

pressed as invention-driven progress in the physical conditions of life per capita and per square kilometer of territory. This intended system is premised upon the promotion of those same creative powers of the individual human mind which we associate with fundamental discoveries of universal physical principle, by means of which there is the possibility of the increase of the productive powers of labor. For us, the economic function of the republic is to provide those conditions of law, and improvements in basic economic infrastructure, under which the fruitfulness of the creative powers of the individual are fostered to the benefit of society as a whole.

5.12 Under that American System, it is those physical and related goals, rather than financial interest, which are the essential premises of law bearing upon economy. For us, money, even our own currency, is essentially an idiot, whose behavior must be regulated in ways to promote the intention for which our republic is constituted. The monopoly over the creation and regulation of the circulation of money is the essential power of sovereign government which must be used and protected in that function of regulation over monetary-financial systems. It has been the abandoning of that principle of our American System of political-economy, and replacement of that principle by the defective monetarist notions of European independent central banking, which was the principal cause of the ruin of our republic's economy under Coolidge and Hoover, and the fresh ruin of that economy from approximately 1971 to the present date. Just as Hoover's policies of fiscal conservatism ruined the U.S. over the relevant interval, so kindred thinking adopted by the administration of President Nixon, set the presently onrushing ruin of our economy into motion thirty-odd years ago.

5.13 To understand economies and how they function, or fail, we must abandon the delusion that economies can be treated like lawyerly business forms of social contracts. An economy is essentially a system, in the sense that physical science is a matter of systems defined by underlying, adopted assumptions of universal physical principle. The designing of contractual agreements, such as adopted laws, must be premised fundamentally on notions of scientific principle, first, and the crafting of appropriate law as the servant of such universal principles, second. As in space travel, so in economy, the adoption of contractual agreements which violate universal physical principles, will lead to a crash in due course.

5.14 The present form of economy, since approximately 1971, is now crashing, that for physically lawful reasons. It is time to depart the realm of the accustomed lawful superstitions of the recent thirty-odd years, to return to those principles of physical economy, known as the American System of political-economy, which have repeatedly rescued us from the consequences of that folly expressed by the European model of independent central banking system. Law must now conform to efficient universal physical principle. What we choose now, will determine whether or not we shall be punished by our cumulative folly of the recent three decades.

A GOP Revolt Against Bush-Cheney Insanity

by Jeffrey Steinberg

In March, the four-year vise-grip that the Bush-Cheney White House had enforced over Congressional Republicans came to an end, when the White House demanded that \$16 billion be slashed from Medicaid payments in the FY 2006 budget. Seven moderate Republican Senators joined all 44 Democrats and Independent James Jeffords (Vt.) to deliver a blow to the Administration's killer austerity schemes. And days later, it took a last-ditch White House effort to prevent a bipartisan Senate defeat of the entire Bush-Cheney budget, by convincing Sen. Susan Collins (R-Maine) not to abandon the Administration.

Addressing a group of Democratic Party and trade union leaders on April 9, Lyndon LaRouche summarized the state of affairs in the following blunt terms:

"You know people talk about, 'George Bush is the President! You can't do anything for four years.' *Bunk!* I'm not sure he's going to be there much longer. They may carry him out, or just lock up the rubber room and keep him in there. But, if the American people, particularly the lower 80%, is convinced this guy is bad news, and convinced that Dick Cheney is worse news, and convinced that George Shultz is some kind of an enemy alien (which he probably is), and that Schwarzenegger should be sent back to Austria, to punish the Austrians for producing him—if the American people get that idea, I don't care who's President: The American people will run the country. Not by running it as President, but by putting the pressure on, which means that the politicians in the Congress, a majority in the Congress; by getting a combination of Democrats and Republicans, in the Congress, especially, first, in the Senate, to agree that something is needed by the country, really agreed—and they're getting disgusted even on the Republican side with Bush, and what he represents—that power in the Congress, brought about by the activation of the people, will control the country. You don't need to wait for the next election: The guy in the rubber room will do what he's told. And you'll have the advisors who tell him that.

"Because, with what we know about the situation, with the crimes that have been committed by the Bush Administration, there is enough evidence out there, it's already in the pipeline in the legal system, to bring about the impeachment of Cheney and Bush, it already exists; all you need, is the atmosphere of public opinion, which says, 'These guys have got to go,' and the mechanisms to get rid of them and the people who will do the job, are there. What you need, is the voice of public opin-

ion. And I'm convinced that the Democratic Party which has to lead in this, will not get that, without turning their attention away from the cowardly attitude about suburbia, to begin to concern themselves more actively about the condition of life of the lower 80% [of income brackets] of our people, who have been kept out of the equation, and driven almost crazy, by the conditions they've been subjected to."

