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From the Editor

This week's *EIR* leads off with what we expect to be a political bombshell, exposing the origins of the dangerous and lunatic scheme to privatize military, and counterintelligence operations of the United States government. When the *Washington Post* put out the story March 20 that Director of National Intelligence John Negroponte was conducting an investigation into the Pentagon's outsourcing of intelligence activities to private contractors, it was immediately clear that this was a major scandal.

But within 24 hours, *EIR*'s intelligence staff had uncovered an even hotter story. Not only was Vice President Dick Cheney a leading promoter of this outsourcing, from his days as Secretary of Defense in 1991, but evidence emerged that none other than George Shultz and Felix Rohatyn, leading Synarchist operatives in both U.S. political parties, had teamed up to push the privatization of the military.

By documenting the history of this operation, and its historical precedents, we intend to blow Washington sky high.

At the same time, this edition of *EIR* initiates what Lyndon LaRouche has called a World Water and Power Security Project, upon which we will have continuing coverage over the weeks and months ahead. Looking at the world's water resources, from the standpoint of the availability of fossil water, and the requirements for water, on a county by county basis, *EIR* is committed to identifying the immediate measures required to confront water shortages. We begin this week with an area of the world where Lyndon LaRouche has been personally intervening for more than 20 years, the Republic of Mexico.

Of course, creating water resources cannot be separated from the question of power, and in that regard, it is obvious that the only adequate source of cheap, plentiful, efficient power is nuclear. We provide more reporting on the global moves toward a nuclear renaissance—including the fascinating story of the fight for nuclear-power water desalination in the Indian state of Tamil Nadu. If they can do it there, why not everywhere?



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Private Armies, Captive People

by Lyndon H. LaRouche, Jr.

March 21, 2006

In 2001 the Cheney-directed government of President George W. Bush, Jr. seized the opportunity created by the terrifying moment of the September 11th destruction of the World Trade Center buildings, to push through an attempted copy of the form of dictatorship which was given to the Adolf Hitler regime through Hermann Göring's organization of the burning of the German parliament, the Reichstag. The attempt was led by Vice-President Dick Cheney, on the same evening as that attack, to introduce forms of dictatorship which had been prepared in advance of that terrifying incident. These measures did not date from the January 2001 inauguration of George W. Bush, Jr. as President. This represented measures already underway in 1991, from the office of then Secretary of Defense Dick Cheney, under President George H.W. Bush.

Cheney was not fully successful in the proposals presented on the evening of September 11, 2001. Although important elements of the prepared plan for dictatorship were not pushed through at that time, important steps in the direction of tyranny were pushed through in the Patriot Act and related measures. Since that time, there has been resistance to such measures, from among leading Republicans as also Democrats; but, the corrosion of human Constitutional rights has been continued, step by step, on and on.

Briefly, as Jeffrey Steinberg presents these facts in the accompanying report, Cheney used his earlier position as Secretary of Defense under President George H.W. Bush, to push through legislation which represented the first of a still continuing series of attempts to take the control of the military and intelligence services out of the hands of

government, and transfer these functions and powers to private corporations, as is merely typified by the cases of Halliburton and Bechtel, then as now.

After leaving the office of Secretary of Defense, in 1993, Cheney walked over to take the leadership of Halliburton. Later, Bechtel-linked George P. Shultz, formed the team which was to become the Bush-Cheney government of 2001-2006. Cheney appointed himself Vice-President of the George W. Bush, Jr. government, and controller of virtual puppet-President George W. Bush, Jr. Cheney and long-standing Cheney crony Donald Rumsfeld, as Secretary of Defense, conducted the wars which Cheney's lies had launched. More, and more, and more of the powers of the U.S. military and military-related intelligence functions, were handed over to private enterprises of Halliburton, Bechtel, and their high-priced cronies, while the actual U.S. military and its regular intelligence services, were gutted almost into ruins today.

Yes, this is a case of massive financial corruption orchestrated by the Bush-Cheney Administration; but, there are worse kinds of corruption than merely stealing from the public. The use of such privatized powers for torture, murder, and fostering of what had been previously adjudged to be wholesale crimes against humanity; crimes akin to those of the Nazi and Pinochet regimes, are worse. Those are the crimes whose spoor leads to the doors of not only the current Bush-Cheney regime, but to the office of the Cheney of 1989-1993.

The image with which these Cheney-linked developments confront us today, is that of a system of "world government" (so-called "globalization"), in which private armies and private secret-police forces, all employed by private financial



Felix Rohatyn and Donald Rumsfeld at a meeting of the National Economic Council in 1988. The two, along with George Shultz and Dick Cheney, form the core of the grouping that has been handing more and more of the powers of the U.S. military and military-intelligence functions, over to private companies—run by themselves and their cronies.

EIRNS/Stuart Lewis

consortia in the image of Halliburton and Bechtel, operate a new form of world dictatorship, killing any persons or groups of persons who are disliked, and enforcing arbitrary laws crafted by private financial interests' bureaucrats, just as the Nazis intended to set up a global system of international Waffen-SS rule, had Hitler won World War II.

No one who claims to be both intelligent and well-informed has the moral right to pretend that this is not precisely the kind of threat which the cabal behind Cheney and his and his wife's London accomplices represents. Globalization, a form of world-wide elimination of the sovereign nation-state which is already far advanced, is a process of transfer of the power of sovereign nations to global syndicates of giant blobs of private financier interests, such as those typified by the globally predatory system of hedge-funds today. Today, hedge-funds composed of consortia representing world-wide assortments of private financier interest, are gobbling up, and often obliterating entire national private industries and public investments, from around the world.

Synarchist Financiers

The ideological hard-core of this is traced to figures such as the same, notorious Alexander Helphand "Parvus" who indoctrinated his dupe Leon Trotsky in the Synarchist (e.g., anarcho-syndicalist) doctrine of "Permanent War, Permanent Revolution." You could also look up the facts concerning Trotsky's doctrine of "Neither Peace Nor War" at Brest-Litovsk. This influence of Parvus over Trotsky was the genesis of the Trotskyist neo-conservatives associated with the circles of Carl Schmitt protégé Professor Leo Strauss of the University of Chicago and the doctrine of those followers of the Carl Schmitt dogma of Thrasymachus associated with the present-day U.S.A.'s Federalist Society.

The modern notion of financier-ruled world empire, takes its origins in the role of the Martinist freemasonic cult of Count Joseph de Maistre, which orchestrated the French Revolution through the hoax of the 1785 affair of the Queen's Necklace, the July 1789 Siege of the Bastille, the Danton and Marat regimes, the Jacobin Terror, and the reconstruction of the personality of Jacobin Napoleon Bonaparte, a Robespierre asset, into the "Roman Imperial" image of Napoleon Bonaparte. This Thrasymachus-like image of Napoleon as emperor was the model of G.W.F. Hegel's theory of the state, for the pre-fascist Romantic school of law of Hegel and his Berlin university crony Savigny, and such outgrowths of that as the modern fascist doctrines of Nazi Crown-Jurist Carl Schmitt.

All of these systems are outgrowths of what was known as the oligarchical form of empire of pre-Roman Mesopotamia, the failed imperialism of Thrasymachus, of the Roman Empire, the Byzantine Empire launched by Diocletian, and the medieval system based on the alliance of Venice's financier oligarchy and the Norman chivalry. Since the medieval Crusader partnership of Venice and the Norman chivalry, all Europe-based empires of note have been primarily Romanesque empires of a financier-oligarchical power, such as the British East India Company's system of rule during the late Eighteenth and early Nineteenth Centuries, empires modeled on the design proposed by that lackey of Britain's Lord Shelburne, Gibbon.

The financial system of the British since 1763 to the present day, has been an Anglo-Dutch Liberal variant, based on the Venetian financier-oligarchical model, encased within an intent to establish a permanent imperial order to succeed where Rome had fallen.

The creation of the Synarchist organization in Nineteenth-Century France defined the model usually chosen from among

leading private financier interests for any attempt to establish a world imperial rule based on the combination of the Venetian financier-oligarchical and Roman models. The name for that form of intended imperialism today, is “globalization.”

The intention is to create a world system, in which large financier syndicates, which exert greater power than any national government, actually rule the world instead of governments. The intention is to break the power of governments by degrees, and then use the first general financial collapse brought about by the current policies of the financier oligarchy itself, to establish a financial creditors’ imperial rule over technically bankrupt nations and their governments. This imperial system is called “globalization.”

That is the immediate threat to civilized forms of life, inside the U.S., and around the world, today.

The most powerful potential enemy of globalization is patriotism. If nations retain the power to govern, and to make laws according to the universal Christian and similar principle of protection of the general welfare, the power of usury is

helpless in the face of justice according to natural law. Therefore, since a threatened nation’s people will act to defend their rights under such circumstances, the instruments of physical power of the sovereign state are the most efficiently deadly foe of any attempted, imperialistic financier-oligarchical insolence. So, what Cheney has been doing, first as Secretary of Defense, then since 2001, and still today, has been to work to take the power of government away from the nation-state, and transfer that power to shoot to financier interests owned and used by the imperialist financier class. What Cheney has done to that effect, is therefore far worse than treason.

Rid ourselves of his position in government, urgently, now, while you still may, and restore the military, intelligence, and police functions of the nation back into the hands of constitutional government. Reverse immediately all legislation and other actions which perpetuate what is the intrinsic corruption associated with the legacy of the functional relations among Cheney, Rumsfeld, George Pratt Shultz, Halliburton, and Bechtel.

LaRouche Warned About Danger of Dictatorship

During his webcast on Jan. 3, 2001, Democratic leader Lyndon LaRouche announced his campaign for the 2004 Democratic Party Presidential nomination, and issued the following sharp warning about the dangers the nation immediately faced:

On the economy: “Now, technically, we are bankrupt as a nation. The entire banking system of the United States, as a collective unit, is bankrupt. The Federal Reserve system is bankrupt. The European central banking systems are bankrupt. The central banking systems, or the equivalent, of Central and South America, are bankrupt. Africa’s totally bankrupt. The Middle East is on the edge of a potential war, which can become a religious war, spreading throughout the Muslim and other parts of the world. There are explosions potentially in South Asia, crises of these types. There’s a crisis in Europe. Europe is bankrupt. England is bankrupt. Continental Europe, western Europe, depends upon the German economy, and the German economy is operating at a loss, under these conditions. They destroyed their export market, though they’re thinking of getting another one.”

On potential dictatorship: “I would pull every string in the book that’s serious, as a legislative string, to make sure that Ashcroft is not made the Attorney General. And I think that members of the Congress, members of the

Democratic Party, should act on that point, as if their life might depend upon it. Because the lives of many of them might just depend upon that.

“You don’t know—We’re going into a period in which either we do the kinds of things I indicated in summary to you today, or else, what you’re going to have, is not a government. You’re going to have something like a Nazi regime. Maybe not initially at the surface. What you’re going to have is a government which cannot pass legislation, meaningful legislation. How does a government which cannot pass meaningful legislation, under conditions of crisis, govern? They govern, in every case in known history, by what’s known as *crisis management*.

“In other words, just like the Reichstag fire in Germany, How did that happen?

“Well, a Dutchman, who was a known lunatic, was used to set fires, as a provocateur. And he went around Germany setting fires. And one night, with no security available for the Reichstag, he went into the Reichstag building, and set the joint on fire. And Hitler came out and said, ‘Well, let’s hope the Communists did it.’ And Goering moved, and the Schmitt apparatus, that is, of Carl Schmitt, the jurist. And they passed the *Notverordnung*. And on the basis of a provocation—that is, crisis management—they rammed through the *Notverordnung*, which established Hitler as dictator of Germany.

“What you’re going to get with a frustrated Bush Administration, if it’s determined to prevent itself from being opposed—its will—you’re going to get crisis management. Where members of the Special Warfare types, of the Secret Government, the secret police teams, and so forth,

Rohatyn, Shultz, Cheney 'Privatization' Scheme To Wreck U.S. National Security

by Jeffrey Steinberg

On Oct. 9, 2004, two leading American figures in the International Synarchy, George Shultz and Felix Rohatyn, teamed up in an assault upon the national sovereignty and national security of the United States. Under the auspices of George P. Shultz's Princeton Project on National Security, the Rohatyn Center for International Affairs at Middlebury College, and the Woodrow Wilson School of Public and International Affairs at Princeton University, jointly sponsored a conference

will set off provocations, which will be used to bring about dictatorial powers and emotion, in the name of crisis management.

"You will have small wars set off in various parts of the world, which the Bush Administration will respond to, with crisis-management methods of provocation. That's what you'll get. And that's what the problem is, and you have to face that. You've got to control this process now, while you still have the power to do so. Don't be like the dumb Germans, who, after Hitler was appointed to the Chancellorship, in January 1933, sat back and said, 'No, we're going to defeat him at the next election.' There was never a next election—there was just this '*Jawohl*,' for Hitler as dictator. Because the *Notverordnung* of February 1933, *eliminated* the political factor.

