed members of the Congress who were prepared to fight. And it was interesting, because all previous arguments that had been put forward—and many of you here have been involved in lobbying; many of the legislators who we work with have fought very hard for policy initiatives in the House and in the Senate. And very often, the response would be, people shrugging their shoulders, and saying, “Look it’s not like I disagree with you. I happen to agree with you, I happen to think you’re right, or I at least think this is worthy of discussion. But, you know, we’re in the minority. We don’t have the votes, there’s really nothing we can do about it. So, we’ll just roll over, or bend over, and hope for lubrication.”

But there was none of that. There was none of that in December of 2004. And what became clear to us, was that at least on one level, Lyn had won the argument. And that the Democratic Party that we were looking at, was not the same Democratic Party that we had seen just a few months earlier.

And make no mistake about it: That was a result of Lyn’s efforts. It was a result of an on-the-ground mobilization by the LaRouche Youth Movement.

It also was a result of the intensity of the crisis. And of the bare-knuckle willingness to impose a fascist policy, that was emanating from Cheney and from Bush.

We continued to fight in this way. And there was no question that, as our mobilization continued, the recognition that Cheney and Bush were moving for a coup against the U.S. Constitution, for a regime change in the United States, became more and more apparent. And the harder we fought, the more they were drawn out.

No Mandate for Bush

When the Electoral College met on Dec. 15, four states—Massachusetts, Maine, Vermont, and California—took action questioning the validity of the electoral process, and urged Congressional investigation. The Maine Electors passed a resolution that said Maine’s four electoral votes are meaningless, if our sister states cannot hold elections that are fair, accurate, and verifiable.

And the pattern of voter suppression continued to be compiled, and it *was* astounding. There was no question, that in order to maintain the integrity of the electoral process in the United States, in order to prevent a reflex reaction of despair and cynicism by U.S. citizens, that these Federal crimes had to be presented, to a Joint Session of the U.S. Congress.

Now, some of us have been there before. During the 2000 election and its aftermath, we mobilized for a challenge to the certification of Bush, based on two things: based on allegations of vote fraud in Florida, but much more importantly, based on the fact that Bush had indicated his intention to



The LaRouche Youth Movement rallies on Capitol Hill on Jan. 6, against certification of the Presidential election.

appoint John Ashcroft Attorney General of the United States. And Ashcroft was on record, as having opposed critical components of the U.S. Constitution. In fact, he had said publicly on more than one occasion, that he preferred the Confederate Constitution, to the Federal Constitution.

But what happened in 2000, as people remember, was that although we had run a very significant mobilization, we weren't strong enough to actually push the thing through. And in 2000, although members of the Black Caucus got up, one after the other, and challenged Bush's right to the Presidency, they didn't have a Democratic Party behind them that was prepared to fight. And they could not find a single U.S. Senator, who would actually endorse their insistence that a debate be conducted. The day before the certification of the Electoral College vote was to be held [this year], Lyn did another meeting in Washington, D.C. The stage was set for the greatest battle that this nation had yet to face. There was a spark of fighting spirit among the people that we were working with, but there was also still a great deal of demoralization. And the Bush-Cheney Administration was becoming increasingly nasty.

But once again, Lyn took the point. And Lyn's message in a very uncertain situation, rang out clearly. People from Capitol Hill asked him, how far it was wise to go. And Lyn said, very clearly, "We are now at the point when the lower 80% of our people are about to lose everything. They are about to lose it all. Either you fight now, or you just ain't human any more. This is an opportunity to fight. It's the

best one you've ever had. So, let's fight and let's take it back. Let's beat these guys on the question of Social Security, on the question of voter suppression. Go for the gut, get them out and show people you have the courage to fight. And then, maybe—just maybe—they'll have the courage to join you in supporting the fight. I'm telling you today, that that is our only chance."

When we left that meeting, everything was still uncertain. The Democrats had possibilities—and when I say "the Democrats" I mean the Democrats from Ohio and the Democrats who had fought with John Conyers of the question of voter suppression—they had possibilities of U.S. Senators who would join with them, but nothing was definite. And John Kerry made the decision, not to attend the Joint Session, and instead was touring the Middle East. Some people were targeting Obama from Illinois, but he was a freshman Senator, and there were tactical reasons why it probably would not have been best for him to be the lone Senator to stand in this fight.

The decision was made literally hours before the Joint Session of Congress convened. And on Jan. 6, when they did convene, it was really clear: Lyn's influence in the party was stronger now, than it had been four years ago. We had organized leading Democrats across the nation, to understand that this *was* the point, where they had to either fight, or die. And we knew, going into Jan. 6, that no matter what happened, we didn't have sufficient forces, or sufficient votes, to stop Bush's certification. But, what we did know, was that if, in fact, we



Ohio Congresswoman Stephanie Tubbs Jones (right) on Jan. 6 made her historic objection to the certification of the Nov. 2 election, at a Joint Session of Congress. She was seconded by Sen. Sen. Barbara Boxer of California (left).

forced the issue during the Joint Session, that the synarchists would be put on notice: That if they wanted to attempt a coup against the Republic of the United States, that that coup would not be a cold one, and that they'd better be prepared for a fight.

And on Jan. 6, they got that fight. And Congressional Democrats met Lyn's challenge, and in an historic event wiped out, once and for all, the illusion that George Bush had a mandate. Barbara Boxer was the lone Senator, who endorsed Stephanie Tubbs Jones's call.

And I have to tell you, one of the things that we were told afterwards, was once the Republicans had been informed that Boxer was going to sign the resolution, which mandated a halt to the certification process—for people who know the procedure, and some people here know it, because you were through it, but some don't: Once a challenge like that has been made, by a member of the House and a member of the Senate, the Joint Session is brought to a close. And the two Houses of Congress have to convene separately for two hours of debate, before they reconvene in Joint Session.

When the White House was informed that Boxer was going to sign the resolution, Dick Cheney, who as President of the Senate would be presiding over the Joint Session, announced to the people gathered in the White House that he wasn't going to do it! As a matter of fact, the quote that we were given, was, that his response was, "Fuck 'em! I have the podium. I have the gavel. I'm going to rule it out of order."

Now, nuclear option is one thing, but this is very clearly spelled out in the Constitution. And the White House lawyers went crazy! And they said, "No, look, you can't do that. You can do a lot of things, but you can't do that. If you do that, you will set off a Constitutional crisis, that even our Supreme Court is not going to be able to see us through." So Cheney finally relented, but you could see him *fuming* at the moment that Barbara Boxer rose to endorse a resolution that had been raised by Stephanie Tubbs Jones. And, we learned—not surprisingly—but, we learned that the pressure that Boxer had

been put under, and that other U.S. Senators had been put under, was absolutely excruciating. It was an outright thug attempt to stop the debate. *But the fact is, that the debate took place.* And it *did* crush the illusion of the Bush mandate.

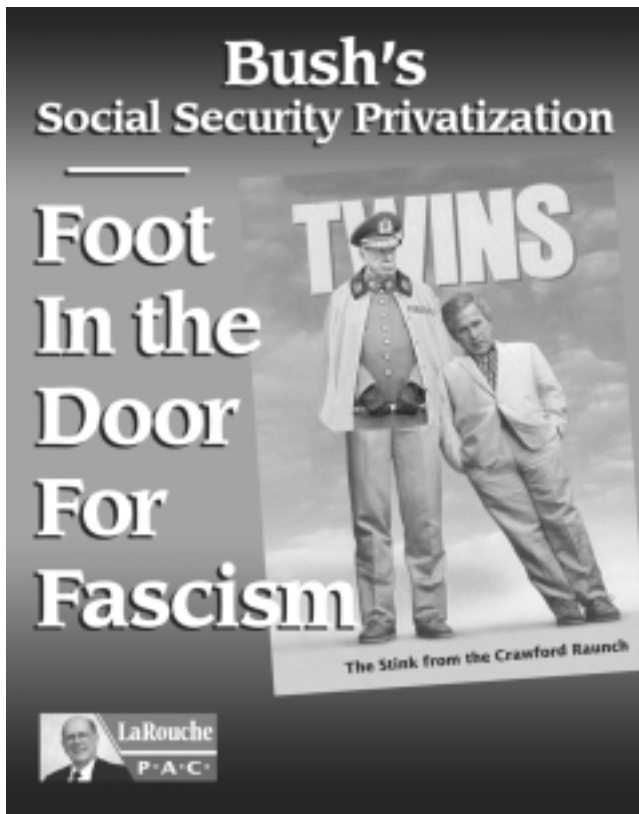
A Revolution in the Democratic Party

And, the fact is, if we had a fight prior to Jan. 6, what happened after Jan. 6, was *nothing less than a complete revolution* in the nature of the Democratic Party in the United States. And there is also *no question*, that this was made possible by Lyn.

Where did they get the courage to do it? Well, one place that they got the courage, was as a result of what Lyn did on the Social Security fight. Because, from Nov. 9 on, we wouldn't let up on this issue. And what we identified, was that Bush's plan to privatize Social Security was not about privatizing Social Security: that it was about stealing the money.

And we scandalized the fact, that the *idiots* around George Bush—and they were idiots—. See, the point is, that when you're crazy and evil at the same time—and also stupid on top of it—you make mistakes. And what these guys *insisted* on doing—from the tactical standpoint, it was the stupidest thing they could have done!—they kept insisting that model for Bush's privatization plan was the Chilean Model.

Now, there were two things about the Chilean Model that were important: One, is that was an abject failure, and that it thrust retirees in Chile into desperate poverty, and placed an enormous burden on the Chilean government. Because people who would normally have had access to retirement funds, were instead forced onto the equivalent of welfare, in a developing sector country. That was one reason, why it was silly to keep citing the Chilean Model. But, there was also another reason, and that was the fact—which Bush and his friends at the Cato Institute failed to tell people about—that the only way the Chilean Model was implemented, was on the heels



The LaRouche PAC circulated 600,000 copies of this pamphlet on Bush's Social Security privatization scheme, transforming the political debate in the country. The pamphlet is now in a second edition.

of a fascist coup! It took Augusto Pinochet, and the immediate disappearance of approximately 50,000 Chileans, to implement the Chilean Model in Chile.

And one of the things, that I would remind people of here, is that Bush and Cheney, ain't no Augusto Pinochet. And this ain't no Chile!

And by *their action*, the question was put on the table. People had to choose, which tradition they wanted to follow, the tradition of Augusto Pinochet? Or the tradition of FDR? And that was what Lyn continued to hammer away at.

We put out 600,000 copies of the pamphlet that identified Bush's privatization plan as a "foot in the door to fascism." And I tell you something, I don't know how many members of Congress actually read the entire pamphlet. But the cover of the pamphlet was sufficient to say it all. And, actually, if people aren't familiar with it, we can show you some over-heads just to remind you. But, it really did define the fight.

Breakout of the Fight Against Social Security Privatization

And on Jan. 27, in what was really a delightful day, you had a coordinated effort coming out of a couple of different

places, to put the question of the Chilean Model on the table. That morning, the *New York Times* came out with a front-page story analyzing the Chilean Model, and everything in that article, although it never mentioned Lyn's name, came directly out of our pamphlet. That evening, national ABC News, in citing the *New York Times* article, introduced it by saying, "borrowing a page from Lyndon LaRouche," etc., etc., etc.

Now, when I heard that, I almost ran my car off the highway. Why? Because, it was the first time in two decades, that I had heard LaRouche's name in the national media, where they correctly identified that his first name was "Lyndon." Even Lyn's mother thought his first name was "Political Extremist"! And that his nickname was "Perennial Presidential Candidate."

While ABC was making its broadcast, an old Democratic Party fighter, who doesn't always observe the rules and who's a little unpredictable, by the name of James Carville, appeared on "Crossfire." And Carville was like an attack dog. He would not stop! He was on there with [Robert] Novak, who kept raising various questions about the emergency in this Social Security fund, and Carville—who sometimes appears to be autistic; he just repeats the same thing, over and over—he just kept saying, "That's not the question! I don't want to talk about that! What I want to talk about, is that you support Pinochet. I support FDR. That's the issue! That's the only issue!" And James was right, that really was the only issue.

I can't impress upon people enough—remember it was just a short time ago, that this Democratic Party, under a different leadership, was insisting that if Democrats wanted to win elections, and that if Democrats wanted to be a viable party in the United States, that it was time to abandon the tradition of FDR. That Franklin Roosevelt had been dead for decades, and it was time to drop it, and to move on! And look at what Lyn accomplished, in such a short period of time!

Following that Jan. 27 intervention, on Jan. 28, the Senate Democrats held hearings, just as they said they would, on Social Security privatization. They carted out members, employees of the Social Security Administration, who had been forced to break the law, and lie, in an attempt to sell Bush's privatization plan. James Roosevelt, who was not only the grandson of Franklin Roosevelt, but who had also served in a key post in the Social Security Administration as an administrator during Bill Clinton's Administrations, testified—and put Bush on notice that he should stop using his grandfather's name; but, also identified the lies that were being told by the Bush Administration.

One Feb. 1, a strategy session was held by the people on The Hill, who were coordinating the Social Security fight. And they adopted exactly the prescription that Lyn had insisted upon: They stated unequivocally, that they would not be lured into proposing alternatives to meet a crisis, *that did*



Senate Minority Leader Harry Reid (right) led a group of Senators in a press conference at the FDR Memorial in Washington on Feb. 3, upholding Roosevelt's Social Security program against Bush's drive to dismantle it.

not exist, except for Bush's planned thievery. And we should be clear, that the crisis in the Social Security Fund that Bush talks about, is a crisis that is only apparent, because of Bush's intention to default, on trillions of dollars in Federal Treasury bonds. Without a sovereign default of the United States, while there are problems in the fund that are caused by unemployment and underemployment in the United States, it's really nothing that can't be dealt with.

Following that strategy session, the Democrats adopted a policy of outreach to the U.S. population. They pledged to hold town meetings in cities across the United States. Within hours, Democrats who previously had been associated with the Democratic Leadership Council, Bruce Reed and Gene Sperling, who had indicated some wishy-washiness on this issue and who had indicated that they were willing to "discuss alternatives," quickly changed their tune, and announced that there would be no compromise and no discussion on this question.

On Feb. 3, Democrats from both Houses rallied on the steps of Capitol Hill to stand up against privatization of Social Security. And that afternoon, Senate Democratic Minority Leader Harry Reid, and the chairman of the Democratic Senate Campaign Committee Charlie Schumer, marched from Capitol Hill to the FDR Memorial, and invoking the spirit and tradition of FDR, released a letter that had been signed by leading Democrats in the Senate, putting Bush on notice, that there would be *no* discussion, until he stopped lying.

After that, there really was no question, that Lyn had won the argument, and that the Democratic Party with all of its problems, with all of its wrinkles and blemishes, was operating as the party of FDR. It was virtually a miracle that Lyn

pulled this off. When you see up close, what these guys were like four years ago, what they were like just prior to the Democratic Convention, and what they were like on that day—it's enough to make you religious.

There were other major developments that occurred that also bore Lyn's stamp. The remarks by Bill Clinton at the Davos meeting, where Clinton again raised the issue before an international audience of the need for a new financial architecture. The remarks by Steven Roach at Davos; Bob Rubin speaking in Washington, just prior to the G8 meeting. All of a sudden, not only was the question of Social Security on the table, but what was also on the table, was the fact that we were facing a global financial crisis, and a potential meltdown of the system. Rubin insisted, that if Bush pursued his policies, that it would lead to a dramatic collapse of the dollar, and that *no* nation would be left standing. Just before we met this weekend, if people had any idea that Bush was going to back off, the absolutely insane testimony of Alan Greenspan before the U.S. Congress made clear that they intend to pursue this question.

There are certainly other discrete instances that I can tell you about. I very quickly glossed over the shift that's taken place. And certainly, there are shifts in other areas, as well. But, I tried to give you a sense, in the course of my remarks, as to how Lyn intervened with a specific focus, and unrelenting focus, and how we came to where we are right now.

LaRouche's Indispensable Leadership Role

But, it does also put a question on the table: And that is, what is this Social Security fight really about? Because, I'll tell you, without Lyn's intervention and without Lyn's leader-

ship—as good as it looks right now—if I had to bet, I would say that they would screw it up. Because, there’s a fundamental principle at play, which actually determines Lyn’s leadership on the battlefield. The fact is, that Lyn is making this fight, not on the basis of dollars and cents, but on the basis of the principle itself. And on the argument that it’s the responsibility of political leadership to uphold the Constitution of the United States, and the most important aspect of that Constitution is the commitment to “promote the General Welfare” for ourselves and for future generations.”

And what Lyn has insisted, and he’s insisted on this in the Social Security fight, but he has insisted on this overall, is that the issue is not each discrete point. The issue is not one of deciding appropriations, dollar by dollar, and nickel by nickel. And if anything, that actually drags people down. That, what we have to do, first and foremost—we have to do it as Democrats, we have to do it as political revolutionaries, we have to do it as Americans, and we have to do it as world citizens: Is, we have to set a standard. And we have to say, that no matter what, we do not fall below that standard. That’s what the principle of the General Welfare is. That’s what our Constitution promises, and guarantees. And that is what makes the United States unique in the world.

And one of the things that Lyn has talked about, and I think he’ll talk about it more in the days to come, is, he’s talked about transforming the Social Security fight. Because,

in fact, Democrats should not put up some stupid alternative to Bush’s non-crisis. You can’t have a reasonable discussion with a liar. You have to call a liar, a liar, and smack them hard, and tell them to stop lying! But, the fact of the matter is that by way of alternative, we do have to address the fact that this nation *is* in a Depression. And that every aspect of social services are threatened. And one of the things that Lyn is proposing in various discussions, is that Democrats adopt the equivalent of an Economic Bill of Rights, that sets the standard, and identifies that first and foremost, the people of the United States will be protected above all else. And that policies and programs that are adopted, will only be adopted based on the implementation of that standard.

But the other issue, that we want to make clear—and again, this is the difference between Lyn and many of the people who are engaged in this fight on Social Security—we don’t just intend to stop Bush on privatization. What we intend to do, is *to bring this administration to their knees*. And there is no task before us that is more urgent than that. This administration is evil, it is insane; if they are allowed to, they will destroy the United States, and bring the entire world to war.

Do we want to stop the privatization of Social Security? Yeah, we do. And yes, we will.

But, we have to stop this fascist juggernaut. And we have to do the equivalent of rendering the Bush Administration a lame-duck administration.

That’s where we proceed from on this point. That’s the way we continue the Social Security fight. We crush them, in order to pave the way, to allow Lyn to do what only he can do: And that is, to begin to craft a new world order, for this nation and for the other nations of the world, that actually can lead us out of the darkness of this financial collapse, into a period of prosperity. *There is nobody else but Lyn, who can do that*. And it’s our responsibility to see to it, that Lyn has the means and the manpower and the resources to do that. And I really cannot emphasize, to the people gathered here, enough, that it really *is* up to us, and it *is* up to Lyn. There are good developments that have gone on—I’ve identified some of them for you. But, please make no mistake about it: These people are responding to Lyn’s leadership; Lyn has made them better people. But, without Lyn, they will fail.

So, when you go out to organize other people, don’t diminish our credibility by telling people what Harry Reid said, or what John Conyers said, or what Chuck Schumer said, or what this person said, or that person said. It’s irrelevant! These people take counsel and authority from Lyn. And it’s Lyn’s movement that will make the difference in this fight—and no one else’s.

And we are at a moment right now, which is a dangerous one. But it’s also one in which we can actually do what Lyn set out to do in this country some 35 years ago. And there really is no moment, when it’s been more necessary than now. Thank you.

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Hitler on Steroids: Nietzschean Roots Of the ‘Governator’

Harley Schlanger, the West Coast spokesman for Lyndon LaRouche, gave this presentation to the Schiller Institute/ICLC Presidents’ Day weekend conference on Feb. 20.

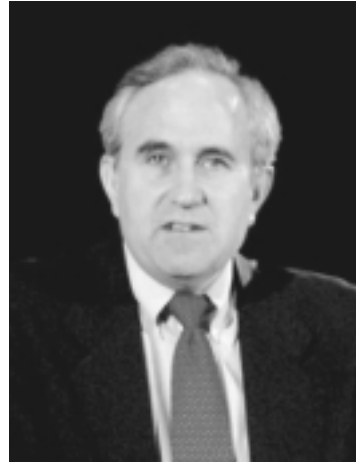
In the Summer of 2003, a former child actor named Gary Coleman announced his candidacy for the governor of California. Within days, he was joined by pornographer Larry Flynt and more than 130 others, including a former steroid-popping, female-groping body-builder, and Hollywood action figure, Arnold Schwarzenegger.

As became very clear, this was going to be a very different kind of campaign.

Schwarzenegger announced on Aug. 7 that he would run—not at a press conference, not at a rally, but on the Tonight Show with Jay Leno. Who could take seriously, as a possible governor of the largest state, and the largest economy, in the United States—an economy, that, if California were an independent nation would be the fifth or sixth largest in the world—who could take seriously a cartoonish self-promoter like Arnold Schwarzenegger? A muscle-bound mumbler, best known for growling “I’ll be ba-a-ack!” or “Hasta la vista, baby!” as governor of a state which had been plunged into a deep financial crisis by the crooked friends of Dick Cheney from Enron and the other energy pirates?

On Oct. 4, then-Presidential candidate Lyndon LaRouche issued a statement to explain the Schwarzenegger phenomenon, which Lyn had been onto from the very beginning, including at a very powerful and large rally in Burbank, Calif. on Sept. 11, 2003. But, in this statement, called “Hitler and Schwarzenegger as Beast-Men,” Lyn wrote the following: “Many Californians and others have found it difficult to explain how and why Hollywood geek-act Arnold Schwarzenegger could have become so suddenly a prominent contender in an impromptu race for governor,” LaRouche continued, “They’ve been caught off-guard by Schwarzenegger, because they never really understood how Adolf Hitler came to power in Germany. They’ve overlooked the fact, that Schwarzenegger was chosen for politics, because he is, in real life, the unhuman beast-man, whose role has been his most lucrative Hollywood screen-role. They do not understand what fascism really was, and is.”

This statement was issued just days before the Recall vote.



Harley Schlanger: “With Shultz running the show, if Bush is incapable of presenting the lines well enough, of acting the role, they have Schwarzenegger in the wings.”

