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## From the Associate Editor

With the countdown on to military attack against Iran, catastrophic deterioration toward civil war in Iraq, new explosions in Israel-Palestine, and a blowout of the world financial-monetary system, many leading individuals are stepping forward to try to avert disaster. We focus on the interventions being made by Lyndon LaRouche; bipartisan moves in Washington to contain the insane Bush-Cheney Administration; and the highly important Russian moves that are widely misunderstood in the United States.

First, LaRouche commissioned our cover story this week, to expose the murder of Serbia's Slobodan Milosevic as an operation by the Synarchist International to block cooperation between East and West. We have assembled a concise dossier from our extensive files on the Balkan wars—from Sarajevo in 1914, to Kosovo in 1999—and on the "Wellsians," such as Madeleine Albright, who stoked the wars of the '90s in order to smash the sovereign nation-state. That is the name of the game that is playing out today—and, as Russian Foreign Minister Sergei Lavrov makes clear, the Russians are not playing it.

Second, see LaRouche's interview to Iranian state radio. It is no coincidence that, as threats from Cheney grow, some in Tehran would want LaRouche's voice to be heard, loud and clear. Again, Minister Lavrov's pungent remarks, dispensing with propaganda about a Russian-U.S. "deal" at the expense of Iran, are most relevant.

Third, is the fight in the Democratic Party between those who are now open to working with LaRouche publicly (see *National*), and the "Rohatyn-Soros" wing of the party, which is under the thumb of the Synarchist banking crowd. LaRouche's short memorandum in this issue, "A Relevant Chronology," outlines the basics of his highly successful method of economic forecasting and policymaking. This is in sharp contrast to the so-called Rohatyn Plan for "infrastructure development"—which is supposed to line the pockets of the bankers, at the expense of the general welfare.

Highly relevant to this economic policy fight, is the issue of nuclear power. See Marjorie Mazel Hecht's contribution on how it was actually the neo-cons (Albert Wohlstetter and Co.) who wrecked the U.S. nuclear program. Our Business Briefs provide a quick overview of the pro-nuclear shift going on internationally.

*Susan Welsh*

# EIRContents

## Cover This Week

*U.S. troops demolish a Bosnian Serb bunker in 1996. Synarchist geopoliticians sparked the Balkan wars of the 1990s, and are once again playing the "Balkan card."*



DoD/Staff Sgt. Brian Cumper

### **4 LaRouche: Milosevic Murder To Trigger East-West Conflict**

Lyndon LaRouche declared that former Serbian President and accused war criminal Slobodon Milosevic was murdered in order to create a grave crisis in relations between the United States and Western Europe on the one side, and Russia and other Asian powers on the other. Not only does the Milosevic murder threaten to trigger a new Balkan crisis, it comes at a moment when Russia is playing a pivotal role in seeking a solution to the "Iran affair."

**Documentation:** Statements by Russian Foreign Minister Sergei Lavrov and Russian physician Leo Bokeriya, on the death of Milosevic.

### **8 Explosive Legacy of the 1990s Balkan Wars**

### **9 Hot Spots Flare in Russia's 'Near Abroad'**

### **11 'The Open Conspiracy': H.G. Wells Plots The World Empire**

### **13 Madeleine Albright on Her Debt to H.G. Wells**

## Economics

### **14 A Relevant Chronology**

Lyndon H. LaRouche, Jr. addresses the current collapse of the "Greenspan bubble," as reflected in the crisis of the world's so-called "carry trade." "Seriously competent forecasters and related policy-shapers today," he writes, "must not limit themselves to the merely apparent success of some forecasts; the focus must be primarily upon defining a competent sort of relevant method for making and using forecasts, as I do here."

### **20 Internal Fissures Rend EU's Maastricht System**

### **22 Albert Wohlstetter's Legacy: The Neo-Cons, Not Carter, Killed Nuclear Energy**

### **25 The Inside Job Against Nuclear Energy**

## National

### 28 Growing White House Insanity: LaRouche Democrats Drive Institutional Resistance

The chartering of the Franklin Roosevelt Legacy Club by the Los Angeles County Democratic Party, is but one sign of the growing institutional opposition to the insanity in Washington. The Club was initiated by two members of the LaRouche Youth Movement, who serve on the party's Central Committee.

### 30 Congressional Closeup

## International

### 32 LaRouche on Iran Radio: War Against Iran Is British Policy

Lyndon LaRouche was interviewed by Islamic Republic of Iran Broadcasting (IRIB), the state-owned radio and TV network.

### 35 Russia's Lavrov: There Is No 'Deal' Against Iran

### 36 Cheney and Blair Intervene in Israeli Elections To Promote Regional War

### 41 Bachelet Inaugural: 'In Chile, There Will Be No Forgotten Citizens'

**Documentation:** Statements by Michelle Bachelet from 2005 to the present.

### 44 Pakistan's Uncertain Future: Victim of Geopolitics

### 49 Hope for Germany's Future Lies in Defeating the 'Clash of Civilizations'

A speech by Helga Zepp-LaRouche at *EIR*'s Berlin seminar on March 2.

### 53 Dancing with Wolves: But Iran Will Be Next

A written presentation by Mohammad el-Sayed Selim of the University of Cairo, to *EIR*'s Berlin seminar.

### 56 International Intelligence

## Book Reviews

### 38 'Pax Americana' Offers No Future for Iraq

*Die Zukunft des Irak—Pax Americana? (The Future of Iraq—Pax Americana?)*, by Jürgen Hübschen.

## LaRouche: Milosevic Murder To Trigger East-West Conflict

by Jeffrey Steinberg

Lyndon LaRouche forcefully intervened on March 15 into the crises provoked by the sudden death of former Serbian President and accused war criminal Slobodan Milosevic, who was found dead in his prison cell on March 11, the victim of an alleged heart attack. Milosevic had been on trial at The Hague for the past four years, and had been complaining for months that he was being poisoned. On March 8, less than 72 hours before his death, the former Yugoslav ruler had written a note to the Russian Foreign Ministry, asking them to intercede to win permission from the Balkan War Crimes Tribunal to go to Russia for medical care.

In January, Tribunal officials had refused a similar request, on the grounds that they did not trust the Russian government to return Milosevic to The Hague after he had received treatment from Russian medical specialists.

When officials at The Hague scrambled to explain Milosevic's death—the sixth such mysterious death of an accused Serb war criminal while in their custody—Russian Foreign Minister Sergei Lavrov issued an angry public statement that he saw no reason to trust the Tribunal's account. Since the Tribunal had refused to trust the Russian government to secure Milosevic, he had no faith that the Tribunal was telling the truth about the Serb leader's death (see *Documentation*).

The March 8 Milosevic letter was not delivered to the Russian Foreign Ministry un-

til March 12—the day after the Serb leader was found dead in his prison cell.

A senior U.S. intelligence official contacted by *EIR* put the official responsibility for Milosevic's death on The Hague Tribunal, emphasizing that the harsh conditions of imprisonment alone, certainly constituted a “death sen-



Sgt. Mike Camacho

*The European-centered Synarchist International, which is gunning for a showdown with Russia, controls Vice President Dick Cheney, through the offices of Britain's Tony Blair.*

tence”—whether or not Milosevic’s medication had been tampered with. (By March 14, the Tribunal’s own forensic specialists were spinning wild stories about Milosevic having smuggled medication into prison, in a scheme to induce a heart condition to justify his transfer to a Russian hospital.)

## LaRouche Weighs In

It was in this context that American statesman Lyndon LaRouche on March 15 declared that Milosevic had been murdered in order to create a grave crisis in relations between the United States and Western Europe on the one side, and Russia and Asian powers on the other. Not only does the Milosevic murder threaten to trigger a new Balkan crisis, it comes at a moment when Russia is playing a pivotal strategic role in seeking a solution to the so-called “Iran affair.”

LaRouche was equally blunt in identifying the Synarchist International as the author of the Milosevic murder. He named the current generation of Synarchists as the descendants of the London- and Paris-centered financier oligarchs who installed the Fascist and Nazi regimes in power in Europe during 1922-45. Today, this Synarchist International controls the European Central Bank, with its network of subsidiary private central banks. It is their Maastricht System that has all but destroyed the remnants of sovereign nation-states in continental Europe. Through the Blair government in Great Britain, they virtually control the Office of U.S.

Vice President Dick Cheney.

Now, through the contrived “Iran crisis,” and the Milosevic murder, these Synarchist circles are out to finish off the nation-state system itself, to unleash a post-Treaty of Westphalia world of global feudalism, headed by a private oligarchy of financiers and “title-holders” of the world’s strategic raw material wealth.

LaRouche warned that such utopian schemes are doomed to fail miserably, but they could trigger an out-of-control epoch of perpetual war, akin to the medieval Crusades and other religious wars that threw Europe into a centuries-long Dark Age.

It is in this context that the Milosevic murder must be understood. His death threatens to immediately inflame the Balkan conflicts that have been manipulated by the British and other European Synarchist factions for centuries. This month, negotiations under UN auspices are scheduled to take place about the future status of Kosovo, the 90% Albanian-populated province of Serbia. Just days before Milosevic’s death, a NATO-orchestrated government shakeup had occurred in Kosovo, which resulted in a Kosovo Liberation Army (KLA) military commander being installed as the new Prime Minister.

The KLA was the British and NATO intelligence-connected detonator for the late-1990s phase of fighting in the Balkans (see below). A turning point came in 1999, when U.S. Secretary of State Madeleine Albright and British Foreign

Secretary Robin Cook promoted KLA chief Hashim Thaci as Kosovo’s representative at “peace” talks held at Rambouillet, France. The young Thaci was leading an insurgency against the Kosovo Albanians’ elected leader, Ibrahim Rugova, and his NATO-backed ascendancy guaranteed the escalation of confrontation between his forces and the Milosevic regime. Within a year of KLA domination in Kosovo, the region had consolidated its reputation as “the Colombia of Europe”—a crucial junction in the drugs-and-weapons trade in Eurasia.

The latest leadership change in Kosovo could set the stage for a new eruption of conflict, as Kosovars press for full independence, as Serbian nationalism is inflamed by Milosevic’s death. Tens of thousands of people turned out for his funeral on March 18.

It was just such ethnic conflicts that Britain’s Club of the Isles apparatus of King Edward VII exploited to spark World War I. The parallel to the current situation, in which the Synarchist faction of today openly promotes a religious and ethnic “Clash of Civilizations,” is stunning.



*“Mad Madeleine” Albright giving a press conference as Secretary of State, Dec. 15, 2000. Invoking H.G. Wells as her guru, she stoked the conflagration in the Balkans during her term in office.*



*French President François Mitterrand and British Prime Minister Margaret Thatcher joined forces to prevent the reunification of Germany. When that proved impossible, they rammed the Maastricht Treaty down the throats of Europeans, to curb the power of the nation-state—especially the German one.*

## The Lost Opportunity: 1989-99

LaRouche added a further dimension to his warnings about a Synarchist-orchestrated rift between the West and Russia.

During 1989-99, the London-Paris Synarchist axis, along with their assets inside official Washington, launched a succession of Balkan crises, to sabotage the opportunities for a new, post-Cold War era of East-West cooperation.

Those Balkan crises/provocations coincided with the assault by British Prime Minister Margaret Thatcher and French President François Mitterrand against a unified Germany (and all of Europe), through the Maastricht Treaty abomination. Europe, as the result of this Thatcher-Mitterrand scheme, has been put through 15 years of Synarchist economic deconstruction under the European Central Bank.

Europe's plunge into self-imposed economic and monetary suicide must be counterposed to the proposal, first presented by LaRouche in October 1989, for a European Productive Triangle, based on massive infrastructure development, to integrate continental Western Europe, Central Europe, and the states of Eastern Europe and the Soviet Union. The LaRouche proposal envisioned a high-speed rail corridor linking Paris, Berlin, and Vienna, and with spiral development corridors reaching into southern Europe and the Near East, and through Warsaw, east to St. Petersburg and Moscow. In the early 1990s, LaRouche expanded the Productive Triangle proposal to incorporate all of Eurasia in an integrated zone of high-tech agro-industrial development.

It was explicitly to defeat the notion of the Productive Triangle—particularly the idea of cooperation among a con-

cert of European sovereign nation-states, led by a unified Germany and a post-Soviet Russia—that the Thatcher-Mitterrand Synarchist forces orchestrated the first Balkan crisis of 1989-91. The breakup of Yugoslavia into warring ethnic and religious enclaves, a mirror of the Sarajevo events that sparked World War I, killed, for the time being, the prospects of a re-integrated, peaceful and prosperous Eurasian heartland.

From the Synarchist standpoint, the collapse of the Soviet Union and Warsaw Pact opened the prospect for a full-scale assault on the nation-state system—what today is promoted as “globalization.” This was the dream of H.G. Wells, whose “Open Conspiracy” for one-world oligarchical rule is documented elsewhere in this *Feature*.

## The Kosovo War

A second phase of the Synarchist Balkan destabilization was launched in the late 1990s, and was very much directed against President Bill Clinton's efforts to address the global financial crisis of 1997-98. Reflecting the impact of LaRouche's January 1997 call for the convening of a New Bretton Woods Conference to replace the bankrupt dollar-based floating-exchange-rate system through bankruptcy reorganization, President Clinton and his Treasury Secretary Robert Rubin had launched a series of international initiatives, aimed at establishing a “new global financial architecture.” Following the Asian currency eruptions of 1997, Clinton and Rubin had created the Group of 22, a working group of leading developed and developing-sector governments, to craft a consensus for such a new financial system. In September 1998, President Clinton addressed the New York Council on Foreign Relations, and announced his intentions to establish a “new global financial architecture,” to curb the powers of offshore financial speculators. Seated in the audience of that September 1998 event, Lazard Brothers Synarchist banker Felix Rohatyn reacted violently to Clinton's reassertion of government control over credit and monetary policy, according to eyewitness accounts.

The Clinton-Rubin effort triggered a Synarchist attack upon the U.S. Presidency: Clintongate. As the President became more and more preoccupied with the impeachment fiasco, then reaching its culmination, he was simultaneously confronted with a Synarchist-ordered insurgency from within the administration and the Democratic Party. The two most visible culprits were Vice President Al Gore and Sen. Joseph Lieberman (D-Conn.), who attempted to induce Pres-

ident Clinton to resign from office, leaving Gore to serve out the final two years as President.

Even though the Rohatyn-Gore-Lieberman treachery was defeated—in no small measure due to Lyndon and Helga LaRouche's intervention to defend the Presidency—the final months of the Clinton Presidency were steered by Gore and a team of self-professed "Wellsian Democrats," led by Secretary of State Madelene Albright and Richard Holbrooke.

When a beleaguered President Clinton reached out to Russia's Prime Minister Yevgeni Primakov, in early 1999, in an effort to avert an East-West rift over the Kosovo crisis, Vice President Gore personally sabotaged the scheduled Primakov-Clinton meeting in Washington. Gore placed a call to Primakov—behind the back of the President, according to administration sources at the time—as the Russian Prime Minister was airborne over the Atlantic, and told him that the decision for NATO to bomb Yugoslavia (ostensibly to stop ethnic cleansing in Kosovo) had been made, and that Primakov risked being in the U.S. capital when the bombing would start. Primakov ordered his plane to turn around and go home. The last chance for a Russian-American war-avoidance concert was dashed, and NATO bombing of Belgrade began days later.

## GENOCIDE RUSSIA AND THE NEW WORLD ORDER

**Russia in the 1990s:** "The rate of annual population loss has been more than double the rate of loss during the period of Stalinist repression and mass famine in the first half of the 1930s . . . There has been nothing like this in the thousand-year history of Russia."  
—Sergei Glazeyev



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**Economist Dr. Sergei Glazeyev** was Minister of Foreign Economic Relations in Boris Yeltsin's first cabinet, and was the only member of the government to resign in protest of the abolition of Parliament in 1993.

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## Documentation

### Lavrov, Russian Doctors Dispute Hague Tribunal

*Russian Foreign Minister Sergei Lavrov answered questions from the press on March 13:*

**Q:** I would like to learn about the text of Slobodan Milosevic's letter. Did he write about any attempts to poison him?

**Lavrov:** Slobodan Milosevic's letter arrived yesterday. It is dated March 8, but arrived only yesterday. I do not know the cause of the delay. The letter is not addressed to me personally, but to the Ministry of Foreign Affairs. It expresses concern that, in his view, some of the treatment methods applied to him by doctors of the International Tribunal for the Former Yugoslavia were having a ruinous effect on his health. He asked in this letter to again raise before the Tribunal the question of Russia's readiness to accept Milosevic for treatment in Russia.

As you know, he had made such a request before. In response to it the Russian Federation gave the Tribunal 100% state guarantees that after taking the course of treatment, Milosevic would return to The Hague. These guarantees were examined at a special meeting of the Tribunal, which deemed them insufficient. That is, in fact, they didn't trust Russia. This cannot but worry us. It cannot but alarm us that shortly afterwards, Slobodan Milosevic died. A forensic autopsy is now being carried out over there. We are in a situation where they did not trust us, and also have the right not to believe and not to trust those who are carrying out this autopsy. We asked the Tribunal to let our doctors take part in the autopsy or, at least, acquaint themselves with its results. Now a group of our doctors is getting ready to urgently go to The Hague.

### Doctors' Report

*The delegation of four Russian physicians met in The Hague for several hours with doctors who had performed the autopsy on the body of Slobodan Milosevic. Delegation head Leo Bokeriya, head of the Bakulev Cardiovascular Surgery Center, afterwards told Russian Channel 1 TV that he was satisfied with the quality of the autopsy, which was documented with 12 hours of videotape, slides, and other physical data, but dissatisfied with the care Milosevic had received beforehand, and the refusal of Tribunal authorities to release him for treatment in Moscow.*

According to Itar-Tass, Bokeriya said, "Milosevic belonged to the category of patients with a light coronary condition. He

had only one vessel affected. It could have been cured.” The news agency further summarized Dr. Bokeriya’s opinion: “If Milosevic had been taken to any specialized Russian hospital, the more so to such a hospital institution as ours, he would have been subjected to coronographic examination, two stents would have been made, and he would have lived for many long years to come. A person has died in our contemporary epoch, when all the methods to treat him were available and the proposals of our country and the reputation of our medicine were ignored. As a result, they did what they wanted to do.”

Bokeriya added that his team had requested that the materials from the autopsy, including microscopic examinations, be provided to the Russian experts when the overall investigation has been completed. On the question of toxicology, Bokeriya said: “The ongoing analysis may take up to three months, although I am almost 100% sure this was a sudden death, caused by Milosevic’s cardiopathology.” He said that the evidence he had viewed directly did not support the theory of direct poisoning, but he added, “Unfortunately, it is an absolutely banal fact that he died due to lack of medical treatment. That’s all.”

In remarks made March 17 after his return to Moscow,



*Russian Foreign Minister Sergei Lavrov said, regarding the Tribunal’s refusal to allow Milosevic to receive treatment at a Russian hospital: “They didn’t trust Russia. This cannot but worry us.”*

Dr. Bokeriya reiterated that the evident cause of death was “the narrowing of the main blood vessel, which brought about an infarction,” or heart attack. Itar-Tass reported: “Dr. Bokeriya admitted, however, that even this plain confirmation of the fact is tantamount to a slap in the face of the Tribunal for war crimes in the former Yugoslavia.” The Russian physician said, “We pressed them for three years to allow the man to get genuine hospital treatment so that the doctors could issue a diagnosis for him, but nothing of the kind was ever done.”

## Explosive Legacy of The 1990s Balkan Wars

by Elke Fimmen

The death of Slobodan Milosevic occurred on the same day that Agim Ceku was elected Prime Minister of Kosovo. Ceku having been the commander on the Kosovo-Albanian side during Madeleine Albright’s unnecessary Wellsian war against Yugoslavia in 1999, the timing smacks of something more than coincidence.

Trained in the Croatian military by U.S. advisors, for operations at the end of Serbia’s war with Bosnia and Croatia in 1995, Ceku ended his service in Croatia as a brigadier-general in February 1999, then moving to the Kosovo Liberation Army. After commanding the KLA during the NATO war against Yugoslavia in 1999, Ceku was in charge of its demilitarization. Since then he has commanded the Kosovo Protection Corps (KPC). Ceku’s job in 1999 was to reorganize the KLA into a proper military structure, which then cooperated closely with the NATO forces, providing intelligence for bomb targetting, among other services.

Until the death of Milosevic, the Serbian government was very reluctant to comment on Ceku’s new designation, but this posture may now change. For some years, Serbia has been accusing Ceku of committing genocide against Serbs in Kosovo, during the 1990s fighting. There is no Hague indictment against him, unlike his predecessor, Ramush Haradinaj. The latter was released from The Hague, and is being allowed to await his trial (slated for this Summer) as a free man in Kosovo, a favor not granted to Serbs going on trial for genocide.

### Elements of Tension

Kosovo is thus, once again, a current crisis point in the Balkans. But it is not the only one. A survey of the elements of tension around the Balkans, existing even prior to the death of Milosevic, reveals that the area is a basket of complicated issues, left over from more than a decade of geopolitical wars, shifting alliances, and other political games.



Each of these situations might be solved only through highly sensitive diplomacy, and, most of all, only under the condition that real economic development is the pathway of the future for all of those involved. At present, however, the region is in shambles. Kosovo, the rest of Serbia, and Bosnia are the worst off economically.

After the fall of communism in 1989, this region should have become one of the major area of development, defined by its bridge-function to the Near East, and by the major European waterway of the Danube—as the LaRouche movement developed it in the 1990 Productive Triangle program. Towards the end of the 1999 phase of Balkans warfare, Lyndon LaRouche updated this approach in a major article on the principles of physical economy of a Marshall Plan for the Balkans.

Instead came the geopolitical wars of the 1990s—unnecessary for any purpose other than to wreck the prospects for, first, all-European cooperation after the fall of communism, and, in the second phase, the Eurasian Triangle of Russia-India-China, and its potential cooperation with the U.S.A. and Europe for a new world economic architecture. Now, a new geopolitical game is being unleashed, again with major potential repercussions for world peace.

**Kosovo status discussions** have been going on for several weeks, after the death of former President Ibrahim Rugova in January. They are to determine, this year, whether Kosovo will be independent from Serbia, or remain a province with a high degree of autonomy, decentralization of administration, and guaranteed minority rights. European governments have generally favored the latter option, but this month at an EU foreign ministers meeting in Salzburg, British Foreign Minister Jack Straw commented provocatively to the effect, that independence of Kosovo is bound to come. South Eastern European Stability Pact coordinator, Erhard Busek, criticized Straw for damaging the diplomatic process.

**Montenegro's independence referendum** is scheduled for May. A republic within former Yugoslavia, Montenegro still forms one state, together with Serbia. The vote is expected to be very close. If the separation were to happen, Serbia would have no outlet to the Mediterranean Sea. If it lost both Kosovo and Montenegro, Serbia would be reduced to a landlocked rump of its former existence.

**Reorganization of Bosnia-Herzegovina's structure** is also to occur in 2006. Changes in this complicated construct are designed to dissolve the institutions of the Republika Srpska (Serb enclave) within Bosnia-Herzegovina, to create a single integrated state, but with decentralization at the local level. The Dayton Treaty of 1995 created three nominally independent entities (Croatian, Bosnian, and Serbian), and thus a major impediment for economic reconstruction. The Croatian and Bosnian units joined in a federation; finishing the reorganization of Bosnia-Herzegovina may be long overdue, but, coming now, will add pressure to an already volatile situation.

**Yugoslavia is to go on trial for genocide and aggression** in a case brought by Bosnia-Herzegovina in 1992-93 at the International Court of Justice (not The Hague Tribunal dealing with war crimes). Thirteen years later, the case is under deliberation. It is a complicated case, involving international law, which could potentially set a precedent regarding aggression against countries (including Iraq). At its initiation, the case was intended by the Bosnian government as a way to stop the war against Bosnia-Herzegovina, which had declared independence from Yugoslavia (today, Serbia-Montenegro); this independence had been recognized by NATO members, but Bosnia-Herzegovina was still under a weapons embargo and was officially not allowed to defend itself. Today, the case is seen by the Bosnians as a negotiating chip toward the government in Belgrade, to agree to the above-mentioned reorganization of Bosnia.

**Greater Albania** tendencies could be unleashed by an adverse outcome of the Kosovo status talks. Macedonia, another now independent former republic of Yugoslavia, has a large Albanian minority. So does Bulgaria. And Albania itself will react in one way or another. The potential remains for conflicting, intractable nationalist agendas to be activated here, as happened during the Balkan wars at the beginning of the 20th Century.

## Hot Spots Flare in Russia's 'Near Abroad'

by Rachel Douglas

In Russian parlance the Near Abroad comprises countries that were formerly part of the Soviet Union. The Balkans region is not in the Near Abroad, but it, especially Serbia, is a traditional area of Russian interest—a factor that British and Venetian geopoliticians played on to embroil Russia in Balkan wars in the 19th Century and in 1912-14, on the eve of World War I.

Russian government officials, parliamentarians, and media are currently paying great attention to the situation in the Near Abroad, where several of the region's so-called frozen conflicts have flared into hot spots. The Belarus Presidential election is on March 19, and Ukraine votes for Parliament one week later, but those are not the only focal points. Here are the current situations:

**Belarus:** Stepan Sukhorenko, head of the Belarusian KGB, announced on March 16 that he had evidence of an American-backed plot to overthrow President Alexander Lukashenka's regime during the Presidential election, through "bombings and arson to sow chaos." Sukhorenko showed a



EIRNS/Dan Sturman

*Zbigniew Brzezinski, one of the principal architects of the geopolitical “arc of crisis” policy for surrounding Russia (or formerly, the Soviet Union) with hostile powers, is shown here in Washington on March 16, 2006.*

video of a man he said had been trained in the Republic of Georgia, with American instructors present, to bomb schools. He also accused staff of the Georgian embassies in Lithuania and Ukraine of being involved. This escalation came after ten days of arrests of opposition candidates and/or their staff coordinators, for holding unauthorized demonstrations and on other charges. The regime prepared the election in heavy-handed fashion; equally heavy-handed are calls from Project Democracy circles for Lukashenka to be overthrown, as “Europe’s last dictator.” On March 16, a delegation of election observers from the European Parliament was denied visas to enter Belarus.

**Transnistria/Moldova:** In a statement issued March 9, the Russian Foreign Ministry charged Ukraine and Moldova with “blockading” the Transnistria region of Moldova. New customs regulations require all cargoes moving from Transnistria into Ukraine, mostly en route to Russia, to have an official Moldovan customs stamp, for the stated purpose of curbing smuggling. Transnistria, a narrow strip of territory along the left bank of the Dniestr River in Moldova, borders Ukraine. Its population is mostly Russian ethnic. Russian forces have patrolled the area since fighting there in the early 1990s, and the local authorities do not answer to the Moldovan government in Chisinau. The Foreign Ministry statement, as well as a resolution passed the next day by the Russian State Duma, accused Ukraine of threatening the pop-

ulation of Transnistria with a “humanitarian disaster.” As of March 14, Russian Foreign Minister Sergei Lavrov said that the measures remained in effect, as a result of which “the social and economic situation in Transnistria is deteriorating.”