"And that's the danger you'll get here. If the Bush Administration is determined to hammer its way through on this thing, if it's not resisted, and you allow it to do so, you will find it strongly tempted. And you look at, remember what George Bush's specialty was, as I remember very well. Remember Iran-Contra, one of the biggest mass-murder swindles in modern history, run by Vice-President Bush, under special powers, given to him under special orders, with the Executive Branch. *He* ran Iran-Contra, the biggest drug-running game in the world. And behind Bush—and I know these guys very well, because I've been up against them; most of my problems came from these characters—these guys, pushed to the wall, will come out with knives in the dark. They will not fight you politically; they will get you in the back. They will use their thugs to get you. That's their method. Know it."

promoting "The Privatization of National Security," at the Middlebury College campus in Vermont. The conference brought together a dozen or so academics, former government officials, and retired military officers to chart out the vast expansion of the privatization of military functions, through PMCs—private military companies.

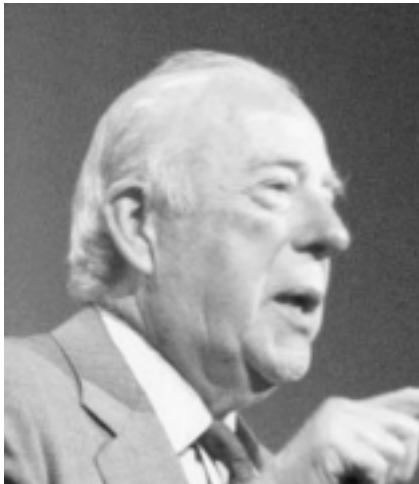
According to the Rohatyn Center's annual report of 2004-05, Shultz is the co-chairman of the Princeton Project, which is funded by the Ford Foundation, and "aims to move beyond the . . . standard ways of thinking about national security." Translated into plain English, Shultz and Rohatyn are leading the drive to eliminate the sovereign nation-state, by outsourcing to private multinational corporations, virtually all national security and military functions, including all non-combat and some core combat functions of the military itself.

In line with the Shultz-Rohatyn scheme—and under the umbrella of "privatization"—the so-called Global War on Terrorism (GWOT) of Secretary of Defense Donald Rumsfeld, former Deputy Secretary of Defense Paul Wolfowitz (now president of the World Bank), and Undersecretary of Defense for Intelligence Stephen Cambone, has already transformed segments of the U.S. military into a carbon-copy of Hitler's Allgemeine SS, deploying quasi-private bands of commandos around the globe with a license to kill, and engaging in a massive spying campaign against American citizens, far beyond anything Richard Nixon envisioned in his most paranoid moments.

According to one well-placed U.S. military source, Rumsfeld has recently radically altered the personnel regulations of the Special Operations Command, allowing Green Berets, Navy Seals, Delta Force commandos, and other "spec ops" troops, to "temporarily" retire from the military service, go to work for private contractors, and later return to active duty—with no loss of rank or service time. If this report is true, Rumsfeld has smashed the wall of separation between active-duty special forces soldiers on the one side, and mercenaries and terrorists on the other.

Neo-Feudalism

The general theme of the Rohatyn-hosted conference was summed up by Peter Feaver, the director of the Triangle Institute for Security Studies at Duke University, who gushed, "In fact, what we're seeing is a return to neo-feudalism. If you



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The “neo-feudal” scheme to privatize the U.S. military and knock down the last pillar of national sovereignty, has been associated with three names in particular (left to right): George Shultz, Felix Rohatyn, and Dick Cheney.” Shultz and Rohatyn were key players in the Pinochet coup in Chile. In 1991, then-Secretary of Defense Cheney hired Halliburton to conduct a top-secret study on how America’s military operations could be outsourced to the private sector.

think about how the East India Company played a role in the rise of the British Empire, there are similar parallels to the rise of the American quasi-empire.”

Feaver is no mere think-tank quackademic. In June 2005, he was brought on to the National Security Council as a “special advisor for strategic planning and institutional reform,” a post he will hold at least through August 2006. Feaver was the principal author of the Bush Administration’s “National Strategy for Victory in Iraq,” a 35-page public document released by the White House on Nov. 30, 2005, as President George W. Bush was addressing the U.S. Naval Academy in Annapolis, Md. Feaver, whose Triangle Institute conducts public opinion polls on national security issues, argued that Americans could be snookered into accepting high rates of casualties and vast costs of war, for an indefinite period of time, so long as they were convinced that there was a plan for “victory.” No need to clue in the American people, or even the military brass, for that matter, on the fact that the goal is “neo-feudalism,” as he boasted in front of the Rohatyn-selected crowd at Middlebury.

In his own remarks on the final panel at Middlebury, Rohatyn, in his usual glib style, let the cat out of the bag: “I will address this issue as privatization and what goes with it, not if it’s good or bad, because I think it is here to stay and there’s no point in arguing that issue. And also because I think it will grow. I don’t think for a moment that privatization will stop with security services. . . . I believe it is inevitable that more and more ranking officers will leave the Pentagon and go with private companies, and then go back to the military as contractors, with businesses that have far greater market values. Because one actor that you haven’t included here are the securities markets. And privatization, which is a dogma as well as a process, usually brings with it two other elements. One is deregulation and the other is a need for transparency.”

Rohatyn argued that, for the privatization of national security to work on a grand scale, it must be run by large multinational corporations—i.e., cartels—which are “regulated” by the invisible hand of the stock market: “The big companies have [legitimacy] because they are transparent, because they are listed on securities exchanges, because there is a sanction if they do something wrong. That doesn’t exist with the smaller players,” he said, making a pointed reference to the torture of prisoners at Abu Ghraib, where private contractors, hired as translators and interrogators, took part in the abuses.

Rohatyn concluded: “The issue of what is it that only the government can do: It’s probably to kill people. But I don’t think there are that many issues where the government can act where the private sector can’t play a role if it is properly overseen, and if the community of interests is protected.”

Sources familiar with the Middlebury conference say that the event capped an organizing drive for the “privatization of national security” that has been under way since the collapse of the Soviet Union. During the Presidency of William Clinton, Rohatyn, who served briefly as Ambassador to France, was the leading champion of the privatization and outsourcing of as many Pentagon functions as possible.

In fact, from the outset, the “neo-feudal” scheme to privatize the U.S. military and knock down the last pillar of national sovereignty, has been associated with three names in particular: George Shultz, Felix Rohatyn, and Dick Cheney. Shultz and Rohatyn, sources close to the two men report, have been tight friends for a long time, perhaps dating back to their early 1970s collaboration on the Pinochet coup in Chile. At the time, Shultz held a string of Cabinet posts in the Nixon Administration, and Rohatyn, the chairman of the New York-London-Paris brokerage house, Lazard Brothers, was an outside director of International Telephone and Telegraph (ITT), the major corporate sponsor of the coup. Along with then-

Secretary of State and National Security Advisor Henry Kissinger, Shultz and Rohatyn were key players in the CIA-backed overthrow and murder of Chilean President Salvador Allende, and the installation of the military junta of Gen. Augusto Pinochet.

Cheney and Halliburton

According to numerous published accounts, in 1991, shortly after “Operation Desert Storm,” then-Secretary of Defense Dick Cheney hired the Houston, Texas-based oil equipment company Halliburton to conduct a top-secret study of how America’s military operations could be outsourced to the private sector. All told, Halliburton received \$8.9 million to conduct the study, which to this day, remains classified. One Congressional source described the study as “the crown jewels,” and forecasted that, so long as Cheney is around, the content of the Halliburton privatization plan will remain buried.

The New Yorker’s Jane Mayer filled out the picture of the early Cheney-Halliburton collusion in a Feb. 16, 2004 story: “As Defense Secretary,” she wrote, “Cheney developed a contempt for Congress, which, a friend said, he came to regard as ‘a bunch of annoying gnats.’ Meanwhile, his affinity for business deepened. ‘The meetings with businessmen were the ones that really got him pumped,’ a former aide said. One company that did exceedingly well was Halliburton. Toward the end of Cheney’s tenure, the Pentagon decided to turn over to a single company the bulk of the business of planning and

providing support for military operations abroad—tasks such as preparing food, doing the laundry, and cleaning the latrines. . . .

“Halliburton was paid \$3.9 million to write its initial report, which offered a strategy for providing support to twenty thousand troops. The Pentagon then paid Halliburton five million dollars more to do a follow-up study. In August 1992, Halliburton was selected by the U.S. Army Corp of Engineers to do all the work needed to support the military during the next five years, in accordance with the plan it had itself drawn up.”

In January 1993, when the Clinton Administration came in, Cheney supposedly briefly flirted with the idea of running for the Republican Presidential nomination in 1996. He soon dropped that idea, and instead, was hired by Halliburton as its CEO. Urban legend has it, that Cheney was picked for the Halliburton post by a group of corporate executives, during a fly-fishing vacation in Canada. but Cheney’s earlier “special relationship” with Halliburton, while Secretary of Defense, certainly suggests that his post-Bush Administration future may have been sealed before he left office.

Over the five-year period from 1995-2000, Cheney took in \$44 million in salary as Halliburton CEO. When he left the company to become George W. Bush’s self-selected Vice Presidential running-mate, he arranged a deferred compensation deal that has given him an average of \$150,000 a year in supplemental income, and stock options currently valued at over \$18 million.

Eisenhower’s Warning

In his Jan. 17, 1961 Farewell Address, President Dwight D. Eisenhower warned against the “military-industrial complex”—the grouping behind Cheney today.

A vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction.

Our military organization today bears little relation to that known by any of my predecessors in peacetime, or indeed by the fighting men of World War II or Korea.

Until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could, with time and as required, make swords as well. But now we can no longer risk emergency improvisation of national defense; we have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annu-

ally spend on military security more than the net income of all United States corporations.

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every Statehouse, every office of the Federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources, and livelihood are all involved; so is the very structure of our society.

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

However much Cheney benefitted from his Halliburton relationship, the company truly made out like bandits. According to data compiled by the Center for Public Integrity, a public interest research organization in Washington, between November 2001, when the United States launched the invasion of Afghanistan, and June 2004, Halliburton raked in \$11.4 billion in Bush-Cheney Administration contracts. Nearly two years later, those figures have certainly moved

toward \$15 billion in taxpayers' money. The next largest contractor, Parsons Corp., which has a long history of overseas U.S. government heavy construction projects, received under \$5.3 billion during 2001-04.

Halliburton has truly evolved into a "New East India Company" under Cheney and Rumsfeld. Halliburton personnel have been on the ground in every combat zone of the post-Cold War period, from Mogadishu in Somalia, to the Balkans,

Hitler's SS: Private Army Of the Third Reich

The blackshirted SS (Defense Detachment) of Heinrich Himmler, which fulfilled certain "defense" and intelligence/security functions in and for Adolf Hitler's Nazi Party, numbered only around 10,000 members until 1932, the year before Hitler's installation as Chancellor. Their numbers paled in comparison to the 3 million brownshirted members of Ernst Röhm's SA (Stormtroops), the Nazi street thugs who had already intimidated, brutalized, hospitalized, or murdered so many Germans who opposed the Nazis. Yet, Hitler chose the core cadre of the SS to murder hundreds of his presumed opponents inside and outside the SA—including the Chancellor who preceded him, Gen. Kurt von Schleicher—on June 30, 1934, the "Night of the Long Knives."

Hitler's distrust of the Wehrmacht (Armed Forces), prompted him to replace the members of the Army who had traditionally stood guard at the Chancellor's office, with his personal SS bodyguard (Leibstandarte Adolf Hitler), soon after he took office on Jan. 30, 1933. On Nov. 9, 1933, he had all the members of that bodyguard swear an oath of personal loyalty to him, while maintaining no formal relationship to either the Nazi Party (which by that time was the only legal party in Germany), or the State. On July 26, 1934, in appreciation of its murderous work on the night of June 30, Hitler elevated the SS to the status of a fully independent organization within the Party.

All this time, the SS was privately funded by a club known as the "Friends of the Reichsführer-SS" (the Reichsführer-SS was Heinrich Himmler), which included many prominent industrialists and bankers. The "Friends" were an offshoot of the Planning Committee for Economic Problems, which had been formed by Wilhelm Keppler, Hitler's economic advisor, in Summer 1932. That committee included Hjalmar Schacht, the president of the Reichsbank and chief agent of the Anglo-American financial establishment that supported Hitler; Albert Vögler, chairman of the United Steelworks; and Kurt von

Schröder, the Cologne banker who hosted the meeting in January 1933 that catapulted Hitler to power. The "Friends" contributed over 1 million marks annually to the SS; Himmler, in gratitude, bestowed the status of "honorary SS Commander" on 15 of its 32 members.