And it came on the heels of a massive and highly effective deployment of the LaRouche Youth Movement on the West Coast, the centerpiece of which was a leaflet [shows leaflet with photos of Schwarzenegger and Adolf Hitler in twin Nazi salutes]. We distributed over a million copies of this leaflet—maybe one and a half million—not just in California, but nationwide. The “Return of the Beast” with Arnold Schwarzenegger saluting his hero, Adolf Hitler.

Now, at the time, there were many Democrats who looked at this and said [voice dropping to a stage whisper], “Look, I agree with you! But don’t say this publicly; you’ll hurt your credibility!” And what we argued to them, was “No, you’re hurting *your* credibility, by not saying it.” And, as I will present in these next minutes, we were absolutely right. Lyndon LaRouche was right. Those people who did not listen to him, were wrong. And as a result, Arnold Schwarzenegger was elected governor of California, on the way to a possible candidacy as President of the United States.

George Shultz: Aging Nazi

There was one group which took the Schwarzenegger candidacy not as a joke, but took it very seriously, as an answer to the question: “Is there anyone available to replace Gov. Gray Davis, who has the *stomach* to impose the fascist austerity policies which will prey upon the poor, the elderly, the disabled, those unable to defend themselves? Is there someone out there who can do this?” And the leader of this group is George Shultz: an aging Nazi, who, like Schwarzenegger, has a hereditary Nazi background, going back to his father, at the famous 120 Broadway office in New York City, where you had the American faction that worked with London to impose Adolf Hitler in the 1930s in Germany.

Now, Shultz became the co-chairman of Arnie’s council of economic advisors, *and* of his campaign. Shultz has a long history, as one out to destroy the Constitutional republic, that Debra [Freeman] identified as the center feature of our fight: that we’re defending the very Constitution which Shultz has



Gov. Arnie Schwarzenegger visiting the California Speedway on Feb. 27.

been out to destroy. He's the most important architect of the free-trade and privatization policies known today as "globalization." Beginning in his role in the Nixon Administration, where he was one of the key figures in dismantling the Bretton Woods system that Franklin Roosevelt had crafted at the end of the World War II.

On Aug. 15, 1971, Shultz, along with backup from Paul Volcker and Henry Kissinger—two other people who dislike our Constitutional commitment to defending the general welfare—told a frightened Texas macho, John Connally, then the Treasury Secretary, that he had to convince Nixon to end the Bretton Woods system, which, on Aug. 15, 1971, Nixon did. This was followed by Shultz's role at the Azores Conference, to establish the floating-exchange-rate system, today, in place of the Bretton Woods system, which has put the world on the brink of a total financial disintegration.

Now, Shultz was also one of the godfathers of the Pinochet regime that Debra had been speaking about. It was his so-called "Chicago Boys," going back to Milton Friedman, and the Nazi economic austerity policies of the University of Chicago Economics Department—which, by the way, was created in the 1890s to oppose William McKinley's fight for a restoration of the Lincoln tariff. So, the Chicago School goes back to its founding as an anti-American, pro-free-trade center. It was the Chicago Boys who went in and gave Pinochet the model, which was nothing but theft, and brutalization, carried out under a dictatorship, a military dictatorship, to loot the pension funds in Chile, which is now the model of Jose Piñera, and the fascists of the Cato Institute, the Heritage Foundation, the American Enterprise Institute, and their pathetic little promoters behind President Bush's imbecilic plan.

But Shultz also served as a talent scout. He vetted a num-

ber of people who have become prominent figures in this period: Ronald Reagan, for example, who scared a lot of the Wall Street people, especially after his 1976 campaign, when he attacked Kissinger repeatedly. Shultz said, "Don't worry, Reagan is all right."

Now, there are some people who are comparing Arnold Schwarzenegger to Ronald Reagan. Let me just show you one of Ronald Reagan's most famous screen roles [shows movie poster for "Bedtime for Bonzo," featuring Reagan with a chimpanzee]. That was not a campaign picture of Reagan with his Vice Presidential running mate, George Bush Sr.—but rather, his good friend Bonzo, who probably was one of his economic advisors before Milton Friedman.

But, there's a fundamental difference between Ronald Reagan and Schwarzenegger, one that we know, because of Reagan's bringing in Lyndon LaRouche to draft the Strategic Defense Initiative, which Reagan endorsed on March 23, 1983—over the objections of Shultz and Kissinger: And that is, that Reagan's background was that of Franklin Roosevelt and the New Deal; whereas, Schwarzenegger's background, as you're about to see, is Friedrich Nietzsche and Adolf Hitler. And that's a very, very huge difference.

Now, two other people that Shultz vouched for—one was George W. Bush, who in 1998 was still recovering from his cocaine problem. Who was pretty much, a mumble-mouth governor of Texas, who did very little and said very little, except he jogged a lot. In fact, when Bush first became President, he told *Runner's World*, one of the problems he has, is that as President he doesn't get to jog enough. But, in April 1998, George W. Bush went to Palo Alto, Calif., to a salon hosted by George Shultz. And afterward, Shultz said, "I think this man can be President." He was asked, what did he like about Bush? He said, "He has a sense of security about himself." Well, that sense of security and calm, is sometimes called "catatonia." But, it made Bush at least the transitional figure for what Shultz and others intended.

Now, the third person who was vetted by Shultz, was none other than Arnold Schwarzenegger. And Shultz determined, that perhaps Schwarzenegger is the person with the stomach to implement the Nazi policies that Shultz and his friends intend. Other members of this group include Warren Buffett, who many people think, "Well, Buffett is a sort an iconoclast. He's really an interesting guy. He makes a lot of money." Buffett is another predator. Another thief. When deregulation destroyed a number of the utility companies and energy companies and pipeline companies in California, Buffett swept in

to purchase them. And then, backed Schwarzenegger, because a key part of Schwarzenegger's policy, is to revisit the deregulation that destroyed the state. He took Schwarzenegger with him, to meet with Lord Jacob Rothschild and leading British bankers, in order to assure them, that Schwarzenegger would be okay as a future President.

Also in this group, was Dick Cheney. And Enron's Ken Lay, because, at the height of the crisis in California, Schwarzenegger met, at a private meeting in Beverly Hills, with Ken Lay.

When Government Gets It Right

Now, what was the purpose of Shultz in targeting California with a Recall election, and then with the governorship of Arnold Schwarzenegger? Well, California had been built by the great infrastructure projects. It's an example of what happens when government gets it right. When government works with the private sector on infrastructure. This began in the early 1900s: Los Angeles, as many of you may know, is a desert (It certainly doesn't seem much like a desert these days, with the heavy rains we've been having!) But, without water, this part of California could not survive. And it was the projects in the beginning of the century, followed up by those of Franklin Roosevelt, which made the state bloom: water projects, power projects. These were then advanced again, in the 1950s, under Pat Brown—the continuation of the New Deal approach: infrastructure, water, power, satransportation.

And also, education. The development of the University of California system, to provide a skilled, educated workforce. Pat Brown made an important point—and by the way, he's under attack right now. There's a book that came out that said, he was sort of an amiable guy who had no idea of what he was doing, who just happened to benefit from the economic growth in California after World War II. Well, in fact, Pat Brown made a statement which Shultz *disagrees with and fights against*: Pat Brown said, that we're going to attract industry to California, not because of cheap labor and anti-union policies, but *by educating a skilled workforce*.

And that was the basis of the growth of California, the so-called "economic miracle." From 1945 to the 1960s, California became a major auto producer, with tire and rubber, steel, and then aerospace. It was at this time, that the Congress for Cultural Freedom launched the phony environmentalist movement, which attacked those policies, which attacked the FDR policies, of economic development as the basis of serving the general welfare. And it was in California, that the so-called "free-speech movement" began the tree-hugging decade, which targetted and attacked that, at precisely the moment—in 1971—that Shultz went after the Bretton Woods system.

And so, in the 1980s and '90s, there were factory shut-downs. Agriculture shrank in California. And you had, instead, the growth of cheap labor, in tourism, entertainment,

similar kinds of areas, textiles.

And then, in the 1990s, the big gamble, the idea of the "tech revolution," that everyone can become rich because of computers. Computer chips and so-called "information," the Internet Age. And everyone bought into it. And it became a gigantic, speculative bubble. As Lyndon LaRouche had forecast in the early 1990s, this bubble collapsed, officially, beginning in March 2000.

The final straw for breaking California, was the deregulation policy. Deregulation, again, Chicago School orthodoxy—privatization, free trade, and deregulation. Take the powers of the state to regulate away. Supposedly "big government" is the enemy. And the codeword for Franklin Roosevelt, when you hear Rush Limbaugh and these fools babble on, is "big government." Or, as one of the leading imbeciles from this crowd, Phil Gramm, says, "big gu'mint."

And so, they used deregulation to steal whatever else they could. They drove the prices up of electricity. They bankrupted the state. It's estimated, conservatively, that over \$70 billion left California during that period, into the black hole called Enron and the other energy pirates.

And this is what led to the opportunity to change the government, to bring down the elected Governor of California, Gray Davis, in what was a coup! The Recall election was a coup! And they brought in a lot of coup-kooos: the 130 people [running for governor] to clear the way for someone *who never could have won an election on his own, in a general primary*: namely, Arnold Schwarzenegger.

And so, Gray Davis was defeated, in a great victory for Arnold Schwarzenegger.

The one bright spot in that campaign, was the role of Lyndon LaRouche, and the role of the growing LaRouche Youth Movement in California. And I would say, that it was where the LaRouche Youth Movement won its spurs for the first time. The *incredible* mobilization, early morning to late night, day after day; the circulation of tens of thousands of pamphlets; the challenges to Schwarzenegger, everywhere his people showed up.

It didn't escape the attention of the Democratic Party. And while the Democratic Party paid lip service to supporting Davis, a number of them running for President made appearances in California, they showed up, shook some hands, raised some money, and then left town. *We stayed there, on the streets, every single day. Relentless.* And this was clearly taken in by the Democratic Party.

And so, our decisive role was seen in two areas, where we were deployed the heaviest. The Bay Area, which as a Democratic area, might have been won anyway, by Davis, but it was a *significant* victory in the Bay Area. And Los Angeles, where it had appeared as though Davis would lose, we actually defeated the Recall in Los Angeles, where the LaRouche Youth Movement deployed. And this was confirmed to me by several Democrats, that they realized that it



The LaRouche Youth Movement lobbying in Sacramento, Dec. 7, 2004.

was the role of LaRouche and the LaRouche Youth Movement, which was decisive in this part of the state.

What Is Arnold Schwarzenegger?

Well, this brings us to the question: Who—or what—is Arnold Schwarzenegger? Now, in this case, a little biography is useful: Schwarzenegger grew up in Austria. His father joined the Nazi Party as soon as it was legal in Austria, in 1938, to become an official Nazi. And he served in the SA, the most brutal of the units of the Nazis.

After the war, he was a very stern, alcoholic figure, a demanding figure, basically telling Arnold, he's not good enough. Schwarzenegger himself was in trouble quite a bit. He was not exactly a scholar in school. But he was influenced, whether through reading, or just through the environment in his home, by one of the creators of Nazi ideology: Friedrich Nietzsche. And from this attempt to please his father, Arnold Schwarzenegger developed this idea of the Nietzschean "will to power."

Now, you can ask, "Can the son be held responsible for the beliefs of the father?" Of course not—*unless he adopts the father's outlook*. Especially when he is driven by the desire to gain the father's acceptance. And this is the case, in Arnold Schwarzenegger. He sought approval by becoming physically strong. And as he became strong, this strengthened his Nietzschean outlook, this "will to power." That's the young Arnold Schwarzenegger [shows photo of Arnold, as a young body-builder]. You'll notice, he doesn't have the obscenely huge biceps in that picture, but you'll notice how happy he is to get the adoring glances of women.

Now, something that many of you may not know: There is a whole sub-culture in this body-building, which is essentially Nietzschean, not just by implication, but explicitly. And this goes back—Nietzsche could be called the "patron saint of body-builders."

Now, Nietzsche was a leading opponent of the ideas of Friedrich Schiller. Nietzsche promoted the Dionysian concept, that is, the orgiastic, writhing, sexually obsessed approach, which says, "no" to reason, and says there is no higher purpose in life, therefore, everything is permissible; and divides the population into a handful of masters, and the vast majority of the rest of the population as slaves. In *The Will to Power*, Nietzsche wrote, "I assess the power of the will by how much resistance, pain, torture it endures, and knows how to turn it" (that is, the pain and so on) "to its advantage."

Now, this is a quote which appears in a number of weight-lifting manuals. Also, as we saw with "Conan the Barbarian" earlier, the opening of "Conan the Barbarian" includes a quote from the "Twilight of the Idols," another piece by Nietzsche: "What does not destroy me, makes me strong."

This nihilism, that helped *create a Nazi*, was there in Schwarzenegger. So, it should not be surprising, therefore, that Hitler was a major influence on young Arnold.

Now, I'll give you that, in a moment, but I want to make one other point. Because, some people say, "Well, how bad could he be? He married into the Kennedy family? Doesn't that say—? I mean, isn't he open to being a Democrat? Isn't he 'liberal' on social matters?" Well, look at the Kennedy family. And, I'm not talking so much about John Kennedy, who overcame his upbringing; or perhaps, Robert Kennedy. But, look at Joe Kennedy, the founder of the dynasty. Joe Kennedy was the ambassador to Great Britain, during the period leading up to World War II. And during that time, he associated himself with Lord Beaverbrook and the Cliveden Set, which was the *pro-Hitler faction* in Britain. And Joe Kennedy was *fired* by Franklin Roosevelt, for being too much a spokesman for that group.

So, Schwarzenegger married into the dynasty. And the Kennedy family was responsible, to some extent, in the *miserable* deployment by the Democratic Party, except for



Arnie in his earlier incarnation. Said Schlanger: "There's no steroidal, Nietzschean, muscle-bound figure, who can stand up to the confidence of an American population whose commitment to the Constitution and the principles of the Declaration of Independence, has been roused to take up the battle."



Friedrich Nietzsche, patron saint of the body-builders. Schwarzenegger's film "Conan the Barbarian" quotes Nietzsche's "Twilight of the Gods": "What does not destroy me, makes me strong."

LaRouche, in the California Recall. In fact, Ted Kennedy's often-campaign advisor, Bob Shrum, was working on the Schwarzenegger campaign in California.

Arnie the Nietzschean

Now, let's take a look at some comments from Arnold Schwarzenegger, this from a 1977 interview with the filmmaker George Butler, that was cut from the film "Pumping Iron" but expresses Schwarzenegger's view. And by the way, he was not a "young man." You know, sometimes they say, "Well these were youthful indiscretions," like the 60-year-old Henry Hyde keeping a mistress, while he's attacking Clinton, and saying, "Oh, that was just a youthful indiscretion." Well, here's what Schwarzenegger had to say, and just listen to these quotes (I'm not going to try and do it with a guttural German accent, because I want you to hear what I'm saying). Schwarzenegger said: "I admired Hitler, because he came from being a little man, with almost no formal education, up to power. And I admire him for being such a good public speaker, and for his way of getting to the people."

Now, he later made this comment—this is Schwarzenegger, again: "We can't live without authority. Because, I feel that a certain amount of people who were meant to do this and control, and a larger amount, like 95% of the people, who we have to tell what to do, and how to keep order. That is why I am all for it. I feel if you want to create a strong nation, and a strong country, you can not let everybody be an individual. Because everybody has his own opinions, and you can't just stick together as a strong nation. Then you have to tell people what to do, and you can't just let them float away. In Germany,

there was a lot of unity."

Now, on America, what did Schwarzenegger think? "America! There's one thing I didn't like here, and that is, that people go on their own little trips too much. The unity isn't there any more. And I don't think it's too much the people's fault. I think it's because we don't have a strong leader here." And then he indicated what he means by a "strong leader," again, in this interview with Butler, he says: "To speak to maybe 50,000 people at one time and have them cheer. Or like Hitler in the Nuremberg Stadium, and have all those people scream at you, and just being in total agreement with whatever you say."

If you listen to those quotes, you would have to conclude, in Schwarzenegger, George Shultz had found his man, one who would willingly be an American Hitler. Who is, as LaRouche said, "the kind of Nazi that Schwarzenegger's father would be proud of."

The only question then, is, would the people buy it? Would they buy a clowning, wisecracking, muscleman as governor? Well, this is where you have to get at the question of tragedy in the United States, and in this case in particular, the role of celebrity. Rome had its gladiators, who were admired for their strength and their ability to kill. There is a fascination in the United States with something similar, whether it's with pro football (which also, by the way, is heavily steroidal), whether it's so-called wrestling, but also the creation of heroes—and Schwarzenegger, as an action figure and hero.

Now, why do people fall for that? This is where you get to the question of fear, or insecurity, of littleness. And this is, in fact, what explains, I think, the election of George Bush. As Debra said, the role of the church, the so-called fundamentalism—people who are frightened. What's the phenomenon of the "red states"? The phenomenon is that people are losing everything: They're losing their farms, they're losing their

jobs, they're losing their security, they're losing their pensions. Many people are living on *huge* amounts of credit, debt. They're one week, maybe, away from complete bankruptcy. Over one and a half million bankruptcies were filed again last year, for the third year in a row!

And so, when people are insecure, when they're frightened, they end up responding to the simple appeal, whether it's on so-called "values" or whether it's "we have to stick with Bush in the middle of war." And this is what happened with the frightened voters in California: "The Terminator will protect us!" This idea that their fear, combined with so-called "charisma" of Schwarzenegger. But, it's actually fear of the charisma of the Beast-Man, as Lyndon LaRouche described it: That's what elected Arnold Schwarzenegger, Governor of California. That, and many millions of dollars from those financial interests, which want a fascist regime.

The Recall: 'Terminating' Davis

Now, once Schwarzenegger won the Recall, what did he do? The first thing he did, is, he loaded the state up with debt! He pushed through a referendum and borrowed \$15 billion, which increased the total debt of the state by over 50%. And then he said, "We're going to cut out waste," and he set up a commission to look for waste, and he borrowed one of Jeb Bush's people to do it. And she said, "We're going to root out the waste and the fat in the budget." If she was looking for fat in the budget, she probably could have looked at what happens to someone after being a body-builder and no longer taking steroids, and found a lot of fat in the Governor's office. Instead, she looked and looked and looked, and, then they reported, "Well, there's not really much fat here." So, what do we have to cut?

Well, what Schwarzenegger did in his campaign, was make it clear, that he *intended* to go after the real sinews, and tendons, and muscle and bone, in the state budget—not the fat! During his campaign—look at how he ran the campaign: "I'm going to Terminate Davis!" Think of the very blatant symbolism there: the Nuremberg Rallies of the Schwarzenegger campaign. They were complaining about the car tax going up, so they would take a new car, and smash it! With wrecking balls, while a bunch of crazed suburbanites—the SUV Dads, the Soccer Moms, the NASCAR Red-Neck Dads from the eastern part of California, cheered wildly, as they watched a car being smashed! This was the level of California cultural politics.

So, Schwarzenegger came in, and he said, "I am going to put the Democrats under control. We're going to cut spending." He then said, if the legislature—which is almost two-thirds Democrat, both in the Assembly and the Senate—if they don't give me what I want, I'm going to go to the people. *Just as a fascist populist would do.* And so, what did Schwarzenegger do? He would go to the food courts in shopping malls, so that suburban housewives, on a sugar high, would be screaming and holding up signs saying

"Arnie! Grope Me!" I'm not kidding! We saw this. (Of course, we had to see it from the outside, because they wouldn't let us in.)

And then, Arnold's final appeal, the proof of his fascist populism: "I'm for the people against the special interests." Who are the special interests, in Schwarzenegger's World, in Arnie's World? Teachers. Nurses. People who work two or three jobs for a living. They're the special interests. And who are "the people" that he's defending? Well, he set a record for first-year fundraising, and he raised over \$26 million in his first year in office. And he's protecting "the people" from the undeserving, the poor, those who are not capable of defending themselves, protecting people in the financial sector, in real estate, and in insurance and pharmaceuticals, the entertainment sector, and so on.

So, he's loaded up the state in debt, created a \$9 billion shortfall in this year's budget. And he came up with what he calls his "four reforms," and what are these? First, if the legislature won't give it to him, he will put a referendum on the ballot, that will have mandatory budget cuts. That is, when the state's revenue falls below the expenses, mandatory cuts. And what will be cut? Health care, human services, education—he's already stolen the transportation funds from the tax on gasoline to pay for the regular deficit. In education, he's pushing this fraud called "merit pay," which means that teachers who don't doctor up test scores to pass the state standards will be fired! And they'll shut down the educational institutions.

Secondly, redistricting: He's bringing the horrible idea of that Texas fascist, Tom DeLay, who the LYM ran a very good campaign against, to redistrict; to supposedly make the districts more fair, which means, elect more Shultzian Republicans.

Now, when it comes to the cuts—I should bring this in—Schwarzenegger is not naive. He knows what he's doing. Because, when he gave his State of the State address last month, he said, "I'm well aware that there are lives behind these numbers of the cuts. But I have a responsibility to the fiscal health of the state." In other words, a responsibility to Shultz and the Shultzian fascist financiers, and not to the people.

His third proposal was state government reorganization. And, again, in typical Schwarzenegger rhetoric, he said, "We're going to blow up the boxes!" We're going to get rid of 88 regulatory agencies. Well, just two days ago, he quietly announced, he's decided not to do that, because of the opposition to it.

And finally, and most important, the privatization of the state pension funds. Now these are called CalPERS, the Public Employees Retirement System, and CalSTRS, the Teacher Retirement System. There is over \$360 billion in these funds. Very well managed, provides a good retirement for people who serve the state. Schwarzenegger wants to turn them into individual 401(k) plans to be administered by the financial

California nurses take "special interest" in their patients. Is that what he meant?



Kicking butt or kissing up?

When Governor Schwarzenegger lashed out in public that he'd "kick" nurse "buts," on behalf of the big hospitals (which poured into his campaign funds, we aren't stupid). But you should be. The more he kisses up to hospital centers, the worse for us.

FNCS: According to health policy experts, the governor's bill lacks of nurse staffing ratios and proposal to abolish the independent public oversight board that guarantees uniform standards comprehensive patient safety and practice professional licensing decisions.