**Ukraine:** Victor Yanukovich’s Regions of Ukraine party is far ahead in all election polls, with President Victor Yushchenko’s Our Ukraine facing opposition also from several former allies. But Regions of Ukraine will not win a clear majority, and its vote will tend to be concentrated in eastern Ukraine. As one Ukrainian analyst told *EIR*: “It’s set up for ungovernability, with Ukraine’s fate then to be determined by outside forces.”

Meanwhile Russian state TV on March 12 aired an edition of its Special Correspondent program, which charged that the Makarov-1 military garrison in the Kiev Region was being used by U.S. special forces as a concentration camp for prisoners from various countries, and that this was arranged with Yushchenko by U.S. Director of Central Intelligence Porter Goss last Summer. On March 13, Ukrainian General Staff Chief Sergei Kirichenko categorically denied the Russian report.

**Latvia:** Police in Riga forcibly stopped a march to commemorate Latvian Waffen SS Legionnaires’ Day, and also arrested anti-fascist counterdemonstrators, on March 16. A showdown over this commemoration takes place almost every year on this date, but these police actions were played up as a dramatic event, on Russian state TV. The Russian Foreign Ministry denounced the march, saying that it ran counter to recent UN resolutions against inciting racism and xenophobia.

**Georgia:** Organizations from the heavily Armenian ethnic Javakheti region in southern Georgia have petitioned President Michael Saakashvili to be granted autonomy, according to a March 10 Caucasus Press report monitored by RFE/RL. Saakashvili is already battling to restore Tbilisi’s control over South Ossetia and Abkhazia, which border the Russian Federation.

**Kosovo:** The situation in this Balkans hot spot has implications for Russia’s Near Abroad. As talks continue on the status of Kosovo within (or independent of) Serbia, Russian officials, including President Vladimir Putin, have drawn a parallel with potential developments in Near Abroad, like Transnistria in Moldova and the autonomous regions in Georgia. Asked during his Jan. 31 press briefing, what would happen if Kosovo independence were recognized, Putin said, “Principles have to be universal, otherwise they cannot inspire trust in the policy we are pursuing. . . . If someone believes that Kosovo can be granted full state independence, then why should we refuse the same to the Abkhazians or the South Ossetians? . . . I don’t want to say that Russia will also immediately recognize Abkhazia or South Ossetia as independent states, but such precedents exist in international life.”

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## ‘The Open Conspiracy’

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# H.G. Wells Plots The World Empire

by Michele Steinberg

*This is reprinted from “Zbigniew Brzezinski and September 11th,” a Special Report issued in February 2002 by the LaRouche in 2004 Presidential campaign committee.*

In 1928, the leading British Round Table strategist, H.G. Wells, wrote *The Open Conspiracy: Blue Prints for a World Revolution* (New York: Doubleday, Doran and Company). *The Open Conspiracy* is Wells’ *Mein Kampf*—a recipe for how to establish a world government that would, over time, perhaps even over generations, recruit individuals and set up institutions to create a world “directorship” to run a “new world order.”

Wells does not stand in *opposition* to fascism or communism, he merely sees these forms as experiments or immature expressions of the “new order” which will be replaced by his vision of the new order.

“The Open Conspiracy is not so much a socialism,” says Wells, “as a more comprehensive scheme that has eaten and assimilated whatever was digestible of its socialist forebears.” He even suggests that “young people” be incorporated into the Open Conspiracy through organizations like “the Italian fasci.”

No, Wells has one essential enemy that the Open Conspiracy must destroy: that is, the sovereign nation-state. The goal of its destruction is his life’s work.

As Wells put it, “*This is my religion* . . . This book states as plainly and clearly as possible the essential ideas of my life, the perspectives of my world. My other writings, with hardly an exception, explore, try over, illuminate, comment upon or flower out of the essential matter that I here attempt at last to strip bare to its foundations and state unmistakably. . . . Here are my directive aims and the criteria of all I do. . . . [It is] a scheme for all human requirements.”

Wells sets out the means to accomplish three ghastly goals, all in the name of ending war and poverty, to “save” man from himself:

- End the nation-state forever, replacing it with a world government run by the “Atlantic” elite: “The Open Conspiracy rests upon a disrespect for nationality, and there is no reason why it should tolerate noxious or obstructive governments because they hold their own in this or that patch of human territory. It lies within the power of the Atlantic communities to impose peace upon the world and secure unimpeded movement and free speech from end to end of the earth.

This is a fact on which the Open Conspiracy must insist.”

But, Wells cautions, the Open Conspiracy might have to *make war* in order to *end war*. He explains that the Open Conspiracy’s commitment to world peace and ending war does *not* mean an exclusion of soldiers, warriors, and military means. Rather, the question is *to whom* might these warriors be loyal. It may be necessary for the Open Conspiracy to use “enlightened” warriors: “From the outset, the Open Conspiracy will set its face against militarism . . . [but] the anticipatory repudiation of military service . . . need not necessarily involve a denial of the need of military action on behalf of the world commonwealth, for the suppression of national brigandage, nor need it prevent the military training of members of the Open Conspiracy. . . . Our loyalty to our current government, we would intimate, is subject to its sane and adult behavior.”

- Control human population to a limit set by a “world directorship” created by this elite. The means to be used for this population control would be “science” (eugenics, sterilization, and birth control); and total economic control by the world “directorship” of all credit generation, and of all distribution of economic staples needed for human survival (food, water, and shelter).

The Open Conspiracy “turns to biology for . . . the regulation of quantity and a controlled distribution of human population of the world.” And without this degree of control, the human race is doomed. So instead of the General Welfare of the U.S. Constitution, Wells suggests a *selective welfare* where the world directorship *eliminates* population growth in order to perfect the race. This is not just a material necessity, explains Wells, but larger, for under the Open Conspiracy “[man] will not be left with his soul tangled, haunted by monstrous and irrational fears and a prey to malicious impulse. . . . He will feel better, will better, think better, see, taste, and hear better than men do now. All these things are plainly possible for him. They pass out of his tormented desire now, they elude and mock him, because chance, confusion, and squalor rule his life. All the gifts of destiny are overlaid and lost to him. He must still suspect and fear.”

- Eliminate forever the “illusion” that man is made in the image of God, and as such, has a capacity for the Good. Instead, Wells insists that man is an “imperfect animal”: jealous, rageful, easy to anger, and “not to be trusted in the dark.”

“Man is a malicious animal,” says Wells, with a “common disposition to be stupid, indolent, habitual and defensive.” In man, the creative impulses are weaker forces than “acute destructive ones.” Human nature is *destructive*, he insists, explaining:

“To make is a long and wearisome business, with many arrests and disappointments, but to *break* gives an instant thrill. We all know something of the delight of the *bang*. Such impulses must be controlled by the world directorship.”

Wells, at one point, attempts to boil down his new religion to six “basic essential requirements”:



Library of Congress

*H.G. Wells' philosophy was based on the conviction that "man is a malicious animal," "not to be trusted in the dark."*

"1. The complete assertion, practical as well as theoretical, of the provisional nature of existing governments and of our acquiescence in them;

"2. The resolve to minimise by all available means the conflicts of these governments, their militant use of individuals and property and their interferences with the establishment of a world economic system;

"3. The determination to replace private local or national ownership of at least credit, transport, and staple production by a responsible world directorate serving the common ends of the race;

"4. The practical recognition of the necessity for world biological controls, for example, of population and disease;

"5. The support of a minimum standard of individual freedom and welfare in the world;

"6. The supreme duty of subordinating the personal life to the creation of a world directorate capable of these tasks and to the general advancement of human knowledge, capacity, and power."

But the most telling of these "essentials" is the summation, in which Wells insists on an attack on the human soul, that quality that distinguishes human beings from beasts. He insists that all Open Conspirators embrace "the admission therewith that our immortality is conditional and lies in the race and not in our individual selves."

Upon reading *The Open Conspiracy*, Bertrand Russell, the other leading British Round Table subversive, wrote to Wells, "I do not know of anything with which I agree more entirely."

### **An Unbroken Continuity**

The major target of Wells' Open Conspiracy is "the United States and the States of Latin America," where, Wells

explains, there is less of a "tangle of traditions and loyalties . . . of privileged classes and official patriots . . . than in the old European communities."

Additionally, Wells is nothing if not a global thinker, and, in addition to the U.S., he sees Russia as a crucial target to be assimilated by the Open Conspiracy. At one point, he chuckles that, despite the Soviet Union's formal commitment to the "proletariat," the Open Conspiracy "may rule in Moscow before . . . New York."

He sees America as uniquely important in the Open Conspiracy because of its growing economic strength. For Wells, the American System of economics, i.e., Hamiltonian economics, is the enemy of the Open Conspiracy, and the financier faction is its ally.

By 1928, Wells writes, "American industries no longer have any practical justification for protection, American finance would be happier without it," but without the success of the Open Conspirators, this protectionism will simply go on and on.

There is no question that the institutions created by William Yandell Elliott and Robert Strausz-Hupé conform precisely to Wells' "blueprints" for ending the American System that he found so offensive to his new religion. He instructed his current and future Co-Conspirators to further the "new religion." He instructed:

"Through special *ad hoc* organizations, societies for the promotion of Research, for Research Defence, for World Indexing, for the translation of Scientific Papers, for the Diffusion of New Knowledge, the surplus energies of a great number of Open Conspirators can be directed to entirely creative ends and a new world organization" can be built up, superseding, but incorporating, "such dear old institutions as the Royal Society of London, the various European Academies of Science and the like, now overgrown and inadequate. . . ."

More broadly, in writing *The Open Conspiracy*, Wells set out to recruit a worldwide network of Open Conspirators, who would operate, within their national settings, on behalf of the global subversion of all nation-states, the "scientific" depopulation of the darker-skinned races of the planet, and the establishment of One World oligarchical domination, under Anglo-American leadership.

"The political work of the Open Conspiracy," Wells writes, "must be conducted upon two levels and by entirely different methods. Its main political idea, its political strategy, is to *weaken, efface, incorporate or supersede existing governments*. . . . Because a country or a district is inconvenient as a division and destined to ultimate absorption in some more comprehensive and economical system of government, that is no reason why its administration should not be brought meanwhile into working co-operation with the development of the Open Conspiracy."

But, Wells cautions, *no one* should be excluded from the *Open Conspiracy*, not for reasons of class, occupation, or

nationality. Instead, “[T]he Open Conspiracy must be heterogeneous in origin. Young men and women may be collected into groups arranged upon lines not unlike those of the Bohemian Sokols or the Italian Fasci. . . .”

By the time the first edition of Wells’ *Open Conspiracy* bible had appeared, institutions like the Rhodes Trust, the Round Table, the British Fabian Society, the Royal Institute of International Affairs, and its New York City adjunct, the Council on Foreign Relations, were already engaged in the process of recruiting successive generations of agents, agents-of-influence, and *agents provocateurs*, to the One World banner. Wells’ *The Open Conspiracy* gave focus to the effort, stating bluntly the long-term objectives, and highlighting the critical importance of selecting and recruiting the best and the brightest, albeit corrupted, minds—what Wells called the “serious minority.”

Three-quarters of a century later, Wells’ “Open Conspiracy” is still trying to prevail.

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## Documentation

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### Madeleine Albright on Her Debt to H.G. Wells

*In 1998-99, President Clinton was faced with a Synarchist insurgency, including from inside his own Administration, following his and Treasury Secretary Robert Rubin’s moves towards a “new, global financial architecture.” In the same time period, as Clinton was faced with an impeachment assault on the Presidency, the Albright/Holbrooke/Gore crowd in the Administration staged the Kosovo War. At the time, Secretary of State Madeleine Albright openly boasted of her “Wellsian democracy” roots.*

*In an Oct. 14, 1999 address to the Institute of International Education in New York City, Albright avowed her faithful debt to the doctrines of H.G. Wells. Prior to President Franklin Roosevelt establishing diplomatic relations with the Soviet Union, the IIE was one of the most prominent back channels between the Wall Street and State Department circles and Moscow. In the 1930s, the IIE formed the Emergency Committee for Displaced German Scholars, through which the entire Frankfurt School apparatus of social revolutionaries and subversives was brought to the United States, and placed in American universities and research centers.*

*Here are excerpts from Albright’s IIE speech.*

. . . I am, indeed, a long time fan of the IIE for many job-related reasons. But I also have a personal one. When my family first came to America in 1948, my father, who had

been a Czechoslovak diplomat, needed to find a new line of work. And Ben Carrington, who was one of the patron saints of IIE, was at the University of Denver and he is the one who brought my father out to Denver where my father and our family thrived. . . .

About the time that IIE was founded, British author H.G. Wells wrote that history is a race between education and catastrophe. Helping people to value democratic principles of tolerance and openness is a good way to aid us all in winning that race. . . .

In relatively closed societies, IIE programs provide a rare chance to establish outside contact and explore wonderfully dangerous ideas, such as freedom. In transitional countries they provide a means of educating future leaders about the nuts and bolts of democratic institutions. And in every nation they touch, they help open the door of opportunity to minorities and women. . . .

It is also appropriate because the IIE is a champion of free expression, training journalists in many key countries. But even more important, freedom of speech and expression are fundamental to the principles and values that America promotes around the world. The universal declaration on human rights provides that everyone has the right to freedom of opinion and to impart and receive ideas through the media. The very importance of this right is what causes dictators to want to suppress it. For, to dictators, the truth is often inconvenient and sometimes a mortal threat. And that’s why so often they try to grab the truth and leash it like a dog, ration it like bread or mold it like clay. Their goal is to create their own myths, conceal their own blunders, direct resentments elsewhere and instill in their people a dread of change.

Consider, for example, Serbia. For years Slobodan Milosevic, now an indicted war criminal, has fed his people lies while repressing and terrorizing those who sought the truth. Slavko Curuvija, a newspaper owner and critic of Milosevic, was murdered this Spring after being harassed repeatedly by Serb authorities. Other independent voices, such as the opposition newspaper, Glas Javnosti, have also been fined or temporarily shut down. . . .

Around the world Americans may be proud that our diplomats regularly stress the importance of free speech and a free press. Both publicly and privately we urge that the rights of journalists and other reporters be respected. One place where we’ve made a special effort is Kosovo. . . .

As we scan the horizon we see the ongoing problems of intolerance in the Balkans and the obstacles to a free press created by organized crime in Russia. We see the clashes in Iran and China between those who favor greater openness and those who fear it and the tendency in so many countries still to censor ideas rather than debate them. We’re reminded daily that the quest for free expression must confront many hurdles and remains a long-distance race. But with H.G. Wells’ aphorism in mind, we must and will continue to educate, advocate, and insist that global norms be respected. . . .

## A Relevant Chronology

by Lyndon H. LaRouche, Jr.

March 14, 2006

An informed source told one of my associates, today, that the accumulation of international financial storms associated with the Iceland crisis of the world's so-called "carry trade," must be seen as a collapse of the Greenspan bubble," and thus viewed as a consequence of policies introduced in 1987 by now-retired U.S. Federal Reserve System Chairman Alan Greenspan. That source's observation is, of course, broadly correct, and does not differ essentially from the assessment of Greenspan's role which I had publicized widely during the recent decade.

Notably, during Spring of 1987 I warned of the high probability of an early October 1987 blow-out of the Wall Street market, which then occurred exactly as I had repeatedly warned. This October 1987 crisis erupted at the point Paul Volcker's term as Chairman of the Federal Reserve System was running out. Greenspan, the nominee to replace Volcker, intervened, saying, in effect: "Hold everything. I have a solution. Don't do anything until I come in." Greenspan's "remedy" was to flood the financial markets with Monopoly-style play-money, called "financial derivatives." It is the Greenspan "financial derivatives" bubble which I have described in my presentation of the "Triple Curve" imagery (**Figures 1 and 2**); it is that bubble which is now reaching the bursting-point.

Thus, Greenspan's policy replaced an October 1987 reenactment of the 1929 stock-market crash, with a presently threatened hyperinflationary blow-out of the entire world's monetary-financial system. The informed source's conclusion was therefore correct.

Since my record as a successful long-range forecaster is unique among known forecasters of the recent forty-five years, I am situated in a position of authority in which I can and must state, that it is not sufficient to acknowledge the validity of an indicated source's tracing of the present crisis to the follies inhering in Greenspan's policies. Seriously com-

petent forecasters and related policy-shapers today, must not limit themselves to the merely apparent success of some forecasts; the focus must be primarily upon defining a competent sort of relevant method for making and using forecasts, as I do here.

On that account: the relevant facts to be considered in light of the history of my forecasts, prior to and since 1987, are as follows.

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### 1. My Original Forecasts

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My relevant development as a physical economist dates from the 1948-1953 process of development of my original discoveries within the science of physical economy, discoveries which, subsequently, provided the basis for my first forecast based upon those discoveries, my 1956 forecast of the 1957 U.S. recession, and every long-range forecast which I have made since that time. The most notable distinctions of my method are:

a) my rejection of the notion that economic value can be located within a monetary system as such, and

b) my related condemnation of any reliance on linear analysis for attempted physical-economic forecasting.

I should explain this point. It is crucial that that be understood with a view to understanding the remedies which exist to be applied to this present set of breaking developments.

It is important to note, that the early roots of my original discoveries in this field can be located in my early adolescence, in my categorical rejection of Euclidean geometry, as lacking a physical basis; and, more than a decade later, my 1940s rejection of Norbert Wiener's "information theory," as ignoring the role of creative discovery of physical principle in generating the "non-linear" physical transformations associated with scientific and technological progress in increasing the productive powers of labor per capita and per square kilo-

FIGURE 1

### LaRouche's Typical Collapse Function

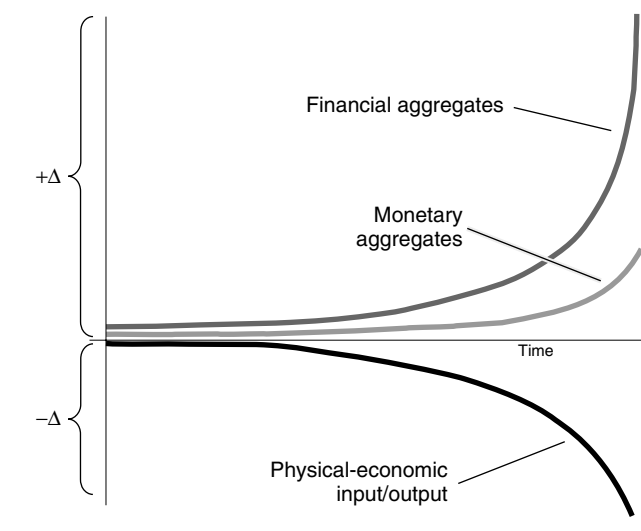
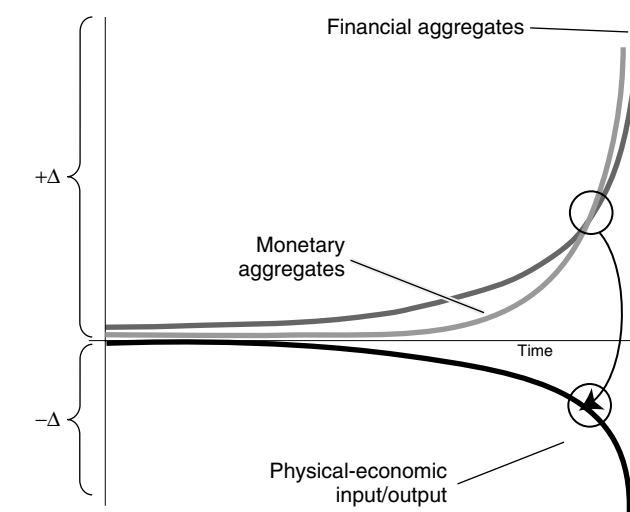


FIGURE 2

### The Collapse Reaches a Critical Point Of Instability



meter of the total territory of a nation.

Although, at those times, I did not yet know the implications of the actually anti-Euclidean method of *Sphaerics* (e.g., *dynamis*) as associated with the Pythagoreans and Plato, during my experiences of the middle to late 1930s, and later, I had already adopted what was in fact an echo of *Sphaerics*, from Leibniz's writings. My rejection, on principle, of any notion of an abstract geometry premised upon aprioristic definitions, axioms, and postulates, has been the characteristic feature of my intellectual life since that rejection first occurred. These considerations from adolescence and early manhood have been the continuing foundation on which all of my forecasting has been premised.

Therefore, my standpoint in a physical science of economy must be identified as that of an *anti-Euclidean* physical geometry, as distinct from either a Euclidean/Cartesian, or so-called "non-Euclidean" option. It is a view of a universe controlled by physical principles as the elementary form of action, rather than idea of physical principles as merely used as explanations of causes and effects inhering in an assumed Cartesian or similar domain.

Therefore, in retrospect, to understand those consistent features of my intellectual life since adolescence, which are relevant to my economic forecasting practice over decades, one must look back from today, to the earliest premises of my approach to a science of physical economy corresponding to the standpoint of *Sphaerics*, as that standpoint is identified today with the Pythagoreans and Plato, and with the founding of modern experimental scientific method by Nicholas of Cusa and such followers of Cusa as (explicitly) Luca Pacioli, Leonardo da Vinci, and Johannes Kepler, and such followers of Kepler as Pierre de Fermat, Christiaan Huyghens, and Gott-

fried Leibniz. In all cases, in recent decades, my view of the work of these adopted predecessors has been the standpoint of an anti-Euclidean, anti-Cartesian physical geometry, in which universal physical principles are the form of action which is reflected sense-perceptual experience of the universe we inhabit.

My matured view of those connections to the pre-Aristotelean, pre-Euclidean basis in *Sphaerics*, is expressed by my recognizing Riemann's development of the notion of hypergeometric functions as a "return" to the Platonic standpoint of *Sphaerics* from a modern standpoint in physical-science practice. Hence, since 1953, when I first adopted Riemann's work as the proper basis in mathematical precedents for my own original discoveries in a science of physical economy, I have identified my method as "the LaRouche-Riemann" method, signifying my own original discoveries, made independently of knowledge of the relevant aspects of the work of Riemann, but now situated mathematically within the framework established by Riemann.

From that standpoint just described, any fixed mode of production in a society is inherently entropic, and would be ultimately disastrous if continued. It is only through the application of scientific and related technological and cultural progress, to increase the power per capita and per square kilometer, which is not merely the necessary basis for progress; it is indispensable as an offset to the destructive effects, per capita and per square kilometer, effects of the attrition caused by technological stagnation—e.g., by "zero technological growth."

Money, while more or less indispensable for exchange, is merely a means of exchange, and not a standard for measuring

the performance of the economy as a whole. Rather, the value expressed by money varies according to not only relative physical values per capita and per square kilometer of the economy as a whole; a constant relative value of money so measured in physical terms, rather than monetary terms, requires a rate of what is essentially scientific-discovery-driven increases in the rate of physical productivity per capita and per square kilometer.

Thus, lowering the relative physical standard of living, or investing less in maintenance and improvements in basic economic infrastructure, per capita and per square kilometer, for the population and its territory as a whole, must tend to produce a collapse of the real economy per capita and per square kilometer as a whole. On this account, all prevalent directions of change in U.S. policy-practice since 1971 have been a cumulative disaster for the economy as a whole.

## My Forecasting

My own practice as a forecaster has been focussed on the characteristic features of the process of transition from the principles of the President Franklin Roosevelt recovery, into the disastrous, decades-long wave of decline toward a general, global breakdown-crisis, a crisis which is to be dated from the 1971-1972 dissolution of the original Bretton Woods monetary system, and the consequent shift to a floating-exchange-rate, radically monetarist, and intrinsically self-doomed global system of today.

My first forecast based on the principle of the LaRouche-Riemann method, was made during 1956, forecasting an approximately February-March 1957 deep recession in the U.S. economy.

As I have reported previously in various locations, my first long-range forecast was developed in 1958-1960, as follows.

I warned that if the U.S. economy continued along a trajectory consistent with the trends associated, typically, with the characteristics of Arthur Burns' influence during the 1954-1960 interval, we must expect the probable entry of the U.S. economy into an ominous decline during approximately the latter half of the 1960s, a decline leading toward, or even into a general collapse of the present international monetary system.

Both the 1956 and 1959-1960 forecasts were borne out in the way the principles of my forecasting were defined. These were, therefore, forecasts made within the bounds of the prevalent system of the time.

Now, since 1972, the U.S. and world monetary-financial and economic systems have been dominated by overall trends consistent with my view of 1968-1971, that a breakup of the Bretton Woods fixed-exchange-rate system, would set a trend toward an increasingly pro-fascist model of world economy, unless a return to the legacy of the design of the original Bretton Woods system were to prevent this outcome. Each forecast I have made since 1971-1972 has been validated by timely events.

Thus, since 1971-1972, my forecasts have been premised

on changes in progress within the framework of a new, de-volving system, rather than the Bretton Woods system of the 1945-1968, pre-1971-1972 interval. The principled features of the methods which I used during 1956-1961 remained the same; however, the subject so addressed since 1971-1972, has occurred within a functionally different economic system than that of the first two post-war decades.

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## 2. The Perils of Forecasting

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The common blunder of my putative rivals has been their predilection for attempting to forecast in a way consistent with a sterile, worse than merely Cartesian, mechanistic mode of statistical forecasting. For the victims of that persuasion, it is implicitly assumed that an event will either occur at a certain time, or it will not. Forecasts of that commonplace type are inevitably wrong, and therefore always incompetent, even when, by coincidence, they are not apparently mistaken. The commonplace forecast might, occasionally, appear to hit the mark in a timely way, but it does not locate the event within the process which actually determined that momentary outcome, and is therefore useless in practice.

Like living processes, all social processes are *dynamic*, not mechanical-statistical in characteristics. That is to say, that they conform, characteristically, to the Pythagorean notion of *dynamis*, and its modern, Leibnizian reflection, as Leibniz's explicitly anti-Cartesian principle of *dynamics*. However, in dealing with economic forecasts, we are dealing with the distinction of human from animal behavior. The human mind is governed by its potential for discovery of efficient universal physical principles, a power lacking in the animal species. Hence: the Pythagorean legacy of *dynamis*, as reflected by Leibniz's introduction of *dynamics* as the crucial principle of modern science.

Within the functioning specific to human beings, the *dynamics* are dominated by considerations lacking in the animal kingdom, by the factor of the human "free will," a "free will" which is rooted, ontologically, in the fact that human behavior includes both an accumulation of voluntaristic discoveries within society, and the voluntary powers of the individual human mind.

Thus, in attempting to forecast human events, we must limit ourselves to oncoming points of crucial decisions to be made, and the consequences of likely alternative decisions made in response to those challenges. All statistical forecasts are, therefore, intrinsically absurd scientifically.

Moreover, the human individual will is not "free" in the sense of the anarchist's outlook. We are free to succeed or to fail, to make "free choices" which cause a worse future, or to choose discovered alternatives which will satisfy the scientifically foreseeable requirements of success, even of survival of that society. There is no absolutely "free choice," no "freedom of opinion" in real history; there is only the opportunity



to choose available options which lead to progress of the human condition, or to prefer choices which tend to greatly injure, even eliminate societies which freely embrace such preferences.