Himmler aggressively recruited "sponsorships" of SS members from the aristocracy and upper middle class, bestowing "honorary membership" upon those who responded. In 1932, there were 13,217 honorary members who had contributed 17,000 marks. By 1934, there were 342,492 "honorary members" contributing 581,000 marks.

It was Hitler's SS bodyguard that led the Wehrmacht's March 1936 occupation of the neutral Rhineland, in violation of the Versailles Treaty. Flexing his new-found political muscle after the seizure of the Rhineland, Hitler decreed that the SS Verfügungstruppen (the future 700,000-man Waffen SS), which had spearheaded the Rhineland action, and the Totenkopfverbände (the Death's-Head regiments which policed the concentration camps), were to be treated as "organizations in the service of the State," and placed on the police budget of the Ministry of the Interior. And thus, the SS had achieved Halliburton status.

The "special work" that the SS was called upon to do, necessitated a special legal status, according to Paul Scharfe, the head of the SS Legal Service: "This special position of course means that the SS man must be dealt with in a special way." Scharfe concluded that no state court, nor even a Nazi Party court, had the right to judge an SS man; this was to be the sole privilege and responsibility of SS judges and superior officers!

The conflict between the German Army High Command and the SS increased dramatically. In 1938, Generaloberst von Fritsch, the head of the Army, wrote that the SS "develops itself totally apart, and, it appears to me, in deliberate opposition to the Army. All units report unanimously that the relationship of the SS Verfügungstruppen to the Army is very cool, if not hostile." By February 1938, the collusion of Himmler, Hermann Göring, and Hitler against Fritsch, on a fabricated morals scandal, forced the general to resign. Hitler then reorganized the High Command, and assumed personal, dictatorial control.

—Steve Douglas

to the Persian Gulf and Afghanistan.

They lead the pack, but they are not alone. All told, an estimated \$150 billion in Pentagon funds has been passed along to “PMCs” since the start of the Bush-Cheney Administration. In Iraq alone, Pentagon auditors have been unable to account for \$200 million in funds passed out to contractors, according to one well-placed government source. Those missing funds don’t even take into account billions of lost dollars, in the form of overcharging by contractors.

Beyond the staggering dollar figures, Cheney and Rumsfeld have presided over a massive privatization of military functions, from logistical support, combat engineering and interrogations, to the actual deployment of battlefield surveillance drones (unmanned aerial vehicles—UAVs) and other core combat functions.

When it was time for the Pentagon to update the Army field manual on the role of private contractors in combat zones, they even outsourced that project—to Military Professional Resources Incorporated (MPRI), one of the first U.S. companies established exclusively to conduct privatized military operations.

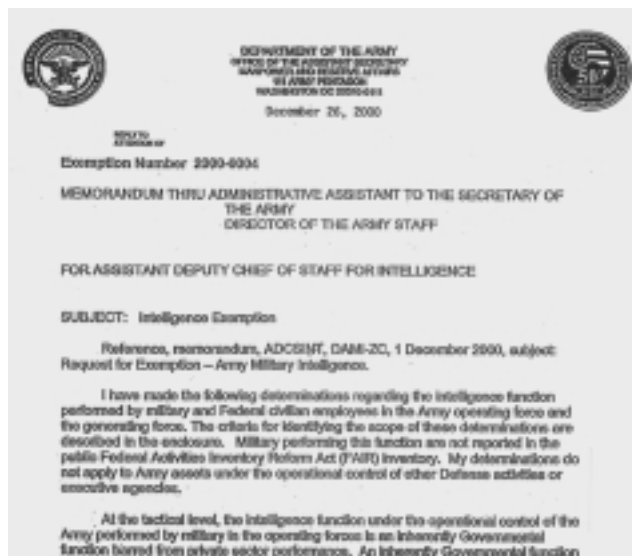
Dan Guttman, a Fellow at Johns Hopkins University, who works with the Center for Public Integrity, told *The New Yorker*’s Mayer that after five years of Bush-Cheney cuts in government jobs, replacing them with PMCs, “contractors have become so big and entrenched that it’s a fiction that the government maintains any control.”

Peter W. Singer, a Fellow at Brookings Institution—an attendee at the Shultz-Rohatyn Middlebury conference, who authored a 2003 book, *Corporate Warriors*—warned, “We’re turning the lifeblood of our defense over to the marketplace.”

Retired Air Force Col. Sam Gardiner zeroed in on another critical factor driving Cheney, Shultz, and Rohatyn to push the privatization of national security: their commitment to a strategy of imperial perpetual war. “It makes it too easy to go to war,” Gardiner warned. “When you can hire people to go to war, there’s none of the grumbling and the political friction.” Gardiner told Mayer that he is convinced that, without the ability to draw on well over 150,000 PMC contractors in Iraq, Cheney et al. might never have succeeded in selling the Iraq War to Congress, because the invasion and occupation would have required well over 300,000 troops—precisely the number that Gen. Eric Shinseki told Rumsfeld would be needed to do the job. (For his candor, Shinseki was sacked as Army Chief of Staff.) “Think how much harder it would have been to get Congress, or the American people, to support those numbers,” Gardiner concluded.

Rumsfeld’s Private Domestic Spy Agency

During the Clinton years, Congressional Republicans led the drive to privatize and outsource government activities, and they found an ally in Vice President Al Gore, who was given the Clinton Administration “reinventing government” portfolio. In 1998, Congress passed, and President Clinton signed into law, the Federal Activities Inventory Reform Act



Assistant Secretary of the Army for Manpower and Reserve Affairs Patrick T. Henry’s memo, in December 2000, argued that jobbing out intelligence functions to private contractors was a “risk to national security.”

(FAIR). The language of the law was explicit: “To provide a process for identifying the functions of the Federal Government that are not inherently governmental functions.” FAIR, however, explicitly exempted the protection of U.S. territories and interests from the category of functions that could be possibly outsourced to the private sector.

To underscore the point, and preempt any attempts to privatize military intelligence functions by the incoming Bush-Cheney Administration, on Dec. 26, 2000, Assistant Secretary of the Army for Manpower and Reserve Affairs Patrick T. Henry wrote a memorandum to the Secretary of the Army, the Director of the Army Staff, and the Assistant Deputy Chief of Staff of the Army for Intelligence, in which he said:

“I have made the following determinations regarding the intelligence function performed by military and Federal civilian employees in the Army operating force and the generating force. . . . At the tactical level, the intelligence function under the operational control of the Army performed by military in the operating forces is an inherently Governmental function barred from private sector performance. An inherently Governmental function includes those activities that require either the exercise of discretion in applying Government authority or the making of value judgments in making decisions for the Government. The gathering and analysis of intelligence as described above requires the exercise of substantial discretion in applying Government authority because intelligence at the tactical level is integral to the application of combat power by the sovereign authority.”

Henry then added: “At the operational and strategic level, the intelligence function (less support) performed by military personnel and Federal civilian employees is a non-inherently

Governmental function that should be exempted from private sector performance on the basis of risk to national security from relying on contractors to perform this function.”

Counterintelligence Field Activity

Any pretense of maintaining strict limitations on the use of private contractors in military intelligence activities ended on Sept. 11, 2001. Five months after the irregular warfare attacks on the World Trade Center towers and the Pentagon, on Feb. 19, 2002, Secretary of Defense Rumsfeld signed Directive 5105.67, establishing the Department of Defense Counterintelligence Field Activity (CIFA). CIFA’s Mission, as spelled out in the Directive, was “to develop and manage DoD Counterintelligence (CI) programs and functions that support the protection of the Department, including CI support to protect DoD personnel, resources, critical information, research and development programs, technology, critical infrastructure, economic security, and U.S. interests, against foreign influence and manipulation, as well as to detect and neutralize espionage against the Department.”

While CIFA’s budget is classified and there is no public information about the size of the unit, its director, David A. Burt II, recently told the *Washington Post* that 70% of CIFA’s employees are private contractors. One Pentagon source said that CIFA has, at minimum, 1,000 full-time personnel.

A fact sheet, posted on CIFA’s Pentagon website in 2002, confirmed that the secret counterintelligence coordinating unit had gone operational. CIFA’s Directorate of Field Activities (DX), the fact sheet said, “assists in preserving the most critical defense assets, disrupting adversaries and helping control the intelligence domain.” According to a Dec. 19, 2005 *Washington Post* story by Walter Pincus,

CIFA’s “roles can range from running roving patrols around military bases and facilities to surveillance of potentially threatening people or organizations inside the United States.” According to the CIFA fact sheet, the DX also provides “on-site, real time . . . support in hostile areas worldwide to protect both U.S. and host-nation personnel from a variety of threats.”

CIFA’s Counterintelligence and Law Enforcement Center, another of its nine directorates, “identifies and assesses threats” from “insider threats, foreign intelligence services, terrorists, and other clandestine or covert entities,” according to the fact sheet.

And CIFA’s Behavioral Sciences Directorate “has 20 psychologists and a multimillion-dollar budget” to support “offensive and defensive counterintelligence efforts. The Directorate has also provided a “team of renowned forensic psychologists [who] are engaged in risk assessments of the Guantanamo Bay detainees,” according to a CIFA biography of Dr. S. Scott Shumate, the directorate chief.

Part of CIFA’s expanded operational mandate involved the centralization of raw information on possible terrorists targetting military facilities both inside the United States and abroad. On May 2, 2003, Deputy Secretary of Defense Wolfowitz issued a memorandum that circulated among the top Pentagon brass, designating CIFA as the lead agency in a program called TALON (“Threat and Local Observation Notice”). Wolfowitz’s memo stated: “While DoD has an established process to identify, report, and analyze information regarding foreign terrorist threats, we have no formal mechanism to collect and share non-validated domestic threat information between intelligence, counterintelligence, law enforcement and force protection entities and [to] subject

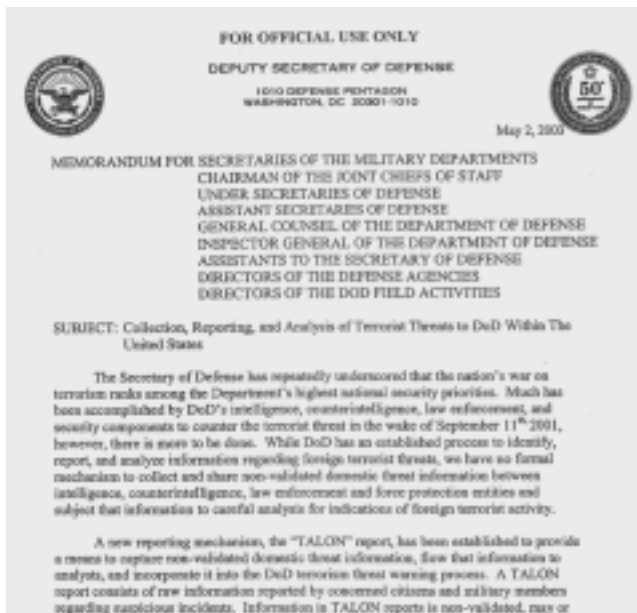
East India Company Model That Rohatyn Promotes

In his book *Corporate Warriors*, Peter W. Singer lauded the English East India Company as the model for today’s Private Military Companies (“PMCs”). In his account of the history of early efforts at privatization of military functions in an empire, Singer noted, “Private businesses also began to take on military roles outside of government through the chartered company system. In this arrangement, joint-stock companies were licensed to have monopoly power within a designated area, typically lands newly discovered by the Europeans. . . . The two most noted of such ventures were the Dutch East India Company and the English East India Company. . . .

“While nominally under the control of their license

back home, abroad, the charter ventures quickly became forces unto themselves. They not only dominated the business networks (monopolizing the trade in spices such as nutmeg, cloves, cinnamon and pepper, tea, and later silk, Chinese porcelain, gold and opium), but also acted to insure their own military protection.

“Thus it was not uncommon for private charter companies to take on the trappings of a state. They became quite curious institutions, where all the analytical distinctions between economics and politics, state and nonstate domains, property rights and sovereign powers, and the public and private broke down. . . . Such firms not only posted huge profits by controlling the trade between East and West, but also controlled armed forces and territories that dwarfed those of their home states. The English East India Company hired a mix of British, German, and Swiss mercenaries, as well as local Sepoy units. By 1782, the company’s army was over 100,000 men, much larger than the British Army at the time.”—*Jeffrey Steinberg*



Deputy Secretary of Defense Paul Wolfowitz's memo, in May 2003, advised the top Pentagon brass on the TALON program, run by the DoD Counterintelligence Field Activity (CIFA). Seventy percent of CIFA employees are private contractors.

that information to careful analysis for indications of foreign-terrorist activity. A new reporting mechanism, the 'TALON' report, has been established to provide a means to capture non-validated domestic threat information, flow that information to analysts, and incorporate it into the DoD terrorism threat warning process. A TALON report consists of raw information reported by concerned citizens and military members regarding suspicious incidents. Information in TALON reports is non-validated, may or may not be related to an actual threat, and by its very nature may be fragmented and incomplete. The purpose of the TALON report is to document and immediately disseminate potential threat information to DoD personnel, facilities and resources."