FNCS: Governor Schwarzenegger suspended the state law requiring minimum safe RN-to-patient ratios in emergency rooms. We're also delayed requiring safer nursing ratios in general medical units for at least three years. That's what he supports down west. That's what to give them.



No. He meant that if 60,000 California nurses give him a million dollars, like the big medical corporations do, he'll stop calling nurses a "special interest."

That's how this governor does business. Arnold Schwarzenegger has raised more political cash in a single year than any other politician in California history.

\$26.6 million in his first year in office with plans to raise 130 million more this year. The bulk from large corporations.

Are hospital, drug, and insurance companies "special interests"? Why, of course not. By this governor's definition, a "special interest" is anyone who refuses to cut him checks, including the California Nurses Association.

The reason is simple. As soon as he got to Sacramento, the Governor put vital health policy up for sale. Governor corporations are cashing in big time.

But Californians, without the millions it takes to rent the Governor's attention, will literally never recover.

Governor Schwarzenegger wants to talk *Frankie!* Five with us. Dealing with life and death every day does that to you. And it also makes you *care*. Deeply.

Compare our health policy records at www.cansna.org.

 CALIFORNIA NURSES ASSOCIATION
2000 Franklin Street, Oakland, CA 94612

The California Nurses Association vows to kick Schwarzenegger's butt, rather than allow him to shut down health care in the state.

institutions, as privatized entities—with hidden fees, that will steal the pension and retirement fund system of the people of the State of California. And this is crucial, for what Wall Street is intending, through Shultz.

The Fascist Bully Emerges

Now, in doing this, what we've seen, is less of the smiling Schwarzenegger, and more of the real, fascist bully emerging. We saw it a little bit earlier, when he referred to legislators

who opposed him as "girlie-men." Kind of a strange comment from a guy who has been on steroids most of his life—and you know what steroids do to men. So, the real "girlie-men"—well, let's not follow that too far.

But, he's using Big Lies. In his State of the State address, he said, "We've stopped the bleeding!" Actually, the bleeding has *increased!* There's hemorrhaging going on in the state budget, under Arnie! At the Republican Convention last week, he referred to Democrats as "evil"! He said, "they're addicts." "They're on meds," he said, because they're opposing him. So, *anyone* who opposes Schwarzenegger, is an "evil-doer." And you know that means, in the codeword of the Bush language.

Now, the other thing is, he's attacking even more aggressively, nurses and teachers as special interests. At a rally, not too long ago, financed by Citibank, JP Morgan Chase, Prudential Insurance—in other words, sponsored by "the people"—the nurses were there demonstrating. They were demonstrating, because he had promised to cut the official nurse's patient-load from six patients to one nurse, to five patients to one nurse. That's not a big cut, is it? But, Schwarzenegger rejected that, after he had promised. And when the nurses protested, Schwarzenegger said, "Pay no attention to them. They are a 'special interest.' They don't like me *because I kicked their butts!*" The image of the Terminator kicking the butt of a nurse! Think about that. That's what we're dealing with in the state.

And so, we have with Schwarzenegger, a drive for fascism.

Now, let me go back to this question of Nietzsche for a moment. Because, you really have to understand that this lying mentality, is something that is natural for him. This is who he is. This is what his whole movie career was built around, creating figures that are fascist barbarians. That's who he made himself. In "Beyond Good and Evil," you can see in

Nietzsche why he was a mentor to the fascist Leo Strauss, of the Straussian neo-conservatives of the Bush Administration. In "Beyond Good and Evil," he talks about "master morality" and "slave morality," and he says—this is Nietzsche: "Whatever a master commands becomes good, because the master commands it." (Keep in mind that Leo Strauss favors Thrasymachus, with the idea of "might makes right," over Socrates.) Nietzsche went on to say, "Masters have the right to do whatever they please. Everything for them is permissible."

Now, further, when Schwarzenegger was meeting with the *Sacramento Bee* editorial board the other day, he quoted Nietzsche, and typically, he misquoted him. But, later, he went on to use the Nietzschean concept, that the state is the worst of all monsters, the coldest of monsters. And Schwarzenegger said to them—and Nietzsche said that in *Thus Spoke Zarathustra*—Schwarzenegger said, “Taking money out of the private sector, is a no-no. We don’t want to feed the monster. We don’t want to feed the state, the public sector, and starve the private sector. We want to feed the private sector and starve the public sector.” So, Schwarzenegger as a classic Nietzschean, coming out in the open.

Now, one other idea that underlies the Schwarzenegger operation, is this concept of the strong leader, the way Hitler was known, the *Führerprinzip*, the “leadership principle.” When you hear this quote from Nietzsche—or, this is actually a quote from William Shirer about Nietzsche’s influence on the Nazis—think about not just Schwarzenegger, but also Bush and our new Attorney General Alberto Gonzales. “The strong men, the masters, regain the pure conscience of the beast of prey. When a man is capable of commanding, when he is by nature a master, when he is violent in act and gesture, of what importance are treaties to him?”

That’s what we’re dealing with. That’s what we mean when we say “fascism,” both in terms of the mentality, the question of what the leader is entitled to do, and also, the idea that the poor are undeserving. They’re weak. They live at the pity of the powerful. Bush’s idea of “compassionate conservatism” comes from this, that you have to use the church to shame people who are weak and poor.

The fact that people on mental disabilities are being told they’ll have to work, to get a check. The fact that one of Schwarzenegger’s cuts, is to take away the insurance for poor people who have children with permanent or chronic diseases, such as spina bifida, muscular dystrophy, multiple sclerosis. Without help in an insurance policy, those children die young, miserable deaths! The state tries to help them—and Schwarzenegger is saying, “We’re not going to fund those. It’s their own problem.” “They shouldn’t”—he didn’t say this, but this is what he’s really saying, “They shouldn’t have been born weak. Look at me! I built myself up. Anybody could do that.” And so you see the policy of the “useless eaters” of the Nazi era. The useless eaters now, are your grandparents, your sick children, the poor people who live among us: They are the useless eaters in “Arnie’s World.”

And to win this fight, Schwarzenegger intends to raise \$100 million. And so, what we see, is exactly what we printed on the new pamphlet [“Bush’s Social Security Fraud: Stop George Shultz’s Drive Toward Fascism”]. The fat, grinning George Shultz—and by the way, I think this should be used as a poster for steroid abuse; if you use steroids too much, you get an ugly growth that looks like Milton Friedman, coming out of your hip! This is the cover of our new pamphlet. And it was recommended to me by a leading

Democrat, that we get at least a million of these out in California, alone!

I think that’s a challenge for us.

But, we are now called upon, for the same relentlessness that we showed during the Recall, the same relentlessness that we showed during the Presidential campaign, the same tenacious fight from the Boston Convention at the end of the July 2004, through the period that Debra described in her presentation, up to the present—we have been *relentless* in fighting this fascism.

Now, as a result, the wheels are starting to come off Arnold’s Hummer. Schwarzenegger went to Washington, D.C. this week, and he said, “I will be the Collectinator!” In other words, collect money for California. And he got there, and he found out, the Republicans are pissed at him! Because they’re afraid, if he tries to do a Tom DeLay-style redistricting in California, that Republicans will *lose* more seats! And so, he took a shot in chops on that. Then, he put his privatization of the pension scheme, in front of his board, the Pension Trustees—and it was defeated by a 9-2 vote! He was so angry, he fired four of the people that he had just appointed. And one of them came out and basically said, “This is fascism.”

And there’s new courage from the teachers and the nurses. And I’ll tell you one thing, if teachers are anything today like they were in my day, if you push them too far, they’ll get up and kick your butt!

So, Lyndon LaRouche has been right from the beginning on Schwarzenegger. He’s not simply a geek-act, a clown, an overly-bloated steroidal creature, who married into the Kennedys. But, he’s a *real, hereditary Nazi*. And the Democrats who rejected this analysis during the campaign are now coming to realize this. With Shultz running the show, if Bush is incapable of presenting the lines well enough, of acting the role, they have Schwarzenegger in the wings. Schwarzenegger has demonstrated that he does have the stomach to push for fascism.

So, the challenge is up to us, whether we have the courage to inspire the population to rise up, to first recognize that, as Franklin Roosevelt said, “You have nothing to fear, but fear itself.” And there’s reason to fear the future: Because, if we don’t act, it will be a future dominated by Schwarzenegger, under the direction of the Nazis in the financial community, under George Shultz. So, there is reason to fear. But, what do you do, when you face what Roosevelt called “unreasoning fear”? You use reason. And we have, in Lyndon LaRouche, the leader who can give people that reason, and not cold, sterile reason, but reason with passion. The passion to go out, and fight to win this war.

And in the face of that, there’s no steroidal, Nietzschean, muscle-bound figure, who can stand up to the confidence of an American population whose commitment to the Constitution and the principles of the Declaration of Independence, has been roused to take up the battle. And that’s the challenge to us. And I’m confident that we will succeed in that.

A Strategic Mission: Make Bush a Lame Duck

Jeffrey Steinberg, a member of the Executive Committee of the International Caucus of Labor Committees and co-editor of counterintelligence for EIR, addressed these remarks to the Schiller Institute/ICLC conference on Feb. 20.

I want to resume the chronology that Debbie Freeman presented earlier today, picking up on another historic event that Lyndon LaRouche convened in the aftermath of the November elections.

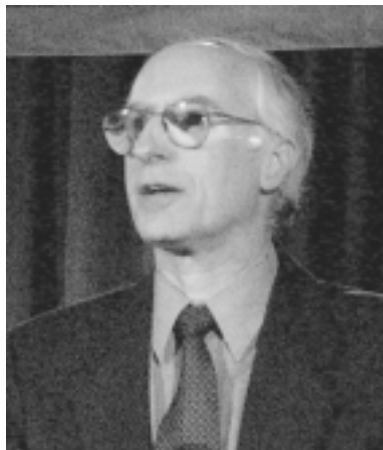
On Jan. 12 and 13, as Helga mentioned yesterday in her opening keynote remarks, Lyn gathered with a group of about 70 leading international figures, from all over Eurasia, Africa, representatives from North America, to discuss the present strategic situation. And there were two aspects of what Lyn put on the table at the meeting:

Number one, he identified very clearly, the character of the situation that we are in right now. Lyn had said, during the Presidential campaign—both during his own campaign for the Democratic nomination, and then afterwards during his campaign in support of John Kerry and John Edwards—that he was backing Kerry and Edwards, because the alternative was unthinkable. And he furthermore said, that if Bush and Cheney were to be re-elected, that there would be more wars. And he specifically talked about the targeting of Iran, Syria, and North Korea.

Well, here we are about 30 days or less into the second Bush Administration, and what are we looking at? With the assassination of former Prime Minister Hariri of Lebanon, the issue of Syria, which was always identified by Cheney and the neo-cons in the Administration as the next war-target after Iraq, is fully back on the table. And on the morning of the Inauguration, Dick Cheney had gone on national television, choosing the Don Imus muscular morning news show on MSNBC as his venue, to declare that the world had two choices: Either the United States would take out Iran, or Israel would do it, and then the rest of us would be forced to put the pieces together and pick up the mess.

So, everything that Lyn said about the nature of this administration is absolutely right.

In fact, if you think about Helga's discussion yesterday, about the Thirty Years' War, and Schiller's work in studying the character of the Thirty Years' War, both in its actual history and in its presentation as Classical drama in the *Wallenstein Trilogy*, one thing that struck me very clearly, is that



*Jeffrey Steinberg:
“What we do, in the
immediate days and
weeks ahead, to Bush,
to Cheney, to
Schwarzenegger, is
going to be politically
decisive.”*

very often, wars are long under way before people actually recognize them. Sometimes, terms like “World War I,” “World War II,” and certainly the “Thirty Years’ War,” are historical terms, that are used by historians after the fact. Certainly, in 1618, nobody wrote a newspaper article declaring that the Thirty Years’ War had just begun. I mean, who could have known it would last for 30 years, until after it ended?

So, I think it’s fair to say, that we are at least a full decade into a period of global, perpetual war. I’m not going to put a predictive number on how many years it’s going to last. But the more important thing to recognize is, that it’s already happening. Will historians 100 years from now look back, and say, that the war began in 1991 with the Bush Senior invasion of Iraq? I don’t know. Or, will they say that the war began in 1994, in the Great Lakes region of Africa, with the genocide that began there as the result of the assassinations of the Presidents of Rwanda and Burundi? Could be that.

But the point to understand, is that we already are in that kind of a war period. And what Lyn presented in Berlin, as the urgent need for a new Treaty of Westphalia, based on even more fundamental and universal principles than the original Treaty of Westphalia in 1648, is certainly one absolutely critical bedrock of the solution. He talked about the obvious need, to be prepared now, for the convening of a New Bretton Woods conference, knowing full well that most governments around the world are thoroughly *unprepared* for such an event—even though the situation right now, is that we are, perhaps, hours or days or weeks away from the final disintegration of the post-Bretton Woods system.

It’s not even a big secret any more. People like Bob Rubin, at the forum that preceded the G7 meeting in London just a few weeks ago, openly talked about it. It was discussed frequently, in both public sessions and behind closed doors at Davos. C. Fred Bergsten, not exactly one of our most favored figures within the financial establishment, told the truth, when he said, “It’s no longer \$2.1 billion a day in net inflows into the U.S. stock and bond market that’s required to prevent a

precipitous crash of the dollar. It's now up to \$5 billion a day." And the government of China, through the official representatives at Davos, made it clear, they're not going to continue to throw good money after bad, for the sake of propping up the dollar.

We are at the point, right now, where the entire global financial situation, the entire post-Bretton Woods system, is about to blow. And at any moment, we're going to be facing the reality that there must be the convening of the kind of New Bretton Woods conference that Lyndon LaRouche has called for—not the kind that's been called for by George Soros, or Paul Volcker, or any of these kind of characters.

Flawed Assessments of the U.S.A. From Abroad

So, Lyn put those issues on the table, and discussed very clearly the character of the strategic situation. And he was also very blunt with people. He said, these crises that face every nation of the world, cannot and will not be successfully solved, unless the United States plays an active and positive role in devising and leading the solutions.

And he went through a fairly blunt assessment of the weaknesses of the governments of Western Europe, despite the fact that a number of leading political figures are doing some very useful things. He talked about the limitations of China, of Russia; and talked about the unique historical characteristics of the United States, that made the U.S. unique in this crisis.

Now, I was privileged to be at the Berlin conference. I travelled over with one of our collaborators here in the United States, in Washington. And it was very clear to me, that while virtually nobody in the room disagreed with the fundamental principles that Lyn laid out—certainly nobody had any basic disagreements with Lyn's diagnosis of the strategic crisis—the point where there was an enormous amount of skepticism, was the situation in the United States. People recognized, yes, there was a unique history to this country, and that the American Constitution and the American republican tradition of government was something that was absolutely an historical precedent. But, most people in the room had very serious reservations that there was very much of that legacy left in the United States of George Bush and Dick Cheney.

And so, one of the big things that occurred at that conference, was a very intensive dialogue on exactly that question. We have some friends who were there, who have the gift of enough old age and wisdom, that under these kinds of circumstances they didn't feel the need to just remain silent when they had a disagreement. And almost immediately after Lyn spoke, Professor Menshikov made it very clear that he thinks that the major mission of the rest of the nations of the world, particularly the countries who have leading representatives gathered there in Berlin, was to figure out how to organize a series of defensive agreements to fend off the worst disasters that might be brought about by the fact that the Bush

Administration was soon to be reinaugurated for a second term.

There was a mindset in the room, and clearly reflecting a larger thinking among leading governments around the world, that the best thing to do, is essentially organize defensively against the worst disasters to come out of Washington—and *pray* that the world survives the next four years. Completely unacceptable.

Understandable, but at the same time, completely unacceptable.

You get the notion of a current unfolding world-historic tragedy in process, by that kind of thinking. Even though, as I say, one could perfectly justify why, looking from outside the United States at the internal political situation *in* the United States, one could draw those conclusions. "Let's dig deep trenches. Let's say a lot of prayers. And hope we make it through four years, and we get something better in Washington after that."

Lyn wanted to take that on. Lyn understood that part of his mission, was to make sure that there was a different kind of understanding, of the internal political situation in the United States, centered around his own role and the role of our movement, including particularly our youth movement, so that people would be able to understand that there are different flanks and different opportunities on the table.

At one point, Gen. [Vinod] Saighal, from India, made a presentation in which he talked about a number of things. He talked about the fact that we were moving into a period of "discontinuity," in which the rules operating at this moment are not going to operate for very much longer.¹ He also said that he thought there was a limit on what could be expected out of the Russia-China-India alliance, because, he said, he knew that there were factions in the governments of each of those countries who would be more oriented towards the bilateral relationship with the United States, and toward propitiating the Bush-Cheney Administration. And therefore, that this would be an impediment to the kind of strategic partnership for Eurasian development that Lyn has been working on there.

'Discontinuity'—or Opportunity

Now, Lyn responded to that: He saw in the comments of General Saighal and the development of this idea of a discontinuity, an opportunity to intervene into the meeting, and present a different approach to looking at the same set of conditions. Lyn said in his comment shortly after General Saighal, and directly in response to him, "We have before us, in my view, we have a very short fuse, a very short opportunity, in which to move to save civilization. We have people in the United States, enough of them, who could form a government, who could, in fact, be called in to do the job of government. We could deal with the problem. The question

1. See *EIR*, Feb. 11, 2005.



Lyndon LaRouche greets a guest from India, Dr. M.K. Saini, at the Berlin seminar on Jan. 12. He emphasized to the international participants that the situation in the United States is not as hopeless as they think—because he and his movement are an increasingly influential force in countering Bush-Cheney fascism.

is, in my view, are we going to be able to do it? Because, if we fail, if we, in the United States, do not do what I'm determined we shall do, I guarantee you a Dark Age for all the entire planet."

And then, he continued. Lyn said, "You're right about the discontinuity. We're sitting as of now, in the weeks before us, we're sitting on the edge of a discontinuity. And in this discontinuity, will be decided—it could have been decided this past week—but when people stood up in the Congress and said, 'We do not support the certification for Bush in the vote for Ohio,' that was a turning point in the politics of the United States."

And then Lyn presented his own assessment, of what they could expect over the next couple of weeks. He said, "Now, the fight will be on two things. The Gonzales issue, the question of Abu Ghraib, that's important. It's not decisive. The Social Security question *is* decisive. If we lose the Social Security question, if that goes through, then we've lost. And if we've lost, the world's going into a Dark Age. If we win the Social Security issue, then Bush is a lame-duck and the government will now fall back into the hands of the Congress, through a combination of Republicans and Democrats. Under those conditions we have a chance.

"So, I say, I am a revolutionary. You're right, there is a discontinuity, but there is also a revolutionary opportunity."

Now, I was very happy to hear, yesterday, in the course of the daily report from Wiesbaden, the morning tape, that one of the people who attended that Berlin conference has indicated that Lyn's message has registered, and that, rather

than writing off the United States and assuming that what's consumed on Fox News, or CNN, is somehow or other an accurate portrayal of the political situation inside the United States, people are beginning to see that Lyn's characterization of the situation inside the United States is right, and it means that there can be a different mode of thinking, a different set of potentially critical flanks opened up for collaboration—transatlantic, global collaboration—to exploit the vulnerabilities and weaknesses of the Bush-Cheney team in the United States.

There's apparently some talk about members of Parliament in Germany, from different parties, seeking partnership with members of Congress—House and Senate, in the United States, both Democrats and Republicans—to launch certain international flanks in opposition to a confrontation with Iran, or this now, apparently even more pressing and immediate potential for some kind of confrontation with Syria.

It's a shift. It's not a dramatic shift, but it's characteristic of one of the things that

Lyn set out to accomplish in the Berlin meeting, having been achieved. I would really urge everybody to read in the pages of *EIR*, basically every issue beginning with the Jan. 28 issue up through the current issue has contained excerpts, partial transcripts, of the Berlin conference. And I think it's very critical for people to read it, and get a certain sense of the impact of Lyn and Helga's intervention in this audience of people who are, indeed, critical policy-shapers in their governments around the world. There are many things that can be done, that can greatly enhance what we're doing, here in the United States. And the starting point is that people around the world understand the actual dynamic of the political process in the United States, to introduce levels of freedom into their own activities, to supplement what we're doing here.

And, of course, the events that Lyn forecasted in his comments to General Saighal and those other people gathered in Berlin, are exactly what happened in the days immediately following that conference. The Gonzales vote in the Senate, following intensive days of debate, proved to be a significant signal that the Democratic Party—all factions—were prepared to unite around this idea of not giving an inch to Bush and Cheney. The Social Security fight, as Debbie has already documented, has clearly developed in that direction.

Build a Bipartisan Coalition

So, we're dealing here with an opportunity. There's no guarantee in the situation. But the opportunity is essentially there. The Bush Administration, contrary to what many

frightened people inside the Beltway hoped and prayed for after Nov. 2, is not a kinder and gentler version of the first four years of Bush-Cheney. Just look at the actions that have come up in stunning speed since then: the attempt to steal the entire Social Security Trust Fund, which, during his campaign, Bush lied and said he had no intention of doing; the acceleration, immediately, of the confrontation against Iran, against Syria.

But the problem that Bush-Cheney and company are facing, is that they are in a crash confrontation with reality itself. And to the extent that we do our job, Lyn's leadership in concert with reality will bring these guys down very fast.

Now, what happens if we succeed, as we have every intention of succeeding, in bringing the Bush Administration down on this Social Security issue? Well, number one, doing that will mean that we have successfully organized the preconditions for effective bipartisan cooperation within the Congress. Because there are many Republicans, who view the Bush White House, and they say, "Well, Bush is not running for re-election. Cheney's not going to run for President. But, for every member of the House of Representatives and one-third of the U.S. Senate, elections are coming up right around the corner." With these multi-multi-million-dollar campaign budget requirements, members of Congress, especially the House, spend virtually all their time campaigning.

Why do you think it is (the youth movement knows this very well), Congressmen arrive Monday night or Tuesday morning back in Washington, to race through three days of complete, manic activity up on The Hill, and most of them leave by Thursday afternoon to get back to their districts? There's a lot of Republicans out there who recognize that it's not necessarily in their immediate best interest, for purely opportunistic reasons, to go along with Bush on this Social Security privatization, knowing that they stand a damned good chance of being defeated for re-election in 2006 if they go along with that.