In every society which brought doom upon itself, prevalent “popular opinion” was the relevant author of disaster; so, sophistry akin to the quality of sophistry prevalent, as trend-lines, in the U.S.A. during the four recent decades, ensures the doom of the society which, like Pericles’ already self-doomed Athens, clings to the propitiation of habituated standards of popular opinion.

Therefore, as my own relatively unique success as a forecaster attests, *competent forecasting, and therefore competent policy-shaping, is that which is governed by the relevant scientific comprehension of the lawful characteristics of the social process.*

## Dynamics and Economy

One of the most commonplace follies in debating economic policies today, is the assumption that cheaper direct costs of production in Honduras mean it would be an advantage to the U.S. economy to move such production from the U.S.A. to Honduras. Thus, the commonplace foolishness of the popular argument in favor of “outsourcing” is, that, while less is paid for the product itself, the cost of maintaining the U.S. economy which had been part of the cost of U.S. production, is not reduced. Most notable are the costs of basic economic infrastructure, which had been built into the earlier production of the goods whose production was exported. The U.S. citizen may purchase the Honduras-produced articles at a lower price than earlier, *but the standard of living in the U.S.A. itself has been lowered by a greater amount than the mere apparent saving in the cost of the relevant products.*

Thus, any nation which accepts that fallacious assumption that production must pursue the goal of “cheapest price” is doomed by its own foolish support for that assumption.

The argument which follows from examining the causes for that ironical sort of observed effect of so-called “outsourcing,” is twofold. That the firm which exports its production in this way is under incompetent management, and the government which promotes such practice is also incompetent in its judgment of economics matters. The precedent for this argument is Gottfried Leibniz’s famous exposure of the incompetence of René Descartes and Descartes’ followers in matters of physical science. This refers to the occasion on which Leibniz revived the fundamental concept of the physical science method of the ancient Pythagoreans and Plato, by use of the term *dynamics*, in a way corresponding precisely to the role of the term *dynamis* as the fundamental principle of physical science known to Plato et al.

The standard of living, including that of education, public health, quality and quantity of power per capita and per square kilometer, of a nation and its population is an intrinsic, undivestable component of the potential productivity of the popu-

lation as a whole. To reduce the physical component corresponding to payment for those costs, is to lower the physical productivity of the nation per capita and per square kilometer. In effect, the promotion of production at prices corresponding to meeting those general requirements of the economy as a whole, is a way of absorbing the costs of maintaining the standard of living and productivity of the nation as a whole.

In general, therefore, every net change in average policy-trend in the U.S.A. since about 1968 has been a stupid one, for which our nation is suffering greatly, as a nation, today.

The indicated relationship between the level of development of national basic economic infrastructure and per-capita productive powers of labor in that nation, is expressed as *potential*. In former times, an intelligent majority of the government of a U.S. Federal state, would seek to bring *relevant types of employers* into the state, as a way of covering the costs of bringing up the conditions of life and productivity of the nation as a whole, through covering the costs of improvements in basic economic infrastructure.

*Outsourcing based on “cheapest price” is no net benefit to the nation to which production has fled. The latter nation has adopted a policy which will ruin its national potential as a whole over the ensuing period.*

Progress of national economies, such as our own U.S.A., depends upon science-driven increase of the net productive powers of labor per capita. This depends upon increasing the general physical-capital-intensity of production per capita. That requires emphasis on investment in scientific-technological progress, which means the increase of the relative “energy-flux-density,” both per capita and per square kilometer for the national economy as a whole. It requires increasing emphasis on educational development for the entire population and its labor-force component, with the principal emphasis upon discoveries of universal physical principles and forms of cultural activity and development which emphasizes the expression in social behavior of those same creative powers of the individual mind associated with original discoveries of universal physical principles.

A higher standard of living, by those criteria, defines a successfully progressing economy. A contrary policy is characteristic of a nation ruining itself.

Potential, as so indicated, is the primary driver in the policy of a fortunate nation. Realization of that potential through its application to production and other relevant forms of expression, is the proper standard for measuring national-economic sanity.

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## 3. Greenspan’s Insanity

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Financial derivatives are the purported capitalization of gambling debts. They have no more intrinsic value as financial capital than i.o.u.’s issued to one another by gamblers in a back-alley crap-shoot.



*Alan Greenspan "traded off a mere Hoover-style collapse, for the glory of a crisis which would blow the financial world virtually out of existence."*

The October 1987 stock-market crash was an event comparable to the 1929 Hoover crash. Within Andrew Mellon's system of that day, strict financial conservatism of those times meant a collapse of the real economy of the U.S.A. by approximately one-half, which the Hoover Administration achieved within approximately three years. The remedy would be to go directly to the kinds of physical-economic recovery measures which the administration of President Franklin Roosevelt had employed. The Roosevelt remedy was available, but was politically outlawed by the prevalent customs developed over the 1971-1987 interval to date; a Hoover reflex was implicitly required for purely political reasons.

Hence, Greenspan's great crap-shoot economy of 1987-2006.

What Greenspan did, in effect, and he did that most persistently, was to make financial-derivatives negotiable within the framework of both the U.S. Federal Reserve System and the International Monetary Fund. In this, Greenspan was in full complicity with Britain's Margaret Thatcher and France's François Mitterrand, and that of a Japan which had negotiated special "Plaza Accord" arrangements with the U.S.A. during the late 1980s time-frame. The Blair government of the U.K. has continued the same lunatic approach to matters, minus Thatcher's purse and skirt.

President George H. W. Bush was the first lucky recipient

of Greenspan's folly. Ross Perot, trying a copy-cat of my Presidential campaign style, provided the margin which did in Bush's hope of winning re-election against Presidential candidate Bill Clinton. As James Carville said, "It's the economy, stupid!" The vast looting of the former Comecon and Soviet Union, and The Great Y2K information technology" bubble, carried the U.S. Federal Reserve and IMF system up to the time of the August-September popping of the "GKO" derivatives swindle. Since the Spring of 2000, the presently continuing downslide of the U.S. dollar and soaring of the U.S. current-account deficit, have been the masters of the field of financial speculation.

Amid all this, reality has been shown by my two successive portrayals of what I named a "Triple Curve" image of the presently ongoing, 1995-2006 process of general plunge of the world system toward a monetary-financial break-down crisis. The cannibalistic policies directed against the overall physical economies of Europe and the Americas have produced an ac-

celerating decline in the physical productivity of these economies, but with soaring, hyperinflationary increases in the amount of monetary aggregate and financial turnover. In all of this, the creation of purely fictitious financial capital through a cancerous proliferation of financial derivatives, has been the source of apparent liquidity used to provide the apparent margin of fictitious financial profit by which the actual collapse was being delayed.

The time had to come, that the interaction among soaring rates of monetary-financial fictitious emissions, intersecting accelerating rates of physical-economic collapse, would define a phase of stretching of the inflationary balloon, at which that balloon must explode at the first occasion of a relevant sort of pin-prick.

In effect, Greenspan will go on record as the greatest financial swindler in all history to date. Perhaps he will enjoy the fact that that might be considered by some as a peculiar kind of accomplishment. He traded off a mere Hoover-style collapse, for the glory of a crisis which would blow the financial world virtually out of existence.

The more important conclusion to be considered, is that, whatever this says about Alan Greenspan, the really important development is what it says about the collective mind of the U.S. and other governments during the entire sweep of 1987-2006 to date.

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## 4. A More Important Conclusion

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The ability to forecast effectively depends upon the forecaster's ability to take two contrasting images into view. One image is that of the process as it actually functions. The other is the process as the relevant influentials of society believe that the process should function. In effect, the dials and gauges on the dashboard do not necessarily reflect the actual cause-effect relations which the operator assumes to be determining. Actually, the discrepancy between the "driver of the vehicle" and the performance of the vehicle itself is more complicated; some of the instruments do reflect the actual situation, but others do not.

Take the case of the way in which Pericles' Athens destroyed itself, by taking the plunge into what became the Peloponnesian War. The faulty set of dials and gauges in this case was the influence of a form of Sophistry akin to that which has prevailed, increasingly, in the U.S.A. (in particular) since the death of President Franklin Roosevelt, especially under the influence of pernicious, frankly evil opinion-shapers such as the Congress for Cultural Freedom (CCF). The latter's Paris branch is notable among corrupting U.S. influences of the CCF in poisoning the morals of Europe.

Go back to the time of President Franklin Roosevelt's death. Then go back a step further, to the 1931 establishment of the Basel, Switzerland Bank for International Settlements (BIS), when the drive to put Adolf Hitler into power gathered steam. Most of western and central Europe, led by Montagu Norman's Bank of England, was pushing for a fascist world order and a war intended to destroy both the Soviet Union and Germany, once and for all. By the time Franklin Roosevelt was inaugurated as President, in March 1933, Hitler had already been given dictatorial powers through the Reichstag Fire; fascism was already in power in Italy; the fascist bloc (the Synarchist bankers) were at the top in France, waiting for Hitler to give them the Laval and Pétain governments for which they dreamed; and, kindred evil thoughts about an overthrow of the Franklin Roosevelt government were circulating in U.S. financier circles. The U.S. economy had already collapsed by half under President Hoover. Yet, already, at the point the U.S.A. entered World War II, the United States had created the most powerful economic-development program the world had ever known. By the time of FDR's death, a U.S.A. committed to FDR's policy of a world free of empires seemed within reach.

From virtually the moment of FDR's death, the Wall Street and London crowd behind Vice-President Truman's affection for outgoing Prime Minister Winston Churchill, the financier crowd which had put Hitler into power in 1933, was moving to overturn Roosevelt's legacy. They could not succeed all at once; but, step by step, over two decades, they succeeded in bringing down the FDR legacy in policy-shap-

ing, and, from 1971 on, sent the world careening along a course leading toward the virtual bankruptcy of the U.S.A. today.

To a significant degree, this treasonous undermining of the FDR legacy was fully conscious in the minds of figures such as Britain's Bertrand Russell, the man who, in concert with H.G. Wells, invented nuclear preventive warfare. To a larger degree, the same effect was achieved through the effects of a new wave of Sophistry, echoing that of Pericles' self-doomed Athens. The dupes did not have to know the reasons for the policies they either supported or merely tolerated; they believed the dials and gauges on the dashboard.

The duty of the economic forecaster is to discover and understand such things. Who has designed the system which links the machinery to the controlling dials and gauges faithfully admired by the dupes behind the dashboard? It is not necessary that the malicious figures exploiting this arrangement understand fully the destination implicit in their role in controlling the dashboard; it is better that they do not know too much, more than is good for them to know. However, this is precisely what the competent forecaster must search out.

Thus, although we can show that the ruin of the U.S. and world economies since 1971-1972 has been the result of a clear and conscious intention among relevant controlling strata, this does not mean that the same degree of culpable awareness can be attributed to the decadence of the 1945-1971 interval. The intention to destroy the Franklin Roosevelt legacy was clearly manifest under Truman from the time of FDR's death. The intention to plunge the world into a planetary new dark age down the line, existed with the circles of Russell, H.G. Wells, and their intimates. However, for most of the controlling circles orchestrating the policy-shifts, they were acting as sophists, discovering their intentions, as if impromptu, step by step along the way, more or less echoing, thus, the manner in which the Peloponnesian War led Athens to its doom.

For me, as a physical economist, the pattern is clear. The implicit intention is clear. However, this does not mean that the intended outcome was always clear among most of those who participated in shaping the relevant policy-changes. Only those rarer individuals who can see the broad evolution of this process, as if from above, can forecast in the way which is required, if doom, like that threatening the world today, is to be averted. We who adopt such chores as that, must look down upon successive, qualitative changes in the course of passing events, as I have done. Most of the time, the leaders in history were more acted upon than choosing their destinies. The rest reflected largely unconscious motives for the critical impulses which their actions expressed. The competent long-range forecaster's duty is to adduce those largely unconscious motives underlying the mechanisms of decision-shaping.

# Internal Fissures Rend EU's Maastricht System

by Rainer Apel

Beset by conflicts between national governments attempting to prevent economic collapse in the face of a deepening depression, and a supranational bureaucracy committed to even more deregulation and austerity, the European Union (EU) is falling apart. Briefed on the latest developments on March 14, Lyndon LaRouche said that Europe is actually far more vulnerable to a physical economic collapse than the United States, because Europe is under the yoke of the Maastricht Treaty which founded the EU—the straitjacket that blocks any possibility of an economic policy turnaround in Europe. Unless Maastricht is torn up, and replaced by a new, non-monetarist arrangement among the nations of Europe, there is no solution for the continent.

What is needed is a new arrangement among sovereign European governments, supporting industrial development in the context of a New Bretton Woods financial system internationally. This requires a rejection of globalized free trade, and a reassertion of *protectionism*—but from the standpoint of increasing the productive capacities and living standards of both oneself and one's neighbor. The Maastricht system, in place since February 1992, and in full effect with the introduction of the single EU currency, the euro, in January 2002, interferes deeply with such sovereignty, because it imposes budget ceilings which member countries cannot keep under present conditions of economic depression, and at the same time bans the very national programs for economic recovery that would improve the situation in member countries.

The EU finance ministers, in particular the 12 ministers of the Eurozone member governments that use the euro as their single currency, have so far not developed any alternative, but have tried the impossible quadrature of the circle: keeping the Maastricht system intact, while at the same time disobeying more and more of its rules. This disobedience has increased over the recent period, and the EU Commission, faced with the total loss of its own authority, has desperately tried to restore control, in a way that only fans the rebellion of the member states.

For example, the Commission has initiated a new, radical push for deregulation in the national energy sectors, particularly in France and Germany. Operating along the same pro-globalization paradigms as the Commission, however, the leading energy firms in France, Germany, and Italy have increased their own grabs for takeovers across Europe, intensifying the trend toward globalization and cartelization.

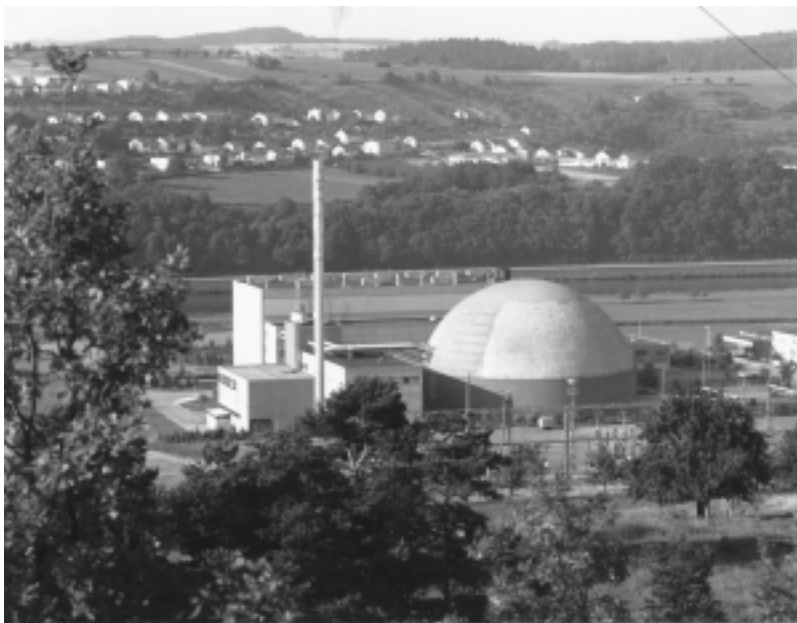
It is in this domain that governments have intervened, adding another conflict to the long list of already existing ones with the EU Commission. When the leading Italian energy supplier Enel tried to take over one of the leading French suppliers, Suez, the French government stepped in, and soon after, the leading French supplier Gaz de France announced its merger with Suez. In a similar case, Germany's leading energy supplier RWE tried to take over Spain's leading supplier Endesa, but the Spanish government intervened. The conflict between these big national energy suppliers and the Commission is now overlapped by conflicts among the respective governments of Spain, Italy, France, and Germany, which threatens to lead to total paralysis of policies in Europe.

## Assertion of National Sovereignty

The wildest situation at present is, indeed, the conflict between the rather nationalistic government of Poland and the EU Commission, triggered by a fierce fight that has erupted between the Polish Central Bank (and its hardline monetarist governor, Leszek Balcerowicz) and the Polish government. The fight formally erupted over the question of the foreign takeover of the two Polish banks Peca and BPH by the Italian-German group Unicredito/Hypovereinsbank, which the Polish government does not want. This led to a clash with the European Commission, which denounced the Polish government's protectionism as a violation of free market principles, which include the right to takeovers. At the same time, it has led to frictions among the governments of Italy, Germany, and Poland, although each of these three governments has its own conflicts with the European Commission.

On March 10, the European Central Bank provoked another added clash with Poland, complaining about the Polish government's conduct toward the Polish National Bank, a member bank of the ECB. The ECB insisted that the government stick to Article 105 of the ECB statutes, which explicitly demands that the national member central banks survey the banking sector and guarantee that monetary stability is maintained. The ECB letter came in reaction to legislation by which the Polish government seeks to take away from the Central Bank the bank surveillance right, proposing instead a new, independent surveillance body which would also survey pension funds, insurance companies, and other financial market institutions. During hearings early in March of the bank surveillance commission, Central Bank Governor Leszek Balcerowicz disinvited Finance Minister Cezary Merch, accusing him of being too "partisan" in his views. Upon which the government demanded that Balcerowicz be brought in front of an investigation commission for "betraying" national interests.

A sound "economic protectionism reflex" can also be reported from Hungary, where national elections will be held on April 9. Former Prime Minister Viktor Orban, chairman of the conservative opposition party Fidesz, told Germany's



Bundesbildstelle

*Germany's Obrigheim nuclear plant. The government remains committed to completely shutting down nuclear power by 2021—but cheerfully imports nuclear-generated electricity from France.*

*Frankfurter Allgemeine* daily of March 11, that a government led by him, after the elections, would implement a “patriotic” economic policy: “We want to end the 15-year-long chapter of unbridled capitalism. . . . It is time to finally bring solidarity into Hungarian society.” The very high mortality rate among citizens of working age in Hungary, has to do with the fact that many people have to have several jobs in order to feed the family, not enough living space, and are suffering from hypertension and heart disease. Orban said it is urgent to have the state invest into new and decent jobs, whereas keeping a balanced budget along Maastricht rules was less urgent.

If the other European heads of state and government joined Orban, it should be possible to replace Maastricht by the aforementioned “new arrangement.” What Europeans need, is a European Union of sovereign nations.

What Europeans need in particular, are political leaders whose minds are sovereign, which means that they are independent from the restrictions posed by monetarist banking interests. This means they are capable of formulating economic and research targets in tune with the advances in pioneering real-economy technologies, and willing to organize long-term, low-interest credit lines for those projects. Most of all, this would apply to nuclear power, maglev transportation systems, and medical frontline projects such as protection against avian flu and other new pandemics.

## The Vital Issue of Nuclear Power

Indicative of the lack of such leadership, is the new EU Commission Greenbook on Energy, which avoids making

any concrete recommendations concerning nuclear power development that would be valid for all of the European Union. Instead, the Commission leaves it to individual member states to build, or not build, new nuclear power plants. This inaction on the part of the Commission is due to the anti-nuclear orientation of the German elites, and because Germany is the biggest single contributor to the EU budget, with a share of above 20%, Germany insists that the Greenbook remain vague, on nuclear technology.

A similar constellation is there between France and Germany. France has a nuclear power share in its national supply of more than 70%, and it is committed to begin building a new “third generation” pressurized water reactor in 2007; Germany still has a nuclear power share of 30%, but is committed to exit from the technology completely, by the year 2021. Because of that, the Franco-German statement on energy and technology, published in Berlin on March 14, has a lot to say about wind and other totally inadequate “alternate” or “renewable” energy sources, but no

mention of nuclear power. The entire ten-page document has just one sentence on thermonuclear fusion, stating vaguely that the International Thermonuclear Experimental Reactor (ITER) project (built as an international project in Cadarache, France) “shall allow acquiring of decisive scientific knowhow and technologies for the generation of a clean, safe and practically inexhaustible energy.”

The French elites seem to believe they can live with the German “no” to atomic power, as long as Germany continues importing power from France’s nuclear plants. And in Germany, the plan by Chancellor Angela Merkel (Christian Democrat) to discuss the “future of power development and supply” at a national energy summit in April, is undermined, as her coalition partner in the government, the Social Democratic Party, insisted that nuclear power be excluded from the agenda of that summit. To date, the LaRouche movement’s political arm in Germany, the Civil Rights Movement Solidarity (BüSo) party, is the only political force that uncompromisingly calls for nuclear power development.

That Europe as a whole cannot live with a Germany that rejects nuclear technology, and that not even Germany can live with that, is evident, as long as Germany continues to be the largest national economy in Europe. The only positive aspect of Germany’s energy policy is that unlike other EU member states, it insists that Russia be kept as a preferred partner for long-term energy cooperation, for crude oil and natural gas supplies to Europe. Plans for an “Energy NATO,” excluding Russia, which Poland proposes, have so far been strongly opposed by Germany.

# The Neo-Cons, Not Carter, Killed Nuclear Energy

by Marjorie Mazel Hecht

The conventional wisdom in the nuclear community and in general is that President Jimmy Carter drove the nail in the civilian nuclear coffin when he stopped the reprocessing of nuclear fuel in 1976. But this is wrong. The dishonor does not belong to Carter. The policy that ended nuclear reprocessing was first promoted under the Ford Presidency, in a 1975 policy paper written under Ford's chief of staff Dick Cheney. And long before the Ford Administration, the idea that civilian nuclear power was bad, and that reprocessing should be stopped, was extensively argued by Albert Wohlstetter, one of the most ghoulish, secretive, and influential of U.S. nuclear strategists, from the late 1950s to his death in 1997.

Wohlstetter was a University of Chicago mathematician-logician and a RAND consultant, who kept himself in the shadows as he mentored some of the most public of today's neo-cons—Paul Wolfowitz, Richard Perle, and Zalmay Khalilzad, to name a few. In Wohlstetter's circle of influence were also Ahmed Chalabi (whom Wohlstetter championed), Sen. Henry "Scoop" Jackson (D-Wash.), Sen. Robert Dole (R-Kan.), and Margaret Thatcher. Wohlstetter himself was a follower of Bertrand Russell, not only in mathematics, but in world outlook. The pseudo-peacenik Russell had called for a preemptive strike against the Soviet Union, after World War

II and before the Soviets developed the bomb, as a prelude to his plan for bullying nations into a one-world government. Russell, a raving Malthusian, opposed economic development, especially in the Third World.

Admirer Jude Wanniski wrote of Wohlstetter in an obituary, "[I]t is no exaggeration, I think, to say that Wohlstetter was the most influential *unknown* man in the world for the past half century, and easily in the top ten in importance of all men." "Albert's decisions were not automatically made official policy at the White House," Wanniski wrote, "but Albert's genius and his following were such in the places where it counted in the Establishment that if his views were resisted for more than a few months, it was an oddity." Wanniski also noted that "every editorial on America's geopolitical strategy that appeared in the *Wall Street Journal* during the last 25 years was the product of Albert's genius."

Like Bertrand Russell, Wohlstetter saw the world in terms of a bounded chessboard of U.S. and Soviet nuclear missiles, where his clever gaming strategies would ensure that more of "them" were killed than of "us." His strategic policies were madder than MAD (Mutually Assured Destruction), which he found too juvenile in concept. Instead, he supported flexibility—the preemptive strike, high-precision weaponry with precision targetting, and "nimble" military units. This is precisely the thinking behind Secretary of Defense Donald Rumsfeld's revamping of the U.S. military, which was designed by longtime Pentagon consultant Andrew Marshall, another Wohlstetterite.

Wohlstetter rated his scenarios in terms of their death tolls, with the aim of allowing America to come out with the least damage. And, like Russell, while he loved playing with nuclear weapons, Wohlstetter hated *civilian* nuclear energy: He saw that it had the potential to allow unlimited population growth, which was impermissible in his worldview.

Unlike other nuclear strategists and Dr. Strangeloves, Wohlstetter writes relatively clearly, though tediously and exhaustively logically, often using statistical arguments to "prove" his points. He has no understanding of physical economy or of development, just crude cost-benefit analyses. His view of human beings in all this is that of a grade-B cowboy film—good guys versus bad guys, where everything possible



*Albert Wohlstetter  
in a university  
photo from the  
1960s.*

Courtesy of the University of Chicago



EIRNS/Stuart Lewis



DOD/Helene C. Stikkel



EIRNS/Stuart Lewis



*Wohlstetter's Weenies: Although Wohlstetter kept to the shadows, his protégés are very public. From left: Richard Perle, Paul Wolfowitz, Zalmay Khalilzad, and Ahmed Chalabi.*

must be done to keep control in the hands of his good guys: the financial oligarchy or, as President Eisenhower labelled it, the “military-industrial complex.” It is no surprise, therefore, that his prize student, Paul Wolfowitz, wrote his doctoral dissertation under Wohlstetter (published in 1972) arguing at length that nuclear desalination for the Mideast was a very bad idea—costly, unnecessary, and dangerous.

### A Delicate Balance of Insanity

Wohlstetter’s first acclaimed paper, published in 1958, was “The Delicate Balance of Terror,” which reportedly so enthralled Richard Perle, then a high school chum of Wohlstetter’s daughter, that it got Perle started on his “Prince of Darkness” career as a Wohlstetterite.

While Wohlstetter was working on Pentagon contracts, calculating kill-ratios of missiles and chessboard missile moves, he developed the argument that civilian nuclear power was no good in itself, that it would only lead to the ability to make nuclear bombs, and that nonproliferation had to be enforced to make sure that bad guys didn’t get any nuclear bombs. To put this policy across, he used his mathematical skills to scare people, in classified briefings with military and other government officials, and Congressmen, which trickled down to the general public.

One of Wohlstetter’s last public articles, published on April 4, 1995, by his longtime neo-con friend Robert Bartley, editor of the *Wall Street Journal*, argued that the Non-Proliferation Treaty was bad, because it makes it easier for nations without nuclear weapons to gain access to them—using plutonium produced in civilian nuclear reactors. He wrote: “It has long been plain that plutonium for electric power has a large negative value. The civilian benefits are a myth. The military dangers are real and immediate.”

This is the essence of what Wohlstetter promoted in the 1960s and 1970s. He created the myth that civilian benefits of nuclear energy “are a myth.” As the *Wall Street Journal* identified Wohlstetter in the 1995 op-ed, he “headed the 1975

study that led the U.S. to abandon the use of plutonium fuel for civilian power reactors.”

### Atoms for War

In the 1960s, when the civilian nuclear program was still moving forward under the philosophy of Atoms for Peace, launched by President Eisenhower in his famous 1953 speech at the United Nations, Wohlstetter pushed his “atoms for war” policy. While FDR Democrats and Republicans were elaborating visions of what the atom could do for peace in the world, providing energy, desalinated water, and process heat



Nuclear energy will be brought to less advanced countries.

*The nuclear optimism that scared Wohlstetter: This illustration is from a children’s book in the 1960s, describing the benefits of nuclear energy.*



*Wohlstetter was even stranger than the “Dr. Strangelove” depicted in the 1964 movie of that name. An early draft of the film was titled “The Delicate Balance of Terror,” the same title as Wohlstetter’s best-known unclassified work. Here, a still from the film.*

for industry, Wohlstetter marshalled his math to stop civilian atoms.