The Wolfowitz memo designated CIFA to "incorporate the information into a database repository and provide full database access to the Defense Intelligence Agency, Joint Intelligence Task-Force Combatting Terrorism (JITF-CT) in order to support its terrorism warning mission." CIFA was placed directly under the control of Undersecretary of Defense for Intelligence Cambone.

The lid at least partially blew off the CIFA story in December 2005, when NBC News got hold of a secret 400-page Defense Department document, tracking some of the TALON reports. The document exposed the tip of what appears to be a massive domestic surveillance program, targeting antiwar groups and other political activists, with no al-Qaeda or other terrorist links.

The physical surveillance activities, documented in TALON reports, are backed up by state-of-the-art computer "data-mining" systems that cross-grid scores of government and commercial databases, containing credit information,

employment records, and other personal data on potentially millions of law-abiding Americans. There is widespread suspicion that part of the Pentagon's Total Information Awareness (TIA) program, an early Bush-Cheney Administration data-mining project headed by disgraced Iran-Contra figure Adm. John Poindexter, which was ostensibly shut down, may now be housed within CIFA.

George Lotz, a retired U.S. Air Force colonel who was Assistant Secretary of Defense for Intelligence Oversight from 1998 through May 2005, told NBC, "Somebody needs to be monitoring to make sure they are not just going crazy and reporting things on U.S. citizens without any kind of reasoning or rationale."

If this all sounds like "Clockwork Orange" on steroids, it is. The PMC industry has now established its own trade association, to promote the privatization of war. And in the best tradition of H.G. Wells doublespeak, the global association of corporate mercenaries calls itself the International Peace Operations Association. Outfits like MPRI, Blackwater, and ArmorGroup, which have private "boots on the ground" in every major conflict zone on the planet, make up the founding core of the "peace operations" group. Their mission statement: "IPOA believes that there is a better solution: The prospect for long-term, sustainable peace in many of the world's troubled spots today increasingly depends on skilled private companies and organizations specializing in peace operations."

Postscript: A month after the Middlebury College event, Felix Rohatyn co-authored a commentary, published in the *Financial Times* on Nov. 17, 2004, "The Profit Motive Goes To War." "The past decade," he gloated, "has witnessed a quiet revolution in the way the US projects its power abroad. In the first Gulf war, the ratio of American troops on the ground to private contractors was 50:1. In the 2003 Iraq war, that ratio was 10:1, as it was for the Clinton administration's interventions in Bosnia and Kosovo. As these figures reflect, key military functions have been outsourced to private companies; both Democratic and Republican presidents alike have steadily privatised crucial aspects of US national security. For a rough sense of the magnitude of this shift, Halliburton's total contracts in Iraq to date are estimated at \$11bn-13bn, more than twice what the first Gulf war cost the US."

"In the history of warfare," Rohatyn continued, "sub-contracting and the deployment of mercenaries are nothing new. The British built an empire with contracted soldiers, developing a citizens' army only in the latter half of the 19th century. But there are two major structural differences between the 19th century British and 21st century US empires. First, publicly quoted companies now conduct private military operations. Second, the market for this force is now genuinely global, which raises new accountability and normative concerns."

Research for this article was contributed by Roger Moore and Edward Spannaus.

Budget Resolution Passes Senate With Gimmicks

By a 51 to 49 vote, the Senate passed its version of the Fiscal 2007 budget resolution, on March 16. The process was characterized by gimmicks, and a fair amount of wheeling and dealing around issues such as allowing oil drilling in the Alaska National Wildlife Refuge. There was very little appetite for the kinds of austerity measures that the Bush Administration, and its neo-conservative supporters in the Senate wanted, however. An amendment to cut \$10 billion from Medicare and Medicaid over the next five years, sponsored by Sen. John Cornyn (R-Tex.) was rejected on a 43 to 57 vote.

On the other hand, numerous amendments increasing discretionary spending, passed by wide margins. Sen. Arlen Specter (R-Pa.), the chairman of the Labor, Health and Human Services, and Education Departments Appropriations Subcommittee, pushed through, by a 73 to 27 vote, an amendment adding \$7 billion to programs under his jurisdiction. Specter used the gimmick of advancing appropriations from Fiscal 2008, thereby technically not exceeding the discretionary spending cap. He had threatened to vote against the resolution, unless he got that money. Also adopted, though by a much closer vote of 51 to 49, was an amendment by Sen. Jack Reed (D-R.I.), to fully fund the Low Income Home Energy Assistance Program (LIHEAP) to the level of \$5 billion, authorized in last year's Energy Policy Act of 2005.

Efforts to fund Amtrak, were exemplary of how Senators from both sides tried to increase funding for many programs without "busting" the discretionary spending cap. The Senate debated two different amendments to increase Amtrak's funding by \$550 million; one by Sen. Robert Byrd (D-

W.Va.) and one by Sen. Rick Santorum (R-Pa.). Byrd's amendment would have paid for the funding by closing a number of tax loopholes, whereas Santorum's would have taken the money from a section of the budget called "Function 920." As Democrats pointed out, and Santorum grudgingly admitted, Function 920 had no money in it. Byrd called Santorum's amendment "a magic asterisk," because it would not increase the allocation to the Appropriations Committee.

Byrd fared no better with his proposal, however. Senate Finance Committee Chairman Charles Grassley (R-Ia.) argued that the loopholes proposed to be closed by the Democrats are already addressed in the Fiscal 2006 tax cut reconciliation bill, currently in conference committee with the House. Any loophole-closing proposals put into the resolution, he said, would have to be removed from the tax cut bill. Both amendments were defeated, Byrd's on a 44 to 53 vote and Santorum's on a 39 to 59 vote.

Debate on Ports Dominates Iraq War Supplemental

After disposing of some 50 amendments, the House voted 348 to 71 to pass the supplemental appropriations bill, providing \$67 billion for the wars in Iraq and Afghanistan, \$19 billion in additional hurricane relief, and about \$4.2 billion for foreign aid. While the bulk of the money in the bill goes to the Pentagon, the debate was dominated by the port security issue and, to a lesser extent, Hurricane Katrina relief. The bill arrived on the House floor with an amendment, passed in the House Appropriations Committee by a 62 to 2 vote, blocking the takeover of U.S. ports by Dubai Ports World, but the House turned back an effort by

Rep. Martin Sabo (D-Minn.) to change the way such deals are reviewed. Sabo's amendment was ruled out of order because it proposed changes to law on an appropriations bill, a violation of the House rules.

The issue of who controls U.S. ports is not going to go away, however. House Armed Services Committee Chairman Duncan Hunter (R-Calif.) is planning legislation that would ban foreign ownership of U.S. infrastructure deemed critical to national security. In the Senate, Senators Hillary Clinton (D-N.Y.) and Robert Menendez (D-N.J.) have proposed legislation that would bar ownership of U.S. port operations by foreign government-owned corporations. Sen. Charles Schumer (D-N.Y.) tied the Senate up in knots on March 8, when he unexpectedly offered an amendment to the lobbying reform bill, to prohibit any country that had recognized the Taliban rule in Afghanistan from any involvement in U.S. port operations. "Dubai is not the beginning and the end," Menendez told the *Congressional Quarterly*. "It is only the beginning, actually, of a more comprehensive review, and action that I hope the Senate will take."

Debt Limit Increases To \$8.965 Trillion

On March 16, the Senate voted 52 to 48 to increase the statutory debt limit from \$781 billion to \$8.965 trillion. Senate Majority Leader Bill Frist (R-Tenn.) had delayed the vote until the last possible moment, to the point at which Treasury Secretary John Snow was warning that he could no longer avoid a U.S. default on its debt. A Democratic amendment to require the Treasury Department to report on the economic and security implications of

U.S. debt held by foreigners, was defeated by a 44 to 55 vote. The Senate action cleared the measure for President Bush's signature, as the House had passed it, last year.

Democrats tried to make the debate on the debt-limit increase a debate about the massive growth in U.S. debt that has occurred under the George W. Bush Presidency. Indeed, the total U.S. debt when Bush took office was \$5.6 trillion, and has increased by \$3.5 trillion since then. \$1 trillion of that has been financed from overseas. Senate Minority Leader Harry Reid (D-Nev.) told the Senate that "The deterioration of the Federal government's finances is the direct result of the misguided priorities of this administration and this rubber stamping Republican Congress." Sen. Barack Obama (D-Ill.) noted that the \$220 billion in interest that the government will spend this year is more money "than we'll spend on Medicaid and the State Children's Health Insurance Program."

Law Suit Filed Against Budget Bill

On March 22, Public Citizen filed suit against the so-called "Deficit Reduction Act of 2005," charging that it is unconstitutional because the version of the bill signed into law by President Bush on Feb. 8 was not the same as that passed by the House of Representatives. The Constitution requires that the House and Senate pass identical versions of a bill before it can become law. The bill imposes substantial changes on certain entitlement programs that benefit the poor and the elderly, including Medicare and Medicaid, to reduce spending on those and other programs by \$40 billion over five years, and was the result of last year's budget reconciliation process.

Both the House and the Senate had voted on the conference report, last December (Vice President Dick Cheney flew back from a trip to Southwest Asia to cast the tie-breaking vote in the Senate), but the Senate struck three provisions from the bill that were in violation of the budget rules, necessitating a re-vote by the House when it returned from recess on Feb. 3. However, because of a reported drafting error by a Senate clerk, the House voted on a different version than that passed by the Senate. The error alters the duration of Medicare payments for certain durable medical equipment from 36 months to 13 months.

"The Congress and the President have to be brought to account for their rogue actions in moving to enact this very controversial legislation without complying with the Constitution," said Joan Claybrook, president of Public Citizen. Rep. Henry Waxman (D-Calif.), the ranking Democrat on the House Government Reform Committee, reported, in a March 15 letter to White House Chief of Staff Andrew Card, that it was his understanding that President Bush had been informed of the differing versions of the bill before it was sent to him for his signature. "If the President signed the Reconciliation Act knowing its Constitutional infirmity," Waxman wrote, "he would, in effect, be placing himself above the Constitution."

Specter, Dewine Bills At Odds on NSA Wiretapping

On March 16, Senate Judiciary Committee chairman Arlen Specter (R-Pa.) introduced a bill to make any surveillance by the National Security Agency that involves at least one party in the United States, subject to the Foreign Intelligence Surveillance Court. In re-

marks on the Senate floor, Specter noted the many unanswered questions about the program authorized by President Bush remain, even after two hearings by the Senator's committee. On the one hand, he said, "We are a nation at war," against a ruthless enemy, but on the other, "We are not willing to sacrifice our rights and live in a state of fear." Instead, he said it was possible to "provide the Presidency with the flexibility and secrecy he needs to track terrorists, while providing for meaningful supervision outside of the Executive branch."

Specter's bill would require the Attorney General to apply to the FISA Court for permission to initiate a surveillance program and then re-apply every 45 days. In his application, the Attorney General would have to provide the information that the court would require to evaluate the program. The court would then have to rule on whether or not the program is Constitutional, determine that at least one of the targets of the surveillance is of a foreign country or terrorist group, and consider the privacy costs of the proposed surveillance.

A competing bill, introduced by Sen. Mike Dewine (R-Ohio) the same day as Specter's bill, and called the Terrorist Surveillance Act, would essentially legalize the current Bush Administration program, with much more limited oversight by the FISA Court. It provides for limited Congressional oversight by special subcommittees of the House and Senate Intelligence Committees, to which the President must submit annual reports on surveillance programs. It also criminalizes the release of any information on such programs. Dewine insisted, in a press release, that his bill "does not . . . give the President a blank check. The Terrorist Surveillance Act authorizes a limited, but necessary, program."

‘Only Animals Save Water; Human Beings Generate It’

by Dennis Small

So polemicized a giant banner deployed by the LaRouche Youth Movement in Mexico City, outside the March 16-22 IV World Water Forum, which brought together thousands of government officials, NGOs, environmentalists, businessmen, and water experts from 140 countries, to discuss the world water crisis, and what to do about it.

The World Water Forum was established in 1996 in Marseilles, France, and has held meetings since then in 1997, 2000, and 2003. For the 2003 meeting, former IMF General

Manager Michel Camdessus chaired a panel which produced a report entitled “Financing Water for All,” which set the paradigm that also governed this year’s meeting: Water is a “scarce resource” that has to be saved and better allocated, including by “market mechanisms” such as privatization and “risk reduction” for foreign financial interests.

Only the LYM broke out of this insane paradigm, both inside and outside the Mexico City forum.