This one Congresswoman from Florida is sort of the poster-child of this situation. First, she discovered that AARP or some organization had done these robo-calls (not to be confused with one of Arnold Schwarzenegger's movies, "Robo-Cop" or something)—robo-calls to everybody in her district saying that she supported Social Security privatization. She completely freaked out, and put a large-character poster on the home page of her website, "I Do Not Support Privatization." She felt the heat and responded. And when Bush came down to see her last week, she came out of a little pressure session with Bush, and told the press, "The President's not happy with me, because I told him I can't drink that Kool-Aid."

And we're going to make life particularly miserable for people like Rick Santorum, who's been delegated by Bush to be the point-man for the Social Security fight in the Senate. Santorum is up for re-election in 2006. So this is a perfect opportunity for us.

What Makes the United States Unique?

Now, what's unique about the United States and our Constitution? Our Founding Fathers, in their great wisdom, understood the unique character of human beings, that each and every human being is created in the living image of God as a cognitive human being, as a cognitive being with certain unique and inalienable rights, as they were spelled out in the Declaration of Independence and the Preamble to the Constitution. The idea that each and every individual is guaranteed "the right to life, liberty and the pursuit of happiness." And the concept of happiness, does not mean the right to rub yourself in chocolate syrup. It was a concept that was thoroughly developed by Leibniz and was fully understood by the Founding Fathers: as creating the circumstances to allow every individual human being, currently living and future generations, to fully exploit their God-given capacities for creative discovery.

At the same time, the Founding Fathers also recognized that human beings do have the capacity to fall short of that potential. The potential is not a guarantee, as we've see with many people, that choose not to live up to their full potential as human beings. So, in the Constitution, the Founding Fathers created checks and balances. They didn't want Jacobin terrorism; and they didn't want a President of the United States becoming the equivalent of an absolute monarch.

So, in the Constitution, the very first section after the Preamble, which sets out the general mission of government, takes up the responsibilities of Congress. Because the Presidency, the Executive branch, is given an enormous amount of power, particularly during periods of crisis. The drafters of the Constitution put the role of the Legislative branch first, to make it clear that there are checks and balances on excessive Presidential power.

And now we have a psychopath and a sociopath manning the Executive branch, committed to the idea that the President should be something between an absolute monarch and an infallible Pope.

So, there are enormous responsibilities that go to the Legislative branch. There are responsibilities that go the Supreme Court, to the Judicial branch. And it's interesting, to me, that even though we have perhaps one of the most *hideous* combinations of individuals currently sitting on the Supreme Court—Scalia, Rehnquist, Thomas, in particular—when the Presidency asserted that there were certain categories of American citizens who were outside of the jurisdiction of the courts, who could be called "enemy combatants" and arrested and shipped down to Guantanamo Bay; and held without charges, and without the right to lawyers, and without the right to due process before the courts, even this wacky Supreme Court issued a series of rulings, some of which were unanimous, striking down elements of the Patriot Act, and striking down this idea of this category of American citizens as "enemy combatants." So, as an institution, evening this bunch of dubious Supreme Court judges responded to the

excesses of Presidential power.

And we're in a situation right now, where a victory on the Social Security issue, which I'm extremely confident—as we all are—can be achieved in the very next days and weeks ahead, opens up the opportunities for the Congress, as Lyn said in Berlin, to become a centerpiece of power.

Now, we've got to bring this Administration down, and there's a lot of different ways that that can happen. And I don't think we should fixate on any particular one of them. For one thing, if we do our job right, win the Social Security fight, and continue the process that Lyn has been leading, of bringing the Democratic Party back to the legacy of Franklin Delano Roosevelt, then under those circumstances the Democrats are going to sweep control over both Houses of the Congress in November 2006. And at that point, the first order of business, is going to be impeachment.

Now, the history of the last 30 years of Presidential politics, has been that every time a President has been elected for a second term, bad things have happened. Nixon got Watergated, and of course, a very useful precedent was set there, because the Vice President went first. Ronald Reagan had to deal with the Iran-Contra scandals. People were indicted and prosecuted, and a few went to jail—most people were pardoned by Bush “41” when he came into office. And of course, from the instant that Bill Clinton entered office, for reasons unrelated to Monica Lewinsky, there was a targeting of Bill Clinton, and eventually Clinton was Watergated.

But, if you compile the crimes, real and alleged, of the Nixon Presidency, the Reagan Presidency, and the Clinton Presidency, and stacked them all up, it's nothing—it's *nothing*—compared to the bill of indictment that's awaiting Bush and Cheney—for crimes that go far beyond issues of personal indiscretion; or Nixon's paranoid obsessions with cheating to win.

These are crimes against humanity, the kinds of crimes that will be tried at a future Nuremberg Tribunal. Now, there's no reason to presume that these events have to wait until 2006. There are many other things that can happen. There are criminal investigations under way. A bipartisan combination in the Congress can bring these guys down. We have the experience in 1968, when Lyndon Johnson was enmired in the Vietnam War, when a group of senior figures from the political establishment, principally Democrats, went to Johnson and said, “Throw in the towel. You're out of here, because the country and the world can't afford a continuation of what's going on.” And Johnson was, of course, a far greater President than the psycho-sociopath combination we've got in the White House right now.

Now there was a critical moment during the debates, that I think goes to another aspect of the flanks that are available to us. At a certain point, in the first nationally televised Presidential debate between Kerry and Bush, there was a moment where Kerry had absolutely caused Bush to have a psychotic

episode on national television. And the thing that triggered it, interestingly, was when Kerry made a favorable reference to George W. Bush's father. It kicked off the Oedipal complex in Georgie. And unfortunately, what happened at that moment, is, that faced with a psychotic—Kerry backed down. You may remember in the interview with Dr. Justin Frank, that we published in January in *EIR*, he commented on that. He said, right there, at that moment, the outcome of the Presidential elections was on the table. Had Kerry pressed the issue, had Kerry done what Lyn said repeatedly had to be done—the way you win this campaign, is you tell the truth: “This guy is a psychotic!” and you drive that point home. You don't dally around about this or that issue, and differing opinions. *You drive this man crazy!*

The reason we have a 25th Amendment to the Constitution, is because it was recognized that we needed to have an orderly process for dealing with the eventuality of a President becoming either physically or mentally incapable of serving. And that's the moment we're at now.

So, the other aspect of this campaign, this Social Security flank, is, we're going to drive these guys nuts. Now, people know that when you're dealing with a psychotic, as we are in the case of George Bush, and a sociopath, as in the case of Dick Cheney, there is a temptation to propitiate, for people to be frightened; and to not want to stare someone in the middle of a psychotic state, right in the face. Well, in the political realm, there are a lot of people out there who are scared to do that.

But we're not. And what we do, in the immediate days and weeks ahead, to Bush, to Cheney, to Schwarzenegger, is going to be politically decisive. *We're at a moment, right now, where we can, in fact, bring these guys down, by relentlessly pursuing them.* Social Security is a key issue, because it represents a strategic flank for bringing the administration down. And there's an increasing number of people inside the Democratic Party who are coming around to Lyn's point of view, and who understand that Social Security, as important an issue as it is in and of itself, is also an issue that has a broader meaning, because *it brings Bush down.*

And we've got to do this: Because, at some point in the very near future, we're going to be facing the urgent requirement to convene a meeting of heads of state and leading government officials, to put this post-Bretton Woods, floating-exchange-rate, bankrupt system out of its misery. And to move on from there, on the basis of the kind of bankruptcy reorganization that Lyn uniquely understands can and must be done, to put the world back together, and to launch the kind of 50-year process of ending poverty, and transforming the nature of science as we know it.

So, this is the mission. And by the efforts of those of us here in this room, those gathered in the West Coast, and those all around the country and around the world, who are looking to Lyndon LaRouche for leadership in this fight, *this is our moment.*

Will Lebanon and Syria Resist Regime Change?

by Muriel Mirak-Weissbach

“We don’t want American freedom!” This is the slogan on a poster (with a tank and a missile), sported by a young girl in a headscarf, participating in one of the daily demonstrations in Beirut, Lebanon.

This picture, carried on many Middle Eastern websites, points up one paradox of the current Lebanese crisis: Although the entire mobilization against the government of Omar Karameh, who resigned on Feb. 28, has been steered from the United States, as part of the 1996 “Clean Break” doctrine to balkanize the region, there are currents among the opposition who decidedly do not want to play the role of American puppets. These layers are becoming increasingly aware of the fact that the U.S. neo-cons, who have precipitated the crisis, are committed *not* to Lebanon’s freedom and sovereignty, but to a scenario for the overthrow of Syrian President Bashar al-Assad, and the unleashing of chaos throughout the region.

Which way the crisis will evolve cannot be predicted at this point. Karameh decided to present his resignation, not because the opposition had enough votes to bring him down in a no-confidence vote—they did not—but because he preferred to prevent a possible insurrection, or even coup d’état. His resignation threw the responsibility for the crisis onto the opposition. The fact that President Lahoud accepted the resignation, and then asked Karameh to stay on as a caretaker for awhile, may indicate that the move was pre-planned, and with Syrian acquiescence. The fact that opposition calls for the resignation also of Lahoud, have been rejected by Patriarch Nasrallah Boutros Sfeir, indicates that the Maronite leader is unwilling to comply with the scenario as dictated by the neo-cons. The Patriarch is to visit the White House March 16.

The ‘Revolution’ Run from Washington

What is clear, is that the neo-con junta in Washington is pursuing its aims, and is escalating tensions daily. Secretary of State Condoleezza Rice issued new attacks against Syria, in an ABC interview, in which she blamed Syria for the bombing attacks in Tel Aviv on Feb. 25. “There is firm evidence,” Rice asserted, “that Palestinian Islamic Jihad, sitting in Damascus, not only knew about the attacks, but was involved in the planning. And so the Syrians have a lot to answer for. . . . We don’t know the degree of Syrian involvement, but certainly what is happening on the territory of Syria, in and around Damascus, is clearly threatening to the different kind of Middle East we are trying to grow.” It is relevant that her “firm evidence” came from Israel.

President Bush followed up with a demand that Syria immediately pull its troops out of Lebanon.

On the ground, it was U.S. Deputy Under-secretary of State David Satterfield, who coordinated with elements of the opposition. Both Satterfield and Paul Wolfowitz (in a TV interview) blatantly interfered in the affairs of the country. Wolfowitz called for “the people” to take their destiny in their own hands. Lebanese sources report that Satterfield met with opposition leaders, especially Walid Jumblatt, and parliamentarians, inside the U.S. Embassy. Reportedly, large amounts of money flowed into the hands of these elements.

Syrian Moves to Find a Solution

Syrian President al-Assad made clear in interviews to *La Repubblica* and *Time* magazine, that he understood perfectly well what the aim of the Lebanese operation was. He said that he knew immediately after the Iraq war, that his country would be next. “Iraq was only the first phase of a comprehen-

sive U.S. plan for the region, and they are now waiting for Syria, and Iran's turn to come," he said. "Everything is pre-planned, and under the current conditions in the region anything can happen."

Al-Assad also said he would comply with the U.N. resolution 1559 calling for troop withdrawal, adding that it would occur "within months." He stated two factors in the timing: the security of Lebanon, and the security of Syria's borders. "In 1982," he said, "the Israeli forces had proceeded up to a very short distance from Damascus, but at any rate, the withdrawal of our forces technically can be wrapped up by the end of this year. Yet, due to strategic concerns, their full withdrawal would take place only after we gain reliable security guarantees."

Clearly, as Russian Foreign Minister Lavrov also pointed out on March 3, an abrupt withdrawal could lead to destabilization. "We have to make sure that this withdrawal does not violate the very fragile balance which we still have in Lebanon."

Al-Assad has been actively seeking support from Arab partners, to defuse the crisis. Consultations took place between his Foreign and Prime Ministers and Jordan and Egypt, and he personally met with Persian Gulf leaders, including the Saudis. An Arab League biannual session in Cairo on March 3, also addressed the crisis, although neither the Syrian nor the Lebanese Foreign Ministers were able to be present.

It is to be expected that a gradual, progressive withdrawal will take place. As of this writing, the Lebanese opposition identified with Druze leader Walid Jumblatt, has issued a series of conditions for its participation in a future government. These include troop withdrawal, the resignation of Syrian security officials in Lebanon, and the resignation of the public prosecutor and the top six security and intelligence officials of Lebanon. Once Lebanese President Lahoud has set a date, consultations will take place, also with the parliamentarians representing the opposition, on the nomination of a new Prime Minister.

Who's Who in the U.S. Lebanon Lobby

The "comprehensive U.S. plan for the region," which President al-Assad referred to, was drafted in 1996, and known as "A Clean Break: A New Strategy for Securing the Realm." The "realm" referred to Israel's hegemonic ambitions. That document, which outlined the overthrow of the governments of Iraq, Syria, Lebanon, and Iran, was presented by its U.S. authors to then Israeli Prime Minister Netanyahu, on July 8, 1996. Two days later, Netanyahu presented the plan as his policy to a joint session of the U.S. Congress.

The authors of the document overlap largely with the members of the Golden Circle, the "official core supporters" of the U.S. Committee for a Free Lebanon (USCFL), which is the main neo-con lobby on Lebanon in the United States.

The USCFL has circulated petitions entitled, "Regime Change for Syria," and "Freedom for Lebanon," calling for kicking the Syrians out and overthrowing the regime in Damascus.

Among the Golden Circle members are Ziad K. Abdelnour, Elliot Abrams, Angelo Codevilla, Paola Dobriansky, Douglas Feith, Frank Gaffney, Jeanne Kirkpatrick, Michael Ledeen, Naji Najjar, Richard Perle, Daniel Pipes, Paul Wolfowitz, and David Wurmser. Feith, Perle, Wolfowitz, and Wurmser were authors of "Clean Break." Abrams is known to be the point man inside the Bush Administration for the partitioning of Syria into two states, a Christian and a Muslim one. Codevilla and Perle have been actively involved in trying to secure the release of Israeli spy Jonathan Pollard.

Naji Najjar is a particularly interesting individual, whose profile typifies the interconnections of this "Lebanon" lobby with the more unsavory elements in the world of secret services, including those of Israel. Najjar is a leading figure in the "Government of Lebanon in Exile," which has its headquarters at 59 King George Street, in Jerusalem. He is also the executive director of the Lebanese Foundation for Peace. In 2002, Najjar wrote an article denouncing the Belgian government for permitting an investigation into charges of war crimes lodged against Ariel Sharon (now Israeli Prime Minister), for his role in the massacres of Palestinians in the Sabra and Shatilla refugee camps in Lebanon, in 1982. Elie Hobeika, a former Lebanese Christian militia leader, was scheduled to testify against Sharon, but was assassinated, presumably by Israeli networks. (The USCFL had targeted Hobeika as a "Syrian agent" on its website.)

In May 2003, Najjar issued an open letter to President Bush, entitled "How to Win the War and Lose the Peace," in which he argued, "A regime change in Lebanon and Syria will strengthen a pro-U.S. Government in Iraq as the whole region will stabilize under a new, friendly, regional U.S.-led order."

After the assassination of Rafiq Hariri, Najjar issued another letter, in which he stated: "We urge the U.S. State Department to stop the nonsensical 'diplomatic pressure' of UN Resolution 1559 on Syria and authorize the use of force against Hezbollah," whom he blamed for the murder. "Israel should have a green light," he wrote, "along with its Lebanese allies, to operate militarily in Lebanon, strike Hezbollah, and reverse the balance of terror in that country. Hezbollah should be subjected to devastating military blows designed to destroy it as a meaningful fighting force. . . . Today, we are requesting military aid from Israel and an American green light to implement this policy and put an end, once and for all, to the threat of terrorism emerging from Lebanon."

The "Lebanese allies" of Israel refer to the former South Lebanon Army, an Israeli proxy force, with whom Najjar is reportedly connected.



Hariri Stood For Unitary Nation-State

EIR correspondent Christine Bierre interviewed Gilles Munier, Secretary General of the Franco-Iraqi Friendship Association, on Feb. 24 in France.

EIR: You are an expert of the Western Asia region. Who had an interest in killing former Lebanese Prime Minister Rafik Hariri?

Munier: Cui bono? Especially Israel and the American neo-conservatives. Rafik Hariri had his drawbacks, but also some qualities, including that he favored a unified Lebanon, while those who killed him wanted the partition of the country. From the moment when he more or less opposed the Syrian presence in Lebanon, he became an obstacle which had to be removed.

I say “more or less,” because he had left a door open to Syria and was continuing negotiations with it. One can not repeat often enough that Syria itself expected to withdraw from Lebanon. But under those circumstances, it became very difficult for the other Lebanese clans, in particular the Gemayel family, to maintain a man in that position who would create problems in the future. He had to be eliminated. It think it’s among those networks that the assassins of Hariri must be looked for.

EIR: It is well known today that Hariri was negotiating intensively with the Hezbollah, with a view toward creating a kind of national unity among all the Lebanese factions, and had led a diplomatic offensive in their favor vis-à-vis the European governments.

Munier: That’s exactly the case. Today, there are even rumors circulating accusing the Hezbollah of murdering Hariri. Quite the contrary, Hariri was in quasi-permanent contact with Sheikh Nasrallah, so that the Hezbollah would not be included on the list of terrorist groups of the European Union. It is clear that a man having that type of vision was in total opposition to the Israeli Likudniks and the American neo-conservatives who want to disarm the Hezbollah.

EIR: But who wants the partition of Lebanon?

Munier: From the standpoint of the intellectual conception, that plan goes back to what we in France call the American Orientalists, notably Bernard Lewis. More recently, the source of this plan is Oded Yinon, a high-level official in the Israeli Foreign Ministry, who in 1982 wrote a document on the partition of the Near East, starting from the principle that Israel’s survival could not be ensured, unless all the Arab

countries were divided into a myriad small emirates, more or less in competition or at war with one another, and that things had to move in that direction.

For him, Lebanon was divided into five provinces, defined along religious and ethnic lines—a province for the Druze, the Maronite Christians, the Sunni Muslims, and all the others. He proposed the same type of organization for Syria, Iraq, and the rest of the Arabian Peninsula.

What we are seeing at this point in Iraq, is a de facto partition of the Kurdish region, and in a certain way, of the Shi’ite region in the South, since there were recently meetings in Basra among leaders of extremist, pro-Iranian Shi’ites around the idea of creating a region/state in the South. All that was already in the Israeli plan, but it took a long time to come into being. Since then, the neo-conservatives have taken these into account, because already back then, Ariel Sharon was in contact with the most influential of them.

The Project for a New American Century also adopted these ideas. Today, this is happening in Lebanon, and clearly they hope to divide Syria also, into I don’t know how many states—an Alawite state, a Sunni state, etc. It’s the whole Middle East which could explode, becoming a puzzle. It’s a truly diabolical project which has been set into motion. Yet, the idea of having the Middle East be a collection of tribes made no sense outside of the Ottoman Empire period, because at that time there was an emperor, the Caliph in Constantinople, leading all that. But unless the Caliph today is George Bush, who wants to rule in place of the Caliph, we are going towards chaos in the entire region. Perhaps not a chaos for everybody, because for those who like to make money over the bodies of others, the oil will still be there.

EIR: In a recent article you accused Elliott Abrams, U.S. National Security Council Director of Near East and North African Affairs, as being on top of the implementation of this plan in the region.

Munier: He’s in charge of the partition of Lebanon into two states. We are no longer under the strict application of the Yinon plan, which called for the division of Lebanon into five provinces. Those people are pragmatic; they take into account the realities of the time, which are no longer the same today. There would be thus a Christian state and a Muslim state, which, if it so desires, could merge with Syria—even though that doesn’t really make sense, because what would then happen to the Druze, for instance? Elliott Abrams is in charge of all that, and he’s a real religious fundamentalist, who must feel close to the Maronite extremists who showed what their conception of politics was when they massacred people in the Sabra and Shatilla camps.

EIR: How do you explain the French policy in this regard? France had courageously opposed the Iraq War, and today it is working hand-in-hand with George Bush on the question of Lebanon, when in reality both agendas are totally different. The Anglo-American project is a plan for dismembering all

the states—the Bernard Lewis “arc of crisis” plan to break up the region’s nations according to ethnic and religious lines.

Chirac’s agenda for Lebanon was inspired, as sources report, by a sense of responsibility for Lebanon, inherited from the time of de Gaulle, and was an agenda for reestablishing Lebanon’s sovereignty and national unity. Rafik Hariri who is said to have inspired this plan, was to be the leader of a coalition of Druze (Walid Jumblatt) and Maronite Christians (Gen. Michael Aoun), acting possibly with at least the tacit agreement of the Hezbollah. How could France possibly believe that it could move with Bush on that project, and do you think that Rafik Hariri’s murder has shown the utter failure of that policy?

Munier: I think this is indeed the case. In that project, France was leaning entirely on Hariri, due to the personal and political affinities between Jacques Chirac and Hariri. I think that France has a wrong perception of the American policies, and of what George Bush really is all about. Perhaps France also is under the impression that the Anglo-Americans will respect whatever is left of the Sykes-Picot agreement, evaluating that Iraq is one thing, but that concerning Syria and Lebanon, France has more rights. France is totally wrong on that, because for the Bush Administration, France has no more rights than any other state in the world; it has no rights at all. The only right that exists for them is the right of the mightiest, that of the neo-conservatives and their interests.

Unfortunately, with the death of Hariri, we are going towards chaos in Lebanon. If Syria withdraws, there is a Lebanese army, but all the Lebanese clans give the impression of just waiting for the Syrian withdrawal in order to start fighting one another. I think we are moving towards chaos in this region.

EIR: Even if the overall objectives of Hariri’s murder are clear, do you think it possible that Syrian factions opposed to Syrian President Bashar al-Assad, could have given a hand to that murder?

Munier: The only participation by Syria would be the stupidity of individuals who don’t know what they are doing. But I do not think the Syrians could have set up this attempt. According to experts, very sophisticated means, which the Syrians don’t have, were necessary to carry out the attack. . . .