In 1967, Wohlstetter was the invited luncheon speaker at a Manhattan Project 25th anniversary event at the University of Chicago. He told the assembled nuclear scientists that there were no short-term civilian benefits to nuclear energy. The scientists who created the bomb, he said, wanted to find compensatory benefits for humankind for their wartime creation of destruction. But, he said, “Some of these civilian uses have a large war potential. . . . [T]here is a massive overlap between the technology of civilian nuclear energy and that of weapons production. The good military atom therefore doesn’t displace the bad military one. Expanding civilian use in general makes it easier, quicker, and cheaper to get bombs. . . . An essential trouble with nuclear plowshares, therefore, is that they can be beaten into nuclear swords. . . .”

Wohlstetter noted that the nuclear energy forecast in 1967 envisioned that by 1980, nuclear would supply 25% of U.S. electricity, with large reactors at costs competitive with electricity from fossil fuels. And then this “genius” informed the nuclear scientists: “Nonetheless it has been clear that such important benefits fall short of ushering in the golden age. They will not abolish want and are unlikely to reduce the great

inequalities between rich and poor countries.” As to why this was the case, Wohlstetter noted that energy costs are just a small percentage of the gross national product, and “cheap energy can help, but is not the key to economic progress.”

Wohlstetter was particularly concerned that the Middle East remain free of nuclear power plants to desalt water, and to convey to his scientist audience that poor countries would not be able to gain from capital-intensive power reactors. As for breeder reactors, Wohlstetter’s view was only negative. Instead of seeing the benefit of a reactor that produced more fuel than it consumed, he said that if breeder reactors came into operation as the U.S. Atomic Energy Commission expected by 2000, “there may be a million bombs worth of civilian plutonium in the world, doubling every ten years.”

### **Incessantly Negative**

As negative as was this 1967 speech, it was short, and at least mentioned that in the long-range future, nuclear energy might have some benefit. In Wohlstetter’s 1975 report, “Moving Toward Life in a Nuclear Armed Crowd?” the message is incessantly negative—for 286 pages. This report was prepared for the U.S. Arms Control and Disarmament Agency “to provide a clear definition of trends in the spread of nuclear technology, and a precise analysis of the problems (political, military, and economic) that these trends pose for policy.”

Wohlstetter and his coauthors presented a statistical Mickey Mouse economic analysis of nuclear energy, which was designed to prove that civilian nuclear power is too costly, that reprocessing spent nuclear fuel is not essential and a money loser, that breeder reactors are too dangerous even to be seriously considered, and that nuclear energy retards development in the developing sector. In these pages is everything the anti-nuclear environmentalists and lawmakers could draw on to make sure that Wohlstetter got his anti-nuclear way. The overriding argument for Wohlstetter was that civilian nuclear energy can only be meaningfully measured in bomb-production capacity.

The report particularly targetted the Less Developed Countries (LDCs). “Investment in nuclear energy is a poor choice among alternatives for the economic development for the LDCs,” the report stated. “It diverts capital from more productive uses. . . . [I]nstead of speeding economic development and slowing the spread of military technology, as we had hoped for decades, the subsidized transfer of nuclear technology has slowed development and may speed the spread.”

For Wohlstetter et al., the benefits of nuclear energy were “exaggerated” because of the emotions connected to the dropping of the bombs on Hiroshima and Nagasaki. “In fact,” the report stated, “if we could have detached ourselves” from these emotions, “we might have more easily questioned that



## The Inside Job Against Nuclear Energy

While Albert Wohlstetter's nuclear report put a hold on nuclear development from the top down, other forces were squeezing nuclear development from the bottom and middle levels of policy-making. Such a squeeze required the right sort of bureaucrat and the right bureaucracy to carry out the anti-nuclear thrust, and so the Ford Administration at the end of 1974, removed Dixy Lee Ray, the pro-nuclear chairman of the Atomic Energy Commission; and Congress abolished the agency, and reorganized energy policy into a mishmash agency known as the Energy Research and Development Administration.

(Dixy Lee Ray, who had been brought into the Atomic Energy Commission by President Nixon in 1972, was a scientist and an FDR Democrat, who fought to expand nuclear and educate the public about every aspect of nuclear technology. She went on to become governor of Washington state, and she continued to fight for nuclear energy expansion.)

Under the Carter Administration, nuclear energy was squeezed again, into just another energy office in the new Department of Energy, headed by "energy czar" James Schlesinger, a Wohlstetter colleague at RAND who was then, and still is, anti-nuclear. The regulatory oversight for nuclear energy was given to the newly created Nuclear Regulatory Commission.

In this same time period, 1975, the Ford Foundation released a 450-page tome on nuclear energy, "Nuclear Power: Issues and Choices; Report of the Nuclear Energy Policy Study Group," purporting to be "fair" but arrived at by a group of Establishment academics, many of whom had the same Russellite credentials as Wohlstetter. As the overview to this report states, "We believe the consequences of the proliferation of nuclear weapons are so serious compared to the limited economic benefits of nuclear energy that we would be prepared to recommend stopping nuclear power in the United States if we thought this would prevent further proliferation." The overview went on to say, however, that such a course of action could "increase the likelihood of proliferation, since the United States would lose influence over the nature of nuclear power development abroad."

The most striking aspect of the Ford Foundation study is that it has the same Mickey Mouse approach to economics as Wohlstetter et al. There is no concept of physical economy or a "science driver." Everything is measured in strict cost-benefit terms, without any idea of development.

On the ground level in this period, was a growing swarm of environmentalist groups, hatched by the counterculture and the campus turmoil during the Vietnam War period. These were the most visible of the anti-nuclear forces, in the media and on the street. But the policies they carried out came straight from the neo-con pen of the shadowy Albert Wohlstetter and the lower-down Establishment figures who conducted the Ford Foundation study. The environmentalists and the so-called "left" were the legs, not the head of the anti-nuclear movement.

subsidizing civilian nuclear energy was the way to stop the spread of the military technology. Since civilian and military nuclear energy programs overlap so extensively, a more plausible course might have been to subsidize research and development on the improvement of fossil fuels or of more exotic non-nuclear alternatives such as solar electric or geothermal power."

Taking note of the nuclear optimism still in operation, the Wohlstetter report listed the projections for civilian nuclear plants in the 1990s, and then offered suggestions of how such growth could be derailed—exactly what occurred. "This large growth is not inevitable," the report stated. "It presumes the carrying through of plans, negotiations, and constructions not yet committed and of varying degrees of firmness; some have had setbacks. The growth, moreover, is open to influence, a subject for the elaboration of policy of supplier as well as recipient governments."

Wohlstetter's pessimism was unflagging. The report reiterated in every section how "nuclear power promises very limited economic benefits to less developed countries." "In

all likelihood," the report wishfully stated, "history will reveal that once again the nuclear optimists have greatly overestimated the future growth of nuclear power." And another favorite theme: "Every time a new country obtains a nuclear power reactor, it is moving significantly closer to a nuclear weapon development capability, since the plutonium produced by all nuclear reactors can be made into nuclear weapons."

Like Wohlstetter's tediously exhaustive strategic analyses, this report reviewed every aspect of how every country might be able to make bombs with their civilian nuclear reactors, and what might be done to constrain this. The main constraints from the Wohlstetter point of view were simple: stop nuclear technology, stop reprocessing, don't even think about breeder reactors, load on the statistics equating power plants with bombs, and don't mention any new technology development. His constraints worked. From this evil-minded Russellite neo-con, who remained in the shadows, came the anti-nuclear policies that have kept nuclear technology suppressed for 30 or more years.

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# Business Briefs

## *Petroleum*

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### **If Iran Is Attacked, Oil Price Would Soar**

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Rajab Safarov, the head of the Contemporary Iranian Studies Center in Moscow, said that international sanctions would not be a threat to Iran, because the country has been under U.S. sanctions for many years now, according to a March 13 release from Interfax, a Moscow press agency. But what about the effects of a military attack? "The U.S., jointly with Israel, could deal missile strikes on Iranian strategic facilities," Safarov said. "But then Iran would respond by destroying the Middle East oil and gas infrastructure, blocking oil tankers' exit from the Persian Gulf, and stop oil and gas supplies to world markets. Should this happen, oil prices could top \$150 for a barrel, while \$80-90 a barrel is the limit for many economies. This would cause the collapse of many economies and of the world economy as a whole."

Lyndon LaRouche had earlier asserted that an attack on Iran would light the fuse of a bomb that could collapse the world financial-monetary system.

## *Nuclear Industry*

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### **Putin: Russia Will Prioritize Engineering**

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Russian President Vladimir Putin announced plans to gear up the Russian nuclear industry, in a speech to a conference at the Kremlin on March 14, just as the energy ministers of the G-8 industrialized nations were beginning their own meeting in Moscow. Putin emphasized that nuclear engineering is "a priority branch for the country, which makes Russia a great power; the most ambitious projects and progressive technologies are linked with this [industrial] branch." He noted that the nuclear industry is also seeing a revival in the United States and elsewhere—that nuclear power is "no longer a Cinderella," or outcast.

Sergei Kiriienko, the head of Russian's state-run nuclear enterprise, Rosatom, de-

clared that government budget funds are insufficient to build the 40 or so new nuclear reactors Russia needs in the next 20 years. Therefore, he said, Russia plans to build 60 nuclear plants abroad, expecting in particular major "markets in Southeast Asia." Soviet nuclear specialists had built 30 reactors in other countries, and since the break-up of the Soviet Union, selling services abroad is how Russia has financed, and kept alive, its space program.

Prime Minister Mikhail Fradkov, Security Council Secretary Igor Ivanov, and Industry and Energy Minister Viktor Khristenko also attended the meeting.

## *U.S.-Russia*

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### **Mikhailov Hits Failure To Renew Nuclear Accord**

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Former Russian Atomic Energy Minister Viktor Mikhailov stated, in a March 10 RIA Novosti interview, that the U.S. refusal to renew nuclear energy cooperation agreements with Russia has helped intensify the Bush Administration's conflict with Iran, and also stalled the development of critical next-generation nuclear technologies.

The U.S.-Russia nuclear cooperation agreement was allowed to expire five years ago, after the United States passed the 2000 Iran Non-Proliferation Act. The Russian government fought with the White House throughout the 1990s, refusing to pull Russia out of the deal to complete Iran's Bushehr nuclear reactor, because Russia needed to continue working in the nuclear sphere, in order not to lose its nuclear technology cadre, among other reasons.

There are now two parallel international efforts for nuclear technology development. One, a Generation-4 program, is led by the United States, and includes a dozen nations, but not Russia or "former Soviet" countries. The other, under the auspices of the International Atomic Energy Agency (IAEA), is the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO), led by Russia, with 22 members, some of whom overlap with the U.S.-led program.

Both programs have ongoing activities

in the same technology systems, such as high-temperature reactors, fast reactors, and hydrogen-generating and other process heat applications. Both have long timetables to actually build anything, and little funding.

There has been ongoing, informal discussion between top-level American and Russian nuclear scientists from the nations' laboratories and institutes, on restarting a joint nuclear technology development effort. According to the Russian Embassy to the United States, a delegation of U.S. nuclear experts is leaving soon for Moscow. But without a bilateral civilian nuclear agreement, it is unclear that much of anything can be accomplished.

## *Banking*

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### **Iceland's System On Verge of Collapse**

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Nykredit, one of the biggest financial institutions in Denmark, warned that the impending blowout of Icelandic banks would be too big for Iceland to handle, the Danish daily *Jyllands-Posten* reported on March 13, under the headline "Warning Against the Icelandic Geyser Economy."

The article included a diagram showing the almost exponential increase in the price of Icelandic bank stocks, with a fivefold increase over the last two years, and the caption: "Icelandic bank stocks rocket heavenward."

Because of deregulation of the banking system, a financial bubble developed in Iceland over the last three years. Before that, the state owned most of the financial sector.

*Jyllands-Posten* reported that Icelandic banks "have much more lending going out, than deposits coming in, and for that reason have been borrowing many of the billions that in recent years they used to finance their own purchases abroad." They usually get the money by issuing bonds, according to the paper, which cites Michael Sandfort, a senior market analyst at Nykredit Markets, who advises investors to get rid of that sort of paper: "The risk of incurring losses on the investment is too big."

The three biggest of the roaring Iceland-

ing banks “are so big, that they hardly can be saved by the Icelandic state alone, and since a major part of the investments are abroad, the state’s obligation to provide a safety net under the banks is not the same any more,” according to Sandfort.

## Real Estate

### Leaking Housing Bubble To Cause ‘Terrible Shock’

In an article in the March 12 issue of *The Nation*, entitled, “Leaking Bubble,” Doug Henwood writes: “The past several years have seen the most extraordinary boom in the U.S. housing market in history, rivaling the dot.com stock market madness of the late 1990s. In the third quarter of 2005, the average new house sold in the United States cost 4.9 times the average household’s yearly income, up from 3.9 times in the late 1990s. . . . Turnover of new and existing houses in the third quarter of last year was more than 16% of GDP, way above its long-term average of 9 to 10%, and easily beating the levels reached in the housing frenzies of the 1970s and ’80s.”

Families are buying homes on outrageously risky terms: In 2005, 43% of first-time home buyers “made no down payment at all.” The housing bubble has metastasized into the entire U.S. economy, especially as homeowners borrow against the inflated increase in the value of their homes. Henwood writes, “Americans have been using their houses as MasterCard, turning about \$726 billion of their home equity into (borrowed) cash between 2001 and 2005. That’s a big number, even by the standards of the U.S. economy; it’s equal to almost 40% of the growth in personal spending.” Moreover, “Wall Street economists estimate that 40 to 50% of the growth in GDP and employment over the last several years has been driven by the housing boom.”

In 2000, when the financial system was threatened with the bursting of the dot.com stock market boom, Federal Reserve Board Chairman Alan Greenspan intentionally fed the housing bubble, by lowering interest rates to 1%, Henwood states. However,

mortgage rates are rising, and home sales are sagging. “So many households have taken on so much mortgage debt that if prices merely stop rising, they’re going to find themselves under water. . . . The broad economy has become so dependent on home-equity credit that its withdrawal could come as a terrible shock.”

Lyndon LaRouche commented, “This indicates that the Senate and House have no time to waste on adopting the measures I’ve proposed. There are those who propose that we wait until after the election to deal with these problems. That is irresponsible.”

## Science & Technology

### Brazil Will Build Seven Nuclear Plants

Brazilian Science and Technology Minister Sergio Rezende announced on March 7 that Brazil has a plan to build seven nuclear plants over the next 15 years, two of them in the country’s most impoverished region, the Northeast. Rezende was interviewed by BBC Brazil, while he was in London accompanying President Lula da Silva on a state visit.

Rezende said he wants the government to approve the National Nuclear Energy Plan by the end of July. Once that happens, construction of the already-started Angra 3 facility would be completed, and then one new nuclear plant would be started every two to three years afterwards, for the following 15 years. This will be polemical, he said, but nuclear energy should stop being seen as the “ugly duckling.” These plants can be built near urban centers, unlike hydroelectric plants, and costs will cheapen soon, due to the worldwide renaissance in nuclear energy, he argued.

The Science Minister also announced that the formal inauguration ceremonies for the start-up of Brazil’s uranium enrichment program on an industrial scale—pushed back repeatedly as the international campaign on Iran escalated—should occur in April, when President Lula can attend. Small-scale production has already begun, he said.

## Briefly

**BROAD EXPANSION** of nuclear power is now being sought by the Group of Eight industrialized nations as the way to meet rising global energy needs, according to the March 15 *Financial Times*. In its “Action Plan” to be published in July, the G-8 states, “We believe that the development of nuclear energy would promote global energy security.” The G-8 energy ministers were meeting in Moscow.

**A BRITISH LOCUST** fund wants to grab up municipal housing in Berlin. The “investment” fund, Puma Brandenburg Limited, wants to pour up to 1 billion euros into the takeover of privatized municipal housing, predominantly in Berlin, fund managers announced March 14. Puma is a daughter of Britain’s Shore Capital Investment Bank.

**123,000 KATRINA** victims are behind on their mortgage payments in Louisiana (24.6%) and Mississippi (17.4%). Meanwhile, the Bush Administration’s Small Business Administration approval rate for disaster loans is the lowest in 15 years.

**RUSSIA** wants to sell uranium to India for two nuclear reactors, after the United States turned down an Indian request, according to Indian Foreign Ministry spokesman Navtaj Sarna. Russia has informed the Nuclear Suppliers Group of plans to supply the Tarapur nuclear facility. Russian Prime Minister Mikhail Fradkov will discuss the deal in India this month, and also discuss defense, space research, trade, and technology.

**ELECTRICITY RATES** in Maryland have skyrocketed seven years after deregulation. Increases of up to 72% can be expected for this Summer, according to the state’s Public Utilities Commission. After agreeing to deregulation in 1999, Maryland lawmakers now are scrambling to soften the blow to the electorate before the next elections.

## GROWING WHITE HOUSE INSANITY

# LaRouche Democrats Drive Institutional Resistance

by Jeffrey Steinberg

On March 14, the Los Angeles County Democratic Party Central Committee voted to authorize the charter of the Franklin Roosevelt Legacy Club. The initiators of the Club—Quincy O’Neal and Cody Jones—are elected members of the Central Committee, and have been involved in leading the day-to-day organizing in California against the fascist policies of George Shultz’s leading operatives, Vice President Dick Cheney and California Governor Arnold Schwarzenegger.

O’Neal and Jones are also leaders of the LaRouche Youth Movement (LYM), the nationwide youth organization of American statesman and former candidate for the Democratic Party Presidential nomination, Lyndon LaRouche.

“Over the course of the past several years, of waging successive, successful proof-of-principle fights, we saw that if the Democratic Party were to succeed in defeating the disastrous course of the Cheney-Bush Administration, we must bring the best of its traditions, that of Franklin Roosevelt, to life within the Party. Thus, we created the Club as a vehicle for that expression,” said Cody Jones, vice president of the club.

“The chartering of this club,” said Harley Schlanger, the Western U.S. spokesman for Lyndon LaRouche, “will invigorate the debate over the essential changes in policy now, which can assure a Democratic landslide in the 2006 mid-term elections.” According to O’Neal and Jones, the club plans to hold a series of policy forums, to shape the Democratic Party’s agenda for the mid-term elections. These forums will focus on discussion of the vital infrastructure projects, science-drivers, and other FDR-vectored policies that must be initiated immediately, to avert an irreversible plunge of the U.S. physical economy into collapse, leaving the vast majority of Ameri-

cans in a state of abject poverty.

Other LYM branches are expected to launch similar initiatives, and the LaRouche Political Action Committee (LPAC) has launched a nationwide drive to saturate the Democratic Party at the grass-roots level with copies of LaRouche’s draft Democratic Party Platform, contacting hundreds of county chairs and other local Party and trade union activists, and circulating tens of thousands of copies of the LaRouche document within the Party ranks.

Commenting on the initiative, and the extraordinarily positive response so far, LaRouche said, on March 18: “The effort to date demonstrates that the Democratic Party does not have a ‘LaRouche problem.’ They have a ‘George Soros and Felix Rohatyn problem’ which they are going to have to deal with. Outside the Washington Beltway and Wall Street, where the overwhelming majority of current and future Democratic Party voters are to be found, there is tremendous receptivity to the ideas that we are putting out, especially the need to revive the Franklin Roosevelt legacy of concern for the ‘forgotten man and woman.’ What is the Democratic Party, if not the mass of voters from the lower 80% income brackets, who are suffering today in this outsourced, globalized, incredible shrinking U.S. economy; who hate the tyranny of the current Bush-Cheney Administration; who see the fiasco that we have gotten ourselves into in Iraq; and who want a genuine, viable alternative?

“Synarchist bankers George Soros and Felix Rohatyn personify the penetration of that international financier faction into the back rooms of the Democratic Party within the Washington Beltway, just as George Shultz personifies the presence of the same ‘economic hit-men’ inside the upper echelons of the GOP. It is their globalized agenda that has brought

on the very crises that the Democratic Party is being called upon to redress.”

## **A Growing Resistance**

The fact that LaRouche and his collaborators have taken the lead, without hesitation and without let-up, for the past four years, in going after Shultz and Cheney as the architects of the disastrous Bush Administration policies, has clearly borne fruit. A growing institutional upsurge against the worst of the White House actions has reached a new threshold, as new bipartisan and non-partisan initiatives have been complemented by moves from within the permanent institutions of government, to force a policy shift, if not an outright house-cleaning.

The message being delivered to President Bush: Get rid of Dick Cheney and the entire neo-con gang, and bring a new team of sane, experienced advisors in to lead the country through the next two trying years—or face your own political downfall. According to senior Republican Party sources, both the Reaganite and “Bush 41” wings of the Party have signed on to this message. And the view now shared by all the living former Presidents is that the White House is dysfunctional and the United States cannot survive if that situation is allowed to continue.

One factor driving the moves against the failures of the Bush-Cheney White House, is the growing recognition that the American public has had it with the Oval Office bungling-and-worse. A poll by the non-partisan American Research Group, released on March 15, showed that 48% of all eligible voters endorse a Senate censure resolution against President Bush for authorizing wiretaps on Americans inside the United States without a court order. Seventy percent of registered Democrats and even 29% of registered Republicans favored the censure, evidencing the extent to which a large portion of Bush and Cheney’s own Republican Party have abandoned them. And 61% of Democrats and 18% of Republicans support impeachment of the President.

The censure resolution was introduced into the U.S. Senate on March 13 by Sen. Russ Feingold (D-Wisc.). In his speech motivating the motion, Feingold asserted that Congress will need to “consider a range of possible actions, including investigations, independent commissions, legislation, or even impeachment.” “The President authorized an illegal program to spy on American citizens on American soil, and then misled Congress and the public about the existence and legality of that program. It is up to this body,” Feingold demanded, “to reaffirm the rule of law by condemning the President’s actions. All of us in this body took an oath to support and defend the Constitution of the United States and bear true allegiance to the same. Fulfilling that oath requires us to speak clearly and forcefully when the President violates the law. This resolution allows us to send a clear message that the President’s conduct was wrong.”

On March 15, the same day the American Research Group poll figures were released, a non-partisan Iraq Study Group

was announced, drawing together ten prestigious figures, many of whom served in senior government posts under the last three Presidents. The group held a press conference at the U.S. Institute for Peace, one of four think-tanks backing the effort (the others are the Center for Strategic and International Studies, the Center for the Study of the Presidency, and the Baker Institute for Public Policy), at which a bipartisan group of Senators and Representatives showed up to signal their full support for the effort to look “with fresh eyes” at the Iraq quagmire, and work on viable solutions. Among the Senators who attended were John Warner (R-Va.), the chairman of the Senate Armed Services Committee, and Joseph Biden (D-Del.), the ranking Democrat on the Senate Foreign Relations Committee. All told, 35-40 Senators and Representatives, all of whom have visited Iraq since the March 2003 U.S. invasion, have endorsed the project.

The Iraq Study Group is co-chaired by James Baker III, former Secretary of State, Secretary of the Treasury, and White House Chief of Staff under Ronald Reagan and George H.W. Bush; and retired Rep. Lee Hamilton (D-Ind.), former chairman of the House Foreign Affairs Committee, co-chairman of the 9/11 Commission, and the current head of the Woodrow Wilson Center. Members of the Commission include former CIA Director Robert Gates; former New York City Mayor Rudolph Giuliani; former senior advisor to President Clinton, Vernon Jordan; former Clinton White House Chief of Staff Leon Panetta; former Clinton Secretary of Defense William Perry; former U.S. Senators Charles Robb (D-Va.) and Alan Simpson (R-Wyo.). A tenth member, yet to be publicly named, will be a Republican, according to panel members. According to CNN, it will be recently retired U.S. Supreme Court Justice Sandra Day O’Connor.

## **Institutional Moves From Within**

Sources close to the Bush Administration report that senior foreign policy and national security professionals are doing their part to force a policy shift from inside the government. In one such move that could represent a major setback for Cheney and others who are pushing a near-term military showdown with Iran, the State Department confirmed on March 17 that the U.S. Ambassador to Iraq, Zalmay Khalilzad, has been authorized to begin direct talks with the Iranian government about Iraq. Khalilzad confirmed that talks could begin soon in Baghdad, between himself and an Iranian emissary, to be delegated by the country’s Supreme National Security Council secretary, Ali Larijani. While both the U.S. and Iranian governments said that the talks would be limited to the subject of Iraq, Larijani has been one of the key Iranian officials negotiating with Russia and Europe over Iran’s nuclear power program.

Any direct talks between Washington and Tehran would undercut the war party inside the Bush Administration. The announcement about the proposed U.S.-Iranian talks came just a day after LaRouche was interviewed on Iranian national radio’s English language broadcast (see transcript on p. 32).

### House Passes Food Labelling Bill 'With DeLay'

When Rep. Tom DeLay (R-Tex.) was still House Majority Leader, House Republicans routinely passed legislation with minimal committee action, restrictive rules for debate, and with Democrats locked out of the process. On March 8, they proved that, despite all the talk and debate about ethics and lobbying reform, in the aftermath of the Jack Abramoff scandal, they can still ride roughshod over every courtesy. The issue in this case, was a bill to provide "uniformity" in food-safety labelling by preempting state laws. The bill is opposed by 39 state attorneys general, the National Association of State Departments of Agriculture, and numerous state officials, and consumer and environmental groups, who all warn that the bill would disrupt states' abilities to protect their citizens from unsafe foods. The measure however is strongly backed by the food-processing industry, whose lobby, House Democrats charged, wrote the legislation. The food industry justifies the bill on the basis that the lack of uniformity of state labelling laws is a burden on interstate commerce.

Rep. Henry Waxman (D-Calif.) ripped that argument to shreds, charging that the bill's proponents never had to make a case for it, because the GOP never had a hearing on the legislation. "They have never shown there is any burden on interstate commerce," he said, yet, "this bill is going to overturn 200 state laws that protect our food supply." The bill would require states to apply with the Food and Drug Administration (FDA) for exceptions to the Federal law. "Why should states be required to go to a bureaucratic agency to have permission to do what the Constitution of the United States permits them to do, which is to [provide] police powers for the safety and

health and well-being of their own citizens?" Waxman asked the House. He also expressed doubt that the FDA is even qualified to make decisions regarding interstate commerce, given that it is a scientific agency.

Even those who supported the bill expressed dismay at the process. Rep. Jim Cooper (D-Tenn.) told the House that he was "outraged that a bill like this would come through the House of Representatives without a single hearing." The bill passed by a vote of 283 to 139, but not before amendments providing state exceptions for cancer-causing substances, substances that may cause birth defects, and mercury in fish were added.

### Study Group To Look at Iraq with 'Fresh Eyes'

Growing concerns about Iraq have led a bipartisan group of 30-40 Members of Congress, all of whom have visited Iraq multiple times, to ask an independent group to make its own assessment of the situation there, after three years of U.S. occupation. That group, co-chaired by former Secretary of State James Baker III and former Rep. Lee Hamilton (D-Ind.), will look at Iraq with what Rep. Frank Wolf (R-Va.) described as "fresh eyes." Wolf said that "the request for this really came out of members of Congress from both parties who have been to Iraq who feel 'fresh eyes' is a very good approach."