“Hi, I’m part of the LaRouche Youth Movement,” began



EIRNS

Members of the LaRouche Youth Movement organize in downtown Mexico City. The two banners that can be seen—which were also unfurled in the middle of the closing ceremony of the IV World Water Forum, much to the surprise of the attending government bureaucrats and media—read: “Only Animals Save Water; Human Beings Generate It” and “LaRouche Says: ‘Aguas’ the IMF,” a pun on “aguas” which in Spanish means “water,” but also “beware,” in Mexican slang. The LYM intervention gained major media coverage in the Mexican press, as in the Mexico City newspaper *Crónica* (inset).



TABLE 1

Mexico and U.S.A., Statistical Overview

	Area (Thousand km ²)	Population (Millions)	Population Density (Per km ²)	Rainfall (mm)
Mexico	1,959	107	54	773
Northern Mexico	933	21	22	388
as % of national total	48%	19%	41%	50%
I Baja California	146	3	24	202
II Northwest	205	3	13	464
VI Rio Bravo	380	11	28	414
VII North Central	202	4	20	394
XIII Valley of Mexico	16	21	290	737
United States	9,629	281	29	742

Source: CNA, Mexico; United States Geological Survey; *EIR*.

TABLE 2

Mexico and U.S.A., Water

	Natural Availability (Billion m ³)	Availability per capita (m ³ /capita)	Withdrawals (Billion m ³)	Withdrawals per capita (m ³ /capita)	Stress (%)
Mexico	474.6	4,505	75.4	705	16%
Northern Mexico	33.7	1,623	22.5	1,085	67%
as % of national total	7%	36%	30%	154%	421%
I Baja California	4.4	1,317	3.8	1,103	86%
II Northwest	8.2	3,210	6.4	2,422	78%
VI Rio Bravo	14.2	1,356	8.5	803	60%
VII North Central	6.8	1,726	3.7	936	55%
XIII Valley of Mexico	3.9	188	4.7	222	120%
United States	10,052	35,628	556	1,970	6%

Source: CNA, Mexico; United States Geological Survey; *EIR*.

a questioner at a Water Forum press conference called by former French First Lady Danielle Mitterrand, a leading international environmentalist activist and anti-technology ideologue. “What do you think about the use of nuclear energy for the desalination of sea water, rather than only proposing ways to save water? In France, you have significant nuclear development; you’re not going to fall behind on desalination technologies, are you?”

A flustered Madame Mitterrand could only respond that she was unfamiliar with those technologies—which didn’t stop one of her entourage from accosting the LYM organizer afterwards to tell her that, in France, they are fighting to put an end to the country’s nuclear and technological legacy.

Another Mexican LYM member raised a similar point at a press conference given by three World Bank bureaucrats, including its Director of Rural Development, Kevin Clearer:

“What do you think about having nuclear programs to develop nations, such as the ones Russia, China, Brazil, and

Iran have adopted? And what about using technology to desalinate water, instead of using up the fossil water?” asked the LYM organizer. “My second question is, what do you think of having a new financial system, a new Bretton Woods System, as the physical economist Lyndon LaRouche has proposed, given the total bankruptcy of the current system and its institutions?”

A visibly shaken Clearer replied: “Well, on your first question, the World Bank has no nuclear energy policy, so I cannot answer you. On your second question, we don’t discuss any fancy schemes, so I cannot answer that question either.”

LaRouche and López Portillo

Indeed, the spokesmen for today’s dying world order have no answers. The answers to the very real water crisis that the world is facing—including Mexico, most emphatically—is coming only from Lyndon LaRouche and his political movement.

“López Portillo Was Right: Mexico Needs 20 Nuclear Plants,” read a sign carried by a LYM member dressed up as a *walking nuclear cooling tower*—a sight which has now become famous around Mexico City. In fact, on March 18, during the course of the World Water Forum, the leading Mexico City daily *El Universal* ran a prominent picture of the mobile cooling tower, with signs clearly visible, and a straightforward

caption: “Members of the LaRouche Youth Movement—whose founder, the former U.S. Presidential candidate Lyndon H. LaRouche, Jr., based his doctrine on a return to the idea of historic progress—demonstrated in front of the ‘El Caballito’ statue for the construction of more nuclear plants in the country.”

Mexicans will go to the polls in July to elect a new president, and the Mexican LYM’s organizing has introduced a programmatic element into what has otherwise been a vacuous campaign. Their call for Mexico to return to the policies of President José López Portillo (1976-1982)—who worked closely with Lyndon LaRouche to promote nuclear energy, desalination, and other advanced technologies to put Mexico on the path of industrial development (see following article)—has reawakened a vital debate in the country.

Over two decades ago, LaRouche and López Portillo had addressed the problem of Mexico’s looming water crisis, given the desperate shortage of water in Mexico’s northern

FIGURE 1

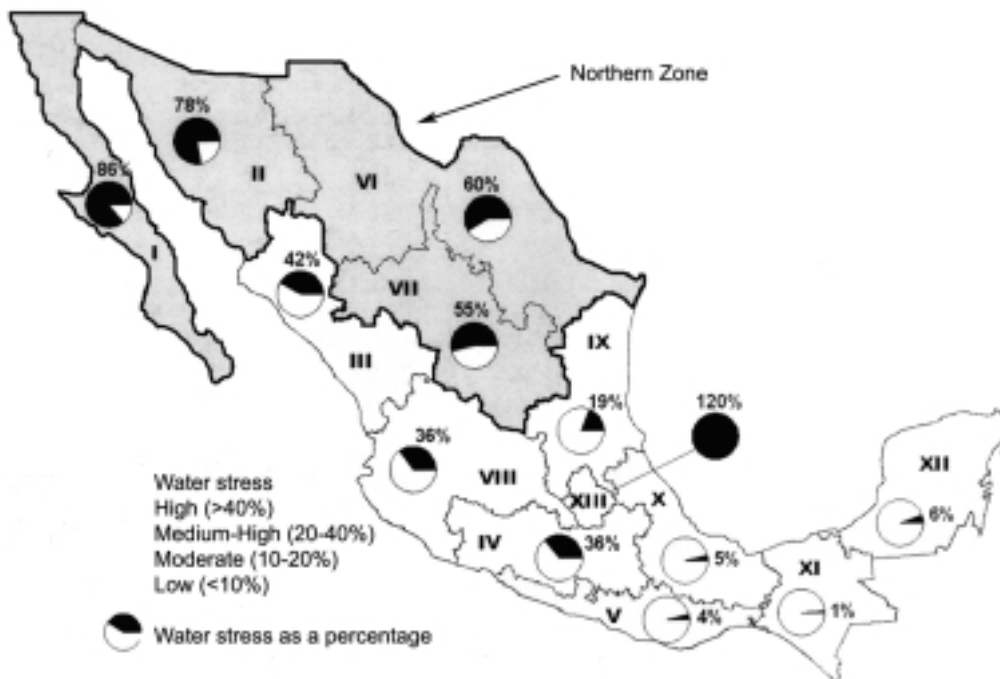
Mexico: Hydrological-Administrative Regions



Source: CNA, Mexico; *EIR*.

FIGURE 2

Mexico: Water Stress, 2004



Source: CNA, Mexico; *EIR*.

FIGURE 3

United States: Water Stress, 1995

Source: United States Geological Survey.

and north-central zone (including the entire border region with the United States), notwithstanding the abundant water supplies in the southern reaches of the country. Today, after twenty years of IMF free-trade policies diametrically contrary to what LaRouche and López Portillo had fought for, Mexico's water crisis is careening towards a full-blown train wreck. As we document below, Mexico is unfortunately the perfect microcosm of what LaRouche has identified as symptomatic of the global water crisis: the over-exploitation of *fossil water* (underground non-renewable water deposits) and other aquifers, leading to actual land *subsidence*.

Water Stress

Mexico, *on average*, is not particularly short on water. In the country's hydrological cycle, 1,513 cubic kilometers (km³) per year of rainfall produce 475 km³ of available water, including both surface runoff (rivers) and recharge of underground aquifers. Measured in millimeters (mm), Mexico has an average 773 mm of rainfall per year, as compared to 742

mm for the United States.

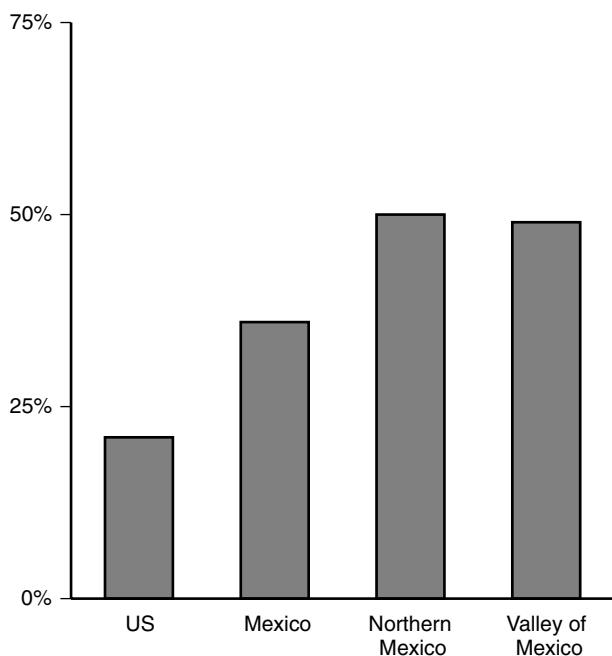
But human beings don't live in mathematical averages: they live in real, geographical-economic space. To wit, consider the area comprised of Mexico's four northern hydrological-administrative regions (see **Figure 1**, which by and large correspond to the border and north-central area which *EIR* first analyzed in its May 9, 2003 study of the Great American Desert). That Northern Zone comprises 48% of Mexico's land area, but only 19% of the population. Its average annual rainfall is a mere 388 mm (about 15 inches), which is half the national average (see **Table 1**).

Hydrologists define any area receiving less than 500 mm (20 inches) or rain per year as *semi-arid*. Regions receiving less than 250 mm (10 inches) are formally considered *deserts*. Note that three of the four northern Mexican regions are, on average, semi-arid, while one (Baja California) is a desert. However, large parts of regions II (Northwest), VI (Río Bravo), and VII (Central Basins of the North) are also deserts, with desperately low levels of annual rainfall.

FIGURE 4

Aquifer Withdrawals

(% of Total Withdrawals)

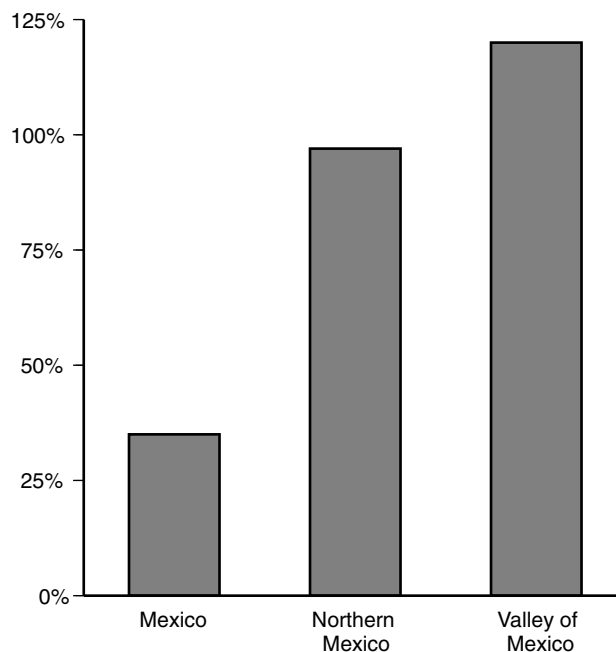


It is useful to compare annual water withdrawals for use in an economy, to the total annual availability of renewable water supplies (both surface and underground) coming from precipitation. This is a measure which the United Nations refers to as “water stress”: the higher the percentage of available water which is used in a country or region, the higher the “stress” placed on the hydrological system. Greenies interpret high water stress as indicating that the end is nigh, that we are exhausting finite resources and we have to reduce consumption, like it or not. A physical economist such as LaRouche, however, reads water stress as a measure of a problem to be solved through technological advance. We are, after all, human beings who can use technologies such as nuclear desalination to *manufacture* fresh water; only beasts are delimited by existing supplies.

The United Nations defines any area with water stress of 40% or greater, as being “high stress.” Mexico’s national average is 16%; but in the Northern Zone, it is 67%. In the Valley of Mexico, including Mexico City, it is a shocking 120%—meaning that each year more water is withdrawn than is available from all renewable water supplies (see **Figure 2**).

Figure 3 shows a comparable map of the United States for 1995 (the latest year for which data are available). The U. S. average water stress is 6%, which rises to 9% if you exclude Alaska, which has a phenomenal amount of unutilized river runoff which flows (principally) into the Arctic Ocean. In fact, this unutilized Alaska run-off is the main basis of the

FIGURE 6

Aquifer Withdrawals as % of Recharge

NAWAPA water project which LaRouche has supported for decades, and which would bring an additional 125 km³ of water down into the United States and Mexico. That amount of water could raise current U.S. water use by 21%, and increase Mexico’s by a dramatic 35%. A mere 20 nuclear desalination complexes in Mexico would add another 5% to its total use.