EIR: What is your evaluation of the vast military reorganization carried out in Israel these last days: Chief of Staff Moshe Ya’alon was replaced earlier than is customary, by Dan Halutz, a close collaborator of Sharon, known also as “Bomber Halutz,” because he dropped a one-ton bomb on a house in Gaza, which killed one Hamas activist and 14 members of his family. Sharon also replaced the heads of three of the most important commands, the northern command on the Israeli-Lebanese border, the ground forces command, and the head of military intelligence. Speculation was that they had been replaced because they were hard-liners and opposed to the Gaza withdrawal. But upon closer observation, they turn out to be harder and closer to the American neo-cons than the

others. Do you think that this military reorganization is due to a coming war against Syria and surgical attacks against the Iranian nuclear research laboratories?

Munier: The new chief of staff is also a specialist in information electronics and precision-guided weapons. I mention that *en passant*, because he would be precisely the type who could have set up the attack against Hariri, which required great precision like the one you need to target a specific house in Gaza, or to direct a missile against Sheikh Yassin.

These are hawks, and for these people, the priority today is the explosion of the region, and also the destruction of nuclear research sites in Iran. There is also a plan to partition Iran, because in Iran there are also Persians, Kurds, Azeris, and Arabs in the South. It’s the Arabistan where one finds the oil fields which interest the Americans so much. If one believes the King of Jordan, certain groups would also like to create a Shi’ite crescent. The southern part of Iraq, the Arabistan, and the north of Saudi Arabia, which is the oil region of that country, could constitute a Shi’ite region. During the first oil shock, back in 1974, Kissinger, who at that time led U.S. foreign policy, had envisaged partitioning the north of Saudi Arabia.

EIR: Let us talk now about the role the Russians could play presently in this region.

Munier: It would be a real defeat for Putin if he dropped Syria. It would create internal problems, because many have already reproached him for the loss of Ukraine and Russia’s loss of influence in Eastern Europe. Tomorrow, it could also be Belarus, because that is also one of the objectives announced by George Bush; in his speech in Brussels, the objective was also the “democratization” of Russia.

If Putin drops Syria, it would be a big loss for Russia’s Arab policies, because Syria is also very important for the Russian Navy. Aside from the Black Sea, the ports which are closest to Russia are the Syrian ports, not the Turkish ones. So, we hope that Putin will go all the way, and in an intelligent fashion, because the realities of Syria today are not those of former President Hafez al-Assad. It’s a country where a full revolution is ongoing with a rejuvenation of the party cadres. A sort of pre-*glasnost*, if you will.

EIR: In one of your recent articles, you stated that the murder of Hariri could unleash the fourth Gulf War. Could the parallel rather have been to the murder of Franz Ferdinand at Sarajevo, which unleashed World War I? Do you think the world situation is orienting towards a Third World War?

Munier: My article was limited to the Middle East; that is why I warned against a fourth Gulf War. But all this can indeed unleash a new world war, a war of civilizations like the one Bernard Lewis was talking about, because there is a Russian element in it, and because China can no longer let things go without intervening. Until now, China was only interested in Asia, but it will not be able to eternally remain distant from the rest of the world.

Bankers, Bush Put Squeeze on Philippines

by Mike Billington

The long-simmering crisis in the Philippines reached the boiling point, both economically and strategically, in the opening weeks of 2005. A wide variety of Western institutions, including the leading financial rating agencies, the U.S. State Department, and the Asian Development Bank (ADB), released reports highly critical of Philippine policies, warning of a debt collapse in the near term, and demanding ever more vicious austerity measures to meet foreign debt payments. Meanwhile, a “strategy of tension” has been unleashed, with a highly suspicious outbreak of intense warfare between the Philippine Army and a faction of Muslim separatists in the southern province of Mindanao—with U.S. troops and military intelligence officers illegally deploying into the war zone. This was followed by a series of terrorist bombings in both Mindanao and in the Makati business center of the capital city of Manila, on Feb. 14.

None of these developments can be seen in isolation, neither from each other, nor from the unfolding collapse of the U.S.-dollar-based world financial system. The colonial-style economic demands on the Philippine government from the international financial institutions, and the foreign military and intelligence involvement in the “strategy of tension,” represent part of the end-game scenario coming from the psychotic Bush Administration in Washington, which is willing to sacrifice even its most obedient allies to sustain its collapsing vision of world empire. The unrelenting attack from the financial institutions indicates that the financial oligarchs are prepared to give the “Argentina treatment” to the Philippines. Two leading rating agencies (better known as economic hit-squads), Standard and Poor’s (S&P) and Moody’s, downgraded the Philippine sovereign credit rating in the past month, complaining about the government’s failure to get Congressional approval for all of the new tax and price increases demanded by the IMF, and the slow pace in privatizing the electricity industry. The downgrades leave the country four notches below investment grade, which will further drive up the cost of borrowing on the international markets, for a nation which is forced to borrow more than any Asian government other than Japan.

All the borrowing, of course, will go to debt payment, not to economic development. This year alone the Philippines expects to borrow \$4 billion, while an astounding nearly 90%

of projected government revenues for the coming year will be allocated to debt service, according to a study by economists from Manila’s Ateneo University. The Ateneo study also warned that the Philippines debt structure is in worse condition than that of Argentina at the time of the Argentine default.

An Asian Development Bank report issued in February stated bluntly that “The huge public debt in the Philippines has raised serious and growing concerns about the ability of the Philippine government to manage its debt obligations and the long-run sustainability of government fiscal policy.” The ADB’s message is that the debt is sacrosanct, and that deadly austerity is required to satisfy the foreign creditors.

The State Department annual report for 2005 joined in the Philippine-bashing, citing the slow pace of energy sector privatization, delays in passing new taxes and price hikes, and poor infrastructure (without mentioning that the government has no resources for infrastructure, after the debt is dutifully paid) as reasons for the country’s inability to attract investors.

Bloody Diversion?

It is within this economic reality that the “strategy of tension” re-emerged in early February in the Sulu Archipelago, near Mindanao in the southern Philippines, and has served to both divert attention from the economic crisis, and to justify new U.S. military incursions in the region. The Philippine Army reports that, in the process of ongoing joint U.S./Philippine operations in Sulu against the kidnapping and terror gang, Abu Sayyaf, the Army accidentally hit civilian areas occupied by the Moro National Liberation Front (MNLF). The MNLF is a separatist organization which made peace with the government in the 1990s, and as a result became the official regional government in parts of Mindanao, but then fell into violent confrontation with the government again in 2001. MNLF leader Nur Misuari has been in prison since that time.

The MNLF refutes the Army story, claiming civilians were intentionally murdered by the Army, provoking an armed counter-attack by the MNLF on Feb. 7. The fighting quickly escalated, with Philippine air and ground forces, with U.S. “advisors” and “trainers,” mounting large-scale attacks, resulting in dozens of deaths and thousands of displaced civilians. When U.S. Ambassador Francis Ricciardone admitted that 70 American military intelligence officers had also landed in the battle zone, outcry arose in the Philippines Congress, since the Constitution strictly forbids foreign soldiers’ participation in combat on Philippine territory. The American excuse that the U.S. military intelligence agents are only “observers” has only aggravated the situation.

This crisis comes in the aftermath of the January leaks in the *New Yorker* and the *Washington Post*, which revealed that the Pentagon has deployed covert hunter-killer teams into various countries under the guise of the war on terrorism, with the Philippines prominently named in the *Post* as one of the



U.S. Ambassador Francis Ricciardone, shown here shaking hands with Philippine President Gloria Macapagal-Arroyo, announced during fighting in February, that 70 military intelligence officers had landed in the Sulu war zone—a direct breach of the Philippines Constitution. This photo, taken at Villamor Air Base, also shows Philippine Defense Secretary Avelino Cruz (left), and U.S. Brig. Gen. Kenneth Glueck (right).

target countries. Opposition leader Sen. Aquilino Pimentel has called for a special investigation into the presence, even before the Sulu events, of U.S. spies.

The three, simultaneous Feb. 14 bombings further escalated the crisis, killing ten and injuring a total of 136, between Manila and Mindanao. The Abu Sayyaf took credit for the bombings, but some knowledgeable sources doubt it, including Father Eliseo Mercado. Father Mercado was president of Notre Dame University in Cotabato City, Mindanao, Philippines, from 1992-2002 and served as the chairman of the Independent Cease-Fire Monitoring Committee of the Philippine Government and the Moro Islamic Liberation Front.

Father Mercado spoke to *EIR* from Rome, where he now serves in the Vatican's *Justitia et Pax*: "I believe that the government is in deep crisis—it is very unpopular, that's one thing, and it needs a diversion from the crisis. The government also believes that it needs the United States, and the only way to bring them in, is under the anti-terrorist cover, and therefore they would like to tag the two groups (the Abu Sayyaf and the MNLF) as the terrorists responsible for the bombings. My view is, I do not believe that the Abu Sayyaf, nor the Nur Misuari group, have the capacity to do that—simultaneous bombings in Makati and in Davao and General Santos City (in Mindanao). First, the Abu Sayyaf leadership has been decimated by the military. Secondly, the Nur Misuari group is confined in Sulu, and wouldn't be able to do that kind of operation."

On the fighting in Mindanao, Father Mercado said that "This is a no-exit war—they could try to kill them all, but it won't be ended that way. It has gone on for 30 years, and can only be solved through a cease-fire and negotiations. The problem is that certain military leaders, those tied to the cur-

rent U.S. regime, do not want peace. I believe this is part and parcel of a scenario—I personally believe—which is more political than anything else, to satisfy the need for diverting from the economic crisis and justifying bringing the Americans in."

Diverse Intentions

The Philippine government appears to be torn between two opposing strategic policies. While President Arroyo has attempted to implement every economic policy demanded by Washington (although there is significant resistance from nationalist forces in the Congress), and has approved U.S. military operations which clearly subvert the intention of the Constitution, she has at the same time taken steps in foreign policy which fly in the face of Washington priorities. Beside pulling Philippine troops out of Iraq last year, Arroyo has strengthened economic and military ties with China, and recently hosted Myanmar Prime Minister Soe Win for an official visit to Manila—the same Myanmar denigrated as an "outpost of tyranny" by Secretary of State Condoleezza Rice just last month.

These foreign policy measures have earned President Arroyo the honor of being targetted for possible "regime change" by the leading neo-conservative think-tank in Washington, the Heritage Foundation, which issued a diatribe last October against Arroyo, treating her as an ingrate for failing to comply with Washington's demands. The current economic warfare against the nation, and the U.S. military involvement in the new "strategy of tension," should serve as a warning to Philippine leaders that, besides the independent foreign policy, a truly sovereign domestic policy is urgently required as well.

Ibero-America Wants Integration, Not War

by Valerie Rush and Gretchen Small

Even as U.S. Assistant Secretary of State Roger Noriega threatened on March 2 that the Bush Administration “expected” Venezuela’s neighbors to join the U.S. drive for regime change in Venezuela, the Presidents of Argentina, Brazil, and Venezuela were announcing the formation of a “trilateral strategic alliance” premised on economic integration. Our alliance excludes no one, they said, but serves as a model of the concrete steps needed to turn the “South American Community of Nations,” agreed upon last December by all the nations of the region, into a reality.

Presidents Nestor Kirchner, Lula da Silva, and Hugo Chávez met in Montevideo, Uruguay, following the inauguration of the new President of Uruguay, Tabaré Vázquez. Four ministerial meetings of the three nations are now scheduled to be held in the next 30 to 40 days to flesh out the integration projects needed to address poverty and foster industrial development, before the three Presidents meet again on the sidelines of the extraordinary May 10-11 Arab-South American Heads of State Summit in Brasilia. Under discussion is the formation of a South American Development Bank, the development of the maritime industry, a common electricity supply system, the peaceful use of nuclear energy, and a regional oil industry.

The final communiqué adds the tantalizing statement that such integration processes are necessary to permit the three nations to go before the International Monetary Fund (IMF) and other multilateral bodies with a common position, “to strengthen the voice of our countries more than when they are expressed individually.”

No ‘Axis of Evil’ Here

Neo-con Bush Administration officials who point menacingly at this emerging alliance as a new “red wave” imperiling the hemisphere, have a problem: The moves to bring about this long-desired economic integration are supported across the board in South America. As the Bush Administration has discovered, that includes the government of Alvaro Uribe in Colombia, which the Bush Administration had assumed was safely in its hip pocket, because of Colombia’s dependence on U.S. financial aid to battle the narco-terrorist armies ravaging the country.

On Feb. 15, Uribe and Chávez, along with their respective Foreign Ministers, met for five hours in Caracas, to reach a diplomatic resolution to the crisis triggered last December, when the Colombian government financed the capture of narco-terrorist FARC leader Rodrigo Granda on Venezuelan soil, where he was being hosted by the Chávez government. That incident, which triggered accusations of “violation of sovereignty” by the Venezuelans, led to a rapid and dramatic escalation of tensions and a break in both diplomatic and trade relations between the neighboring countries, which, if allowed to continue, could have led to a war.

It was only through diplomatic interventions by the governments of Brazil, Peru, and Cuba, in particular, that the Feb. 15 rapprochement was able to take place. The traditional venue for mediating such a conflict is usually the Organization of American States, and yet that U.S.-dominated entity was entirely ignored by every Ibero-American government involved in the episode, for the simple reason that those governments smelled a trap of the Bush regime’s making, and were determined to sidestep it.

Washington had seized upon the Granda caper as a made-to-order pretext to impose on Venezuela’s neighbors the U.S. decision to go for “regime change” in Venezuela.

Secretary of State Condoleezza Rice made the policy official in her Jan. 18 confirmation hearings, when she pronounced that “we know the difficulties that that [Chávez] government is causing for its neighbors.” Other governments in the region have little love for the Jacobinite Chávez government, but they know acutely that the destruction wrought by the IMF neoliberal policies has handed Chávez a significant following among millions of poor people across the region, and that a U.S.-run overthrow of Chávez would guarantee a continental war.

U.S. statesman Lyndon LaRouche issued a timely warning against the Bush Administration’s intentions, in a Nov. 12, 2004 radio interview. LaRouche noted that the situation is “complex,” given that: “Chávez, essentially, comes from a background which is the same background that fascism came from in former times, that tradition. He also represents a peculiar left-wing spin on that; he’s very close in some respects to Fidel Castro.” But, LaRouche stated: “I don’t believe that the United States has any business going in to orchestrate regime change in countries, by military force. That’s a wrong policy. I think we have to deal with countries—we’re past the point we should be going to aggressive war anyway—but we have to deal with these countries with a certain amount of understanding, and sometimes, a sense of humor, even about very bad situations. . . .

“My approach is what we should have done a long time ago: Reverse the effects of 1971-72 and ’82, and go back to helping these countries below our borders come into a new kind of system, where they can reindustrialize, redevelop their agricultural strength, and let the benefits of economic and

related progress induce these countries to decide, themselves internally, to evolve their systems in a better direction.”

Sidestepping the Warhawks

The successful Ibero-American effort to bypass Washington in resolving the Colombian-Venezuelan crisis, proved an important first step in that “better direction.” On Jan. 19, a long-scheduled meeting between Uribe and Lula da Silva was held in the Colombian border city of Leticia, where the dispute with Venezuela was quietly added to the top of their pre-set agenda on economic cooperation. That same day, the Foreign Ministers of Colombia and Peru met, after which Colombian Foreign Minister Caroline Barco issued a statement saying that a diplomatic solution to the Colombo-Venezuelan crisis was being fine-tuned. In his capacity as rotational head of the Andean Community, Peruvian President Alejandro Toledo had deployed his Foreign Minister Manuel Rodríguez to meet with his counterparts in both Colombia and Venezuela, to test the waters for a “constructive solution.”

Colombian President Uribe’s intervention proved decisive. Although considered Bush’s number-one regional ally, Uribe refused to play his assigned part in the Bush team’s war drive. He personally called on Cuba’s Fidel Castro to facilitate a face-to-face meeting between himself and Chávez. That meeting, held in Caracas on Feb. 15, brought about an immediate cooling down of the situation, and a joint communiqué in which the Presidents reaffirmed “the importance of strengthening bilateral relations for both countries, overcoming any obstacle that could affect the historic understanding these brother nations have always had.”

Uribe and Chávez also set up a high-level Binational Commission, headed by their Foreign Ministers, to facilitate open communications on all issues affecting the state of relations between their countries, “and especially actions necessary to strengthen the processes of integration between Colombia and Venezuela within the framework of the very necessary integration of South America.”

It is in precisely such a “strategic alliance” for economic integration and collaboration, based on commonality of interests, and expanded across the region, that the end to border conflicts, separatist insurgencies, and narco-terrorism lies. While the Bush-Cheney team raves about a continental “axis of evil,” a very different viewpoint was expressed editorially on Feb. 15 by the leading Colombian daily *El Tiempo*—certainly no great friend of Chávez. “The leadership of Venezuela, Brazil, and Argentina in the signing of agreements is beginning to lay the foundation of integration: a South American Community of Nations,” wrote *El Tiempo*. “Lula moves further away from ideological slogans, and is guided more today by the guiding principle of economic pragmatism. . . . Lula has as good relations with Fidel Castro, Chávez, and Kirchner, as he does with Alvaro Uribe and had with José María Aznar. Further, Brazil never had such fluid relations

with the United States as he has built with George W. Bush. . . . That is why it is illusionary to imagine Brazil as part of a left-wing axis.”

Ibero-American diplomacy short-circuited—at least temporarily—the Cheney/Rumsfeld agenda for chaos and “un-governability.” Diplomatic relations between the two countries are now fully restored, trade relations are returning to normal—including the resumption of Venezuelan gasoline sales to the energy-starved towns on the Colombian side of the border—and a \$200 million joint gas pipeline is back on the front burner. A leading FARC terrorist, facing charges of terrorism, murder, drug- and arms-trafficking, was reported to have been arrested by Venezuela’s National Guard on Feb. 25.

Integration Is Key

Most significantly, Chávez announced at the conclusion of his meeting with Uribe that he, Lula, and Uribe would meet in March to work out a “trilateral oil” arrangement, among other integration initiatives in the works. This came on the heels of a summit that had just been held between Chávez and Lula one day earlier, for which Lula set the tone by declaring: “The integration of South America is priority number one of my government’s foreign policy. . . . South America’s solution does not lie in the North nor on the other side of the Atlantic.” The Brazilian and Venezuelan Presidents signed an impressive series of bilateral proposals which established political dialogue, the expansion of goods and services, and the integration of infrastructure, energy, and science and technology as the “three pillars” of a Brazilian-Venezuelan “strategic alliance,” which he hoped would “serve as a model of the integration we wish to implement with other countries of the region.”

Fourteen of the 20 Brazilian-Venezuelan agreements signed deals concerning oil. They cover the construction of oil platforms and ships, a joint project of the two state oil companies (Pdvs and Petrobras) in the Orinoco region, Petrobras exploration in the Gulf of Venezuela, joint business ventures between the two countries, and fertilizer and petrochemical projects. Other agreements included: an announcement that the two countries will form a joint company “Carbo-Suramerica,” to promote coal mining, an agreement that Brazil’s giant CVRD company and the (still-state run) Venezuelan Corporation of Guayana (CVG) should establish a mining and metallurgical industrial complex, an agreement for Venezuela to refurbish its Air Force with the Brazilian aircraft manufacturer Embraer, joint military exercises in defense of the Venezuelan-Brazilian Amazon region, and more.

It is these bilateral agreements, and similar agreements between Venezuela and Argentina, which the Presidents of Argentina, Brazil, and Venezuela agreed upon March 2, that must be expanded into trilateral accords—and, from there, extended to the rest of South America.

Put Out the Flames Of the Oligarchy's Thirty Years' War

by Helga Zepp-LaRouche

Here is Mrs. LaRouche's keynote speech to the Schiller Institute/International Caucus of Labor Committees Presidents' Day weekend conference on Feb. 19, 2005. She was introduced by civil rights heroine Amelia Boynton Robinson, the vice president of the Schiller Institute in the United States, who turned the podium over to LaRouche Youth Movement activist Erin Smith. The keynote was entitled: "It's Time To Put Out the Flames of the Thirty Years War: Let's Create a Beautiful Mankind!"

Thank you, Amelia and thank you, Erin, for this very loving introduction.

I think everybody is aware—everybody in this room and people in Los Angeles, and elsewhere watching this on the Internet—that we are at a point in history, where the outcome of this historical moment will be decided, to a very large extent, by what is happening inside the United States. The great destiny of mankind, as my favorite poet, Schiller, would have said, is being decided in this country. And you, you all personally sitting here in the audience, and people watching on the Internet, and elsewhere in the country, and the impact you have in changing the American population, away from the present course of action of the government, is the absolute key. It's the key, if we will see in the coming period, worldwide chaos, following the crash of the financial system, which we are absolutely on the verge of, and the rapid descent into global asymmetric nuclear warfare. And, as I will go through in the beginning of my presentation, we are already sitting on a volcano which indeed could erupt at any moment into a global nuclear war, plunging the world into a Dark Age.

This is the one option. But, I think we are actually quite optimistic, that through our deeds and through our intervention, we will realize the other alternative, which is what [former Mexican President José] López Portillo a couple of years ago said, that the world is now listening more and more "to the wise words of Lyndon LaRouche." And it is about time that the Americans are "listening to the wise words



The modern image of a Thirty Years' War: a car bombing at an Iraqi police station in Baghdad, Iraq, on Dec. 4, 2004.

of Lyndon LaRouche,” because internationally, I can assure you, the whole world looks at Lyn as *the* hope to turn the situation in the United States. And there’s nobody of any significant stature in the world, who has any doubt that it is Lyn’s personal leadership which has catalyzed the present opposition to the war drive, and the drive for fascism inside the United States.

Now, therefore, to say it in the beginning, I’m very optimistic that we can accomplish the positive solutions which Lyn has been campaigning for, for the last 30, if not 45-50 years: namely, a just new world economic order, a New Bretton Woods system, and global reconstruction. And Lyn has clearly defined that the way to do this, is to stop the privatization of Social Security through a bipartisan alliance inside the United States, which is becoming more and more visible, that a large section of the Republican Party does not agree with the neo-con domestic policy, which is robbing the poor of their last penny, and foreign policy, which is an imperial, unilateral policy; but, who agree that the American Constitution and the American Declaration of Independence are the true identity of the United States.

Therefore, what we have to accomplish, fundamentally, in this period, is to go back to the real purpose of America in history: the ideas of the American Revolution and the Declaration of Independence.