As described by Baker, the purpose of the Iraq Study Group is to make "a bipartisan, forward-looking assessment of the situation on the ground in Iraq," with the objective of making "an honest assessment of where we are, and how to move forward." Hamilton added that the group will not be revisiting past debates on Iraq policy. "We have to understand

where we are," he said, "but our effort will be to look forward." Aside from the ten members who were announced on March 15, the group will also have an advisory panel of retired senior military officers, and four working groups focussing on the strategic environment in Iraq and the region, the military and security situation in Iraq, political development, and economic reconstruction. Neither Baker nor Hamilton would offer an opinion on just how dire the present situation in Iraq is, however. Hamilton would only say "we see a formidable challenge for the country."

### Senate Begins FY 2007 Budget Resolution Debate

As the Senate began debate on the Fiscal 2007 budget resolution on March 13, Budget Committee chairman Judd Gregg (R-N.H.) announced that the resolution follows the Bush Administration's budget blueprint fairly closely, including capping discretionary spending at \$873 billion, with one major exception: It does not include reconciliation instructions for generating the \$65 billion in entitlement cuts that the Bush Administration is calling for. Gregg explained that the reason for that is that he could find little support in the Senate, including among Republicans, for such cuts in an election year. He reported that the chairmen of the relevant authorizing committees all told him that there was at least one Republican member of each committee opposed to the cuts, meaning that they could not be passed. Gregg also complained that the war supplemental spending, which, he said, has averaged about \$90 billion a year for the last four years, has become a "shadow budget" which essentially has no controls on it at all, something

which, he said, should be changed.

Democrats countered by launching an assault on the Bush Administration for running the total Federal indebtedness to record levels over the last five years. Sen. Kent Conrad (D-N.D.), the ranking Democrat on the Budget Committee, argued that under the budget proposal, the national debt actually increases more than \$600 billion a year for the next five years. To address this debt increase, Conrad offered an amendment to re-institute the "pay-as-you-go" rule, which would require any measure that would increase the budget deficit to be offset by spending reductions elsewhere in the budget to include tax cuts. Gregg denounced the amendment as "a stalking horse for a tax increase," and it was narrowly defeated on a 50-50 vote.

Amendments still to be considered include increasing spending for health programs, as well as striking a provision allowing oil drilling in the Alaska National Wildlife Refuge.

## Senate Begins Debate On Ethics Reform

The Senate began debate March 7 on ethics-reform legislation, which had been reported out a week earlier by the Rules and Administration Committee, chaired by Sen. Trent Lott (R-Miss.). The bill would create a point of order against any provision in a conference report that was not in either version of the bill, and would prohibit the Senate from considering any conference report until it had been publicly available for at least 24 hours. It also includes a number of lobby reform provisions, including one aimed at the so-called "K Street Project," run by former House Majority Leader Tom DeLay (R-Tex.), that would increase over-

sight of the relationship between Washington lobbying firms and the Congressional Republican leadership.

Democrats expressed support for the bill, but argued that it did not go far enough. Senate Minority Leader Harry Reid (D-Nev.) offered an amendment that would have tightened up the private-sector employment restrictions already in the bill, and impose criminal penalties on Members of Congress seeking to influence the hiring decisions of lobbying firms. It also included a provision to require that conference committee meetings be open to the public. The Reid amendment was defeated on a 55-44 vote, partly because the gift ban in the amendment includes meals, whereas the ban in the Lott bill does not.

On the House side, Speaker Dennis Hastert (R-Ill.) announced, on March 15, draft legislation that would tighten the rules on lobbying, including imposing a responsibility on registered lobbyists to themselves follow the rules. The package also includes a suspension, until Dec. 15, of all privately funded travel, until the House Ethics Committee reports back with suggestions on how to regulate such travel.

## House Takes Up War Supplemental

On March 15, the House began debate on the \$91 billion Bush Administration supplemental appropriations request for the wars in Iraq and Afghanistan, as well as additional money for Gulf Coast hurricane-recovery efforts. Of the total, \$67.6 billion goes to cover war costs, including \$890 million for armored humvees, which was \$480 million more than the Pentagon requested, and nearly \$2 billion to develop countermeasures against the im-

proved explosive devices (IEDs) that have proven so deadly in Iraq. Before the bill went to the House floor, the Rules Committee turned back an effort by the Republican Study Committee, led by Rep. Mike Pence (R-Ind.), to allow an amendment to offset the entire package with spending reductions elsewhere in the budget. Pence had also demanded that the hurricane relief be considered separately, so that it could be more easily targeted.

The focus of the debate on the bill in both the Appropriations Committee and on the floor was not on funding levels in the bill, however, but rather on port security. In a strong repudiation of the Bush Administration, the committee voted 62-2 for an amendment sponsored by committee chairman Jerry Lewis (R-Calif.) that kills the deal that would have allowed Dubai Ports World to take over operations at six U.S. ports. Democrats went even further, supporting an amendment by Rep. Martin Sabo (D-Minn.) that would have required notification of Congress of all such proposed takeovers, and giving Congress the right to overturn Presidential approval of such deals.

While that amendment was rejected on a 35-30 vote, Democrats have declared they will continue to make an issue of port security. On March 15, Rep. Jerrold Nadler (D-N.Y.), backed by House Minority Leader Nancy Pelosi (D-Calif.), announced he would introduce legislation to require that 100% of shipping containers sent to the United States be scanned before they leave their port of origin. He noted that of the 11 million containers that come to the U.S. each year, only about 5% are actually inspected. The Democrats argue that the lack of security at U.S. ports is a large gap that needs to be addressed.

## LaRouche on Iran Radio: War Against Iran Is British Policy

*This is a transcript of a taped interview with Lyndon LaRouche, conducted March 15, 2006, by Morteza Jabbari of the Islamic Republic of Iran Broadcasting (IRIB). IRIB is the state-owned radio and TV broadcasting network. The interview was translated into Farsi and broadcast.*

**Q:** In one of your previous interviews, you mentioned that London is behind the idea of a possible strike on Iran. What is the basis of your argument?

**LaRouche:** Well, first of all, the policy is a British policy, which certain people in the United States are connected to. For example, take the case of Dick Cheney, the Vice President. The Vice President is very close to Liz Symons, to whom he was introduced by his own wife, Lynne Cheney. And during the period, for example, between the time he was head of the Defense Department, under George Bush the First, and the time that he became the Vice President—and the acting president, practically—he negotiated certain contracts.

So, the Liberal Imperialist crowd in London, which is the Blair-Jack Straw crowd, is actually the architect of this. But the architecture runs largely through international financial channels, such as George Shultz, who is a former Secretary of State, and who is the architect of the present Bush Administration: That is, the person who pulled it together to be elected.

So, this is the key point from which this comes. It's an Anglo-American operation, but the policy itself, which is the British policy of the Arab Bureau, the so-called "anti-Islam policy," is what the motivation is.

**Q:** Do you think that this Western hue and cry over Iran's peaceful use of nuclear energy is in line with the idea you just mentioned?

**LaRouche:** Yes. This is a pretext. The nuclear issue is not really the issue. And from Iran, you know that because you know what the negotiations are, particularly involving the Russians, involving also the Chinese interest in this, and the general Asian view of this matter.

The nuclear issue is not the cause of the problem. The

issue is, they want to *have* the problem. And therefore, they're using the nuclear negotiation as a pretext for an enlarged war in the entire region of Southwest Asia.

**Q:** According to the British *Daily Telegraph*, George W. Bush is to decide on the possibility of a military confrontation with Iran at the end of this year. What is your opinion about this?

**LaRouche:** Well, it's hard to say. It is not one of these things where you can predict exactly, it's going to go one way or the other. This is what we're trying to *stop*. Our view is to give Iran as much time to negotiate as they think necessary, because some of us understand what the issues are, and we don't want to create unnecessary complications for Iran internally, otherwise, at this time. So, let the negotiations proceed: I'm sure we'll come up with something, if we are patient. And that'll put the issue off the table.

**Q:** You talked about London's involvement in this issue, but Jack Straw has time and again talked about peaceful means and diplomacy, in dealing with Iran's nuclear issue, and has praised Iran's previous government, and criticized its incumbent President for their approach. You think he is not sincere?

**LaRouche:** I'm sure of it! After all, remember, you have in the history of Iran, you have things like the Sykes-Picot Treaty, which was authored by the British as a part of a process of getting World War I going.

No, these fellows are not exactly honest. We know them very well. In a case like this, one must deal with the facts, without discussing sincerity.

**Q:** Al Gore, in one of his recent speeches, said that America's political system moved toward decreasing the power of the Congress and the judicial system, and increasing the power of the Executive branch, that is, the President. Your comments in this regard, please?

**LaRouche:** Oh, this is absolutely true. This is precise. This is a group, which is the same group which brought Hitler to



power, among others, between 1922 and 1945; the same group which is represented by the Federalist Society inside the United States, which controls several Justices of the Supreme Court, has this policy. The point is they believe they can only go to a form of dictatorship, like that of the Hitler model or some similar model, as the only way they can govern in this period, and get their policies through. That is the policy of a group associated with Cheney, and with others in the United States and in London.

**Q:** How do you see the role of Cheney in this game? I mean, this—let's say—creating wars? Is he the main guy behind the idea of, let's say, neo-conservatism, or are there some other people?

**LaRouche:** No, Cheney is essentially a thug. He's an administrator—not very intelligent, but very thuggish. He's a brute, that is a person who tries to beat people into submission as an administrator. He does not have the ideas himself. He was brought into his present position, remember, earlier, during the 1970s as part of the Nixon Administration's leftovers. He's been in and out of politics ever since then. He is essentially dominated by his wife, Lynne Cheney, who is the controller, who actually “wears the pants in the family,” so to speak.

But this Administration was created by George Shultz. Now, you look at George Shultz, you're looking at Halliburton, you're looking at Bechtel, you're looking at those kinds of international financier interests, which are very closely tied to the comparable interests in the British system, or the international system centered in London. And that's where it comes from. Cheney is only an errand boy.

But, the reason he has not been dumped—remember, he's down, about 15% popularity in the United States, right now—the only reason he's not dumped so far, even though there's an effort by various of us in the United States to dump him, the reason is, is that he's got powerful backing from international financier interests, which are merely typified by George Shultz.

For example, look at the question of the Netanyahu election in Israel. The word is that there's an attempt to make Netanyahu the virtual dictator of Israel, and therefore to use Israel as a weapon against its neighbors. Most factions in Israel won't do that. Netanyahu would do that. Netanyahu is very close to Dick Cheney. But! The guy *behind* Netanyahu is really George Shultz. So, there's where the danger lies there, and that's typical of the situation.

**Q:** I mean, who are the think-tanks for, PNAC, Project for a New American Century? Are they in Britain, or in the U.S.?

**LaRouche:** Both! You have a general policy—it's called globalization. The general policy, which has emerged increasingly since Roosevelt died, has been first of all the conflict with the Soviet Union, which was created precisely to prevent Roosevelt's policies from being carried out, which was an anti-colonialism policy.



*Lyndon LaRouche: The policy of a strike on Iran “is a British policy, which certain people in the United States are connected to. For example . . . Dick Cheney.”*

And this policy had been kicking around for a long time. And with the collapse of the Soviet Union, the idea was we could go to the elimination of the nation-state, or the virtual elimination of the nation-state, and have what's called an *ultramontane* system, a globalized system in which an international financial interest runs the entire world. Every nation in Asia is targetted: for example, India is targetted, China is targetted, Russia's targetted, all of the leading nations of Asia are, in particular, targetted for dissolution of their present form of government. This is the program.

**Q:** How do you see the difference between Democrats and Republicans, when it comes to Middle Eastern issues?

**LaRouche:** Well, this—it's not quite that way. Let's take the case of Bill Clinton. Now, Bill Clinton is Bill Clinton: He's very intelligent. He represents a group of people in the United States, to which I generally turn out to be associated with in the Democratic Party. But we also work with Republicans, who are, shall we say, the sane Republicans who think pretty much as we do on most issues, particularly on war and peace. So, there is no simple U.S. policy on this question. There is something across party lines. Most Democrats would tend to agree with us on getting out of this Middle East mess. Clinton is a leading spokesman for that. There are people in the Senate, in particular, who are leading spokesmen for that. You have on the Republican—

**Q:** I'm sorry, Mr. LaRouche. I'm sorry to interrupt you. Some observers believe that American administrations, whether Republicans or Democrats, have the same objective



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*Baroness Liz Symons with Secretary of State Condoleezza Rice. Symons is part of Tony Blair's inner circle, as well as the contact point to Dick and Lynne Cheney.*

with regards to the Middle East, and just their approach differs. Do you agree?

**LaRouche:** No, there is not. It's more complicated. We're a nation which has many tendencies in it. Sometimes, certain combinations are on top. The top domination tends to be the financial community, the financial interest, which is sometimes the opponent of our government. And that's what it is.

For example, in the last year, I was able to change U.S. policy, as an individual, going into 2005. In 2005, we put up an excellent resistance to the worst of the Cheney-Bush policies and we were successful. Beginning this year, we've been a little less successful, and we're always fighting to get this thing under control. But on the main questions, the general American opinion is opposed to this war policy.

**Q:** You have been skeptical about the 9/11 incident from the very beginning. After you, people like Thierry Meyssan, von Bülow, and Chossudovsky, have been in line with your idea. Do you have any new documents showing something about the facts lying behind the 9/11 incident?

**LaRouche:** Well, I think some of your listeners who have ever done some hunting of animals would understand this better than most of our press people seem to understand it. What I said—before the inauguration of George Bush in January of 2001, I said, because of the financial crisis coming down, and the incompetence of a Bush Administration, we must expect soon, that there will be an incident like Hermann Göring setting fire to the Reichstag—in the attempt to establish a Bush dictatorship. Now, that happened. That's what 9/11 was. Somebody of the international forces which are controlled out of London and the U.S., these international forces decided to pull an attempt to establish a dictatorship in the United States. It did not succeed: But it came very

dangerously close to succeeding. And that's what the fact is.

Why not look in that direction? In looking at history, that's the way you look at things. That's the way a competent strategist looks at things, not many of these gossips, who keep trying to find little secret things that may not exist.

**Q:** Why is George W. Bush insisting on pursuing the policies, which not only most Americans, but also the world, opposes?

**LaRouche:** Well, this is not just George Bush. George Bush is not the most intelligent man that the United States has ever put into public office! And I wouldn't go too far in trying to attribute intention to George. He runs with various policies. He's very limited intellectually, and he's controlled by circles of people around him, by and large. That's the problem. So, I wouldn't put too much on his intentions.

What you have, the power in the world today, is the international financier power, not political power as such. For example, the German government can't even govern its own country, because of Maastricht, because of the European club. Italy's somewhat the same; France, to a lesser degree, but more or less the same.

So, governments around the world today are very weak, because they are led to be controlled by international financial institutions which actually, effectively, control them. And this is the way, I think, you should look at it.

**Q:** It is interesting that sometimes we see that George W. Bush says something, especially in his interviews with the media, and after a couple of days some other official in, for example, the American State Department, says something quite the contrary to what George W. Bush has said. What is the reason behind this contradiction?

**LaRouche:** Because it's a complicated situation. George W. Bush is not very intelligent. He does have certain sentimental reactions to things. And there's a big conflict within the Administration, now, on what the policy is. For example, most of the crowd around George Bush does not want to go to war. They would go to bluffing to get their way on an issue, but they do not actually want to go to a new war.

Dick Cheney, on the other hand, the people behind him, *want* to go to a war! And they want to do anything possible to get to a war, right now. They are the ones trying to use Netanyahu as the alternative for an attack on Iran, whereas most forces in the United States are against getting into that kind of thing.

It's that kind of situation. We have a complicated situation inside our government. We do not have unanimity. We have fights constantly, on the interpretation of policy, on the interpretation of words—it's a daily fight, and there is no simple consistency in the process.

**Q:** And, one last question, Mr. LaRouche: Considering human and financial costs of the strike option against Iran, do you think the U.S. has the potential and ability to do that?

And if it does so, what would the consequences be for the region and for the world?

**LaRouche:** Well, I think most people would agree with me, who are specialists, that an attack on Iran, which is what's planned, of course, as an option by Cheney and Company, is an aerial attack with the aid of sending in Special Forces for special operations. Now, such an attack, if it were significant, in terms of its effect on Iran, would mean a consolidation of the thing that the British have been pushing for, from the Arab Bureau, which is a return to the spirit of the Crusades, to treat Islam throughout the world *as the enemy*, as a way of running the world. It's like the Crusaders did during the Middle Ages; as like was done between 1492-1648 in Europe: Religious warfare. That's what they want to start.

But, the significance is, if they go to it, my estimate is that the price of oil goes, first of all, goes to about \$150 a barrel. Similar kinds of problems erupt, general chaos. I don't think that the people who want this war, could win it, in any conventional sense. They could, however, create Hell on Earth. And I think anybody who understands this, wants to stop it, for that common understanding of why we have to stop it.

**Q:** Well, Mr. Lyndon LaRouche, [former] U.S. Presidential candidate, and editor and columnist at *Executive Intelligence Review*, it's always interesting talking with you. Thank you very much for your time.

**LaRouche:** Thank you! Good to be with you.

## Russia's Lavrov: There Is No 'Deal' Against Iran

Russia and Iran continued negotiations on March 13-14 in the effort to find a solution to the dispute over Iran's nuclear program. An Iranian Foreign Ministry spokesman described the talks as successful, underlining that both sides agreed "on the necessity to abstain from hasty decisions."

Russian Foreign Minister Sergei Lavrov, in a March 13 interview with the Moscow daily *Vremya Novosti*, was asked about a reported effort of the Bush Administration to entice Russia to support confrontation with Iran, by offering it entry to the World Trade Organization (WTO). Lavrov vigorously denied this: "A deal—how would that work? What kind of deal could there possibly be? We join the WTO, then we let the Americans bomb Iran—is that it? . . . You know, we will never exchange what is rightfully ours for anything."

Lavrov insisted that there is no strategy to transfer the Iran issue from the International Atomic Energy Agency



(IAEA) to the UN Security Council, as the United States, Britain, and France are demanding. "We do not agree with those who, it seems to us, in their actions are trying to exploit the situation around Iran to solve political tasks in their dealings with the regime which is currently in Tehran. . . . Iran does not refuse to work on these questions. . . . As for a strategy of action in the Security Council, where the exhortations are, to refer the substance of the entire work on Iran, there is no such strategy."

"Our Western partners understand that without the IAEA, this problem . . . can't be solved," he said. "But there is some dichotomy observable among them. They are saying: Let us start working in the Security Council as well as continuing to work in the IAEA. It is not understandable to us, so far, how this can tactically be written into the very same strategy which we have not yet discussed. Therefore, we will explicitly proceed from the priority of agreeing upon a strategic line. . . . We insist that the IAEA should professionally continue working. But sometimes our Western partners suggest acting according to the following logic: 'Now that there is no clarity, let us step up pressure and impose sanctions as quickly as possible.'"

Lavrov emphasized that Russian policy is based on its national interests: "Exchanges are possible when there are objective reciprocal interests. And when you exchange with your partners a thing that does you no harm. That is, you give away something or agree with something that does not run counter to your interests. And an escalation of the situation around Iran does run counter to our interests in the most direct way. This is quite near our region, our borders, and we consider any military action inadmissible. We're having no exchanges on Iran. On Iran we're exchanging views as to what to do next. We are working out a strategy which would not permit exploding the situation, and which would not isolate Iran, and would not drive it into a corner. For he who is driven into a corner does not act quite rationally. And if the IAEA ceases working in Iran, then we will have no possibility to understand what is happening there. That's exactly what we want to avoid. Simultaneously, we want Iran to cease taking ill-considered steps in relations with the IAEA. This concerns . . . a resumption of the moratorium on all enrichment work for the period of the clarification of the questions about the nuclear program. So here we have two absolutely self-valuable questions in this regard. And each of them affects our national interests."

The Foreign Minister was asked about a "set of chessmen" he had given President George Bush when he was in Washington, and whether that contained a "hint" that Bush should study his next moves, as in a game of chess. Lavrov answered wryly that "there was no such hint. And even if we had wanted to do so, then that would not have been required; for George Bush himself, speaking of how to act towards Iran, said that it was necessary to show caution and, before making the first move, one ought to think out all the subsequent moves completely. But that's also Russian policy a full 100 percent!"

# Cheney and Blair Intervene in Israeli Elections To Promote Regional War

by Dean Andromidas

The transparent orchestration of the Israeli attack on the Palestinian prison in Jericho in the occupied West Bank March 14, leaves no doubt that the Bush Administration and the government of British Prime Minister Tony Blair are working to bring to power in Israel a government that will be a full partner in an attack on Iran, Syria, and a resulting new regional war. On the same day as the assault on the prison, Russian Foreign Minister Sergei Lavrov issued a warning, in an internationally circulated interview in the Russian daily *Vremya Novosti*, of the danger of a wider war: "Maybe someone is counting on intervening in this situation, establishing order, and destroying Hamas. But this would invite a very big war in the Middle East," Lavrov cautioned.

While the attack on the Jericho prison was clearly an attempt to influence the March 28 Israeli elections, there is a larger, geostrategic objective that Blair and British Foreign Secretary Jack Straw are aiming for, with backing from the Cheneyacs in Washington: a new Crusade against Islam, including an attack on Iran, possibly triggered by an Israeli "breakaway ally" scenario.

Commenting on the Jericho attack, veteran Israeli peace activist Uri Avneri declared, "This was an almost uncamouflaged campaign ploy by [acting Prime Minister] Olmert, prepared in a cabal with the British and the Americans." And the Israeli daily *Ha'aretz* presented documentation that the raid was organized over three weeks before the fact. Ehud Olmert is the candidate of the Kadima party. His advisor, attorney Dov Weissglas, who had been the contact man of former Prime Minister Ariel Sharon with U.S. Vice President Dick Cheney, coordinated the operation with British and U.S. officials. The prisoners were being held under an international agreement which had been guaranteed by the United States and Great Britain. The decision by London to withdraw the British monitors who were keeping watch over the prison, was the signal for the Israelis to move in, destroy the prison, and capture six Palestinian prisoners. Ten minutes after the monitors were withdrawn, the Israelis attacked.

The timing of the attack on the prison, just two weeks before the election, exposes as a sophistry, the claim by Jack Straw that the decision to remove the monitors was based on concern for their "security." The press is frankly describing

the affair as a political "Jericho effect," and polls taken after the assault showed Kadima scoring substantial gains, at the expense of the Labor Party. As *Ha'aretz* wrote: "Kadima's strategists could not have wished for a more successful operation only a day before the pollsters began their work for the weekend papers."

## 'Return Territory and Kill Arabs'

In addition to the "Jericho effect" on the elections, foreign funds are pouring into the country to back Kadima and the right-wing parties. Foreign tycoons, including the shadowy Geneva-based financier and shipping magnate Bruce Rappaport, and the American billionaire David Abraham, who is a member of the "Mega Group" which includes Edgar Bronfman and Michael Steinhardt, have poured hundreds of thousands, if not millions of dollars into the campaign to support Kadima.

One Israeli political observer told *EIR*, "These same millionaires are backing all the right-wing candidates, including the right wing of the Labor Party who have either gone to Kadima, like Shimon Peres, or are undermining [Labor Party Chairman] Amir Peretz, like [former Prime Minister Ehud] Barak."

Whether the Israeli elections will be "completely safe and without violence," as former President Jimmy Carter declared the recent Palestinian elections to be, is doubtful, since the essence of Kadima's campaign is violence—that is, violence against the Palestinians—which will, predictably, affect the safety of Israeli voters. This is confirmed by the vile slogan, "To return territory and kill Arabs," which, according to *Ha'aretz*, is a favorite expression of the so-called "ranch forum" of Sharon's advisors, who now serve as Olmert's campaign consultants. These include the above-mentioned Cheney intermediary Dov Weissglas. It has become part of the cynical game of Israeli election politics to heat up the security situation in order to influence the outcome of elections. Since the announcement of the elections over three months ago, the government has stepped up violence against the Palestinians, including targetted assassinations, mass arrests, roadblocks, and sieges of Palestinian cities and towns. The Gaza Strip has been turned into a virtual Warsaw Ghetto.

All this is calculated to provoke revenge attacks by Palestinian militants.

This is the true nature of the unilateral disengagement policy of the Olmert government, a plan fully backed by Cheney and his synarchist controller George Shultz (see "In Israeli Elections, It's Shultz/Cheney vs. Sanity," *EIR* March 17, 2006). The creation of Kadima by Sharon (who now lies comatose in an Israeli hospital), with the backing of former Labor Party Chairman Shimon Peres, and, behind the scenes, Cheney and Shultz, was intended to perpetuate a "no war, no peace" policy which has, for four decades, enabled the Israeli right wing to continue expanding the settlements. It is a policy that has kept the entire Middle East embattled since the end of World War II. As in the 1956 Suez Crisis, when France and Great Britain conspired with Israel to attack Egypt, today, Blair, Straw, Cheney, and Shultz are conspiring with their Israeli agents to start a new regional war.

The building of the West Bank "Berlin Wall" is part of this policy. It serves the dual aim of lulling the Israeli population into a false sense of security, while signalling to the Palestinians that there will never be a peace process, there will never be a Palestinian state.

A senior British intelligence source told *EIR*: "The disengagement and the Wall are part of the 'Jordan is Palestine' policy. It tells the Palestinians, 'You have no hope. Emigrate to Jordan; that is the Palestinian state.' This year alone, 240,000 Palestinians have left the occupied territories. But it will not work," the source said. It will lead to further radicalization of the region and a new war, whereby Sharon's "Jordan is Palestine" policy will be implemented.

The fraud that Kadima will "end the occupation" unilaterally, by building its "separation wall," has served to marshal support from across the Israeli political establishment, which supports either Kadima or the Likud, whose candidate is Benjamin Netanyahu.

## Coalitions for War and Peace

While the Israeli election campaign has been dominated by polls showing Kadima with a commanding lead, it is clear that, with the help of Cheney and Blair, everything is being done to ensure that Labor Party Chairman Amir Peretz, who has been campaigning on a program for peace and economic development, gets nowhere near the leadership of the next government. Under the leadership of Peretz, a coalition for peace, as organized by slain Prime Minister Yitzhak Rabin, and embodied in the Oslo Accords, could come to power. When Rabin became Prime Minister in 1992, he formed a coalition for peace which included his own Labor Party, the pro-peace Meretz party, and the Shas party, whose base of support are the Orthodox Sephardim.

The much-talked-about possibility of a post-election coalition between Kadima and Labor has been mainly aimed at undermining the leadership of Peretz, rather than representing an actual possibility. Even if such a coalition did come into

power, it would be a replay of the failed Labor-Likud coalition which Sharon organized in 2001. With Kadima at its head, such a coalition government could be dragged into a new war by Cheney and Blair.