The Bolton Nomination

Days later, the Republican insurrection against the White House bubbled again to the surface. During two bruising days of confirmation hearings for UN Ambassador nominee John Bolton, Senate Foreign Relations Committee chairman Richard Lugar (R-Ind.) gave Democrats wide latitude to grill Bolton on a number of scandals, including abuse of State Department and CIA officials, who offered intelligence assessments that countered his neo-con views; and his lobbying activities for Taiwan.

The second day of the Bolton hearings was taken up with testimony by Carl Ford, the former head of the Bureau of Intelligence and Research (INR) at the State Department. Ford, who resigned in late 2002, documented a string of instances in which Bolton abused intelligence analysts, and tried to get them fired for providing what proved to be accurate assessments of the nearly non-existent Iraq Weapons of Mass Destruction program, and Syria's non-existent nuclear weapons program. Ford called Bolton a "serial abuser" and made it clear that he considered the former State Department arms control chief totally unqualified to handle the UN post.

Sen. Lincoln Chafee (R-R.I.), a moderate, is considering a "no" vote on Bolton. If the Democrats vote against Bolton, as is expected, and Chafee votes "no," Bolton's nomination would be killed in committee. According to one well-placed Washington source, the White House is scrambling to salvage the Bolton nomination.

The vote on Bolton had been expected before the end of the week of April 11, but in another snub to the White House, Lugar acquiesced to a Democratic request to delay it, until the committee received written answers from Bolton, and from three senior intelligence officials.

The day after Lugar agreed to delay the vote, April 14, the *New York Times* published new revelations, that Bolton had sought to obtain surveillance data on other U.S. government officials, which had been obtained by the National Security Agency (NSA). Sen. Christopher Dodd (D-Conn.) had asked Bolton about the requests, and Bolton had admitted to making them. Dodd has asked that the State Department and NSA provide full details, including the names of the officials whom Bolton was apparently spying on.

Cheney and Addington

Another potential headache for the Administration, former CIA contract employee David Passaro, on trial in North Carolina for the death of an Afghan during interrogation, is subpoenaing David Addington, the chief counsel to Vice

President Cheney, and a prime architect of the Administration's torture policy. Passaro also has subpoenaed Attorney General Gonzales, former CIA Director George Tenet, and other Department of Justice officials.

Passaro claims that his actions were consistent with the Administration's guidelines on interrogation methods. His lawyer cited an August 2002 Justice Department memo, which asserted that a person acting pursuant to the President's wartime powers, even in violation of U.S. laws, could not be prosecuted.

Cheney's troubles don't end there. Washington sources have told *EIR* that three major criminal probes, all centered around the Iraq War, and all implicating the Vice President, are expected to come to a head this Summer. The first is the leak of the identity of Valerie Plame, a long-time undercover CIA officer, and the wife of retired Ambassador Joseph Wilson. *EIR* has reported for nearly a year that the Plame-Wilson case implicates top officials in the Vice President's Office, who were behind the illegal leak to syndicated columnist Robert Novak in July 2003, just days after Wilson penned a *New York Times* op-ed, revealing the hoax of purported Iraqi attempts to procure uranium yellowcake from Niger. Ambassador Wilson was one of three officials to separately conclude that the story was phony. The Wilson trip had come as the result of a query by Vice President Cheney, who had been informed about the alleged Niger government documents.

The second scandal involves the authorship of those forged Niger government documents. Cheney, in particular, used the "proof" of Iraq's quest for nuclear weapons to bludgeon members of Congress to vote in favor of war powers in October 2002. Sources say that the forged documents came out of the Iraqi National Congress (INC) of Ahmed Chalabi, and were funnelled through the Italian military intelligence service SISMI by a well-known Washington neo-con, who has been on the SISMI payroll for a long time.

The final scandal, still under investigation by the FBI, centers around the American Israel Public Affairs Committee (AIPAC) and Pentagon desk officer Larry Franklin, who served in the Office of Special Plans, the secret Pentagon unit that "stovepiped" intelligence to Cheney to make the case for the Iraq invasion. Franklin was caught in FBI surveillance at a meeting between AIPAC officials and an Israeli Embassy official, which triggered a probe of whether Israeli officials were engaged in espionage, and had again penetrated the Pentagon.

Lyndon LaRouche, in his April 7 webcast, pronounced President George Bush a "lame duck." However, a weakened Bush-Cheney team is also a dangerous thing. Out of desperation, Bush and Cheney are capable of unleashing a major "diversion," to take the pressure off themselves, with Iran, North Korea, Venezuela, and Syria topping the latest White House potential target list. And with homeland security in a shambles, no one can rule out another 9/11 attack, which Bush's spin-meisters, led by Karl Rove, would jump on, to revive Bush's ill-gotten image as a "war President."