So, the issues at stake, and this is something you all have been thinking about, and I want you to afresh make your personal view and your personal relation to what is at stake—namely, the destiny of mankind, which depends entirely on our ability to mobilize and change the American people, away from the present course, back to its origins.

New Thirty Years’ War Has Already Begun

Now, as Lyn said recently, the new Thirty Years’ War already is pretty advanced. This Thirty Years’ War may have started with the vote in Florida in January 2001; it may have started with the Sept. 11 events; it may have started with the attack on Afghanistan; it for sure continued in Afghanistan, which is now completely in a catastrophic situation under the control of the drug warlords.

It continued with the war against Iraq, which, as you know, is completely out of control: 1,400 American soldiers, minimum, have died. Many, many more have been wounded, and are shipped back in the most despicable way, back to the United States, not being treated better than human cattle (which is a scandal all by itself). The situation in Iraq, being completely out of control. The separation and division of the country is threatening to occur, which would immediately engulf the region into more wars, between Turkey-Kurdistan, the new possibility of a Kurdistan, and so forth.

But now, we have, with the new assassination of the former Prime Minister Rafik al-Hariri of Lebanon, a situation where a new bomb has been thrown. A journalist with the name of Robert Fisk wrote in the *Independent*, that anyone setting out to murder Hariri would know how this could reopen all the fissures of the civil war which lasted from 1975 to 1990. And this could, in the short term, given the fact that now Syria is being beaten up by the Administration, by the Israelis, it could lead in the short term to a new foreign policy crisis or even a new war.

And, the world is not buying this, but for example, on Tuesday, Radio France Internationale, which is the radio of record for the Quai d'Orsay (for the Foreign Office in France), said that there are three suspects which could have done that. Naturally, the most obvious would be Syria, but, especially because it is the most obvious, it is not the most likely and credible, because Syria has everything to lose. It is risking a full-fledged confrontation with Washington. It is risking to lose support from Saudi Arabia, on which Syria economically and otherwise completely depends. And therefore, it would be suicide for Syria to do this, and therefore it would not make sense.

Then, one day later, the same radio had their chief editor speaking—again, speaking for the French Foreign Ministry—that the danger now, is that Lebanon is falling into chaos, and what is really going on, and then they cite a document from 1982, which was at that point published by a high Israeli Foreign Ministry official with the name Oded Yinon, which was basically a plan for the decomposition of Lebanon into five provinces, which would then be a model for Egypt, Syria, Iraq, the entire Arab Peninsula. And then, this program said that this is indeed the plan, the background for what is happening in Lebanon right now, and it is the main objective of Israel. And it happens to be exactly the same, that a so-called U.S. Committee for a Free Lebanon—which has such known culprits like Richard Perle and others in it—is basically pushing: namely Operation Clean Break (which was the neo-con answer to the Oslo efforts by President Clinton), to basically guarantee the security of Israel, by having regime change of all the governments in the region. And, as one well-placed source in Europe told us, this indeed converges, this Israeli plan to dismantle Lebanon, Syria, Egypt, and so forth, with the Bush Administration policy for regime change.

The Syria thing is very acute, and very dangerous: Because the Bush Administration realizes that their plans to move for regime change in Iran, are not so easy, given the fact that the entire European Union is in very successful diplomatic negotiations in Geneva; and also, Russia, in the form of President Putin, who just met the head of [Iran's] National Security Council, Rowhani, in Moscow, is backing up Iran completely, and Putin said that Russia trusts that Iran does not have a nuclear weapons program, and that Russia fully intends to continue the nuclear cooperation with Iran. So, that puts the stakes immediately a little bit higher, for those people who want to have regime change in Iran. It doesn't put it out of question. And, also the North Korea situation is not so easy, as I will mention in a second. So therefore, Syria is really a target of opportunity.

Now, if you look at the total picture: Iraq, you have a situation, which many people have compared to the horror-show of Vietnam. And you can be sure that all the soldiers who are coming back, having gone through traumatic experiences in a war, which doesn't make any sense, which was based on lies, on manipulation, and now, which is regarded



*Helga Zepp-LaRouche:
“The destiny of mankind
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by the Iraqi people as an aggressive occupying force.

And people are not well taken care of. You know, there are all these scandals now—no armored vehicles, and other things missing. But mostly, psychologically, people will go through traumatic experiences. And then they come back, and they're not celebrated as war heroes, but they're shuffled away. They're not treated well. If they happened to be wounded and have to go to the hospital, well, they have to pay for their meals themselves, because the logic goes, that they would have to eat anyway. So, I can assure you, this will have a long-term effect on the morale of the Armed Forces.

Rice's 'Charm Offensive'

As for Iran, which is part of this region: When Condoleezza Rice was on her “charm offensive” tour to Europe and the United States, she basically said that the United States government, at this point, does not exclude a diplomatic solution, and there's no military strike planned “*as of now*”. And then she was smiling, with her charming smile. And actually, those of you who have been watching TV, it really reminded me of the Addams Family “charm,” and otherwise, the smile of the bull terrier snarling—you know, whenever I see Condoleezza Rice smiling, I'm getting a little bit worried. And, if you look at the content of this charm offensive, well, everybody in the whole world realized and noticed, and wrote and spoke about, that these are exactly the same formulations as before the Iraq War.

As I said, the European Union says, “We can solve this problem by diplomatic means.” They are negotiating in Geneva; they are making progress, that Iran is accepting an inspection regime. And Chancellor Schröder emphatically said that the European Union wants the United States to be an active partner in this negotiation, and help to bring a peaceful solution about.

But, what is the problem? Condoleezza Rice, in her opening remarks, said, there are these “outposts of tyranny,” and then she named Iran, North Korea, Zimbabwe, Cuba, Belarus (and I probably forgot a couple of countries). That means that this is the list for immediate regime change, and basically,



Secretary of State Condoleezza Rice meets with U.K. Foreign Secretary Jack Straw in London, Feb. 4, 2005. “Whenever I see Condoleezza Rice smiling,” said Mrs. LaRouche, “I’m getting a little bit worried.”

Bush in his Inauguration speech, which you all probably still have a chilling memory of, said that the aim of American foreign policy in the second Bush Administration, is the “ultimate goal of ending tyranny” in the entire world, and to light “a fire in the minds of man.” Which is really a very eerie reminder of Dostoevsky’s writings, and basically a very Satanic kind of thing.

When she said that concerning Iran, and this was reiterated by President Bush, President Khatami of Iran—who is a moderate; who is not a militant, who is not an aggressive fundamentalist—reacted *extremely* strongly. He said, “We do not seek war. But we will not tolerate an invasion, and if an aggressor attacks us, this will bring burning hell for them.” And then hundreds of thousands of people were demonstrating in many places in Iran.

Now, the top military in Europe, with whom we are talking about these things, told us, that, as Seymour Hersh was revealing in his famous article in *The New Yorker* last month, the plan to attack Iran militarily is ready to go. Any moment, it could happen. The idea is not to repeat what happened with Iraq, namely a ground invasion, but to strike from a distance, and that sometime between May and August, a determination will be made to launch such an attack.

Financial Breakdown Looms

Well, between May and August, is also the period, which top bankers are talking about, that this will be the coming breakdown of the financial system. The *Financial Times* on the 16th of this month, had a one-page article about this. And you should know that it’s not the habit of the financial media

to report about coming crashes of the system. Because, according to the free-market economy philosophy, you have to massage the market, you have to massage the figures, you have to appeal to the psychology of the speculators and stockholders, and if you say one bad word about the markets, then the market will punish you and collapse. Which is why Lyndon LaRouche is really the reason why this whole mess exists, because he keeps talking badly about the market. So, for the *Financial Times* to talk about the coming systemic collapse is really unusual: They say that when the hedge fund LTCM collapsed in September ’98, this was somehow remedied, and then people said, “Maybe we can be safe now.” But, there are dozens and dozens of new LTCMs, new hedge funds, which could collapse, and the most likely time when this is going to happen, is when Alan Greenspan will leave office this Summer, just in time to get out of the mess he uniquely had created.

If you take these two things together, and I will elaborate the picture even more, we are heading in the very short term—and I’m talking about a three-month, four-month, five-month period—a countdown of civilization, where we are looking at the coincidence of the collapse of the financial system, and the strategic picture going haywire. And I’m not saying that this is a crystal ball, that this will happen. But, I’m saying it, to motivate you to move as quickly and as powerfully as you can, to defeat the Social Security privatization: Because, if we don’t contain this administration, turn it into a lame-duck administration, *the world will go up in flames*. And this is not a joke.

So therefore, what is really important, is that we increase our efforts to mobilize the Democratic Party, to mobilize the healthy parts of the Republican Party, to mobilize the trade union movement—all the organizations, which have a sense that America must be saved between now and then. And therefore, given the fact that the Presidential campaign, in any case, did not have a clear-cut result, as was demonstrated by Senator Boxer and the Congresswoman from Ohio [Stephanie Tubbs Jones] on Jan. 6, we have to continue the Presidential campaign, as if your life depends on it, because, unfortunately, it absolutely does.

Encirclement of Russia

Now, let me go through the rest of the picture.

As I mentioned, for Russia, the economic cooperation with Iran is absolutely vital, and they have said they will expand this economic and nuclear cooperation, and they will not allow that this thing will be attacked. And you can be absolutely sure, if there is a strike against Iran, it would *absolutely* be insane to assume that there will not be a Russian reaction.

Why am I so certain of that? What is the situation in Russia? Well, we have been talking with top Russian people in the military, in the science field, academics—a good selection of those were at the Berlin seminar we had on Jan. 12 and 13—and there is no question in the minds of the top military,

scientific, and political leadership in Russia, that the issue is not Iraq; the issue is not Iran, and not Syria. But that, what is really at stake is the territorial integrity of Russia as one country, and that there are destabilizations afoot to split Russia into many parts.

The people in Russia know that they are the real target, as well as then China and India. And basically, when the terrorist attack against the school in Beslan occurred last Fall, Putin, himself, and many security officials had said, that they know the name and serial number of those who were in contact with the terrorists in Chechnya and elsewhere, that these were the same people who trained al-Qaeda and the mujahideen in Afghanistan during the 1970s for the fight against the Soviet Union, and that they know who these people are. Who are these people? It was Brzezinski, it's the circles of Samuel Huntington, and Bernard Lewis.

And, for the Russians, to have a school attacked—I mean, this is not just “a terrorist attack”: The Russians are a people who love their children extremely much. I know other people do too—but in Russia it is a very big thing, and if you convey to the population the feeling that the President and the government cannot even protect the children, this has a very, very deep impact. And therefore, if any one more such event like Beslan should occur, I'm absolutely certain that the Russians would react militarily.

Now, the Russians have the absolute feeling of encirclement: NATO and the European Union expansion, they regard as an encirclement of Russia. American troops are now in Georgia, in Central Asia—and it does not stop there, because there is regime change on the agenda, not only for Russia itself, but for all CIS countries, including a full-fledged destabilization of Russia.

At the Berlin seminar, we got an inside view from Russians talking about that, which then was confirmed by the executive chairman of the CIS countries, Rushailo, who spoke on Jan. 25 in Dushanbe, Tajikistan, where he said, the regime-change scenario, like that in Georgia in December 2003 and Ukraine in December 2004, may unfold in every single CIS member-country and beyond.

Then, the new President of Georgia, Saakashvili, and the new President of Ukraine, Yushchenko, together agreed on a so-called “Carpathian Declaration,” saying that the changes in their countries represent the beginning of a new wave of European liberalization and democracy on the European continent; and that this spark of revolution will be carried to all countries, including the former Soviet Union, Kyrgyzstan, Kazakstan, and so forth. The new Prime Minister of Ukraine, Tymoshenko, said that they will export the peaceful “orange Ukrainian revolution” wherever possible. To which the Defense Minister of Russia Sergei Ivanov answered, Russia would sharply react to the idea of exporting such revolutions to countries of the CIS, no matter in what colors these revolutions may be draped.

So, the same apparatus from the West, which destabilized Serbia, Georgia, Ukraine, which essentially is foreign instruc-

tors who have an enormous amount of money, and they basically work, among other institutions, through the Free Congress Foundation (FCF), under the direction of Paul Weyrich, they control the so-called “Pora!” (“High Time!”) youth movement in Kiev, which supposedly was designed by a certain Prof. Gene Sharp, from the Albert Einstein Institute at Harvard, where now the new president is, of all people, Larry Summers. And this Professor Sharp, in 1973, wrote a book, *The Politics of Non-Violent Action*. And what these people promote, is actually a parody of the Mahatma Gandhi peace movement of India. And one can be 100% certain that if Mahatma Gandhi would now see this, he would turn in his grave in total disgust, because, what these people are doing, is to cause regime change in all of these countries in order to subjugate all of these countries under the Anglo-American imperial rule.

Another institute is Freedom House. And basically what they are aiming at, is the split of Ukraine. If you look at the new government of Ukraine, it's completely pro-NATO, pro-Western. Prime Minister Tymoshenko, who's not a Jeanne d'Arc at all—she was actually criminally indicted in Russia for fraud and bribing government officials; she, coming from the east of Ukraine, learned Ukrainian only, I think, in 1999. And then, you have Borys Tarasyuk, the Foreign Minister, who is famous for pushing the quickest integration into NATO. He is in favor of withdrawing Ukraine from the single economic space with Russia. He is for a limitation of the Russian Black Sea Fleet in Sevastopol. He is for the quickest withdrawal of that fleet, violating therefore an agreement which exists, allowing this fleet to be there until at least 2017. His argument is that the Russian Navy is polluting Ukrainian water, and that marine units are deployed to Chechnya without agreement from Ukraine. Then, you have Chervonenko, the Transport Minister, who has dual citizenship, with an Israeli passport, in addition to his Ukrainian passport.

Now, this is playing with fire. When [U.S. Senator John] McCain, at the Wehrkunde annual military meeting in Munich, said the “orange revolution” is a “new dawn,” that it started with the “rose revolution” in Georgia, in the Balkans, that freedom and democracy in Belarus must end the dictatorship there, too, and that Russia under Putin is moving backward—this man is playing with fire.

And the people in Russia are completely terrified, especially because of what is happening with Ukraine, which for Russia is what was called the “near abroad.” The best people in Russia think in terms of productive relations with Ukraine. They for sure don't appreciate the idea, that it is being gobbled up by geopolitical interests from the West; it is too close to home.

So, that's the situation of Russia.

Growing Tensions in East Asia

But then, let's look at East Asia: On Feb. 10, the government of North Korea announced that they have nuclear weapons, and this sent shock waves around internationally—not

that this is so new as such, but you can be pretty sure, that North Korea does have plutonium weapons. But, why do they make such an announcement now? Well, first of all, it is a reaction to the re-election of the Bush Administration, and when Rice said that the U.S. government is not planning to attack Iran militarily “right now”—“right now,” which doesn’t mean “not later”—and she said that North Korea is an “outpost of tyranny,” the North Koreans had only one conclusion: that they are next. And they look at Saddam Hussein, and they say, he did cooperate with the UN inspections, and what did it get him?

So then, the fact that Cheney called upon the South Korea Foreign Minister, Ban Ki-moon, recently, to halt South Korean annual fertilizer aid to North Korea, and North Korea does not have its own fertilizer plants and therefore there will be no harvest in North Korea, in an already-starving population! Then, on top of that, on Feb. 1, the U.S. Department of Energy announced that they have proved that North Korea has weapons-grade uranium, because they got a container, a barrel, from Libya, and there were traces of such weapons-grade uranium, which means basically the “yellowcake story” for North Korea has already been delivered.

Now, all of this is not true: Because we should remember, that already in March 2003, Dr. Jonathan Pollack, the head of the Strategic Research Department at the U.S. Naval War College, said this is a hoax. And he wrote a lengthy article in the *Naval War College Review*, and then gave interviews to *EIR* which were republished in South Korea many times, saying that the North Koreans do not have the technological capability to produce nuclear weapons based on uranium. And then, Siegfried Hecker, the ex-head of the nuclear weapons department at Los Alamos, toured North Korea, and addressed hearings in Congress where he said: Well, it’s very simple. If you have a lump of steel, that doesn’t mean you are able to produce a car. There are many technological steps, which you need in between. So, basically, there is a huge gap to the nuclear weapons-grade uranium, but basically, they probably do have plutonium bombs, which are, in a certain sense, more raw, and more clumsy.

So, what is behind this announcement on Feb. 10, that they do have nuclear weapons, is to simply say, “Look, if you cooperate, you get the Saddam Hussein treatment. So therefore, we tell the world, we do have nuclear weapons, and if you attack us, we will take Seoul and Tokyo with us.”

This is all absolutely dangerous stuff. Because, the problem is both Japan and Seoul are asking themselves, “How certain is the U.S. nuclear umbrella?” When North Korea threatens to throw nuclear bombs on Seoul or Tokyo, does the nuclear umbrella supports us? Well, the treaty obligation obliges them to side with the United States. But, that really goes against their fundamental security interest, which obviously is to stay alive. How do we prevent Seoul and Tokyo from being destroyed? Is the alliance with the United States really not the biggest danger?

There are all kinds of rumblings going on. Dr. John Na-

than of the University of California at Santa Barbara recently was in Washington making a speech in front of the Carnegie Endowment, talking about the unraveling of U.S.-Japanese relationship. And he said, every Japanese over 20 (or the majority of them who are not on dope), views the U.S. with growing antagonism, and they have a growing affinity with Asia.

So then, also, the South Korean Foreign Ministry U.S. expert, Dr. Kim Sung-han, went around in the United States making speeches, saying that the Republic of Korea-U.S. alliance is in transformation, and must change, or it will not last.

Just today, Rumsfeld and Condoleezza Rice are meeting with their Japanese counterparts, and according to pre-reporting in the *Washington Post* and elsewhere, they will announce a statement, that from now on, the United States and Japan will regard *Taiwan* as their joint security interest. Now, if you know what Taiwan means for China, for the mainland—again, which regards Taiwan as an absolute integral part of the mainland and not as a separate country—this is playing with fire! I don’t what the Chinese will do. But they could just withdraw their \$500-600 billion U.S. dollar reserves, and just say, “This is it.” And from the standpoint of maintaining the financial system, the fact that the Chinese *did* remain patient in not dropping the dollar support, was the *only* thing which prevented the collapse of the financial system!

So, these people are definitely playing with fire.

The Crisis With Europe

Obviously, what happens right now in Europe is not on the same level of immediate crisis, but it is reflecting this strategic situation. Schröder at the Wehrkunde speech in Munich (which was read by [Defense Minister Peter] Struck, because he was ill with the flu), demanded a reform of NATO, because the NATO structure would not reflect the changes of the last 15 years any more, and therefore should not remain the prime avenue of the transatlantic relation, because this would create unnecessary tensions. And that there are many conflicts, which in any case cannot be solved with military means: like hunger, underdevelopment—which also *is* a cause for terrorism, he says—and that the Iran question must be solved diplomatically; the U.S. must be part of that; but that a solution for Iran must take into account the interests of Iranian security. Which caused a complete hysterical reaction, but it definitely was a baby-step in the right direction.

Rumsfeld, who was at the same conference, immediately went berserk, and said, “No! The NATO structure is just fine.” And then, tomorrow, President Bush will start his tour in Europe. He will go Brussels, Mainz, Erbenheim (where our office is, near Wiesbaden). They have sealed off 100 km of the Autobahn already; they have closed all streets, people are supposed to stay at home. They have made nets, so that where the convoy goes, people cannot throw tomatoes. And then, there’s a comment in the *Wiesbadener Kurier* today which compares this with when Kennedy visited the same region in ’63, saying that the police were worried also that objects



Former German Chancellor Helmut Schmidt: "We are not vassals."

would be thrown, but people were afraid too many roses and flowers would be thrown—as compared to this today.

And then, it is announced that Bush will “tutor” Schröder about NATO, as if we were a pupil in school who is falling behind, and needs a special course. So, I can assure you, this will not find a big appreciation: Because, already former Chancellor [Helmut] Schmidt wrote in *Die Zeit* what he thinks about this “charm offensive” of Bush and Rice, saying, “Well, he will talk a lot about freedom and democracy. He obviously will not mention Abu Ghraib, and he will not talk about the preventive nuclear war doctrine from September 2002. So, we will receive him friendly, because this is what one does among civilized countries, but we are not vassals, and this is a question of our dignity.”

And I know from many discussions we had, this Bush trip will be subject to a re-evaluation of the transatlantic relations, because, for Europe—for Germany in particular, but for all of Europe—this whole policy creates a real strategic dilemma. Germany cannot exist without the strategic partnership with Russia, China, and India. The German economy is collapsing: In reality, we have now *9 million unemployed*—that is 3 million unemployed more than in 1933. And without exports to East Asia, Germany will just collapse. It is already collapsing. And the only chance Germany has, is long-term economic cooperation with East Asia. Now, if the United States, and therefore NATO, are in an adversary relationship with Russia, this touches the vital security interest of Germany, France, Italy, Europe, in the areas of politics, economics, security. And from the standpoint of Germany, Ukraine is not far away, like Iraq; Ukraine is just very close by, almost next door.

If you look at this panorama of the world, and I only could touch upon the most dangerous hotspots—I could have added other, very severe crises in Africa and in Latin America—it is obvious that the present strategic system is disintegrating, and that we are at a point of complete discontinuity. We *have*

FIGURE 1
‘Storm Over Asia’



a Thirty Years’ War, already. You remember this is footage which Lyn used in his famous “Storm Over Asia” election program [Figure 1]; but this was a warning then by Lyn, but this is now happening. You have flames all over, you have actual war situations, and this is the fire which is burning in real terms, and not in the “minds of the people,” but in actual countries.

So, I think if you look at this picture, when I’m saying that Lyn is absolutely right when he says the Thirty Years’ War has already begun, and that we are looking at the potential of a global, asymmetric nuclear warfare: Because, if any more of these things happen, this will go completely out of control. And it would be completely foolish—. You know, the problem is, I look at C-SPAN at some of the hearings when Rumsfeld and Rice were testifying, and some of the timid questioning by the Democrats—and the mistake they make is, they take one crisis at a time! They say, “But things are not working out in Iraq.” “Problems are here.” “Things are not right with the Iran thing”—but they don’t look at it as a totality! And you have to absolutely look at this, as a world fire, as something where every top military command, in India, in Russia, in China, in Europe, they’re looking at it as a totality, and they see an effort of a completely insane policy of regime change, or, if that doesn’t help, if that doesn’t function with normal means, go for war. And this is not going last forever.