There are other coalitions that would lead to war even sooner. The campaign of violence against Palestinians and hysteria about the "existential threat" of a nuclear Iran, being pushed every day by Kadima and the Likud, is driving the electorate further to the right. The latest polls show Likud gaining over the Labor Party, moving into second place. Already Likud Chairman Netanyahu, the favorite of George Shultz and the U.S. neo-cons, has sought out allies to form a government after the elections. Netanyahu has reportedly contacted the ethnic Russian-Israeli Beiteinu and Shas parties. According to the latest polls, Likud could get up to 19 seats, and the latter two parties could get as many as 10 apiece, which would give them 37 to 40 seats out of the 120-seat Knesset, exceeding the 35-37 seats Kadima is expected to win. If the three parties agree to back Netanyahu as Prime Minister, he could conceivably be chosen to form a government.

Beiteinu is led by the fascist Avigdor Lieberman, who was, at one time, in the Likud, and served as Netanyahu's bureau chief when the latter was Prime Minister. Lieberman formed his party as a stalking horse for Netanyahu in the Russian community, which is predominantly right-wing. An anti-Arab racist, his policy is to transfer the small areas in Israel where Israeli Arabs live to the other side of the West Bank wall.

These parties could ally with other right-wing parties, including the National Union-National Religious Party lead by Rabbi Benny Elon, a leading member of the lunatic Temple Mount Faithful, who want to destroy the mosques on Jerusalem's al-Haram al-Sharif/Temple Mount and rebuild the "Third Temple" of Solomon. Elon was once the spiritual advisor to Yigal Amir, the assassin of Yitzhak Rabin. Elon's program is to "transfer" all the Palestinians out of the West Bank.

Speaking to the *Jerusalem Post*, Elon expressed enthusiasm about the elections. He believes the polls are all wrong, and that the right-wing parties will gain enough seats to form a government. "Olmert will not be Prime Minister," he proclaimed.

It should not be forgotten that the Israeli right wing is still enjoying the financial support of U.S.-based Christian Zionist fundamentalists, who have poured millions of dollars into the settlements. In Israel, one well-financed right-wing group, Moving Right, is conducting a nationwide campaign against the Kadima party, in order to ensure Netanyahu's election. Its leader, Yaakov Sternberg, also leads another right-wing group, Mateh Ma'amatz, which has organized demonstrations in the past against the Oslo Accords, and Sharon's disengagement from Gaza. Sternberg believes that Kadima will likely win the most seats, but the right wing could actually set up a government with Netanyahu at its head.

"From our perspective, the battle is measured by the results between blocs," said Sternberg. "Kadima, Meretz, and the Arabs are on one side. On the other side are all the opponents of the disengagement and the future disengagements: the Likud, National Union-National Religious Party, Avigdor Lieberman, Shas, and United Torah Judaism. If, in the 17th Knesset, we manage to create, from all these groups, a bloc of at least 61 MKs, we have won. In such a situation we have a good chance of persuading the parties in the bloc to unite around Netanyahu."

According to Sternberg's statistics, Kadima will get only 15% of the votes in Jerusalem, and less than the polls are giving him in Tel Aviv.

The group is sending activists door to door, and conducting a telephone campaign to get the Likud members who otherwise were not planning to vote, to vote for one of the other right-wing parties, if not for the Likud. They are planning on contacting no fewer than 800,000 voters. Sternberg figures that the polls now give Kadima, the left, and the Arab parties, 67 mandates, while the right could get 53. Their aim is to shift eight of those mandates to the right.

Either way, there could be some important surprises on Israeli election day. But the issue of war or peace between Israel and its neighbors will, more than anything else, depend on removing Cheney and the cabal behind him, from the White House.

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"The Loss of Liberty," a video by filmmaker Tito Howard, proves beyond any doubt that the June 8, 1967 Israeli attack against the *USS Liberty*, in which 34 American servicemen were killed and 171 wounded, was deliberate. The video includes testimony from Liberty survivors, many Congressional Medal of Honor winners, and from such high-ranking Americans as Adm. Thomas H. Moorer, Adm. Arleigh Burke, Gen. Ray Davis, and Secretary of State Dean Rusk.

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## Book Review

### 'Pax Americana' Offers No Future for Iraq

by Muriel Mirak-Weissbach

#### Die Zukunft des Irak—Pax Americana? (The Future of Iraq—Pax Americana?)

by Jürgen Hübschen

Wiesbaden: Dr. Böttiger Verlags-GmbH, 2005  
640 pages, hardback, EUR 28.80

If a book is worth anything at all, the first sentence should tell a lot. In the case of Jürgen Hübschen's book, this is indeed the case. He opens with the clear announcement: "This is no 'anti-America book,' even though a superficial reading might give that impression." Key to understanding the articulate analysis that the author gives of the most recent Iraq War, is, indeed, his clear differentiation between the neo-conservative clique running the war policy, and the real America. Hübschen, who was military attaché at the German Embassy in Baghdad during the Iran-Iraq War, and thus knows the region like the back of his hand, is equally familiar with the United States. "I myself lived in the U.S.A. for a year," he reports, "and as a soldier for forty years, have had the best collaboration with American comrades and have become friends with many Americans. It is precisely because I am a friend of the U.S.A., and know that President George W. Bush and his neo-conservatives are as little America as Saddam Hussein was Iraq, that I have written this book." It is his identification with the real America, "which was admired and envied in the world, and which is a friend of Germany," that he wishes to express, and to "support the real democrats, patriots, and Atlanticists in America." Here, he writes, "I see myself also on the side of Lyndon H. LaRouche and his movement, which however, I do not personally belong to."

In his first section, "The Idea of the 'Pax Americana,'" the author catalogues the axioms of the ideology embraced by the neo-cons: from their perverted idea of mission, conceived as Bush's "crusade against evil," to their commitment to unilateralism, whereby Condoleezza Rice considers America's acting in its own interests to be necessarily in the interests of all.

He handles his specimens with ruthless irony. For exam-

ple, in his depiction of the perverted notion of “freedom,” as expressed in bizarre styles of clothing, the author recalls the figure of the 80-year-old lady in a pink jogging suit and hair in curlers, at the supermarket. In this respect, he cites the “most recent example” of the outfit donned by Vice President Cheney at the 60th anniversary of the liberation of Auschwitz; in contrast to other honored guests dressed in dark suits and hats, the American Vice President sported a parka with fur-lined hood, a ski cap, and hiking boots. Hübschen notes this as not only an expression of unconventional dress, but “also a sign of ignorance vis-à-vis people who think differently and other, foreign cultures.”

Other characteristics of the neo-con ideology include principles which *EIR* readers will recognize as stemming from those of Nazi jurist Carl Schmitt, though not so identified in this book. Hübschen singles out “black-and-white” thinking and the “friend-foe principle.” Hübschen is brutally frank in his presentation of the jingoistic perversion of patriotism, recalling the hoked-up story of the “heroine”

Jessica Lynch, as well as the plastic turkey that President Bush presented to the troops in Iraq on Thanksgiving.

The neo-con ideology leads necessarily to the assertion of the hegemony of America, as “God’s chosen land,” exerted through a worldwide military presence, propped up by “sa-traps and favorites.”

The author provides a valuable rundown of the personalities—and their *curricula vitae*—in the Bush camp: Cheney, Richard Armitage, John Bolton, Eric Edelman, Doug Feith, Michael Ledeen, Lewis Libby, Richard Perle, Karl Rove, Donald Rumsfeld, et al. Most relevant to the present conjuncture in Iraq, is his profile of Zalmay Khalilzad, now U.S. Ambassador in Baghdad, whose devotion to exporting “democracy” has just led him to lay down the law to the newly elected Iraqi leadership, that they must paste together a government according to his prescription, or be deprived of any U.S. aid.

## One Long War

The central thesis of Hübschen’s book is that Operation “Iraqi Freedom” actually dates back to the 1980-88 Iran-Iraq conflict, and then to Operation “Desert Storm” in 1990-91: Neither of those earlier wars was ended with a peace treaty.

“In UN Resolution 598 of July 20, 1987,” he writes, “a peace treaty between the two war parties [Iran and Iraq] was called for, but the resolution was never implemented. This lack of a peace treaty, the undefined international borders between Iraq and Kuwait, the unclarified question of war debts, the lack of a regulation for the development of the Rumaila oil field in the border region, and the non-existing

guarantee of unfettered access to the Gulf for Iraq were, alongside Kuwait’s demands for payment of back debt, which Iraq—rightfully and as agreed—had considered a gift, essential causes of the later attack of the Iraqi dictator against his neighbor in the Gulf.”

Through a detailed, yet readable chronology, the author reviews the leading events between 1979 and March 2003, when the last invasion began.

For Hübschen, there is no doubt that this latter was made possible by the events of Sept. 11, 2001. This “was the trigger and the moral justification in front of the international community,” he writes, “for the implementation of an Iraq strategy which had already been developed in the beginning of the 1990s, mainly by Paul Wolfowitz and Dick Cheney.” The concrete basis for the operation was found in the U.S. National Security Strategy or “Bush Doctrine” of Sept. 17, 2002.

Once the decision for war had been taken, it was a matter of finding—or creating—the pretexts to justify it. Hübschen reviews, one by one, the charges launched against Saddam Hussein, from possession of weapons of mass destruction to alleged support for international terrorism, and counterposes the facts to the fiction.

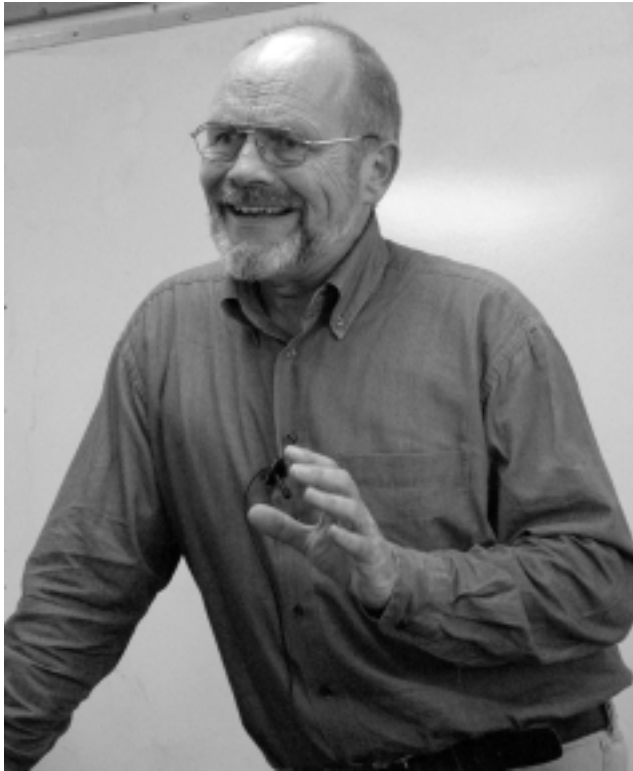
As to the true reasons for the war, Hübschen stresses the strategic role of Iraq, due to its immense resources—“oil, water, and people”—as well as its geographical function as a bridge to the Arabian peninsula and Far East, its propinquity to Central Asia and Turkey, on the route toward China. In the author’s view, U.S. policy had historically been based on the “Twin Pillar Strategy,” with Iran and Saudi Arabia as the pillars. After the 1979 Islamic Revolution in Iran, this changed dramatically, and the United States looked to Iraq. Then, Saudi Arabia began to lose its privileged position, as leading neo-cons, led by Richard Perle, targetted the Saudi regime, and in April 2003, Rumsfeld announced the withdrawal of troops from the country. This shift in the emphasis given to Saudi Arabia, he believes, played an important role in the push for war.

Through a detailed description of each of seven phases of the war, Hübschen takes the pulse of the Iraqi population, showing how the worsening conditions of daily life and ongoing wanton destruction, continued to fuel anti-American sentiment, as the resistance gained in strength and sophistication. The author also presents the bungling errors of the occupying powers, who failed because they were doomed to fail: With utterly no idea of what a postwar Iraq should look like, or how it should be governed, the U.S. strategy could lead only to destruction of the country and growing instability for the entire region. Hübschen’s judgment on the net result of the war is annihilating, also considering its devastating effect on the morale of the U.S. Armed Forces.

## A Way Out

What is perhaps most remarkable in Hübschen’s treatment of the total failure of the “Pax Americana,” are his pro-





EIRNS/Stuart Lewis

Author Jürgen Hübschen addresses a briefing to EIR staff in Leesburg, Virginia last year. "It is precisely because I am a friend of the U.S.A.," he writes in his book, "and know that President George W. Bush and his neo-conservatives are as little America as Saddam Hussein was Iraq, that I have written this book."

posals for alternatives which could—even at this late hour—save Iraq from total catastrophe.

In his final chapter, the author presents a "Code of Conduct" which should underlie an approach to finding solutions. Among these principles are, "Let the others be different," "Human dignity makes up the core of cooperation among states and peoples," and "Every state has legitimate rights"—all of which derive implicitly from the notion of national sovereignty and the inalienable rights of the human individual. "This 'Code of Conduct,' " he writes, "must first of all be accepted by the U.S.A. In acknowledgement of this general basis, the Bush Administration must give up its basic position and its claim to a 'Pax Americana.' " "This means withdrawing from the scene, and allowing the United Nations to play the central role. This is the "only and last chance to find a solution in Iraq at all," Hübschen writes.

The basic premises for a "Road Map" for peace include: "International guarantees for the sovereignty and territorial integrity of Iraq. Unlimited freedom of action for the political leadership of Iraq." In addition, concrete problems left over from the past must be dealt with, among them, implementation of the truce between Iran and Iraq; clear delineation of the Iraq-Kuwait border; agreements on contested oil fields,

Iraqi access to the Persian Gulf, and a solution of the Kurdish question among affected states.

Hübschen proposes the establishment of a task force to support the work of the Iraqi government. This would be under UN leadership, and includes representatives from NATO, the European Union, the Arab League, the International Court, and the Non-Aligned Movement. The task force should suggest concrete actions to the Iraqi government, from closing down Abu Ghraib prison, to removing checkpoints and road blocks, to strictly separating the Iraqi government from any installations of the occupying forces. The Iraqi government should work out treaty arrangements with all foreign forces now in the country, toward an effective "exit strategy." This includes all matters related to the stationing and withdrawal of troops, and the reorganization of Iraq's own military and security forces. Hübschen also insists that the contracts made illegally under the occupation, as well as the privatization measures, and confiscation of infrastructure, must be reviewed, reversed, and new agreements struck. Finally, the author makes the crucial point, that no stabilization for Iraq or the region is thinkable, unless a durable peace is struck between Israel and the Palestinians. In this respect, he points to the Road Map, or better, the "Abdallah Peace Plan," named after then-Crown Prince (now King) Abdallah of Saudi Arabia.

Reviews of the book have appeared in several major German publications, most recently in *Orient* magazine, the magazine of the German Orient Institute, and in *Die Bundeswehr*, the publication of the German Armed Forces. Both praised the book's professionalism, and the author's frank judgment that the neo-cons' Iraq strategy has turned out to be a dismal failure. Both also appreciated the author's keen insight into the inner workings of U.S. politics; as the *Die Bundeswehr* review put it: "Several evaluations of political observers and a deep look in the internal American debate on the Bush policy, allow the reader even to participate in what goes on behind the scenes."

One discordant note rang out in a review appearing in the pro-neo-con establishment daily, *Frankfurter Allgemeine Zeitung*, whose author, Wilfred von Bredow, ranted about the "monster pamphlet about the American evil deeds in Iraq." The reviewer seemed most upset by the principled distinction drawn by Hübschen, between the American people and institutions, and the neo-con cabal. The mere mention of "impeachment" was the last straw.

Hübschen's book is gaining increasing attention, and for good reason: While U.S. domestic politics is bubbling with talk of impeachment of Cheney and Bush, largely due to the lies of the Administration about pre-war Iraq, and the utter failure of their war, a new sinister threat is emerging on the horizon: that of another neo-con adventure in the region, this time targetting Iran. Hübschen's book is the best guide any political or military professional could desire, to learn the lessons of Iraq—before it is too late.



# Bachelet Inaugural: 'In Chile, There Will Be No Forgotten Citizens'

by Cynthia R. Rush

On March 11, Chilean President Michelle Bachelet was sworn into office in the city of Valparaíso before 1,000 invited guests, and a jubilant crowd. Highly visible among the guests were the leading figures in the informal Ibero-American "Club of Presidents," whose motion toward an economic alternative to the International Monetary Fund's free-market austerity has greatly alarmed London and Wall Street bankers. Bachelet held warm bilateral discussions with Argentina's Néstor Kirchner, whom bankers see as the greatest threat to their interests, and with Brazil's Lula da Silva, Venezuela's Hugo Chávez and Bolivia's Evo Morales. President Kirchner and First Lady Cristina Fernández joined Bachelet at the head table for the post-inauguration luncheon, and Bachelet will make her first state visit to Argentina on March 21-22, where she intends to formalize a "strategic alliance" with her Argentine counterpart.

Synarchist financiers didn't share the unprecedented celebratory mood that extended throughout the March 11-12 weekend, however. They were rather shaking with justifiable nervousness. Bachelet's resounding victory over right-wing business magnate Sebastián Piñera last Jan. 15, has turned over their geopolitical and financial chessboard, and threatens to loosen the iron grip they have maintained on Chile since 1973. On Sept. 11 of that year, in a coup backed by former Secretary of State George Shultz and Henry Kissinger, Gen. Augusto Pinochet overthrew President Salvador Allende, and established the Hitlerian dictatorship that lasted for 17 years.

After 1973, these powerful financial groups ran the show in Chile. The University of Chicago's fascist economists engineered the destruction of the nation's economy, and elimination of the social safety net once provided by the state, into the internationally acclaimed "Chilean economic miracle." The Nazi Operation Cóndor murder apparatus, and Pinochet's secret police, the DINA, enforced the policy, kidnapping, torturing, and "disappearing" anyone who resisted.

Pinochet's Labor Minister José Piñera successfully privatized the social security system in 1981, granting unfettered looting rights to foreign banks and insurance companies, while leaving Chilean citizens defenseless. Piñera then travelled around the world to foist this same scheme on many other countries. George W. Bush promoted it in 2005 in his drive to privatize the U.S. Social Security System.

The British counted on Pinochet's Chile as an ally, in its

1982 Malvinas War against Argentina. A few years later, Chile again became a beachhead, this time for Spanish financial conglomerates—frontmen for the British—that gobbled up strategically vital state-sector assets in a privatization offensive that left no part of Ibero-America untouched.

## What Now?

Synarchist power-centers fret that all these "achievements" will now be lost. Democracy was purportedly restored in Chile in 1990, with the election of the four-party Concertación coalition which has ruled continuously since then. But the Concertación governments have never dared to challenge or change the "Chicago Boys" free-market model, or the political structures left in place by the Pinochet dictatorship.

What will Bachelet do? There are no guarantees that she will break with "the model." But her March 12 promise to a Santiago crowd that "in Chile there will be no forgotten citizens—that is my commitment," set off alarm bells among international bankers, because it echoed Franklin Delano Roosevelt's defense of the "forgotten man" of the Depression-wracked United States of the 1930s. Moreover, she added, "the state must be at the service of those who suffer the bitterness of defenselessness, and at the side of those who wish to progress. . . . I know I represent the hopes of millions of Chileans . . . those who desire an inclusive nation where we protect those who have been left behind."

The letter she penned in October of 2005 introducing the Concertación's 2006-2010 Program of Government, provides insight into the quality of leadership she can bring to Chile—and to the "Presidents' Club" should she join it. This is why the bankers are sweating so profusely.

"Politics entered my life by destroying what I loved most," she wrote, a reference to the suffering her family endured under the Pinochet regime. In 1974, her father, Air Force General Alberto Bachelet Martínez, was tortured to death on Pinochet's orders because he had worked in the Allende government. She and her mother were arrested and tortured at the notorious Villa Grimaldi detention center, run by former Nazi SS officer Paul Schäfer. In 1975, they went into exile, first to Australia and then to Germany, where Bachelet completed her medical studies.

But rather than vindictiveness or bitterness, Bachelet's letter reflects a moving quality of *agapē*—love of mankind—

which is the complete antithesis of the anti-human premises of the Chilean “miracle.” She explained that, “Because I was a victim of hate, I have dedicated my life to loosening its grip, turning it into understanding, tolerance and—why not say it?—love.” Today, she continued, “We feel that divisions, hate, and fear belong to the past; the past embraced by those who want Chile to change, without changing themselves. Those who can’t imagine leaving their fights and egos behind for the good of the country; those who make arrogance and fear their only banner.”

The Concertación program was conceived “keeping in mind the needs of those Chileans whose opinions aren’t heard on the television or reported in the newspapers,” Bachelet wrote. Chile’s primary wealth, she wrote, “is her people.” Therefore, “We need to take a giant step in social protection, with better pensions, more generous unemployment insurance, and higher standards of healthcare for all . . . because it is immoral that many Chileans don’t have the right to get sick or get older without falling into poverty.” Noting that she does not belong to “the traditional elite,” she said: “It is my job to offer Chileans the opportunity for Chile to belong to *everyone*, and that we all be Chile. The key to the future isn’t in one person’s hands, but in all our hands.”

Restoring the social safety net that the Pinochet regime so brutally eliminated is Bachelet’s top priority. Her most challenging commitment is to reform the private pension system, which has left three million Chileans without a pension. Knowing that this means taking on the banks and financial cartels that have controlled the system from the beginning, Arturo Martínez, Secretary General of the CUT labor federation, told Bachelet after her victory to “count on us. We elected you. We’ll back you up.” Legislation on the reform is expected to be sent to Congress before the end of this year.

### ‘Different Winds Are Blowing Today’

In remarks made right after Bachelet’s Jan. 15 victory over Sebastián Piñera, statesman Lyndon LaRouche underscored the importance of Bachelet’s victory. She belongs to the generation that was persecuted by Pinochet’s Hitlerian regime, and witnessed the barbaric atrocities it committed, he said. Thus, she *has* to fight against those interests that destroyed so many lives and dismantled their nation.

The shifting world economic and political landscape also lends itself to change in Chile. The global financial system is shattering, and, as many Ibero-American leaders have recognized, the Cheney-Bush government in Washington is in deep political trouble. Governments are seeking alternatives to the Synarchist banking cartels’ neoliberal dictates which have destroyed their economies and immiserated their people for two decades.

The “Presidents’ Club” is debating how to free their nations from the grip of these predatory private banking interests, through physical integration and infrastructure development projects. These regional projects could provide a way

of cooling out the long-standing territorial and border disputes which British interests have historically instigated to keep these nations at each other’s throats, rather than working as allies.

Chile’s former President Ricardo Lagos was hardly an opponent of free trade. But his surprise initiative to attend Evo Morales’ January inauguration, and meet personally with the new President in his La Paz home, reflects the shifting situation. In return, Morales accepted an invitation to attend Bachelet’s inauguration, a first for a Bolivian head of state. When Morales and Bachelet met in Santiago March 10, they discussed the need to cooperate in dealing with common problems, with an eye toward eventual restoration of diplomatic relations, which were broken in 1978.

The issue of Bolivia’s demand for access to the Pacific Ocean, which it lost when Chile seized its territory during the British-orchestrated War of the Pacific (1879-1881), didn’t come up during the meeting. But Bachelet and her Foreign Minister Alejandro Foxley have indicated she is prepared to address this politically sensitive issue, which has long been a source of hostility between the two nations.

President Bachelet has announced that her foreign policy will focus on *strengthening* ties with her Southern Cone neighbors, and working closely with the Common Market of the South, Mercosur, of which Chile and Bolivia are associate members, along with permanent members Brazil, Argentina, Uruguay, and Paraguay. In an obvious reference to the neocon Cheney crowd’s characterizations of Hugo Chávez as the greatest “destabilizing” threat to the region, Bachelet has indicated she has no interest in “stereotypes” of other South American leaders, and prefers to address the common challenges they all face. Lagos had earlier also refuted the accusation against Chávez.

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## Documentation

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### ‘This Is an Historic Moment’ for Chile

*We publish below excerpts from the Oct. 18, 2005 letter written by Michelle Bachelet Jeria as an introduction to the 2006-2010 Program of Government of the four-party Concertación coalition.*

I wasn’t brought up to take power, and have done nothing to seek it. I don’t belong to the traditional elite. My name is not among those families who founded Chile. I went to a public school, and to the University of Chile. I studied medicine because I marvelled at the possibility of healing the sick, of



www.presidencia.cl

*Chilean President Michelle Bachelet was sworn into office in a jubilant atmosphere. She does not belong to the traditional elite, and has vowed to restore the social safety net of the common people, which the Hitlerian Pinochet regime so brutally eliminated.*

eliminating their pain, of erasing their anguish, and bringing happiness back into the home of a sick child.

Like the majority of Chileans, nothing has been given to me. Everything I know, I have learned by fighting, for the love of my children, my profession, my country.

Politics entered my life by destroying what I loved most. Because I was a victim of hate, I have dedicated my life to loosening its grip, turning it into understanding, tolerance, and—why not say it?—love.

I have lived too close to Chile's history not to recognize an historic opportunity when I see it. And this, without doubt, is an historic opportunity. A moment that won't be repeated again in Chile. . . .

We know that development with justice and peace are not empty words, but goals we can achieve. This depends only on whether we work together.

Today, as never before, we feel that divisions, hate and fear belong to the past; the past embraced by those who want Chile to change, without changing themselves. Those who can't imagine leaving their fights and egos behind for the good of the country; those who make arrogance and fear their only banner. . . .

My candidacy emerged spontaneously from the support of our citizens. It wasn't the result of some negotiation or backroom deal, or of a party agreement. This program reflects the roots of my candidacy. Hundreds of people contributed to it, through citizen dialogues and working groups.

This is a program that was conceived, keeping in mind the needs of those Chileans whose opinions aren't heard on the television, or reported in newspapers; those who can't hire an expensive law firm, who don't have relatives or influence in the government, in Congress, trade unions, or corridors of power. . . .

I have been criticized a lot because of my tendency to consult, and include people. For the elites, listening is a sign of weakness. I'm convinced, on the contrary, that it is there that the power of what we are doing can be found.

Chile's primary wealth is not its copper, fruit, or lumber, but its people. That wealth of ingenuity, of willingness, of

dreams is what I want to empower. . . .

We need to take a giant step in social protection, with better pensions, more generous unemployment insurance, and higher standards of health care for all. . . . because it is immoral that many Chileans don't have the right to get sick or get older without falling into poverty. It is immoral that so many middle-class families live in the fear that some unforeseen event will cause them to lose what they have earned through many years of work. . . .

We need to ensure that our State offers more, and treats people better. It cannot be the case that so many Chileans feel alone and defenseless. . . .

My job is nothing other than to offer Chileans the opportunity for Chile to belong to everyone, and that we all be Chile. The key to the future isn't in one person's hands, but in all our hands. Among us all, we can achieve change and together see a better country. For me, it is a privilege to serve all Chileans in this new and promising Spring.

*From Bachelet's speech given March 11 in Santiago:*

I know that I represent the hopes of millions of Chilean men and women, who see in me an opportunity to have a better country. . . .

I want to lead a government that connects deeply with the transformations of Chilean society. A government close to its citizens, which addresses the big issues of development, and at the same time, shows concern for the lives of its citizens. . . .

This is an historic moment. Look who is speaking to you. You elected me on Jan. 15. . . . What you have done has focussed the eyes of the world on us. . . .