But, again, let’s look at what’s behind the national averages. If you take the four U.S. hydrological regions along the border with Mexico, they were officially a “high stress” area, averaging 40% in 1995. The Lower Colorado region had a stress level above 100%. Although more recent data are not available, *EIR* estimates that water withdrawals in these four hydrological regions have risen by 2-3% over the last decade, meaning that the current water stress levels are that much higher.

Table 2 presents summary data on water availability, withdrawals, and stress levels in the United States and Mexico.

That Sinking Feeling

But this is only the tip of the proverbial iceberg. When you look at the *source* of Mexico’s water withdrawals, the real problem comes into sharper focus.

About 36% of all water withdrawals in Mexico come from aquifers, but in the Northern Zone, that rises to fully 50%—a dangerously high proportion. The Valley of Mexico is also 50% dependent on aquifers. That compares to a 21% average

FIGURE 5

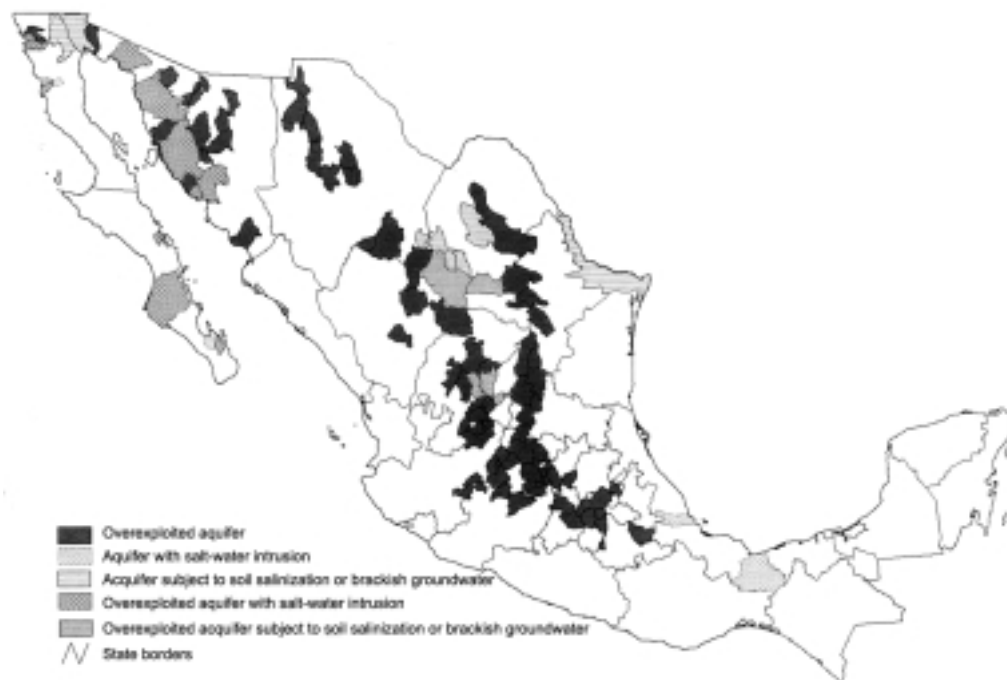
Mexico: Known Aquifers, 2003



Source: CNA, Mexico.

FIGURE 7

Mexico: Overexploited Aquifers, 2003



Source: CNA, Mexico.



EIRNS

The parking area of Mexico City's Palace of Fine Arts, where the subsidence of the heavy marble structure is visible to the naked eye.

for the United States (see **Figure 4**).

Mexico's known aquifers are mapped in **Figure 5**.

But things are worse, still, as can be seen by looking at annual aquifer withdrawals compared to annual aquifer recharge—i.e., the amount by which annual precipitation refills those aquifers. For Mexico as a whole, the withdrawals are 35% of annual recharge. When you look at the Northern Zone, the withdrawals are 97% of annual recharge (see **Figure 6**)!

Again, the averages here conceal the disastrous over-exploitation of specific aquifers which is occurring in many parts of the country. For Mexico as a whole, 21% of all known aquifers are either over-exploited (i.e., more water is withdrawn than is recharged each year), or have problems of salt-water intrusion or brackish water. In the Northern Zone, a dramatic 30% are over-exploited. **Figure 7** shows the location of these over-exploited, endangered aquifers, according to the latest data provided by the official National Water Commission (CNA) of Mexico.

Mexico City is a story unto itself: the entire city is literally sinking, visibly, into the drying lake bed of Lake Texcoco, on which the city was originally built by the Aztecs, and then by the Spanish. In the Valley of Mexico, which comprises metropolitan Mexico City with its 20 million inhabitants, withdrawals from aquifers are 120% of their annual recharge. Tourists who have visited downtown Mexico City can't help but notice the shocking evidence of subsidence: sidewalks are buckling all along Avenida Juárez; steps from buildings down to the adjoining street are now twice their original height—a dangerous discovery for visitors; and the famous Palace of Fine Arts (Bell Artes), constructed entirely from heavy Carrara marble, is now sinking down into the bowels of the earth by a few centimeters every year.

A more eloquent metaphor of the imploding global financial system can scarcely be found.

LaRouche-López Portillo Battled To Power North America

by Gretchen Small

The last Mexican government which fought to develop that nation into a modern, nuclear-powered industrial nation, was that of President José López Portillo. As President from 1976 to 1982, López Portillo told the Mexican people time and again, that “the historic moment has arrived to say ‘enough’ to the ancestral misery of the Mexicans.” To accomplish this, he proposed that Mexico gear up production of its newly discovered giant oil reserves, and exchange that oil for technology, emphatically including nuclear technology, from the industrialized nations. “We have to rapidly accustom ourselves to thinking big,” he often said. “We must plan large development projects with ambition and vision.”

As part of that drive, he travelled to the United States, France, Japan, the Soviet Union, India, and other nations, in search of allies in the construction of a New World Economic Order, so that his and other nations could develop. From 1978-80, in particular, López Portillo focused on the urgency of securing a global commitment to the rational, ordered development of the world's energy resources, sharing knowledge of the technologies of the future, so as to power progress in all nations, without leading to war. His call for the equivalent of an “energy Bretton Woods,” excerpted in the documentation below, still stands as a valuable contribution to the energy battles of today.

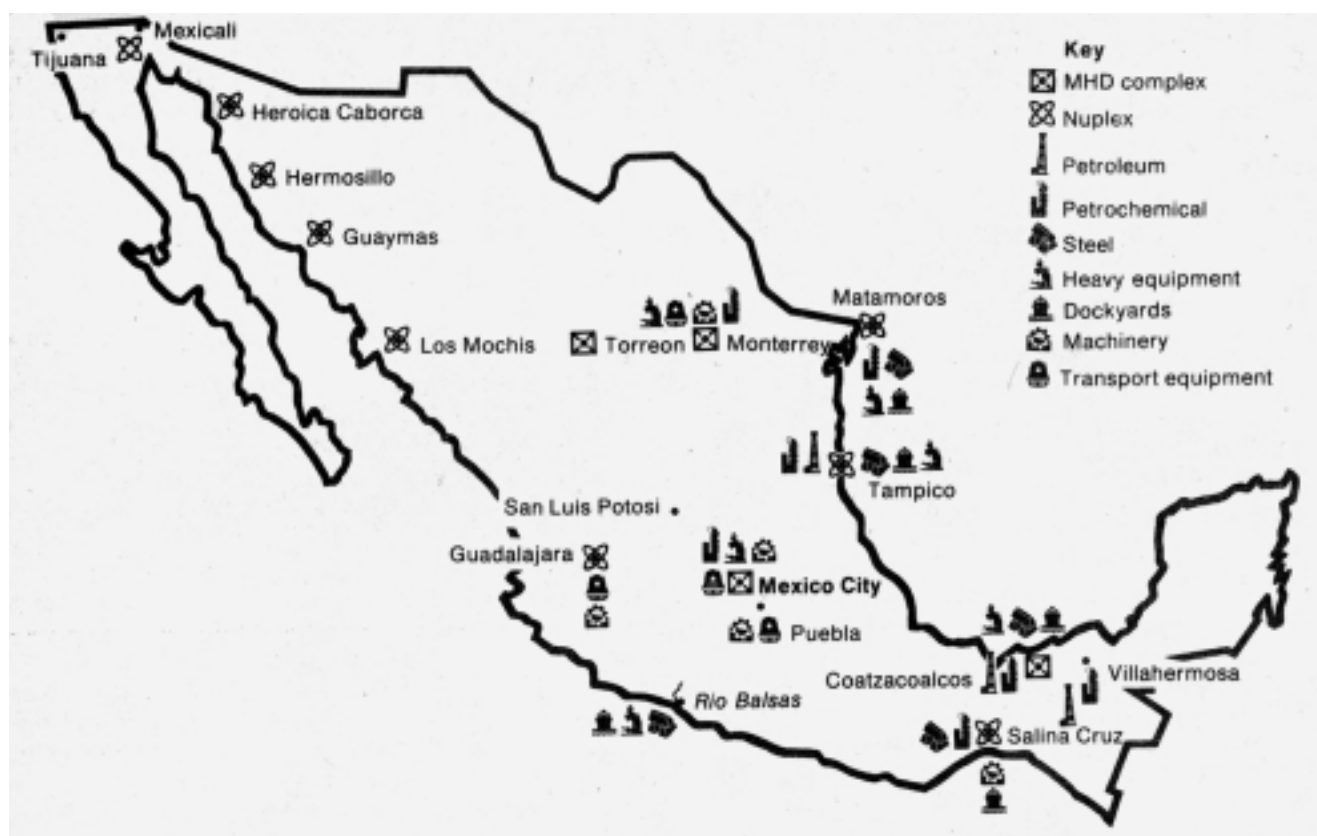
One López Portillo's closest collaborators in this development mission, was U.S. statesman Lyndon LaRouche, whose 1976 election-eve national television broadcast denouncing (among other things) George Ball for organizing *genocide* against Mexico had established LaRouche's name as an outspoken defender of Mexico's right to sovereign development.

López Portillo, well known as an intellectual and avid reader, already knew of LaRouche's political and economic writings before he became President, having met, as Finance Minister in the previous government, with members of LaRouche's youth movement of the time from the Mexican Labor Party. That contact with LaRouche's young Mexican collaborators continued throughout his Presidency, and when the financiers unleashed all-out financial war against Mexico and all of Ibero-America in 1982, López Portillo personally received LaRouche at the Presidential seat, Los Piños, in May.

That meeting, after which LaRouche gave a press confer-

Proposed Locations of Some Agroindustrial Nuclear Complexes (Nuplexes) by the Year 2000

(1981 Proposal)



Large agroindustrial complexes based on advanced energy sources are essential for Mexico's overall development. Nuclear reactors—optimally, high-temperature gas cooled reactors—and magnetohydrodynamic power generators will provide the base for chemical fertilizer plants, steel plants, desalination plants, and electricity grids.

This map and caption were published in 1981 by Lyndon LaRouche's associates in the Fusion Energy Foundation and the Mexican Association of Fusion Energy.

ence at Los Piños, occurred during the third of LaRouche's four visits to Mexico in the last half of the López Portillo government. His first was in March 1979, when he was invited to the 50th anniversary of the ruling PRI party. In a press conference during that first visit, LaRouche emphasized that it was important that he, as a patriot in the tradition of the American Revolution, "take this opportunity to be in Mexico at this time, because, although the government is not a power by the ordinary standard of world powers, it is at this moment, one of the most important moral forces in the world, and . . . one of the leading forces of the new world economic order on behalf of developing nations."

Power and Water

By that time, the world knew that Mexico had become, as *EIR's* Nov. 28-Dec. 4, 1978 cover story put it, "The Oil Giant Next Door." The government was at work putting together plans to double Mexico's industrial plant in six to seven years,

eliminate subsistence agriculture through mechanization of the countryside and irrigation projects, and build entire new ports and cities. As early as 1977, government studies projected that a generation hence, nuclear power should be the dominant energy source, and government officials drew up a nuclear program whose goal was the construction of 20 nuclear reactors by the year 2000, to supply some 70% of the nation's electricity.

Developing Mexico's water resources was also high on the government's agenda. Action was revived on the Water Plan of the Northwest (PLHINO), the large project that had been part of the planned hydraulic revolution which was formulated as far back as the mid-1960s. Asked in 1977 about the proposal for the great North American Water and Power Authority, NAWAPA, López Portillo answered that one day this "extraordinarily interesting project" would be built, but to do so, sufficient power would have to be generated to move such great amounts of water. Those are the levels of power

which Mexico and the United States, today, can no longer refuse to create, by continuing to block nuclear energy. Likewise, nuclear desalination was under study.