Imperial Wars

This is *much worse* than the Thirty Years’ War, because the Thirty Years’ War was limited to Europe, to a part of Europe. But this is already engulfing the entire globe.

Sure, when Condi Rice says, that the United States will not allow any other country to come close to the power of the United States, well, China sooner or later—probably in the

year 2020, '25—will just be a much bigger and more large country, just by the growth of its population. India is already over a billion! So, obviously, the United States has to rethink this. Because, sure, the United States is the only remaining superpower. But what has this administration made out of it?

At the point when there was no adversary left, when the Soviet Union collapsed, there would have been the chance to make a peace order in the world, it would have been very easy: It would have been very easy to push through the policy of John Quincy Adams, to a community of principle, where the United States would have been welcomed to play a *primus inter pares* among perfectly sovereign nation-states, but otherwise devoted to the common aims of mankind. But, they had to decide to become a global empire, in the tradition of the Roman Empire. What a shame! And what a shame, that Bush has been re-elected a second time! Even if he was not really re-elected but by strange means—but nevertheless half of the Americans *did vote* for him! Half of the people voting, did vote for him! This is a problem, you know, and I think, it is something—I'm not saying it to blame you. I'm saying it to motivate you, to redouble your efforts *to get rid of this*, because it's going to bring down the whole world with it.

You have to really understand—and I'm speaking mildly, because if you want to hear how people around the world are talking about the United States, they want the United States to collapse as quickly as possible. It's stupid, and obviously this doesn't solve the problem, but, *people are horrified!*

If the world survives this, I can predict that there will be movies made, like Nazi movies, about Abu Ghraib; about the torture camps in foreign countries; about the Taft memorandum where basically the permission was given to kidnap people without legal advice, bring them to foreign countries, torture them! Recently when I flew here, and had jet lag, I watched TV in the middle of the night, and I admit that I did watch a movie, *Rambo* (which shows you I had really severe suffering from jet lag). It actually starts off, with a Vietnam Special Forces guy, this guy Rambo, who was described by his Pentagon handler as "*the best*." And he had, then, a run-in with the local sheriff, and the sheriff was a little red-neck, evil guy, who then basically tortured him, with a hose and other means, in the shower, using the hose as a way to hurt him and so forth. And then Rambo has these flashbacks from Vietnam, and flips out, and does his act.

But, there is no difference—that's what happened in Abu Ghraib! That's why Abu Ghraib was possible, making prisoners perform sexual acts, which is the utmost violation in the Islamic world. Well, if you look at some of the Nazi movies, like a famous movie, *The Pianist*, where the Nazis are deporting the Jews to the concentration camp, and then they make the Jews dance in the street for their entertainment—it's the same thing!

What is at stake is the image of man behind that!

And, then the Nazis say, "Oh, that's our way to celebrate New Year's." And then, you have similar things going on in

Abu Ghraib.

So, this has to be remedied. This has to be *absolutely changed*. The world is already sitting on a powderkeg, and the name of this powderkeg is World War III. The fuse has already been lit, at five, six, seven, eight points. And this, without any question, is the stuff world wars are made of.

How do we deal with that? How do we approach that? And how do we find a way out of that? Lyn has said, and written many times, that we have to look at history like tragedy. And we have to learn from Classical tragedy, how to uplift ourselves, how to uplift the population in order to find a way out.

In this tragedy, you're not looking at "a stage"—but you, we—we are the leading characters of the play. And we can learn from historical Classical dramas, from Shakespeare, from Schiller, and let the drama of these great tragedians teach us historical lessons.

Schiller's Historical Insight

The problem we face today can be understood best from that point of view. And therefore, I want to talk a little bit about my favorite poet, Schiller, who was a first-class historian, and compare his historical writings with his dramas, at least one drama, as the most efficient way to get to the point. This is something modern historians completely fail to grasp. And if they talk about Schiller as an historian at all, they say, "Well, he was not really an historian, because—" But, actually, Schiller was the best historian: He had a better understanding of history, than almost all so-called professional historians, because he grasped the ideas, the real dynamic of history.

He tackled the problem of European history and European civilization, starting with his description of "The Laws of Lycurgus and Solon," where he describes the republican model of the wise lawgiver, Solon of Athens, who has created a state, where the *aim* of the state is the progression of the people—the progress, the perfection of the population. Versus the evil system of Lycurgus of Sparta, which is run by a small, oligarchical elite, where, according to Schiller, everything looks perfect in the beginning, but then, you see that this very well-organized state is actually based on slavery, on a system of helots, where parts of the population can be thrown away as human cattle, and can be killed. And from time to time, when the helots, which is the name for the slaves in Sparta, get too many and become too dangerous to the system, the youth have a free-shooting—they can go out and shoot these people.

Schiller portrays this, that you can learn from this whenever the humanist cause makes progress, and when it turns into the opposite, such as Lycurgus. And the entirety of European history has been the struggle between these two tendencies. And it helps you to see turning points, when mankind moves upward, and when it moves downward to degenerate.

And how a continuation of failed systems leads to doom, because the society adheres to false principles.

As I said, and I think if you look at the map of the present hotspots that there is no doubt about it, that we are, already, in a global, new Thirty Years' War.

Now therefore, let's take a look at the old Thirty Years' War, which lasted from 1618 to 1648: which, as I said, was limited to Europe at that point, and therefore only devastated parts of the world. Let's take a look at how Schiller deals with this issue of the Thirty Years' War.

Now Schiller, in the Spring of 1786, found a book about the Peace of Westphalia, and according to his own testimony, this triggered his acute interest to study deeply and thoroughly real history. This he wrote in a letter to his friend Körner, on April 15, 1786.

In the beginning of this book, there is a lengthy essay about the character of Wallenstein, who was the general of the Imperial Army of the Habsburg Empire, and who was the opponent of the Swedish King Gustav Adolf. Three years later, Schiller undersigned a contract with his publisher, Göschen, to write a comprehensive study of the history of the Thirty Years' War, on which Schiller worked, then, for three years, until 1793. And soon, it was clear for him, that he not only was writing history, trying to comprehend historical lessons, but that he had found a really, absolutely prime topic for a Classical drama. Because Shakespeare, Schiller, and

others are always looking, "What is a good subject to write a drama?" because you need a good topic, and it's not so easy to find such.

So, after extensive studies, which took him, among others when he went to Carlsbad, which was a famous health spa, he had extensive discussions with Austrian military officers, to study warfare. He visited Eger, which was the main place where Wallenstein's camp stayed. So, Schiller really worked deeply to familiarize himself with the different aspects of this war.

Wallenstein Builds an Army

Now, let's take a look at the period of the Thirty Years' War, which is relevant for our purpose here. In the Third Book of the *Thirty Years' War*, Schiller describes how Gustav Adolf is making victory after victory in the north of Germany. Wallenstein, at this point, is sitting in Prague, because he has been ousted from the command of the Imperial Army by Emperor Ferdinand, due to an intrigue which involved the Spanish court, which involved the Duke of Bavaria; and therefore, Wallenstein is not completely unsatisfied with the progress of Gustav Adolf. And he even puts out feelers, trying to make friendship with him, and invites him to make a military alliance. He proposes to Gustav Adolf to link 15,000 of his troops with his own troops (which Wallenstein doesn't have yet, but he intends to recruit in Bohemia and Mären), and then attack

A Brief Chronology of The Thirty Years' War

The Thirty Years' War (1618-1848) ravaged central Europe, and especially what is today Germany, with religious and political wars.

1618: The Roman Catholic archbishop of Prague, in Bohemia, ordered the destruction of a Protestant church. The Protestants appealed to Holy Roman Emperor Matthias for protection, but when he ignored their protests, they revolted. In the so-called Defenestration of Prague, rebels threw two of the Emperor's officials out a window. The Catholic King of Bohemia, Ferdinand, was ousted and replaced by the Protestant Frederick.

1619: Ferdinand was chosen Holy Roman Emperor.

1620: Emperor Ferdinand's forces defeated the Bohemian Protestants.

1625-29: Other Protestant countries joined the fray. Danish King Christian IV and others fought Ferdinand's forces in Saxony. Gen. Albrecht von Wallenstein came to Ferdinand's aid, along with forces of the Holy League (a military alliance of German Catholic states), defeating the

Danish King. The Emperor dismissed Wallenstein.

1630-31: Sweden's King Gustav Adolf (Gustavus Adolphus), a Protestant, sent troops against Ferdinand. Wallenstein makes unsuccessful overtures to Gustav Adolf for a military alliance. Ferdinand called back Wallenstein, agreeing to his conditions, and also made an alliance with King Philip IV of Spain.

1632: Wallenstein's army fought the Swedes at the Battle of Lützen. The Swedes won, but King Gustav Adolf was killed.

1634: The Swedish army was destroyed in the Battle of Nordlingen. Wallenstein activated his plan for a revolt against the Emperor. The Emperor ordered him arrested. Wallenstein tried to escape, but was assassinated.

1635: France intervened on the side of the Protestants, and the struggle continued, now between the French Bourbons and Austrian Habsburgs.

1644: Peace negotiations, under the leadership of France's Cardinal Mazarin, began in two cities of Westphalia (now western Germany), with the Catholics and Protestants meeting separately.

1648: The Peace of Westphalia was signed, enshrining the principles of national sovereignty and "the advantage of the other."

FIGURE 2



together and conquer Vienna, and chase the Emperor out, and chase him into Italy.

Now, Gustav Adolf hesitates. This sounds all too daring to him, like a chimera, he cannot believe in; so he basically wastes the only chance to end the war quickly. Wallenstein's pride is very much hurt, and he never forgave Gustav Adolf for this low estimate of his proposal.

So, what does Wallenstein do? He needs an army to get rid of the Habsburg Empire. He cannot recruit one in secrecy, because this would cause the maximum suspicion at the court in Vienna. Also, he cannot tell the soldiers what his real plans are, because if he tells them to join his, Wallenstein's, army, to topple the Habsburg Empire, in that period, it would have been regarded as high treason, and people would not have joined. So therefore, Wallenstein has to find a way, how he could convince the Emperor to officially give him unlimited power over such an army. But Wallenstein is a proud person, who does not want to beg. So therefore, he's sitting there waiting, until the threat from the Swedish army is so bad, that the Emperor has to make the decision, against the opposition from Bavaria and Spain, to give him the control over the army.

Now, Wallenstein, according to Schiller, is indirectly secretly supporting the advances of Gustav Adolf, probably also furthering the attacks of the Saxonians on Bohemia, and the progress of Gustav Adolf along the Rhine [see **Figure 2**]. At the same time, Wallenstein is having his supporters in Vienna complain badly, that it is only the demotion and ouster of Wallenstein which is the cause for the defeat.

Wallenstein, at that point, was an extremely rich man. He

had gigantic respect; the speed with which he, six years earlier, had recruited an army of 40,000 people, the small price it had cost at that time, his rapid victories—so when the crisis became big enough, the Emperor put his feelers out, to see what Wallenstein's state of mind would be. At that point, Wallenstein played very hard to get. He said, "I'm not interested—I'm interested in retirement." But, privately, he was triumphant, because the time for revenge had come. Vienna wanted to curb his power, by putting the King of Hungary at his side, which Wallenstein absolutely refused. And then, eventually, after Gustav Adolf advanced even further, he agreed to put together an army, but only to take command for three months, to arm the troops, but then not to lead it beyond that.

He was convinced that the army would immediately disintegrate once he was not the commander, and he used the army only as bait. Gustav Adolf, at that point, still did not believe this whole thing was for real. But, when Wallenstein had put the army together, he just mobilized what his networks were, he had been building on for years before. His fame attracted masses of soldiers, the size of the promised pay, the quality of the food; then Wallenstein paid 200,000 gold thaler from his own money, to speed up the armament, and he instigated other rulers to spend their own money to pay the troops.

Soon he had an army of 40,000, which was attracted by the glory of Wallenstein's name, his gold, his genius—and at that point, Wallenstein threatened to resign. The danger of Gustav Adolf grew, but Wallenstein wanted guarantees that he would not be demoted again, and would have unrestrained control, the sole power to punish and to reward the army, and, basically demanded that the Emperor would be robbed of all control of the army. So, essentially what this was, was a plan for mutiny.

At that point, he also demanded that all Austrian provinces be open for his retreat, in an emergency, which was essentially the idea to keep the Emperor prisoner in his own empire, in case of such an emergency. But Ferdinand needed Wallenstein very badly, because Gustav Adolf was advancing, so he agreed to all of these demands.

Wallenstein was in no hurry, and let the Emperor and the Elector of Regensburg wait and worry. But eventually, it came to the unification of the Imperial and Bavarian troops at Eger, and Wallenstein commanded, at that point, 60,000 troops.

The Siege of Nuremberg

Gustav Adolf requested the support of the Saxonian troops, and when he realized Wallenstein's army was marching towards him, he saw only one chance: to move into Nuremberg. And even if this meant the danger of encirclement by Wallenstein, it seemed to him to be better to be fortified in a position in Nuremberg, and prepare for the encirclement than to just have an open battle. Wallenstein, at that point, said, "In four days, it will be decided who is the ruler of the world, Gustav Adolf or I." Wallenstein immediately



Sweden's King Gustav Adolf. After he rebuffed Wallenstein's offers of alliance, the battles between them devastated Europe, including notably the siege of Nuremberg which left 50,000 dead, without bringing the war any closer to an end.

started the siege of Nuremberg, waiting for hunger and epidemics—and this was not so easy, because Nuremberg was not that big a city at that point, and they had tremendous difficulty foraging, getting food and other supplies, and often the resupplies fell into the hands of the Swedes.

On both sides, very soon, infectious diseases broke out, bad food caused poisoning; soon Duke Wilhelm von Weimar came to the aid of Gustav Adolf. Four Saxonian regiments and troops from the Rhine area joined, so that they were, altogether, 50,000 troops, 6,000 cannon, 4,000 wagons. Gustav Adolf on the other side, had 70,000, and the militia from Nuremberg, which was 30,000 citizens for an emergency. Wallenstein was reinforced from Bavaria, and soon, in the Wallenstein camp, there were 120,000 soldiers, 50,000 horses, 15,000 women, and 15,000 servants. (Because, at that time, it was the custom that the soldiers would have their families with them in such a battle.)

But soon such an enormous amount of people could not be maintained, and hunger erupted. A certain number of the horses starved to death; epidemics were spreading. At that point, Gustav Adolf considered an attack, which Wallenstein answered from a distance from his fortifications, and it was Wallenstein's intent to run Gustav Adolf down, through attri-

tion. Wallenstein was sitting there, calmly, as Schiller writes, "like a god."

He had, around his camp, 100 cannons, and 500 soldiers of Gustav Adolf's army went to certain death; heavy cavalry followed, and then German troops, Finnish troops, one regiment after the other went into certain death.

Soon, a thousand mutilated corpses were lying on the ground. Heavy fighting on the left wing of the Swedes started; both sides had severe casualties. Wallenstein's horse was shot from under him. Two thousand were dead on Gustav Adolf's side. Fourteen more days and the armies stayed opposite to each other; hunger pain increased, soldiers dissipated, the peasants became their victims. Need dissolved order, violence spread, and a despicable decay of military discipline occurred.

Nuremberg for weeks had to feed large crowds of people, and after 11 weeks it came to an end, because there was absolutely no food left, and Gustav Adolf, who had the larger army, because of that, withdrew first. Nuremberg had lost 10,000 inhabitants; Gustav Adolf, 20,000 through war and epidemics; and all villages and fields were destroyed. The peasants were dying on the roadsides. There was the smell of mold, decaying corpses, and long after the retreat, misery and need remained. Gustav Adolf retreated. Wallenstein let him go, and soon after that, left himself, burning down the camp.

The siege of Nuremberg alone had left 50,000 people dead, without bringing the war one inch closer to an end. Austria was saved for the short term, but nothing was decided.

Combat Resumes: No End in Sight to War

So, Wallenstein went back to his plan to separate the Saxonians from the Swedes. The Saxonian army had, in the meantime, attacked Silesia, so no defense was left and Saxony was open for attack from all sides. Wallenstein left Bavaria for Gustav Adolf to loot, hoping that he would not disturb him in Saxony, and marched toward the Thuringian woods. General Holk did the advance, and destroyed the defenseless province with fire and with sword. Generals Gallas and Pappenheim followed, making things worse—destroying churches, burning down villages, destroying the harvest, robbing families, murdering people, and the army turned into barbarians, only to advance for the even bigger misery caused by Wallenstein's army which followed immediately afterwards.

At that point, Gustav Adolf decided to follow Wallenstein, and the population from the nearby areas gathered to see him, celebrating him as the savior, falling on their knees to kiss him, and touch his clothes, because they looked at him like a god. The adoration was so overwhelming, that Gustav Adolf expressed that he feared vengeance from Heaven for such idolization.

So, at that point, Wallenstein *had* to win against Gustav Adolf, or lose his reputation. So, near Naumburg, Gustav Adolf started another fortification, and Wallenstein sent the

larger part of his troops to Cologne, which had been attacked by the Dutch troops under the leadership of his General Pappenheim. As soon as Gustav Adolf heard that, he left his camp to attack the weakened army of Wallenstein, having 20,000 against 12,000 troops. Wallenstein hoped that Pappenheim would return quickly.

At Lützen, it came to an open battle, man against man. Gustav Adolf was in the battlefield at the left side; and at one point, he was shot in the arm, and a second shot killed him, and that news actually invigorated the Swedes to fight even harder.

The minute Wallenstein had almost lost, Pappenheim returned, and the battle started all over, in a murderous fight. Nine thousand people were dead. Many more wounded. The whole plain was covered with dead, wounded, and dying people. The Swedish victory was a sad one, because their King Gustav Adolf was dead.

Wallenstein Mobilizes for a Revolt

And when it was clear that the Emperor of Austria wanted to demote Wallenstein a second time, Wallenstein activated his plan for a revolt. In the year 1634, he called the commanders of the army to Pilsen. The demand from Vienna at that point, was not to put up the army for Winter in Austria, because putting up the army was always a big drain on the country, and to reconquer Regensburg, still during the Winter, also was a big difficulty.

So, this was a large enough issue, for Wallenstein to call together the entire war council, and secretly, he also invited the Swedes and the Saxons. But, the most important three commanders were missing.

What Wallenstein was planning here, was not a small thing, because he wanted to convince the army and the nobility for a revolt. But Wallenstein was blinding himself. He didn't see the danger which was hanging over his head. Wallenstein was sure that the army, which was very bitter against the Emperor, would follow his orders as usual. And he thought that it was his personal authority, and not the authority of his position, which caused this obedience from the troops.

Then, through an intrigue, he wanted to get the commanders to sign the paper of loyalty to Wallenstein, which had a clause in it: As long as Wallenstein deploys the army in the service of the Emperor, they should all be loyal to Wallenstein. Nobody had reservations against signing such an innocent statement. And they served a gigantic meal, asking the commanders to sign afterward, giving them a lot of wine; and then, when they gave the same paper after the meal, that particular clause was missing. But, then the betrayal became known, and a big uproar occurred.

Wallenstein at that point was completely blind to the fact that the two most important generals, Gallas and Piccolomini, were there only as spies for the court at Vienna. And Schiller says, Wallenstein's pride was the daughter of his bride. At that point, Wallenstein planned to go to Prague, to collect the troops there, and to attack Vienna from there. He was left



Wallenstein, Duke of Friedland (1583-1634). Schiller's character was the true Wallenstein—with both virtues and flaws—and his peace efforts were a prelude to the Peace of Westphalia, which ended the Thirty Years' War 16 years after his death.

basically alone, but he didn't give up his plan. And Schiller writes, "But it is in such situations, where great character is demanded. Betrayed in all expectations, he did not give up any of his designs. He gives nothing as lost, because he still has himself. But he reveals himself to the wrong person, the wrong confidant, which then speeds up the plans to murder him."

So, for Schiller's account of the Thirty Years' War, he writes this history, but then, you look at what he does with this historical material.

Schiller's Portrayal of Wallenstein

In the beginning of his historical writings, he portrays Wallenstein as a limitlessly ambitious man, recklessly violent, only occupied since his demotion with total revenge against the Emperor, and he wants to use the army to destroy the Habsburg Empire and take power himself. But, then, at the end of the Fourth Book, Schiller makes a very interesting change, and says: "So, Wallenstein ended his life, at the age of 50 years, a life full of deeds which was extraordinary, elevated through ambition, toppled by the desire for fame. But, despite all his faults, he was great, and he was to be admired. He would have been unmatched, if he had kept in proportion. He had all the virtues of a leader—wisdom, justice, firmness, and courage—in a colossal way. But, he was

lacking the gentle virtue of man, which decorates heroes, and which causes the leader to be loved.”

And then, at the end of Book Four, Schiller surprisingly touches upon another level of this history. He writes: “His bright mind elevated Wallenstein above religious prejudices of his century. And the Jesuits never forgave him, that he had seen through their system. It was the intrigue of the monks, which caused him to lose the command the first time in Regensburg, and to lose his life in Eger. And it was through the monks that he lost something that was even more important than both: Namely, to lose his honest name. For the sake of justice, one has to admit that the story of this extraordinary man has not been transmitted faithfully, that his treason is not proven, and in his publicly proven deeds is none which would have been not based on innocent motives. Many of the steps he was criticized for the most, any proof his serious desire to establish peace, and others, are accused of being based upon his justified mistrust against the Emperor, and the excusable effect to emphasize his own role. None of his deeds allows us to think that treason on his part is proven. He did not fall because he was a rebel, but he was a rebel because he was falling. It is a misfortune for the living to have made the victorious party an enemy, and it is a misfortune for the dead, that this enemy outlived him and wrote his history.”

Now, this is very, very interesting, because, as Schiller was working through the historical material—and you have to appreciate that the actual sources were not what you have

today, where you can go to the Library of Congress and you have everything you can possibly wish—but he had only a few records; but, eventually Schiller, as always, came to the real dynamic behind this period of history.

From these lines, it is clear that Schiller absolutely was on the track of the real historical issues. The real issue was not loyalty to the Habsburg Empire; but the real issue was how to end the Thirty Years’ War, how to end the religious war. And Schiller, who probably would have written a history of the Peace of Westphalia if he would not have died prematurely of his diseases, called the Peace of Westphalia the “greatest achievement of statecraft.”