I know I symbolize a coming together of Chileans. In the past we suffered too much with the pain of so many men and women. How many beloved human beings cannot be with us here tonight! But we are leaving *that* dramatically-divided Chile behind.

I said it yesterday from the balcony of La Moneda [Presidential palace—ed]. We cannot forget the pain. We cannot minimize the memory of such sacrifice. But we have learned from that suffering, because today our eyes are on the past, but also on the future. A country is emerging in which we can look at each other and recognize that we all belong to the same Chile. . . .

We don't want individualism or indifference. . . . We want solidarity."

*From a March 12 speech in Santiago:*

We are on the threshold of making this a developed country, with greater justice and opportunity. The world is watching us. . . . This little country today is preparing to take a giant step in its history, of prosperity for all its sons. . . . The time for *all* [Chileans] has arrived, in this my beloved country, a nation of, and by, its citizens. . . . Viva Chile!

# Pakistan's Uncertain Future: A Victim of Geopolitics

by Ramtanu Maitra

The spate of violence in Pakistan in recent months has deeply undermined Islamabad's authority over its people and has posed questions in the minds of its well-wishers: Where the country is heading?

Pakistan has become a nation that has no clear objective for its people, and is driven exclusively by the geostrategic goals of the powers-that-be. What makes the problem even more complex, are Islamabad's simultaneous efforts to accommodate geostrategic directives issued by the United States and China, and at the same time, gingerly hold back the growing power of homegrown and foreign militant Islamic groups, who strongly resent the Pakistani authorities' kowtowing to the policies of the United States, in particular.

On March 1, only two days before President Bush arrived in Pakistan on his 24-hour (March 3-4) visit, Islamabad carried out a massive military campaign that pitched thousands of Pakistani security forces against locals residing in the area, as well as al-Qaeda militants near the town of Miranshah in North Waziristan (**Figure 1**). The Federally Administered Tribal Areas (FATA) along the Afghanistan border (**Figure 2**) remain a sparingly governed region in Pakistan where the locals have harbored al-Qaeda and other foreign militants for years. The Miranshah encounter took at least 125 lives, mostly U.S.-identified terrorists, but also 20 Pakistani soldiers and a Chechen commander linked to al-Qaeda.

The battle of Miranshah came to an end with the Pakistani troops in virtual control of the town, but it is a real question as to when Pakistani soldiers will be able to walk the streets of Miranshah again, unarmed. The hatred toward Islamabad of the "tribal agency" locals was created by these U.S.-instigated military operations, carried out by the Pakistani military at the expense of killing its own people.

The incident was rightly acknowledged by observers as yet another attempt by Islamabad

to convince the Americans of its commitment to eliminate al-Qaeda militants who have been lodged inside Pakistan since the Winter 2001 U.S. invasion of Afghanistan, and to capture the alleged masterminds and financiers of the 9/11 terrorist attacks against the United States.

A section of the Pakistani establishment understands that it is well-nigh impossible to develop a consensus to eliminate either al-Qaeda or the Taliban in order to serve the present U.S. interest; yet, it often turns its guns on the Pakistani people to appease Washington, in hope of some abstract geostrategic gains. After the U.S. invasion of Iraq and Afghanistan, and

FIGURE 1



FIGURE 2

## Pakistan's Federally Administered Tribal Areas (FATA)



its increasingly violent rhetoric against Iran in recent months, the United States is now one of the most hated nations, among a large section of Pakistanis. Anti-American militant Islamic forces, which both al-Qaeda and the Taliban represent, are considered by the majority of Pakistanis, and a large section within the Pakistani military as well, as allies whom Washington wants to eliminate, in order to control strategically important Central Asia and Afghanistan.

On March 2, Islamabad, having bloodied its swords by killing a large number of locals in North Waziristan, received a severe setback. In Karachi, a suicide bomber rammed an American diplomat's car outside the Marriott Hotel, just yards from the U.S. consulate, killing four people, including a U.S. diplomat, and wounding 52 others. For years now, violent acts have been taking place, day in and day out, in Pakistan, and there is hardly an area which might not blow up on any given day. In the port city of Karachi, domestic and foreign-born militants have built their dens and are training extremists. Pakistani authorities make noise about it from time to time, but the militants have continued to thrive there.

### Fallout From the Kashmir Dispute

Islamabad has now come to acknowledge what New Delhi had claimed for years, and Washington has grudgingly admitted only recently: that al-Qaeda and the Taliban have developed a working relationship with the anti-India Kashmiri terrorists, who seek an independent Jammu and Kashmir, or at least an autonomous Islamic State of Jammu and Kashmir within Pakistan. Reports indicate that such a working relationship was developed through the help of some militant Pakistan

Islamist groups such as the Hizbul Mujahideen and Lashkar-e-Toiba. However, it would be fair to claim that these Islamist groups were allowed to recruit, organize, train, and merge different terrorist groups, only because a powerful section of the Pakistani establishment wanted it that way.

In a recent interview, Pakistani President Pervez Musharraf even admitted this little fact. The Kashmir dispute, he contended, "has its fallout on people wanting to operate in Kashmir, having nexus with the al-Qaeda or the Taliban or the extremists who live in our society. So this becomes a very, very dangerous nexus and combination. So therefore, Kashmir dispute and Palestinian dispute, both are ripe for resolution and we must resolve them."

If Pakistan had only to "manage" the terrorists of various ethnic groups and different aspirations, it would not be such a difficult problem to handle. But when a nation loses direction and is left with only geostrategic goals as its future objectives, things begin to fall apart. And, that is exactly what has happened to Pakistan. It is somewhat reminiscent of the early 1970s, when Pakistan, which then consisted of two separate wings—West and East Pakistan—divided by about 1,000 miles of Indian territory, driven by a section of the establishment, ignored realities that existed in East Pakistan. Genocide committed by the Pakistani Army there was driven by the establishment's obsession to deny those realities and silence the population. However, Bengalis of then-East Pakistan, despite opposition from Washington, took on the Pakistani establishment, and with a nudge from India across the border, won their independence, and in 1971 established the nation of Bangladesh. Islamabad was slapped on the face by reality.

But it did not take long for Islamabad to forget the past and indulge in new fantasies centered on Afghanistan. Having helped the Americans to drive the Red Army from Afghanistan in the late 1980s, Pakistan began to dream of extending its western borders into Central Asia, developing Afghanistan as its satrapy in the process. However, once again, fresh realities emerged and were ignored by the Pakistani establishment. With the rise of the Taliban and al-Qaeda inside Afghanistan, the United States, which had walked away in the 1980s leaving Afghanistan under Pakistan's geostrategic control, began to take a second look at the Afghan situation. The 9/11 attacks forced the realities into view.

### Post-9/11 Smoke and Mirrors

Post-9/11 Pakistan under President Musharraf is mostly smoke and mirrors. On one hand, Pakistan pretends to act as the strongest ally of the United States in helping to eliminate the Taliban and al-Qaeda. On the other, Pakistan, having been the mentor and protector of the Taliban and al-Qaeda for at least a decade, has no real intention to wholly antagonize the Islamic militants, whom the Americans label as "terrorists," but whom most Pakistanis consider to be "Islamic jihadis." For four years, the Pakistani establishment has carried out this complex game of smoke and mirrors, but it is evident

now that the game has neither convinced the Americans, nor satisfied those who would like the Americans to leave.

U.S.-Pakistani relations further soured following the discovery that Pakistani metallurgical engineer A.Q. Khan was running an international network, providing bits and pieces of nuclear-bomb-making ingredients to nations that were keen on developing nuclear weapons. It so happened that a number of nations listed in U.S. President Bush's "axis of evil" had been in contact with Khan.

Washington is deeply suspicious of Pakistan, and Islamabad no longer has the capability to assuage those suspicions. For instance, during Bush's March 4 meeting with Musharraf, neither President had any constructive things to discuss. Besides summarily turning down Musharraf's request for a U.S.-Pakistani nuclear deal, whereby the United States would provide technology and fuel, for Pakistan's nuclear-power program, the U.S. President made it clear that Washington wants a full interrogation of A.Q. Khan, to find out more about the nuclear program of America's "enemy" nations, such as North Korea and Iran. Khan is under house arrest, and Islamabad has so far kept him from being fully interrogated by U.S. agencies.

The "Khan network" is yet another smoke-and-mirrors story which involves not only Pakistan, but the United States as well. Khan had carried out his nuclear black-market operation in dozens of countries, with the help of a network which was surely not invisible. Since it involved the manufacturing of centrifuge cascades, developing drawings, etc., it could not have altogether escaped international agencies' attention. It is inconceivable that neither international agencies, nor the Pakistani military, were aware of this network. But no one is willing to say why this operation, which began in the 1970s, was allowed to continue for decades.

Khan was working in 1975 with an engineering firm based in Amsterdam and a subcontractor to the URENCO consortium specializing in the manufacture of nuclear equipment. He had begun to work on copying centrifuge drawings, sending them to Pakistan and setting up his international network. There are dozens in the Netherlands who knew about this operation back then. It was an open secret.

In addition, honestly, nothing much happens in Pakistan at that level without the military having a foot in it. Pakistan's nuclear program, which is not open even to the country's prime ministers, is controlled top-down by the Pakistani military, and no one else. In a recent paper, "The Myth of an Islamist Peril," Frédéric Grare, a visiting scholar at the Carnegie Endowment for International Peace, based in Washington, D.C., pointed out that "the Pakistani military is the main source of insecurity on the subcontinent, making it necessary to challenge the common perception and policy in the international community that stability and security depend on not pressuring military sovereigns such as Musharraf." Grare went on to claim that the Islamic threat in Pakistan is a myth. He said that Islamic parties participate in electoral politics

and seek power and influence through democratic means; it is the jihadi groups that resort to violence. In reality, this shadow play is orchestrated through the Pakistani military.

The problem is that in Pakistan, often the shadows in the shadow play get out of control.

## **The Baloch Uprising**

Beside the Taliban, al-Qaeda, and the local Islamic militants, the Musharraf government has been confronted with a serious insurgency in Balochistan. Having antagonized the Baloch tribes in southwestern Pakistan since the 1970s, Islamabad has very little political capital left in that province, and is left with playing one tribe against the other. But it seems that that game has now also reached an end point. For months now, the Pakistani Army has been battling the Baloch tribes in the moon-like terrain of Balochistan, and the tribes have remained unified against the much-maligned "Punjabi-dominated" government in Islamabad.

The Baloch insurgency worries Pakistani strategists for a number of reasons. Besides the fact that Balochistan borders both Afghanistan and Iran, the province has more than 90% of Pakistan's oil and gas fields. The Baloch insurgents are blowing up the gas pipelines and attacking the gas fields, encouraging a brutal response from the Pakistani military.

According to available reports, during 2005, Balochistan experienced 187 bomb blasts, 275 rocket attacks, 8 attacks on gas pipelines, 36 attacks on electricity-transmission lines, and 19 explosions on railway tracks. At least 182 civilians and 26 security personnel were killed. On Dec. 14, 2005, when President Musharraf went to visit Kohlu, a small Baloch town, to announce a development package for the province, rockets were hurled at him. Subsequently, an Army helicopter carrying Inspector-General of the Frontier Corps Maj.-Gen. Shujaat Zamir Dar and his deputy, came under fire.

This year, on Feb. 21, the locomotive of the Lahore-bound Chiltan Express was derailed after insurgents blew up part of the track, cutting off Balochistan's rail link with the rest of the country.

Balochistan is important to Islamabad for a number of geostrategic reasons. Quetta, the provincial capital, and Chaman, a town near the Afghanistan borders, are the major centers where many Taliban leaders have been sheltered, as Afghan President Hamid Karzai recently pointed out. For years, Pushtun refugees and Taliban militants have been settled in Balochistan by the Pakistani authorities, instilling fear in the mind of the Baloch tribes that Islamabad is relocating Pushtuns and Punjabis there, to make them a minority in their own province. This is perhaps the dominant reason that the Baloch tribes have joined hands now to oppose the Pakistani Army.

## **The Gwadar Port Gambit**

More importantly, in the southwest corner of the Balochistan coast, a stone's throw from the Strait of Hormuz, Pakistan

is building up the Gwadar port, with the help of China. This strategic project began soon after 9/11, and China flew in its Vice Premier, Wu Bangguo, to lay the foundation on March 22, 2002. Chinese Premier Wen Jiabao was on hand to inaugurate the first phase of the project last March. The total cost is estimated at \$1.16 billion, of which the Chinese contribution for the first phase was \$198 million, and Pakistan's, \$50 million. China has reportedly invested another \$200 million into building a coastal highway that will connect the Gwadar port with Pakistan's premier port, Karachi, located at the mouth of the River Indus in the east. The second phase, which will cost \$526 million, will feature the construction of nine more berths and terminals, and it is expected that China will finance the second phase in its entirety.

During his recent visit to China, President Musharraf made clear that Pakistan wants to act as a transit facility, giving China access to Central Asian markets and energy sources. "We are interested in setting up a trade and energy corridor for China," he told *China Daily* in a March 2 interview.

China plans to carry crude oil imports from Iran and Africa, headed to northwest China's Xinjiang byroad, through Pakistan. Musharraf pointed out to *China Daily* that such a route will be much shorter, compared to the one via the Straits of Malacca.

But the Baloch uprising has raised questions about the future efficacy of the Gwadar port and related planned infrastructure. On Feb. 15, three Chinese engineers were killed some 700 kilometers southeast of Quetta. Several other Chinese engineers had been killed or kidnapped in Pakistan in 2004.

Although it is not clear who was behind these killings, the matter has definitely caught Beijing's attention. Following the Feb. 15 killing, Chinese President Hu Jintao ordered the Foreign Ministry "to put pressure on the local government to capture the murderers, ensure the safety of the Chinese there, and properly handle the aftermath," whatever that might be.

Islamabad has blamed both New Delhi and Tehran for the Baloch insurgency. During the recent visit of Afghan President Karzai to Islamabad, Pakistan reportedly provided evidence to him of involvement by the Indian foreign intelligence agency Research and Analysis Wing, with Balochistan and the Tribal Areas. The *Pakistan Tribune* claimed on Feb. 21 that Pakistan gave President Karzai details of Indian activities against Pakistan being conducted through their consulates in Afghanistan.

While such accusations are routine, whether true or not, there is little doubt that India is deeply concerned about the development of the Gwadar port. New Delhi worries that Chinese participation in the project is bound to shift the strategic balance in the region against India, and perceives it as a clear bid by the Chinese to gain a firm footing in the northwestern part of the Indian Ocean.

Beyond the port itself, New Delhi believes that one of the major strategic objectives of China is to connect western China with Central Asia by land routes—and there is no doubt that Pakistan is working to help China in that area. In order to optimize the potential of Balochistan, Pakistan has begun working on the province's infrastructure, and has planned to construct a network of roads linking Gwadar with Karachi, Pasni, Ormara, and Turbat. This coastal highway will reach the Iranian border at Gupt. The whole network would be connected to the Indus Highway, and through it to China. There has also been an agreement concluded among Pakistan, China, Kazakhstan, Kyrgyzstan, and Uzbekistan, for development of a railroad link between Central Asia and the Xinjiang province of China, and the Arabian Sea Coast. A road from Gwadar to Saindak, which is under construction and runs parallel to the Iran-Pakistan border, will be the shortest route between Central Asia and the Arabian Sea. None of these developments are eyed positively by the geostrategists of New Delhi.

Iran has also been dragged into this blame game, with Pakistani officials claiming that the Iranian town of Mand is a sanctuary for rebel activity. In addition, Iran had raised serious concerns, in 2001, over the transfer to U.S. forces of three Pakistani bases in Balochistan at the start of the war in Afghanistan. Observers claim that an unstable Balochistan may come in handy for Iran as a buffer state, in case the United States chooses to attack Iran from Pakistan, to eliminate Tehran's nuclear capabilities.

By the same token, Washington, and particularly the geostrategists in the United States, are concerned that the Gwadar port would not only allow Beijing to ensure its presence in the Persian Gulf, but would also help China in enhancing its energy security, by offering a transit terminal for oil imports from the Gulf region. At present, the bulk of oil imported by China has to pass through the Strait of Malacca, a route that is quite long and increases the risk factor in abnormal times, due to American presence in the region.

## A New Enemy

The U.S. invasion of Afghanistan and the arm-twisting by Washington to force Pakistan to cooperate in the war on terrorism, has created for Pakistan a new enemy: Afghanistan. It is widely acknowledged that Islamabad does not like the presence of the United States, NATO, or the American puppet in Kabul, President Hamid Karzai. What Pakistan wants in order to satiate its geostrategic illusions, is to bring the Taliban to power in Kabul—or other Afghans who would not indulge in forming a "Greater Pakhtoonistan" and would remain under Islamabad's control. However, this conflicts with what Washington wants, at least for now.

Kabul, as well as Washington, had long been aware of what Islamabad's long-term strategy was toward Afghanistan. From time to time, the two allies, Kabul and Islamabad, engaged in the war against terrorism on behalf of Washington,

accusing each other and venting their frustrations. Now, however, the feud has come out in the open.

In February, when President Karzai went to Islamabad, he was carrying, with Washington's approval, a list of Taliban militants who were residing openly in Pakistan's garrison town of Quetta in Balochistan, under the protection of the Pakistani Army, since the U.S. invasion of Afghanistan. The presence of Taliban leaders there had been known for years.

President Karzai's Foreign Minister, Abdullah Abdullah, said in early March that there was concern in Kabul that Islamabad was not following up on the list.

That got President Musharraf's goat. In an interview with CNN on March 6, he said that the list that Afghan officials gave to Pakistan, with supposed details about Taliban militants in Pakistan—including the fugitive leader, Mullah Omar—was “nonsense.” There was “a very, very deliberate attempt to malign Pakistan by some [Afghan] agents and President Karzai is totally oblivious of what is happening in his own country,” Musharraf declared.

Within 24 hours, U.S. CENTCOM chief Gen. John Abizaid was in Islamabad, urging President Musharraf to lower his voice. But, as in so many areas of the world, Washington depends, in Pakistan, on people whom it does not trust. It is conceivable that Washington understands that Afghan policy is not wholly under the control of Islamabad, and even if it

were, Musharraf sees no real geostrategic advantage in following the U.S. diktat.

## Islamabad-Beijing Alliance

At the same time, Pakistan makes no bones about its closeness to China. That relationship remains at the official Islamabad-Beijing level, and there is very little contact between the Islamic Pakistan and China. In fact, a number of Chinese Muslim secessionists from Xinjiang province live in Pakistan, where they are plotting against Beijing. Although there are a number of areas where Islamabad and Beijing work closely with each other, the Pakistani President also makes it a point to dash off to Beijing whenever he gets into difficulties with Washington. This is more of a sideshow, to keep the Americans slightly off-balance.

During his recent visit to China, President Musharraf, while talking to the governor of Sichuan province, Secretary of the Communist Party Zhang Xue Zhong, and other provincial leaders, said on Feb. 23: “We have a resolve to take forward broad-based relations between Pakistan and China and take our bilateral economic interaction to new heights in the future.”

Over the years, Pakistan's defense ties with China have grown. China has been the most steadfast supplier of military hardware to Pakistan. It has signed 13 agreements and memoranda of understanding on broad areas, including energy, trade, defense, energy, and communications. Joint production of JF-17 Thunder fighters and probable sales of high-tech F-10 aircraft, exhibited by China during Musharraf's China visit, will pave the way for firmer cooperation in the military arena, which forms the foundation of Sino-Pak relations.

China has assisted Pakistan with its entire nuclear program—military and civilian—and is now setting up the Chashma II, a second 300 MW nuclear reactor, where the major components for the reactor, the first uranium core, and three reloads will be supplied by China. The 300 MW nuclear reactors at Chashma were built with Chinese assistance, despite the de facto international supply embargo. Earlier, heavy water for the Karachi Nuclear Power Plant (KANUPP) and technical assistance in uranium enrichment were provided by China.

Pakistan, like India, is seeking observer status in the Shanghai Cooperation Organization (SCO), and expects help from China. A full membership in the SCO could raise its economic link to China to a higher plane. Meanwhile, Pakistan is supporting China's entry into the South Asian Association of Regional Countries (SAARC), which consists of Pakistan, India, Bangladesh, Nepal, Bhutan, Sri Lanka, and Maldives. This is seen by observers as Islamabad's attempt to restructure the regional balance of power—another geostrategic move, rather than anything real in South Asia, which is being increasingly dominated by the growing economic and military power of India.

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# Hope for Germany's Future Lies in Defeating the 'Clash of Civilizations'

*Mrs. Zepp-LaRouche, chairwoman of the Civil Rights Movement Solidarity (BüSo) in Germany, gave this speech to EIR's seminar in Berlin on March 2. It has been translated from German, and subheads added.*

*The seminar was titled "The Iran Crisis: The Danger of a Global Asymmetric War Must Be Stopped." Other presentations, including the keynote by Lyndon H. LaRouche, Jr., appeared in EIR on March 10 and March 17.*

I am honored to have the opportunity to speak on an issue that concerns not only Iran, and the Iran crisis, but rather how the West and Islam will, together, get through the 21st Century. I shall now discuss this, from the standpoint of Germany's situation.

I think I should start rather as Colonel Hübschen<sup>1</sup> did. He said one should take a map, and stick a pin into the place where Germany lies, attach a 2,000-kilometer-long thread, and use it to draw a circle, to see how the crisis in the Near and Middle East will affect or involve Germany. Not, however, that we should look at this from a two-dimensional standpoint, but rather that we take into account the complexity, and the way events worldwide are interrelated.

May I urge your patience, as we shall first seem to digress from the theme of Iran. But one must take into account the entire picture, how everything ties in to everything else. And that means examining which way German economic policy will go; because should Germany's economy expand, should Germany deal with the critical issue of mass unemployment, to my mind, there will be no grounds whatsoever for a clash with Islamic or any other groups. But should Germany plunge into economic crisis any deeper than it has already, whether we can live together in peace, even within Germany's own borders, will be moot. So again, I urge your patience, as I shall now turn to economic matters.

## Origins of Germany's Leadership Crisis

When I set out to think about Germany today, I recall Heinrich Heine's words—Heine, the 150th anniversary of whose death we have just celebrated, or rather, mourned. He

wrote: "Denk ich an Deutschland in der Nacht, dann bin ich um den Schlaf gebracht." ["I think of Germany at night, and then I'm robbed of my sleep."]

Our political elites are terribly fond of consensus, and in the current Great Coalition, they are proving, once again, how terribly democratic and consensus-oriented they are—which leads one straight to wonder whether the leadership that we now have in Germany is in any position to make the requisite changes. That is the selfsame question raised by Lyndon LaRouche at the outset of his new platform for the Democratic Party, the *Prolegomena* to such a platform. At a given historical moment, is there a political leadership able and willing to correct glaringly obvious flaws, able and willing to avoid catastrophe? Or must society stumble down some foreordained path, straight over the cliff to disaster? The economic problems facing this country are enormous. The official unemployment rate is 5 million. The Econometrics Institute at Halle, part of the German Institute for Economy, believes that the true figure is twice that—10 million! And this, without even taking into account what Lyndon LaRouche pointed out this morning: the collapse that looms before us, whether owing to the disappearance of the yen carry trade, to the blowing-up of the U.S. real-estate bubble or to some other imponderable in the financial system. The real problem is that no one in Berlin has a fallback option for what to do when the financial blowout actually occurs.

Everyone muddles along in a business-as-usual mode, as though the only problem were wobbly share prices here and there. The fact remains that we are now at a point very comparable to the financial collapse of the G.D.R. [the East German communist state—ed.] in November 1989, save for the small detail that this time, the collapse is worldwide.

In official documents that concern the reunification of Germany, our government acknowledged in 1997 that although it had long been clear that the Comecon was faltering, and that the G.D.R. was about to crumble, in November, no one had come up with a contingency plan, should the Wall come down and Germany be reunified. Apart, of course, from Lyndon LaRouche, who, as early as 1983, had declared that should the U.S.S.R. cleave to the Ogarkov strategy, that state would collapse within five years.

LaRouche is doubtless the sole Western politician who foresaw, with any degree of precision, or even foresaw at all,

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1. Jürgen Hübschen, who spoke earlier at the seminar, is an independent Consultant for Peace-Keeping and Security Policy. He is a retired colonel, and former military attaché at the German Embassy in Baghdad.

the collapse of the U.S.S.R.. On Oct. 12, 1988, at the Kempinski Hotel here in Berlin, he gave a historic press conference, in which he announced that the G.D.R. and Comecon were about to dissolve, and put forward a proposal for the reunification of Germany, with Berlin as its capital. At that very moment, many in the SPD [Social Democratic Party] and elsewhere blared that reunification was the “Lie of the Century.” So what LaRouche had to say there, was not exactly “consensual.”

And to make a long story short, what happened? Our then-Chancellor Helmut Kohl made a tiny step toward sovereignty on Nov. 28, with his ten-point program for a confederation of both German states, which certainly would not qualify as a proposal for reunification; but was a step forward, since it was from a sovereign standpoint, and had not been cleared with NATO, or even with the FDP [Free Democratic Party, his coalition partner].

Events moved on apace. On Nov. 30, the head of Deutsche Bank, Alfred Herrhausen, was murdered, the only banker who had ever entertained a vision for the development of the East bloc, or to be precise, Poland. Mitterrand wrote Kohl a blackmail note, stating that France would agree to reunification, only on condition that Germany relinquish the D-mark and agree to a European currency union. Upon which Kohl (doubtless the sole issue on which Herr Kohl and I have ever seen eye to eye), said that a currency union without political union would not be feasible. Margaret Thatcher thereupon launched her “Fourth Reich” campaign. As for Mitterrand’s blackmail, his advisor Jacques Attali, in a recently published work entitled *Mitterrand*, claims that Mitterrand actually threatened war against Germany, a new Triple Entente. Now, whether such a war could have gotten off the ground, is debatable, but certainly the blackmail pressure on Kohl was gigantic. That is what Kohl referred to, when he described the EU Summit on Dec. 8-9, 1989 at Strasburg as his “darkest hour.” Kohl caved in, and finally agreed, against his own conscience and will, to throw over the D-mark as the price for reunification.

The years went by, the euro was introduced, and it became clear, what should have been clear from the outset—namely that there was an incredible economic imbalance, because the currency security which had till then existed in the D-mark area alone, the D-mark being a hard currency, and international investors having been wont to invest in Germany, despite its high wages and high national insurance costs, because its currency was solid, and because the stabil-



EIRNS/Wolfgang Lillge

*Helga Zepp-LaRouche addresses the Berlin seminar: “The question is whether we can place a vision squarely onto the agenda for the 21st Century, as civilized human beings.”*

ity and high productivity of the labor force were positive factors for those investments. The moment the euro arrived, this currency security vanished—and the more backward countries like Greece, Portugal, Spain, Ireland, and so forth, were delighted, because international investors flitted over to those low-wage countries, where the national insurance system was cheap too. Those countries were caught up in a short-lived boom, which swiftly turned out to be a bubble, like the Spanish real-estate bubble.

This led to the referenda on the European Constitutional Treaty, where France and Holland, by then well-acquainted with the negative impact of the euro, voted “No,” and the political unity that might have come into existence, evaporated.