LaRouche's magazine, *EIR*, rapidly became *the* journal of record on Mexico, turned to by businessmen and policy makers in the United States and other countries who wanted "in" on Mexico's industrial boom. That was not only because LaRouche's magazine was the only source which extensively chronicled the Mexican drive; people knew LaRouche was providing critical intellectual leadership shaping that battle.

In March 1981, LaRouche made his second visit to Mexico, a ten-day tour which took him from the northern city of Monterrey, to the capital, Mexico City. His theme here was the urgency for the United States and Mexico to adopt agreements under which Mexico would trade its "20th-Century surplus resource, petroleum, for the technology of the 21st Century," including nuclear technology. LaRouche proposed that the United States sell Mexico \$100 billion or more in capital goods and technology, under such an "oil for technology" initiative. As you can read in the excerpts which follow, LaRouche emphasized, as he continues to do today, that this kind of U.S.-Mexico collaboration would "represent in principle the model for a new economic order in North-South relations," which would change the entire global strategic geometry.

Mexico was optimistic, in those days. Daily newspapers ran editorials supporting "a great national effort" to train the more than 50,000 technicians and professionals needed for the vast nuclear industry planned.

In February 1981, shortly before LaRouche's second trip, LaRouche associates in the U.S. Fusion Energy Foundation (FEF) and the Mexican Association for Fusion Energy (AMEF) released at a conference in Mexico City, their joint study on *Mexico 2000: Energy and Economy*, which outlined a program for the crash development of Mexico. Their premise was that: "The discovery, starting in the mid-1970s, that Mexico possesses much larger petroleum reserves . . . than had been previously realized, affords it a unique opportunity among larger Third World sector countries to substantially reduce the time . . . necessary to become a modern industrial nation. . . . By no later than the year 2000, the great majority of 115 to 120 million Mexicans should be able to enjoy a standard of living comparable to that of the average inhabitant of the West European nations in the year 1980."

Four officials from the Mexican government spoke at the conference on the development program. Among the officials present, who elaborated the Mexican government's ideas for how to get the job done, were Dr. Alfonso Rozenzweig, director of industrial port development for the President's Office of Special Development Projects; and Mexican Industry Ministry Sub-Director Narcisco Lozano.

The study, which argued that Mexico needed to adopt a South Korean-style infrastructural construction program to solve the bottlenecks in water availability and transport, pro-

posed three locations for the construction of agro-industrial nuclear complexes (nuplexes) by the year 2000, including using nuclear energy to create water, through desalination (see map).

Documentation

LaRouche's 1981 Oil-for-Nuclear Proposal

Addressing an "International Symposium on Economics" at the prestigious Monterrey Institute of Technology on March 9, 1981, as the kick-off for a ten-day visit to Mexico, Lyndon LaRouche spelled out the strategic possibilities which a U.S.-Mexico oil-for-technology agreement would open up—even now, over 25 years later.

Let us assume, for purposes of discussion, that the projected increase in Mexico's production for oil exports to the United States were to reach 2.5 million barrels per day. Let us assume that this means that over the first decade of such an agreement Mexico would receive the current equivalent of \$150 billion in high-technology capital goods imports, in addition to other categories of purchases effected with oil revenues.

The export of \$150 billion more of capital goods from the United States to Mexico would accelerate investment and capital turnover in the most advantaged basic industries of the United States, accelerating technological progress in those industries, as well as increasing productive employment in the United States. A government of the United States which rejected Mexico's offer of an oil-for-technology program would be a government which ought to be certified to a mental hospital on clear grounds of galloping insanity.

Mexico would benefit. It would be exchanging a surplus of a potentially obsolescent energy source, petroleum, for 21st Century technologies as well as up-to-date 21st-Century industrial and agricultural technologies.

The major feature of global investment over the coming decades must be nuclear technologies. Every nation which intends to have a technological future, including most of the semi-industrialized developing nations, must now begin to develop nuclear technologies. Nations such as Mexico must become masters of thermonuclear technologies, developing the research and training programs required.

If I were advising the government of Mexico, I would whisper to the ears of my friends in Mexico: "Mexico must have not only nuclear plants, it must also have a reprocessing capability, and must have educational and research centers through which thousands of Ph.D.-equivalent physicists and

chemists specializing in advanced plasma-physics technologies are developed over the coming two decades”

The Caribbean coast of the United States would blossom with new superports at places such as Galveston, New Orleans, and Mobile. The riparian transport system, the railroads and air freight capacities, would blossom anew. All this would be catalyzed by the need to process capital goods and related traffic with Mexico and other nations.

[The key for this] is the organization of credit relationships on a state-to-state basis. In the case of the United States, the Export-Import Bank is the obvious vehicle for facilitating oil-for-technology agreements. This requires that the U.S. Congress authorize increases in the capital of the Export-Import Bank up to the level of the combined petroleum earnings deposits and additional credit extended to Mexico.

López Portillo's 'Energy Bretton Woods' Proposal

On Sept. 2, 1979, President José López Portillo proposed in an address to the United Nations, that the nations of the world open formal discussions on collaboration on not merely the use, but the development of world energy resources, to the mutual benefit of all. Echoing the prophetic warning which he would make in October 1982 in another address to the UN on the issue of the debt, the Mexican President warned, that should the nations of the world fail to come to an agreement on a Bretton Woods-style energy development plan, speculation, scarcity, and might, not right, “would again loose the Horsemen of the Apocalypse” upon the world. Excerpts follow.

For seven thousand years our people have inhabited this Earth, and throughout our existence our history has been marked by the search for a common denominator that would identify, bind and unite us all.

Our present circumstances seem to indicate that that unifying element, incumbent on us all, may well be the lack of energy sources.

The energy crisis exists; it is an actual fact. We are witnesses to an obligatory transition period in the world energy situation. We can be authors of that change, and channel it, or we can be simple spectators, and become its victims. . . .

Let us base our relations on what we have in common, and use the differences among us to enrich our analysis. Let us make those relations lasting by basing them on mutual benefit and reciprocal respect. . . . Let us treat others as we would be treated ourselves. . . .

An extravagant and wasteful use of petroleum has been made in the decades when its price was low. For the most part, it has been used as a fuel. That period will be branded with the stigma of folly, for having burned petroleum that

could have been turned into foodstuffs and petrochemical products of prodigious benefit to the whole of mankind.

We have turned the petroleum industry into a gigantic mechanism for producing profits and tax revenue to meet urgent short-term needs.

We had forgotten the importance of the future. What is in short supply becomes expensive. What, then, is the price of a commodity whose supply is running out? What is the price of that which no longer exists? . . .

Hydrocarbon prices cannot be considered a matter for bargaining and for a testing of strength between producers and consumers, particularly when their respective positions are made more extreme by the intervention of other, generally transnational structures, many of which no longer recognize any home country and consequently acknowledge neither social obligations nor political solidarity. . . .

Energy sources are the shared responsibility of all mankind.

Energy sources must not be the privilege of the powerful. All abundance is relative. Such sources have a limit, and will come to an end. We want to bridge the gap between extremes by making present-day petroleum supply, demand and price structures compatible with the alternatives we seek for the future. . . .

If at Bretton Woods we were able to establish an orderly structure for handling monetary and reconstruction matters, we could today, in this now fully instituted forum [the United Nations], establish a new and more orderly structure for handling energy and resurgence. . . .

I, therefore, propose the adoption of a world energy plan that covers all nations, both haves and have-nots, is binding on all, and has as its fundamental objective the assurance of an orderly, progressive, integrated and just transition from one age of man's history to the next.

The plan must contain programs designed to:

- Guarantee the full and permanent sovereignty of each nation over its own national resources.
- Rationalize the exploration, production, distribution, consumption and conservation of present-day sources of energy . . . by providing financial and technical assistance.
- Ensure and increase the systematic exploitation of potential reserves of all types, both traditional and non-conventional, which have not yet been exploited owing to lack of financing or applied research. . . .
- Devise measures for the promotion in developing countries of the formation and integration of auxiliary industries in the energy field, and especially of capital goods. . . .
- Set up financing and development funds. . . .
- Institute a system for disseminating and transferring technologies, together with their respective training programs, that would included a worldwide registry of advances and follow-up in energy research and experimentation. . . .
- Support the establishment of an international energy institute. . . .

Great Projects To Solve the Water Crisis

Since the very inception of his political movement, Lyndon LaRouche has placed a primary emphasis on the high-technology development of the Earth's water resources—most notably through nuclear-powered desalination—as vital for continued human life on this planet. Here we excerpt from a few of the many articles by him or about his work.

Lyndon H. LaRouche, Jr., “The Grand Design for World Development: The Nuplex and U.S. Vital Interests,” *Fusion*, August 1978:

... The new field of energy production that will take over dominance during the remainder of this century is nuclear energy. ... By the end of the 1990s, a shifting composition of ordinary fission, fission-breeder, fission-fusion, and fusion energy will be the principal source of new energy supplies into the world's electrical grid systems, and waste heat from nuclear production will be a major source of energy in industrial-process applications, desalination, and related uses in the vicinity of nuclear-energy sites.

The most efficient approach to the use of nuclear energy in the developing sector generally is the creation of nuplexes.

A nuplex is a new agroindustrial city built around paired nuclear energy plants, each in the 0.5-gigawatt to 1.5-gigawatt range (by present standards). To economize on distribution costs, and to exploit the waste heat produced, industrial consumers of output will huddle around the plants, creating a new sort of “clean” industrial (and employment) center. With the growing importance of the “clean water” problem, and with the opportunity to replicate California's Imperial Valley in many parts of the world, desalination and other water-purification exploiting waste heat will make nuplexes key in meeting agricultural and population clean-water requirements. ...

Lyndon H. LaRouche, Jr., “Won't You Please Let Your Grandchildren Have a Drink of Fresh Water?” National Democratic Policy Committee (NDPC) pamphlet, 1982:

Preface—Our Greatest Environmental Danger

Next to a general thermonuclear war, the greatest single environmental danger to the American people over the coming two decades is the danger that whole regions of our nation will simply run out of usable fresh-water supplies. This is an acute danger in a region within a hundred-mile radius of New York City. The greatest area of present danger lies in the area



This pamphlet was issued by the National Democratic Policy Committee, the LaRouche wing of the Democratic Party, in 1982.

west of the Mississippi.

This problem has been seen coming, at least by more far-sighted people, for most of the post-war period. Unfortunately, the general public has been kept in ignorance of this policy issue, and certain among influential political circles have sabotaged sound policies and programs, each for one of a variety of reasons.

Now, unless we act quickly, the Great American West is going to die, suffocated by a swirl of dust and sewage. Already much of our agriculture is in danger, as the drought of 1980 ought to warn us. A few more years ahead, the water shortage will grow to become the most acute environmental danger to many facets of our life, as well as our nation's supplies of food and fiber.

There are three basic approaches which must be combined to overcome this problem.

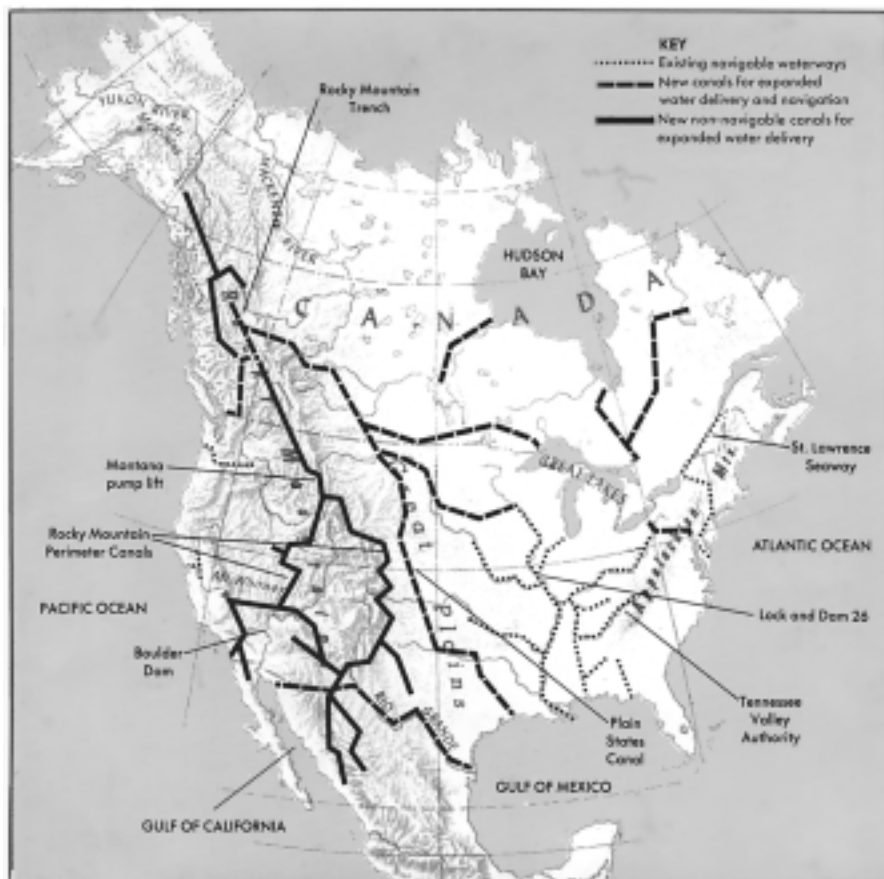
First, there is the approach which Texas Congressman Jim Wright supported in a book he published back during the middle of the 1960s, the so-called North American Water and Power Alliance (NAWAPA). [Figure 1] That is the immediate action on which this NDPC policy outline concentrates. Better management of the available fresh-water supplies of the North American continent will not only solve this particular problem over the decades ahead, but will become the foundation for an explosion in wealth throughout a region west of the line of the Mississippi River, in Canada, the United States, and northern Mexico.