Schiller’s Wallenstein Trilogy

But, it was only through the drama Schiller wrote, based on this historical material, for which the actual historical record was relatively limited, that he found with scientific precision what was the actual story of this period of history. In the famous *Wallenstein Trilogy*, which was the first Classical drama in German—I mean, Schiller wrote the youthful dramas up to the *Don Carlos*, but the real, first Classical drama was the *Wallenstein Trilogy* about the Thirty Years’ War. I’m saying it was the first real Classical drama, because it fulfilled the highest standard of Schiller’s and Goethe’s own aesthetic conceptions of what Classical art must be based on. And it focussed on this period of the Thirty Years’ War which I just told you about.

The *Trilogy* starts first with *Wallenstein’s Camp*, and this alone is a masterful portrayal. It probably describes the Wallenstein camp near Nuremberg, during the siege. And what you see is how, through the viewpoint of the different soldiers of the army in the camp, the panorama of the camp during the war, is painted from the view of the simple soldiers.

Then, the second part of the *Trilogy*, called *The Piccolomini*, has the story of the plan of Wallenstein to turn the army against the Emperor, and the counter-intrigues from the court of Vienna, for which Octavio Piccolomini, after whom this second part is called, is the chief agent, and whom Wallenstein unfortunately trusts completely. And Schiller said, “Only the arrogance of pride was the cause of Wallenstein’s blindness not to see through.”

Schiller’s work on the Wallenstein play was interrupted many times, because he had many, many severe intestinal and other diseases—as a matter of fact, when he died at the age of 45, and an autopsy was made, people were surprised how long this man could have lived, because his entire internal organs had completely dissolved. And he had a gigantic domination of willpower over his weak body. But, in this whole period of six years, Schiller was also working on his aesthetic writings.

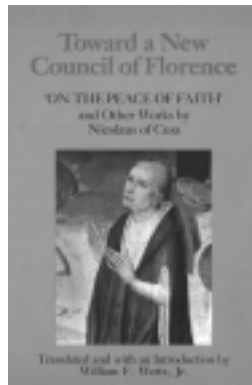
He had the problem that Wallenstein was a general—he was in the middle of a war, he was not exactly a sympathetic person, at least at first view; and the question was, how to make this very ambiguous figure, who was not really great, who had essentially no noble motives, but a general in the

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middle of battles—how to get the audience to feel with Wallenstein, and to make him an understandable and even sympathetic hero. Which, according to Schiller, is necessary, because, as he develops in his theoretical writings “The Theater as a Moral Institution,” Classical theater must elevate the population.

When the ordinary people go to the theater, and they see a king, or a general, or an emperor, or anybody on the stage, they have to be uplifted to identify with the large issues of mankind, and they have to put themselves in the shoes of the hero on the stage, what would *they* do, if, on their action, the fate of their people for centuries and generations to come, would depend? That requires, that the audience, when they look at the hero on the stage, identifies—and you cannot identify with somebody whom you detest.

So, Schiller had the problem, how to use this historical material, to cause people to somehow have a different identification with Wallenstein. And in the very beautiful prologue, he writes, “Wallenstein, his character is torn in different directions, by love and hatred of the different parties. But, through art, I will present him in front of your eyes, and bring him closer to your hearts.”

‘The Children of the House’

The way Schiller does that, is, he adds two figures which were not reported in real history, but do exist in the play. These figures are Max, the son of Octavio Piccolomini, and Thekla, the daughter of Wallenstein. They are what Schiller calls the “children of the house,” which is close to his ideal of the “beautiful soul.”

Schiller had, throughout his life, again and again, come back to what he called “the philosophy of childhood.” Which was the idea that children and youth are in a condition of innocence, that they are not yet crippled by the challenges of adult life. They are pure and integral. And that people later get hurt and get damaged, and they become crippled. But that always, they have the chance to revive and to create anew the totality of their human personality, through aesthetical education.

So, Schiller uses this means, to have two beautiful souls, which are not yet crippled by the Thirty Years’ War, the children of the two main figures—Octavio and Wallenstein—who represent this idea of the beautiful humanity. And it is them, alone, through which he portrays what is the ideal of Wallenstein in the Peace of Westphalia.

Max, in the play, is the counterpart of Wallenstein, and he represents Wallenstein’s own noble youth, which he sees personified in Max. And after Max dies in the battle, Wallenstein exclaims, “He was standing beside me, like my own youth. He painted reality for me, as a vision, as a dream.” And, Wallenstein, in the entire plan, he *never*—according to Schiller—really says, what is his aim for trying to topple the Habsburg Empire, but then, in the dialogue between Max and Octavio and another character, called Questenberg, Max actually describes why he is so absolutely determined to be

on the side of Wallenstein. And I want Will [Wertz] to read that part:

Max: Soon will his dismal realm come to an end!
O Blessed be the prince’s earnest zeal,
He’ll intertwine the olive branch i’th’ laurel
And donate peace to a delighted world.
Then his great heart has nothing more to wish,
He has performed enough for his renown,
Can live now for himself and for his own.
To his estates he will retire. At Gitchin
He has a lovely seat, and Reichenberg
And Friedland Castle both lie happily—
Up to the Riesenberge foothills stretch
The hunting ranges of his wooded lands.
With his great drive for glorious creation,
Can he then unrestrainedly, freely comply.
As prince he can encourage all the arts
And give protection to all worthy things—
Can build, and plant and watch the stars above—
Yes, if his daring power cannot rest,
then he may battle with the elements,
Divert a river, and blow up a rock
And clear an easy path for industry.
Our histories of war will then become
the stories told on lengthy Winter nights—

So, what Max portrays here, was Wallenstein’s plan for the time when peace was established. And, as you can see, it is clearly the essence of the idea of the Peace of Westphalia treaty: the idea to build infrastructure for reconstruction, to divert rivers, to reconstruct the torched earth.

The Function of Classical Tragedy

The third part of the Trilogy, is *The Death of Wallenstein*. Wallenstein gets killed, in an absolutely masterful way how Schiller describes this.

Now, in real history, the war as a result of this continued another 16 years, and it only ended, because at that point, it was clear that if the war would continue, nobody would be left alive. If you compare Schiller’s historical writings about the Thirty Years’ War and the *Wallenstein Trilogy*, something very interesting emerges: As I said, during the same period, Schiller worked on the history and the drama of the Thirty Years’ War, he made extensive writings about the aesthetical laws of Classical art, the famous *Aesthetical Letters*, *On Grace and Dignity*; the *Kallias Letters*, the criticism of Burger’s poems *About Naive and Sentimental Poetry*. And in that, he said, that the great poet, the great artist, needs to idealize a subject, because otherwise, it’s not worth portraying it.

This word “idealizing” has been misunderstood a lot, by meaning “beautifying” “making it more nice,” “idealizing it”; that’s not what Schiller means, at all. It means to recognize the pure nature, the essence of the subject, to elevate it above the arbitrary, up to the general and necessary, and that is really

the meaning of “idealizing,” to find the true nature. Also, it means elevation to the level of the Sublime.

So, Schiller does not only want to evoke the spiritual power of the resistance through compassion in the audience, but he also wants to do it in the play, in the heroes: With the idea, that even if there is an external destruction, an inner reliability and growth of greatness has to be the response. He wants to create a moral independence from the laws of nature in the condition of the effect. In the “Xenie,” he writes, “The gigantic destiny, which elevates man while it may crush him physically.”

In the same period, Schiller also studied the Greek tragedians, and also Shakespeare. And the motive was, all the time, how to heal the damaged person, because Schiller was fundamentally convinced that the people of his time had been crippled through the Enlightenment, through the Thirty Years’ War, through the Seven Years’ War, and how to heal and how to re-create the harmonious personality on a higher level.

In some of his unpublished works, he writes: “We are human beings, therefore we are subject to our destiny. We are under the compulsion of laws. It is important, therefore, to awaken a higher more vigorous power inside ourselves, and to train this power, so that we can re-create ourselves. Tragedy does not turn us into gods, because gods”—and he means “gods” here in the sense of the Greek mythology—“cannot suffer. Tragedies turn us into heroic people, divine human beings. Or, if you want, suffering gods, which were called Titans. Prometheus, the hero of one of the most beautiful tragedies, in a certain way, is the synonym of tragedy itself.”

Now remember what Lyn wrote in his recent papers about the Promethean image of man. Prometheus, the story of the god who brought the power of fire to mankind, against the tyranny of Zeus, and for which he was then chained to the rock for eternity. This is metaphor for the very idea of the empowering man, of strengthening his cognitive ability, which is what separates man from the beast.

The real struggle of mankind to increase the spiritual side, the intellectual, cognitive side, is what this play is all about. So, in a way, what Schiller did with the Wallenstein material: He applied the Prometheus ideal to the historical material he had; he idealized Wallenstein.

The totally fascinating thing, is that Schiller created a Wallenstein image, which he could not have from the historical records as such. And only much later, it was confirmed by other historians, when new historical sources became available. The philosopher, Wilhelm Dilthey, noted that the epistemological significance of the *Wallenstein* play, consists in that it grasps the inner depths, the inner sensitivity of history. The historian Heinrich von Srbik wrote that Schiller anticipated what historical science could prove one and a half centuries later, precisely.

Schiller’s *Wallenstein*, therefore, was the real *Wallenstein*, and the ideas he had were the prelude to what the



France’s Cardinal Mazarin forged the Peace of Westphalia in four years of negotiations: stopping the endless cycle of revenge and counter-revenge, and getting each side to accept the principle of “the advantage of the other.”

Peace of Westphalia treaty became, 16 years later. And it contains the very important idea for today, that peace must end and supersede war.

Max, in a discussion with his father and Questenberg, says, “You portray him” (meaning Wallenstein) “as a rebel, and God knows what else, because he shows mercy with the Saxonians, because he seeks to build trust with the enemy, which is the only way one can make peace. Because, if war does not stop, already during the war, where should peace come from?”

The Enduring Importance of the Peace of Westphalia

So, that must be the lesson for us today. “War must stop during the war,” because the alternative is perpetual war. And, as Lyn said and wrote, especially in the five documents he wants everybody to study very thoroughly around this conference, “The Earth’s Next 50 Years” and the “Dialogue of Civilizations” and three other papers¹—the world needs, today,

1. “The Follies of the Economic Hitmen: Re-animating the World’s Economy,” *EIR*, Dec. 3, 2004; “Toward a Second Treaty of Westphalia: The Coming Eurasian World,” *EIR*, Dec. 17, 2004; “The Dialogue of Civilizations: Earth’s Next Fifty Years” *EIR*, Jan. 7, 2005; “The Global Option for this Emergency: Beyond Westphalia Now,” *EIR*, March 4, 2005; and “On the Occasion of Abraham Lincoln’s Birthday Memorial: Franklin Roosevelt’s Miracle,” *EIR*, March 4, 2005.

more urgently than ever, a new Peace of Westphalia treaty.

What were the principles of the Peace of Westphalia, which was the result of four years of negotiations, under the leadership of Cardinal Mazarin? The first principle is, all peace must be built on the interest of the other. Also, security interest of the other; economic, cultural interest of the other.

This is extremely important today, because, that is the only conception by which we can get out of this scenario for World War III, which I talked about in the beginning. We have to go back to the ideals, which really underlay the Peace of Westphalia, where the influence of Nicolaus of Cusa was very clear. Nicolaus of Cusa, earlier, in the 15th Century, had developed the idea that “concordance in the macrocosm, can only exist if all microcosms develop to their maximum,” and that it is the very self-interest of each microcosm to develop the maximum of the other microcosms. Which also applies for nations. It must be the absolute self-interest of every nation, to further the well-being of the other, as its own, most fundamental interest, and that *only* if that happens, peace is possible.

Now, the ideas of the Nicolaus of Cusa, were obviously the ideas of the American Revolution. If you think about John Quincy Adams, and his idea of a community of principle of perfectly sovereign nation-states, who are, however, united through common aims of mankind, then that is exactly what must be revived in America today. And I would just ask President Bush: Does he really want to go down in history as Nero? Would he rather not like to be compared with John Quincy Adams? I don't know if he will hear me. Or, if it does any good. But it is an old question, who will be the greater President in history?

The number-two principle of the Peace of Westphalia, was, all crimes and injustices have to be forgiven, for the sake of peace, on both sides.

And the third, which was not an actual principle of the treaty, but it belonged to the whole thing, was, the state role in the reconstruction after the war.

And that is very obvious, why we need today a Franklin D. Roosevelt approach for the reconstruction of the torn areas of the war. It is why we need the proposal by Lyn to have a New Bretton Woods; a Eurasian Land-Bridge as the basis for a reconstruction of the world economy, which is based on the interest of the other: that, in the Eurasian Land-Bridge, each country must have the well-being of the other country as its own self-interest.

The Eurasian Land-Bridge *is* the modern version of the John Quincy Adams idea, the common interest of mankind. The *only way*—and that remains on the table, if people like it or not, and that's a challenge to the Democratic Party and the sane Republicans—the *only way* how the fire in the Near East, in the Middle East, and the Gulf region can be extinguished, is through the beautiful plan of the Southwest Asia doctrine Lyn has developed, the LaRouche Doctrine, which basically says: There has to be an economic development of the entire region, from Central Asia, Iran, Iraq, Syria, Lebanon, Israel,

Palestine, Egypt. There has to be a gigantic economic development plan, as the higher incentive for all the warring parties to stop. And this has to be guaranteed by the power of the United States. And that is the *only way*.

If you think this is utopian, you'd better kiss civilization goodbye. It is up to *you*, and up to us, to force these ideas on the table.

Now, Lyn has added to this whole idea, the very beautiful conception of a 50-year agreement among the nations of the world, to have guaranteed supply and the development of strategic raw materials. The alternatives are *either*, we have World War III over the grabbing of raw materials in Central Asia, in Siberia, in the Gulf region, in China, and other places; *or*, we go the way of Lyn's vision for the 21st Century.

We have two choices. And America, predominantly, has to make this decision—and I'm calling upon you, and the Americans in general, to not have the world turn into barbarians, and turn the world into a global nuclear rubble-field, a Dark Age, where I have already a clear picture how it would look like, when the world's population has shrunk to half a billion. Warlords over a torched earth are the only ones who remain.

Let's have instead, a beautiful vision. Let's have reconstruction, and a new humanist Renaissance. And that has to start with the inner self-education of each of us, and the population at large. We will not come out of this crisis through pragmatism. We will not solve this crisis by giving excellent charts and bullet-points and power-points to the population, why Social Security privatization is good or bad—even though you may have some arguments and publish the information. We have to do something much more essential: We have to heal the tortured image of man. We have to treat each other, again, as human beings, and not allow a world in which some people are treated as cattle—and I can assure you, no human person would treat cattle the way people say “treated as cattle,” because even that is not human.

We need to evoke the self-sustaining humanity in each human being. We have to catalyze the spark of divine creativity, the free principle in each person. People have to learn from great Classical art, and the Wallenstein play is a very good example, talking about one of the worst periods in history, namely the Thirty Years' War. We cannot appeal to the popular taste and prejudices and make it simple, “so that the ordinary folks can understand it.” True popularity—and Schiller has written a lot about that—can only occur *by elevating everybody*, even the last uneducated person, to the level of Classical thinking. And when the highest level of humanity has been reached, and each person can participate in it, then we are truly “popular,” because that is then the common taste.

So, it is up to you, up to us, to give America its soul back, to make it again the beautiful soul of the Declaration of Independence and the American Revolution. And I'm convinced we can do it.

Greenspan Spills the Beans

In the midst of a generally unintelligible (as usual) presentation to the House of Representatives' Budget Committee on March 2, Federal Reserve Chairman Alan Greenspan put out an unmistakable message. First, he made a demand for cutting back Federal entitlements, both in health care and Social Security.

"I fear that we may have already committed more physical resources to the baby-boom generation in its retirement years, than our economy has capacity to deliver," the oracle said. "If existing promises need to be changed, those changes should be made sooner rather than later. We owe future retirees as much time as possible to adjust their plans for work, saving, and retirement saving."

Translation: We're going to cut benefits, so get used to it.

Second, Greenspan stated that his "solution" to economic shortfalls requires raising national savings, and that one of the best ways to accomplish that is to have a "retirement system with a significant personal accounts component."

Translation: Bush should go ahead with Social Security privatization, and grab the loot.

The combination is precisely what we at *EIR* have warned about: a brutal austerity program which will loot resources from the physical economy, especially personal consumption, but also necessary infrastructure and capital investment, à la Hitler's financial minister, Hjalmar Schacht. No more fooling around about how the privatization plan is going to make you rich. This is about cutbacks, and money to Wall Street, Greenspan showed, and *right now*.

This is not a new outlook for Greenspan, although perhaps its clarity is greater than usual. What was new was the prominent Democratic response.

"Greenspan is the biggest political hack we have here in Washington," said U.S. Sen. Harry Reid on CNN's "Inside Politics" on March 3. What Federal Reserve Chairman Alan Greenspan should be telling the President, said Reid, is that the problem is the debt his Administration created. Reid's aide added that Greenspan is "shilling for the President with proposals that would put us deeper in debt."

How refreshing! How often have we seen leading Democrats virtually bow and scrape in front of the

Chairman of the Federal Reserve, as if he were some kind of demigod. Just a week or so ago, Congressmen had bent over backwards to try to get Greenspan to "agree with himself," when he was on the "Greenspan Commission" back in the 1980s, and to oppose Social Security privatization. When the Chairman made it clear he supported private accounts, the Congressmen responded with the equivalent of a whimper.

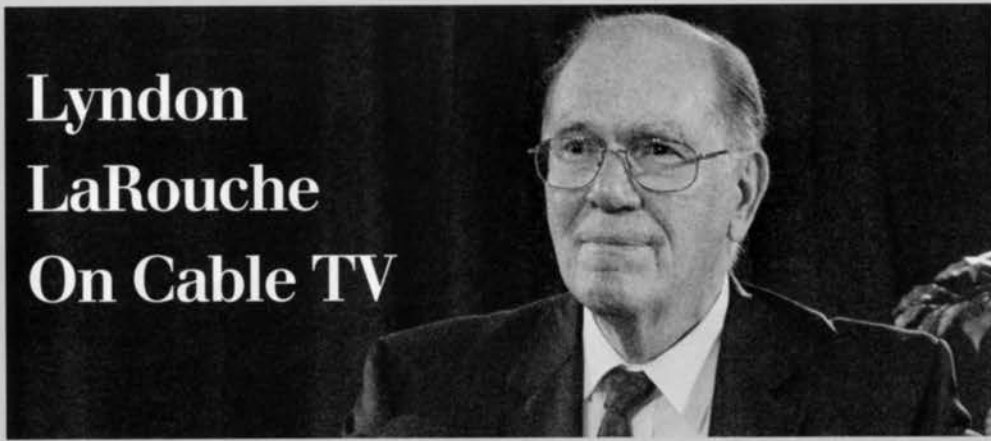
Senator Reid's willingness to smash Greenspan for his endorsement of Bush's plan is a welcome change. It's about time Congress reasserted its authority, and reality, on the issue of the economy, as well as other areas of policy, and the sacred cow that should be toppled first, is Alan Greenspan.

Of course, it's not really the case that Greenspan is carrying the can for President Bush, who hardly knows what he is going to say from one moment to the next. Greenspan, like his longtime colleague and would-be modern Schacht, George Shultz, is part of the bankers' cabal which has devised Social Security privatization, as a means of trying to bail out their bankrupt financial system. The bankers are the ones telling Bush what to do, not vice versa.

But no one should be confused enough to think that that means the bankers are competent. These are the monetarists—the monetary cultists—who, with the initiation of the floating exchange rate system, have driven the U.S. and world economy into the ground over the last 30 years. Their measures have brought the financial system to the edge of blowout, and they are determined now to try to save it, with the same measures that the bankers behind Hitler did in the 1930s. Either their fascist objectives are identified, and their political minions are stopped, or the world is headed for disaster.

It is likely that Senator Reid knows this, but now it must be said openly, as economist and leading Democrat Lyndon LaRouche has insisted: The U.S. Congress will fight to save the *people*, not the banks. Greenspan's "wisdom" has already destroyed the lives of millions, by fostering speculation, globalization, and the dismantling of programs for the general welfare. Put Greenspan's advice in the garbage where it belongs. We the people, must take up the FDR-style policies that will save the nation.

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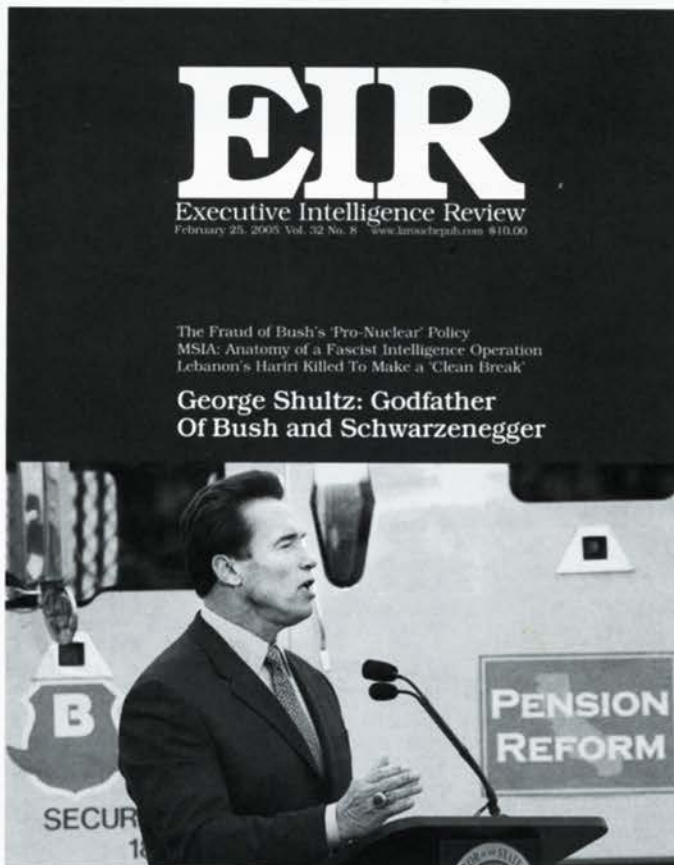
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