We have now reached the end of the rope. Although Germany may indeed, for the third time running, be the world’s biggest export nation, with a favorable balance of payments in excess of 160 billion euros, it’s of scant use to us, since this has no impact on the collapsed domestic market.

Nor has it helped France. France is the second major victim of the EU currency union; over the past decade, it has fallen into a huge export crisis. From a relatively favorable balance of payments, it now has a huge deficit. The domestic market is swamped with cheap imports; France’s economy is shredding; Italy is being dragged down as well, and so on and so forth.

In brief: The euro is a flop, and therefore, back to the question I posed at the outset. Does Germany have a political leadership that can right these glaring errors, or not? In France, the explosion in the so-called “suburbs” involves many more than the unemployed sons of North African immigrants, nor is it a “Muslim” issue as such. In Holland, when

the filmmaker van Gogh was murdered, the country nearly burst into flame. The question of where we go next, is the same as asking what strategic policy orientations our own nations will take.

If my husband and others in America succeed in getting Dick Cheney out (and we shall hear more about the U.S. situation this afternoon), and assuming that we succeed in pulling together a cross-party coalition of Democrats and moderate Republicans to adopt a fresh economic policy, then here in Germany, we can sweep aside the failed euro-model, return to sovereignty in currency matters, and issue credit to employ the entire labor force, productively. Those are the premises. And there are two alternatives before Germany.

### Geopolitics of the 'Iran Crisis'

Now to the Iran crisis proper. Again this morning, we have heard that the crisis has little or nothing to do with that nation's nuclear program, and rather more to do with the founding of an empire, to which end political events are being orchestrated. Let us recall that following the events of Sept. 11, 2001, there was a great hue and cry about Saddam Hussein as the quintessence of evil and so on, about weapons of mass destruction, etc. And what remains, is a handful of dust.

Or again, how the background to the First World War was presented at the Versailles Treaty, where Germany was stigmatized as the sole culprit. In the meantime, since Versailles, historians have scrutinized the 30-year run-up to that war, and the historical truth now appears in all its complexity. My plea to you, is to let that ability to deal with complexity carry over to current events.

Now, where does the present policy actually come from? When, in 1989-91, the U.S.S.R. dissolved, the occasion arose to place East-West relations onto an entirely new footing. The "Enemy" was gone, and a new peaceful order could have been established. But at that very moment the neo-conservatives in the first Bush Administration (Cheney, Rumsfeld, Perle, Wolfowitz) popped up with their so-called New American Century doctrine.

What they wanted, in 1990, was that the United States, which had so great a tradition behind her as a republic, become an empire. At the time, the proposal seemed so radical that the more temperate in the first Bush Administration, those around Scowcroft and Eagleburger, said, "Whoa Boy! Things just do not work that way!" But the neo-conservatives nonetheless pulled off the first Gulf War. You will recall how, at the time, the U.S. Ambassador [to Iraq] had told Saddam Hussein that the business with Kuwait was an inter-Arab affair, and that Iraq could do what it pleased. And Saddam Hussein was fool enough to fall into the trap.

Nevertheless, forces within the United States then moved to head off an out-and-out imperial policy. Clinton won the Presidential elections (as James Carville said, "It's the economy, stupid"—and George Bush, Sr. did lose, precisely be-

cause of the economic crisis). The neo-conservatives did not go away and hibernate during Clinton's eight-year term as President, though. In 1996, Richard Perle, for example, harshly condemned the peace plan promoted by Clinton at Oslo, and proposed the radical, so-called "Clean Break,"<sup>2</sup> allegedly to guarantee Israel's security.

The real purpose behind the Clean Break scheme, was not to ensure peace between Israel and Palestine, but to effect regime change in every state hostile to Israel, throughout the region. A mere two days later, the Clean Break was endorsed by Netanyahu, then Israeli Prime Minister, as official policy. In so doing, Israel endorsed a policy of regime change in Syria, Iraq, Iran—her opponents in the region.

On Jan. 3, 2001, Lyndon LaRouche held a webcast in Washington, and warned that the Administration of Bush, Jr. would be faced with overwhelming, uncontrollable financial difficulties, and that, on that account, there existed a very real risk that someone would touch off a new Reichstag Fire, in order to ram through the policy of dictatorship and empire. LaRouche said this three weeks before Bush, Jr. was inaugurated, and only nine months before Sept. 11, 2001.

We know what happened on the latter date. The following day, Dick Cheney held a press conference, and—without adducing the slightest proof—pointed the finger at Saddam Hussein. This led directly to war, first against Afghanistan and then against Iraq. The Reichstag Fire had taken place. James Woolsey, formerly head of the CIA, said that the agenda was a Hundred Years' War against terrorism. The idea of total war, permanent warfare.

### A Manipulated Clash of Civilizations

Now let us look at another factor—cultural manipulation. In 1993, Samuel Huntington first spoke of a "Clash of Civilizations" in *Foreign Affairs*. In 1996, he wrote a book, *The Clash of Civilizations and the Remaking of World Order*. Read it! And you will see that Mr. Huntington is quite astonishingly unaware, indeed ignorant of our own culture, Western, Christian culture, just as he hasn't the faintest idea of Confucianism, Islam, or Hinduism. It's a barefaced scenario for how to manipulate a crisis. Recall now, how Kissinger in 1974, wrote in NSM 200, that the United States must move to prevent "excess" population growth in the Third World; his thesis being that there are too many people, because raw materials should be in U.S. hands, and that accordingly, birth control must be imposed to keep down the numbers! That is also the meaning of Zbigniew Brzezinski's Great Game—i.e., war for raw materials in Central Asia, or again, the Arc of Crisis theories pushed by Bernard Lewis.

Just this past September, the Danish newspaper *Jyllands-Posten* published the now notorious cartoons. We have

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2. "A Clean Break: A New Strategy for Securing the Realm," issued for incoming Prime Minister Benjamin Netanyahu by the Institute for Advanced Strategic and Political Studies in Jerusalem.

looked into this. *Jyllands-Posten* had asked 22 former ambassadors to the Arab world, whether they thought such cartoons could be published. All 22 said, "Out of the question! Sheer provocation! Their culture is totally different. Hands off!" Arabists too were asked for their opinion, as were experts in Islam. But they went ahead and published anyway, and for a month or so the crisis smouldered away in the background, until finally it exploded.

As it happens, we discovered that *Jyllands-Posten* has founded a think-tank, called CEPOS, and who do you think sits on its Board? None other than the neo-cons' mentor, George Shultz, *éminence grise*, in person. Richard Pipes too is closely tied to that think-tank.

Clearly, this is conscious manipulation. Then you had a couple of hundred fundamentalists burning down Danish and other Scandinavian embassies, isolated incidents perhaps, but one should think back to how the British Empire operated in the region, how France operated, and how the two divided up the region into zones of influence, with the Sykes-Picot Treaty. How easy, then, to charge up a few fundamentalists, and talk them into running into a brick wall!

One could call this Inverse Diplomacy. Diplomacy discovers what the sensitive areas are, and avoids them, seeking out other avenues and solutions. The Clash of Civilizations faction weasles out the sensitive areas, and hammers on them, until they get an explosion: sensitive areas, such as a portrayal

that, to someone in the Middle East, might be blasphemy, but to a Westerner, might not be, but are considered as "freedom of the press." It's a chessboard, and it's easy to see how such conflicts can be driven to escalate.

## Cusa's Vision of a Dialogue of Cultures

What's the counterpole to this? What can we do, to shift everything in another direction?

We must give up our pragmatism. Although it may not seem that obvious, we are faced with a systemic financial breakdown, whereby the "globalized" system is as likely to go bust as the G.D.R. and then U.S.S.R. did between 1989 and 1991.

The question is whether we can place a vision squarely onto the agenda for the 21st Century, as civilized human beings. That same question that was posed in the *Federalist Papers* by Alexander Hamilton, and by others who founded the Republic of the United States: Can mankind adopt an order, a civilized order, whereby we can govern ourselves and live together in peace? I am an optimist and believe that we can. The vision that we need for this century is the interlocking of the whole Eurasian continent, now that the Iron Curtain is gone, and there is no reason not to pick up where developments just before World War I left off.

We should build the Trans-Siberian Railway, the Berlin-Baghdad Railway. Over the next quarter to half century, integrate the whole of Eurasia as one economy, and create a peaceful order that will allow us to overcome long-festering conflicts—thanks to joint economic interest, and expressing common goals for mankind.

To that end, we have put forward the proposal for a Eurasian Land-Bridge, with the idea of integrating all Eurasia's infrastructure; but the idea is not restricted to Eurasia. Eurasia may be the focus for the momentum, but this must sweep over the Bering Strait to the Americas, and via Egypt to Africa.

Finally, let me turn to the cultural factors in Eurasian integration. This morning, doubts were expressed as to whether there do exist universal principles. The question was whether such principles do not constantly undergo change. To which I would say that if there exist no universal principles, then there is no basis for dialogue among cultures.

In 1453, as Nicholas of Cusa wrote *De pace fidei* (*On the Peace of Faith*), Sultan Mohammed II had overrun Constantinople, and there erupted something very like a war of civilizations. News got out to the Western world on the fall of Constantinople—rape, murder, blasphemous deeds—and the world was on the verge of a clash of civilizations.

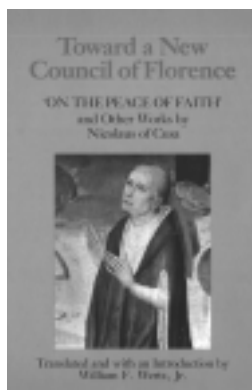
Nicholas of Cusa, a humanist, responded by stating that a way must be sought to prevent the outbreak of out-and-out religious warfare. And he wrote a magnificent Socratic dialogue, in which 17 sages of the various religions and nations come before God, before the Divine Word, the *divinum verbum*, and say, "We are killing each other in Thy Name. We each of us say 'I represent Thee, Oh God.' Surely it cannot

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be Thy will, that we thus wage war upon one another? We crave Thy aid."

And God replies, "You are come as representatives of your religions and cultures, in religion, and in philosophy. And as philosophers, you must know that there is but one truth. To which they replied, "As philosophers, we agree, but Thou must help us. We kill in Thy Name, and what is to be done?" And God replies, "You have taken the words of the Prophets for Truth. You have taken the traditions, for God's message." To which the sages reply, "Yes, *but*. How shall we now return to our peoples, and to those who have spilt so much blood on account of their belief, and tell them, 'Take a new religion'? Never will they consent." To which God replies, "Where have I spoken of a new religion? I have spoken of but one true religion, over and above all interpretations. There is but one God, over and above the idea of religion. And that there can be but one God, surely you will agree." To which the Sages reply, "That we can see. And we shall now turn back to our peoples, and report this Truth."

After the events of Sept. 11, 2001, as a new clash of civilizations loomed, what was uppermost in my mind was whether it can really be so, that all religions concern one and the same idea. I looked at the early Vedic writings, and what appears, is precisely that there is but one truth, understood differently by different souls. The same idea existed. That, to my mind, is what is essential for there to be dialogue. What makes dialogue between cultures feasible, is that there are indeed universal principles, uniting the whole of mankind. And once one has found those universal ideas, one can rejoice in their multiplicity. It is a marvellous thing that there exist so many cultures, because they all rest upon a single underlying universal principle.

And if one reviews real history, universal history, one sees how these universal ideas course through the centuries. European civilization is a product of Ancient Greece, and the Greeks themselves looked to the Egyptians. Plato lived on in the Arab and other Islamic philosophers—al-Farabi, al-Kindi, Ibn Sina. The achievements of the Abbasid dynasty, of the Baghdad Caliph Harun al-Rashid, al-Mansur, al-Mamun, who had, in essence, saved science for European culture after the Roman Empire had collapsed. Harun al-Rashid sent emissaries to Greece, Spain, and Egypt, and had them collect knowledge, showering the finders with gold, so much did he value knowledge. On which basis sprang up the Islamic Renaissance. And it was through the contacts between Harun al-Rashid and Charlemagne, that we in Europe rediscovered our roots in Ancient Greece.

A true dialogue of cultures is not something for the present alone, but rather something that must reappear from one generation, from one century, to the next, and thanks to such ideas, we see ourselves as human beings. Just as Leibniz wrote that the fact that the Emperor of China had discovered the same geometrical figures as he, proves that we are all a part of the same human race.

This is the way forward out of the present crisis. We must all rediscover the high points of our own cultures, because there will be a dialogue of cultures only if we actually have a culture. If we be "culture-less," part of a so-called globalized uniform "culture," there will be no basis for dialogue. If we do intend to bring to life the best in our own traditions, the Classical tradition, and discuss it on that basis with one another, the One and the Many, and the Many within the One is absolutely possible. I believe that this cultural dimension must be introduced, urgently, into the debate.

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Mohammad el-Sayed Selim

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## Dancing with Wolves: But Iran Will Be Next

*Prof. Mohammad el-Sayed Selim is Professor of Political Science at Cairo University. He submitted this written speech to the March 2 EIR seminar in Berlin. Subheads have been added. See last week's EIR for further seminar discussion of the issues raised here, notably that of the Nuclear Non-Proliferation Treaty (NPT).*

Reading the history of the Middle East during the last century, shows that the Arabs have committed two major strategic and fateful errors of judgment. These judgments have been shaping the course of events in the region since the end of the First World War. Both errors of judgment were rooted in the inability to distinguish between short-term and long-term gains and losses. Major strategic decisions were based only on short-term expectation of gains, which turned out to be long-term net losses.

The first major error was the decision of Sherif Hussein in 1915 to ally with Britain and France against the Ottoman Empire, hoping that he would become the head of a new Arab kingdom in the Arab East and Hijaz. What he got was the Sykes-Picot Agreement and the Balfour Declaration, the partition of the Arab East, and most importantly, the rift in Arab-Turkish relations which has been indelibly imprinted for generations.

The second main strategic error was committed when the Arabs sided with the Reagan Administration in its quest to defeat the Soviets in Afghanistan. The Arabs were out to join the United States in defeating the communists, to capitalize on the expected gains from Reagan. The Arabs sent fighters (Mujahideen who turned into terrorists later on), and the Americans armed and trained them. What resulted was the Soviet defeat and collapse, the emergence of the United States

as the sole superpower, and the Muslim world itself becoming the new target, as articulated in the Clash of Civilizations argument. The Arabs and the developing countries had been somehow protected by the superpower competition. Now, with such competition over, there was no need to give any concessions, or to show any sign of friendship, as [former Malaysian Prime Minister] Mahathir bin Mohammad, the wise man of Asia, has repeatedly said. Furthermore, the sole superpower left the Mujahideen armed to the teeth, to fight among themselves to the bitter end. The former Minister of Interior of Pakistan, Mr. Moun Uddin Haider, once said that 1.5 million Muslims were killed in the Afghan War to get one result, that is, that the United States became the only superpower in the world.

The Sept. 11 attacks were mysteriously orchestrated by the neo-conservative Administration in Washington as a cover for the implementation of the already drafted plans to dominate the Middle East. Still that lesson was not learnt, as the Bush Administration began to proceed with its plans after Sept. 11, 2001 to invade, occupy, and eventually control some key states in the Middle East under the pretext of fighting terrorism. This time it was Iran which tried to capitalize on these plans, to get rid of some its neighboring rivals, the Taliban in Afghanistan and the Saddam Hussein regime in Iraq. One Iranian spokesman was quite sincere when he put it bluntly that, without Iran's support, the United States would not have been able to occupy Afghanistan and Iraq. Iran played with the wolf, hoping that the wolf would turn a blind eye on her. But the wolf never turns a blind eye on prey. As soon as Wolfowitz put his grip on Afghanistan and Iraq, Iran had to be next. Iran had to pay the price for playing with the wolf. Once again, history repeated itself.

### **Nuclear Program Is Pretext To Attack Iran**

But history is also repeating itself again today. The political environment in the region today, is reminiscent of the environment there in the period prior to the invasion of Iraq. Just as the question of Iraqi weapons of mass destruction was given the utmost priority, and presented as a major threat that should be immediately dealt with, and as the question of the linkage between Iraqi weapons of mass destruction and terrorism was presented as an immediate threat, the Iranian nuclear question is now being presented in the same context. The neo-conservatives are also spreading words of fear in Gulf Cooperation Council (GCC) countries, saying that the Iranian nuclear program is an existential threat to them. Although Iran has been building the Bushehr nuclear plant for the last 15 years, suddenly it has become a major threat to the ecosystem in the Gulf.

They are also exerting maximum pressure on Arab countries to join ranks with them against Iran. Suddenly, a new idea was circulated among the GCC countries, that is, to establish an "Arabian Gulf nuclear free zone," thereby bypassing the notion of the "Middle East" as a nuclear free zone.



EIRNS/Wolfgang Lillge

*Professor Selim of Cairo University addresses an EIR conference in Berlin last Summer.*

Whereas the Arabian Gulf proposal targets Iran only, the Middle East would include Iran and Israel. But the name of the game now is to reinforce Israel's nuclear monopoly in the Middle East, a point to which we will return later.

The neo-conservatives have already taken a strategic decision to end the regime of the Iranian Islamic Republic, and the question now is, how the scenario will unfold. In January 2005, I took part in a conference sponsored by a leading research center located in the Arabian Gulf region. An American participant, who is very close to the neo-conservatives in Washington, delivered a blunt message to the Arab audience: "America will attack Iran, and we want to know, what are you going to do in this case?" Although the neo-conservatives are trapped in the Iraqi and Afghani quagmires, they base their calculations on their estimations of the likely responses of other powers, especially Russia and China, the Iranian capabilities in the regional strategic environment, their presence in the immediate neighboring environment of Iran, and the expected gains from ending the Iranian Islamic regime. This leads to the conclusion that an attack on Iran of some sort is most likely to occur in 2006. The ongoing negotiations are diplomatic steps to prepare the theater for what is to come. They are a prelude to the war, not an alternative to it. One must remember that the issue is not the Iranian nuclear program, but

the Iranian Islamic regime, which represents the last challenge to the long-term American hegemony in the Middle East. Once this challenge were dealt with, all the other chips, such as Syria, Hezbollah, and Hamas, would fall into place.

### **War Throughout the Region Will Result**

The scenario for an attack on Iran will certainly be different from the Iraqi one. Most likely, as was documented by *EIR*'s reports, mini-nukes could be used to frighten the Iranians into quick surrender. But other scenarios could also be thought of.

But in all cases, the road to Tehran will carry a major cost. Iran is likely to turn the entire region into a battleground by virtue of its long-range missile capabilities, and mostly loyal Shi'ite communities in the Arabian Gulf region. Furthermore, Arab countries have so far withstood American pressures to rally against Iran. The last GCC summit held in Abu Dhabi called for establishing a nuclear free zone in the *Middle East*, although the neo-conservatives were exercising pressures to restrict the call to the Gulf region. The resolution of the GCC was almost a slap in the face to the neo-conservatives. This may be an indication that the Arabs are beginning to learn the lessons of history, and drawing lessons from their past miscalculations.

No one in the Arab world believes the rhetoric of Iran, respecting its international obligations under the NPT. Israel and North Korea today are nuclear powers. They are both outside the NPT regime. Nevertheless, the neo-conservatives are exercising continuous pressure on North Korea to denuclearize, but there has been no word said about Israel. The argument that Israel is not an NPT party has been blown by North Korea's withdrawal from the NPT. The fact that North Korea is outside that regime has not saved her from American encroachments, but the same argument is used to justify leaving Israel outside any controls. In fact, we believe that if the American scenario against Iran were to succeed, the next step would be a new drive to legitimize an Israeli nuclear monopoly in the Middle East by declaring Israel, India, and possibly Pakistan, as legitimate nuclear powers under the NPT regime; that is, they would join the NPT, but as nuclear powers.

The Arabs have also seen Security Council resolutions issued under Chapter Seven of the UN Charter being ignored, because they touch upon Israel's nuclear monopoly in the region. I am here referring to Article 14 of Security Council Resolution 687, issued in 1991 on ceasefire terms with Iraq. That Article stipulated that the elimination of Iraq's weapons of mass destruction would be a prelude to declaring the Middle East as an area free from weapons of mass destruction. However, no single action was taken to enforce that Article.

This conference should bring to the attention of the world, Security Council Resolution 687 on the Middle East as an area free of weapons of mass destruction. This resolution is the key to resolving the present crisis, if the "real" issue is Iran's nuclear capabilities. Although Iran denies that its nu-

clear program is for military use, its potential quest to develop nuclear warheads could be understood in the light of Israel's possession of such weapons. When one party develops nuclear capabilities, this becomes a license for others to do likewise. In fact, that is what the Western theory of nuclear deterrence bluntly says. When the U.S.A. declared its nuclear capability in 1945, the Soviet Union did likewise in 1949; and when China developed its nuclear capability in 1965, India followed suit in 1974; and when India exploded a device in 1998, Pakistan followed. Western nuclear deterrence theory tells us, it is the nuclear balance of terror that deters aggression, rather than nuclear monopoly. When the U.S.A. monopolized nuclear weapons, it used them against Japan, but it never thought of using them against the Soviet Union, once it had developed the same weapons in 1949. One can understand the Indo-Pakistani recent rapprochement in light of the balance of terror in South Asia, and the Israeli determination to subjugate the Arabs, partly in the light of its nuclear monopoly.

Peace can only be maintained if there is a balanced correlation of forces among the parties. Engaging Israel in the present nuclear debate in the region would create a major momentum for solving the Iranian question. Once all the parties shoulder equal responsibilities regarding the NPT regime, the motives to go nuclear will certainly disappear. I am not sure if this line of thinking will be heard by the wolves in Washington. This question is dominating the region, and reinforcing the nuclear monopoly of their ally in the region, instead of equal commitments. Iran should learn from lessons of the past. Dancing with the wolves has not saved it. It was recently revealed that before the invasion of Iraq, the Iraqi government offered Iran an alliance, but Iran ignored the offer. It should also learn from its past diplomatic miscalculations. Negotiating with the European Troika outside the IAEA was a major error, as it created new commitments for Iran outside those under the NPT, and enabled the Troika to claim that Iran had violated its agreements with it, not the NPT. It should also prepare for the worst. Not only Iran, but the entire region.

Finally, I would like to pay tribute to Lyndon LaRouche for his strong interest in a just peace in the Middle East. He and his able staff have been launching a campaign to expel the wolves into the wild.

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# International Intelligence

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## *Jordanian King Speaks Against Attack on Iran*

Jordan's King Abdallah II warned on March 15 that "a strike against Iran would cause the whole region to explode. The threat to regional security and stability will be grave if force is utilized to resolve this problem." He continued, "Dialogue, patience and diplomacy are the only solution."

The King deplored the March 14 Israeli attack on the Jericho prison, calling it "a threat to the future of the peace process and to security in the region. It is an unfortunate escalation."

Abdallah II also addressed the Hamas issue, with some veiled warnings. He said Hamas, which won the recent Palestinian legislative elections for the first time and is now forming a government, should "deal with internal and regional realities," and that the international community should "respect the Palestinians' will, to give Hamas a chance." He said time was running out for negotiations, adding, "If we are going to keep throwing the ball to each other's court . . . the reality of the situation is that we will find, two years from now, that we have no homeland to talk about." This may be a reference to the danger that the Israeli government will expel the Palestinians to Jordan.

He reiterated his offer to host an inter-faith conference in Amman, for all Iraqi factions.

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## *Pope Calls for Dialogue Of 'Religions of the Book'*

Receiving a delegation of the American Jewish Committee on March 16, Pope Benedict XVI delivered a short speech in support of the dialogue among Christianity, Islam, and Judaism—the three "religions of the Book."

"Judaism, Christianity, and Islam," the Pope said, "believe in the one God, Creator of heaven and earth. It follows, therefore, that all three monotheistic religions are called to cooperate with one another for the common good of humanity, serving the

cause of justice and peace in the world. This is especially important today when particular attention must be given to teaching respect for God, for religions and their symbols, and for holy sites and places of worship. Religious leaders have a responsibility to work for reconciliation through genuine dialogue and acts of human solidarity."

The Pope's clear statement comes amid a faction fight in the Vatican between the "ecumenical" and the "Crusader" factions. Cardinal Renato Martino, following a meeting of the three largest Muslim organizations in Italy, declared to the press that he would be in favor of teaching the Koran, if enough pupils in a school demanded it. Within hours from his statements, the Press Office of the Vatican issued a release saying that Martino represented only his personal opinion. The next day, Martino gave an interview in which he declared that this is not only his personal view, but that it corresponds to the Pope's own, as indicated by decisions taken in recent years in Germany and supported by both Christian churches. On that occasion, then-Cardinal Ratzinger was personally involved to guarantee the success of the operation.

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## *Uribe's Supporters Sweep Elections in Colombia*

Congressional elections held on March 12 in Colombia, produced a sweep by the six-party coalition of political forces backing President Alvaro Uribe's re-election bid. Presidential elections will be held in May, and Uribe is now considered a shoo-in for a second four-year term. The Colombian Constitution was amended recently to allow for second-term Presidencies.

Despite abstention rates as high as 60%, in large part due to the narco-terrorist FARC's pre-election terror campaign and widespread assassination threats against candidates around the country, Uribe's supporters will be taking 65 of 102 seats in the Senate, and 90 of the 166 in the lower House, knocking the Liberal Party, dominated by the pro-drug former Presidents Alfonso López Michelsen and César Gaviria, out of their long-held majority in the Congress.

Among the Uribe coalition forces that swept the elections was the Alas Equipo Colombia group, which maintained its bloc of five congressional seats. Max Londono, the president of the Lyndon LaRouche Association, ran for Senate on the Alas slate, and was credited with some 380 votes. The LaRouche Association has announced that its campaign will continue into the Presidential elections, with the slogan, "A Train and Nuclear Energy in Search of a Candidate."

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## *Coverage of LaRouche In Russia, Egypt*

The March 6 article by Lyndon LaRouche, "Strictly Speaking, There Is No 'Iran Crisis'" (*EIR*, March 17) was posted on March 14 on the Russian site CMNews.ru and at INSI.org.ua (the Independent Strategic Studies Institute, based in Ukraine). A Feb. 25 LaRouche PAC release, "Collapse of Carry Trade Will Blow Out the System" is circulating on Russian blogs and forums, after being posted on the above two sites the previous week. That release will also appear as a feature in the March issue of *Valyutny Spekulyant* (*Currency Dealer*) magazine, which will be appearing the week of March 20.

Meanwhile, an interview with *EIR* Editorial Board member Murel Mirak-Weissbach was published in *al-Gumhuriya*, a leading Egyptian paper, on March 16, as well as in several other Arabic newspapers. The interview was conducted by syndicated columnist El-Sayed Hani, during Mirak-Weissbach's visit to Cairo in February. The journalist was particularly interested in who was behind the "Mohammad cartoons" in the Danish newspaper *Jyllands-Posten*, the role of George Shultz, and the threat against Iran.

In addition, a book has been published in Cairo, with the speech delivered at Cairo University during a previous visit by Mirak-Weissbach—on perspectives for changing U.S. policy toward Southwest Asia—along with a speech by Prof. Mohammad el-Sayed Selim of the University of Cairo (see article, p. 53).