Second, by creating the conditions for growing denser populations of crops, shrubbery and trees in presently arid regions, the vapor transpiration from plant-life will recycle fresh water through improved rainfall patterns. This would occur largely as a by-product of implementing NAWAPA and related regional and local fresh-water management actions.

Third, over the longer period, nuclear-energy technologies will provide us unlimited fresh-water supplies, as im-

FIGURE 1

The NAWAPA Plan for Bringing Additional Fresh Water to the United States, Canada, and Mexico



provements in technology lower the costs of desalinating seawater on a large scale, and aid us in turning polluted waste water into pure fresh water for re-use many times over on the way to the sea. With such technologies, the vast Sahara region can be transformed into a rich, habitable region, together with the Gobi desert in Asia.

As the NAWAPA example shows, the investment in improvement of fresh-water supplies is a highly profitable investment. Every dollar wisely spent on NAWAPA will increase the production of wealth in our Western states many times over during the course of the coming decades. It is the same with nuclear-energy technologies.

There are no practical or economic reasons not to proceed. The obstacles have been and continue to be only political wrong-headedness. Once the facts are considered, we must also say that the political obstacles are downright immoral. There is no morally acceptable reason to argue against taking those steps which are absolutely necessary to ensure that our grandchildren, and their children, can walk to the kitchen cold-water tap and draw a glass of clean fresh water. . . .

The Independent Democrats' 1984 Platform: Five Crises Facing the Next President, Presidential Campaign Platform of the LaRouche-Davis Ticket, September 1984:

Crisis 4—The World-Wide Food Shortage Now Erupting

... 5. Immediate action to develop fresh-water management systems in areas suffering or threatened by major water shortages.

Candidate LaRouche has co-sponsored revival of proposals to develop a continental water-management system, to include bringing water now flowing into the Arctic Ocean down through the Western states: one line running in the arid region between California and the Rocky Mountains, and the second to the east of the Rockies, across the river-systems flowing eastward into the Mississippi. The feasibility of such a program was developed years ago by a major engineering firm, a design named the NAWAPA project. LaRouche has adopted an expanded version of this proposal, which would integrate the eastern United States via the Great Lakes and the Tennessee and Mississippi states' water-systems. Such a continental system of water-management would be integrated with state and

regional water-management systems. The expanded version of NAWAPA, combined with these state and regional water-management systems, would therefore constitute a single, combined, continental water-management system for the United States as a whole.

The indicated, immediate measures of emergency action would give priority to those parts of the proposed system whose existing agricultural potentials require prompt remedies for a serious and worsening subsidence of water-tables. . . .

Marcia Merry Baker, "LaRouche's 25-Year 'Oasis Plan' Campaign," *EIR*, May 16, 2003:

In 1975, Lyndon LaRouche issued a policy proposal in Berlin, for an International Development Bank (IDB) to back priority regional economic programs in the mutual interest of nations in key regions of the world. Foremost among these was the Middle East, which LaRouche had just visited. During the same period, he conferred in Europe with Israeli and Palestinian leaders.

FIGURE 2

Features of the LaRouche 'Oasis Plan'

The strategic elements of LaRouche's IDB involved providing, through high-technology means, ample water, power, and related infrastructure to meet the long-term needs of all in the region. Not simply a peace plan, LaRouche's proposal was a response to the fast-diminishing water resource base in these arid lands, which, since then, has reached the crisis stage. Throughout the 1980s, he was in active dialogue with policymakers in the region.

In July 1990, LaRouche spoke specifically of an "Oasis Plan" approach. He stated on July 12, 1990, "To avoid a conflict which would be ruinous for all peoples and nations of the Middle East, an effective series of common interest proposals must be made in accord with the rights of all parties. Debate around such proposals is inherently healthy and confidence-building. Although to some, an Oasis Plan seems an unlikely proposition under the present circumstances, the price of failing to implement such a program will be stagger-

ing. Therefore, there is no obstacle so great, nor so difficult, that we should not seek to overcome it in order to further economic cooperation."

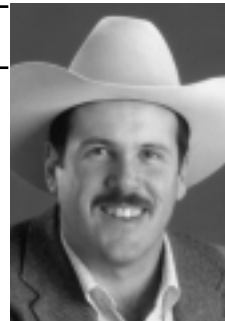
In September 1993, the signing of the historic Oslo Peace Accord, with its economic development protocols, including water provisions, seemed to provide the miracle opportunity—but the initiatives were thwarted.

In January 1997, elements of the kind of program LaRouche describes as the "Oasis Plan" were shown on a map—reproduced here [Figure 2], in an *EIR* Special Report, *The Eurasian Land-Bridge* (January 1997).

In July 2000, once again, an attempted peace summit was convened—with water included as a topic—between President Clinton, Palestinian Liberation Organization Chairman Arafat, and Israeli Prime Minister Ehud Barak, but it broke down. On Aug. 6, 2000, LaRouche wrote a policy document, "Water As a Strategic Flank: Wherein Clinton Failed," on the necessity of a "desalination-based economic development program we first presented to relevant Arabs, Israelis, and others a quarter-century ago"—the "Oasis Plan." He warned, "In most of the region, and especially for the largest portions of the area, there simply do not exist sources of supply of usable water sufficient to meet the elementary needs of the population. Hence, without large-scale desalination programs being put immediately into operation, there is no

hope for durable peaceful relations among the populations of this region."

Again visiting the region, LaRouche gave a presentation on May 26, 2002, "The Middle East As a Strategic Crossroad," at the Zayed Center in Dubai, stressing the scientific potential we have for geo-engineering to create new environments. "The characteristic of that portion of a predominantly Islamic civilization, which extends from Asia's 'roof of the world,' westward, through the Middle East, and across northern Africa, is the continuing struggle against the aridization which has continued during approximately the past 6-8,000 years. . . . The development of fresh-water production and management, which is interlinked with the role of petroleum, is the indispensable foundation for all other optimistic prospects for a peaceful and politically stable internal development of the Middle East region. . . . There will be no peace without adequate provision of water."



Globalization and Drought Have Ravaged Texas Farming

Mr. Barron is a farm broadcaster and farmer in Lubbock, West Texas. He raises horses, pigs, cotton, and stock show animals. Marcia Merry Baker interviewed him on March 15.

EIR: We'd appreciate a situation report from you. As of mid-March, we're seeing headlines of the immediate emergency situation, in terms of the dryness, the winds, and the wildfires at large in this whole region. But we also want to get from you a report on the kind of economic geography in West Texas—the crops and livestock picture, what's happened under free trade, and the infrastructure situation. But what are the dimensions of this wildfire emergency? (**Figure 1**)

Barron: Well, it's been as bad as reported on, and probably a lot worse than what's been reported so far, through the media. I've been working on some of that myself, as a farm broadcaster in West Texas, along with a couple of the farm broadcasters in the Panhandle, closer to the fires in the Amarillo area. They had tremendous fires, this last weekend, particularly on Sunday [March 12], burned up thousands of acres—actually, we lost some livestock unfortunately in that fire.

EIR: They're saying about 10,000 cattle. That's huge! Is that in the range of loss?

Barron: I don't know the numbers exactly. There's a lot of numbers being tossed around, but there's a lot of loss. And there's a lot that didn't get lost in the fire, that now have to search for a new home, pasture-wise, to feed.

EIR: Let's come back to that. Let's first pursue the general situation. You would characterize the Panhandle as a combination of dryland agriculture and irrigated agriculture, right?

Barron: It's about 50-50, yes.

EIR: And so, if we just stick to physical geography for a minute, you've got a kind of world-class formation called the Ogallala aquifer. You're in the southern part of what they call that, in West Texas? (**Figures 2-3**)

Barron: Correct.

EIR: Now, in general, the water level underground has been going down year by year since the 1930s. What does this

mean for every day, in ranching and farming, and cropping, as the whole complex there in West Texas has had to try to adjust to this, as far as water usage?

Barron: Yeah, we need y'all to send us more water, that's right! We're getting thirsty!

We're having to convert irrigated acres to dryland acres more every year, because that water table is drying up from the south to the north; because up in Nebraska, the central part of the U.S. sits over a bigger part of that Ogallala aquifer. We're on the southern end of it, as you mentioned.

Where I grew up, 60 miles south of Lubbock, we used to irrigate out of that aquifer back in the '60s and '70s, but that water diminished there by the mid-'70s, and that's where we had to stack and sell off our irrigation pipe and go to complete dryland cotton farming, in that region. And that's what we're seeing happen from the south to the north (**Figure 4**).

In the immediate Lubbock area, we only have what we call supplemental irrigation, meaning that we don't have enough water left to fully irrigate a crop. We've got to depend on Mother Nature and rainfall to really give us probably 75% of our needed moisture, and we can supplement maybe the rest with irrigation. And as you move north towards Plainview and Amarillo in the Panhandle, then the water gets a little bit better, but even the producers in that area talk about big drops in the water levels in their water wells.

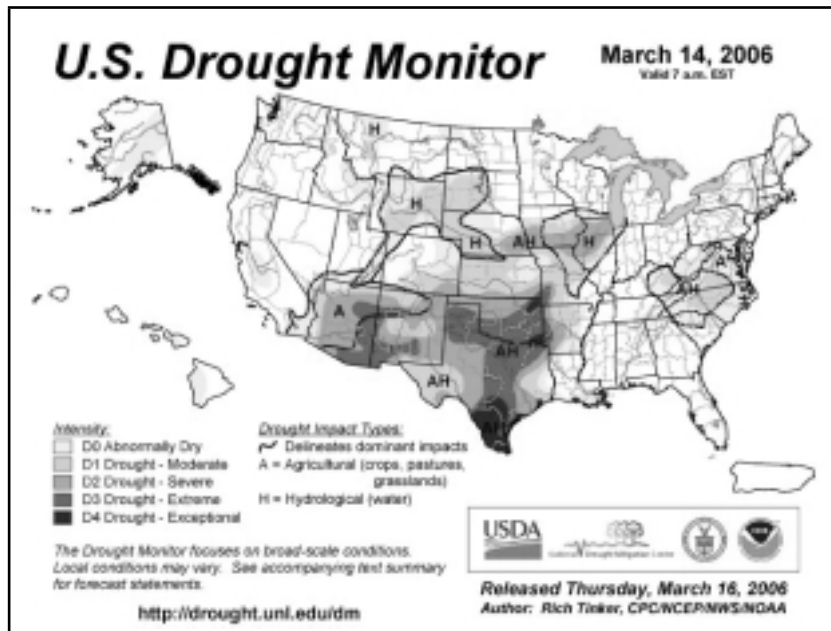
So, we're facing a dilemma in underground water supply, no doubt. Mother Nature and her associated droughts, like we've been in the middle of, really, for about the last dozen years or so, have put a big drain and a lot of pressure on that underground water supply. And we need to get back into a rainy pattern once again, to help alleviate some of that pressure and stress. But, that's kind of out of our hands, and we've just got to wait and see what Mother Nature brings in that regard.

EIR: I understand, too, as far as weather patterns, that when it comes to the timing and frequency of rainfall, Texas is characterized by having maybe 80% of what rainfall it does receive, come in the form of storm run-off and floods. So it may not percolate down in any useful way, right?

Barron: Yes, we have what we call "playa lakes" out in the countryside, just low basins in the topography, and then when it rains an inch an hour, which is a hard rain, probably half of

FIGURE 1

Severe Drought Conditions in Southwestern States, March 14, 2006



Extensive parts of Texas, Oklahoma, New Mexico, and Arizona were experiencing “extreme” conditions of drought in mid-March, as measured by the combined Federal inter-agency “U.S. Drought Monitor” system. This region lies in what is historically called the Great American Desert. “U.S. Drought Monitor,” issued weekly, also offers animated maps of seasonal drought patterns nationally.

that runs off into the playa lakes and this and that, and does not soak down into the soil profile where it can be utilized by the plants. We get very few slow, soaking, gentle rains that’ll soak in 90%. Most of ours are fast, hard, springtime thunder-showers with lots of runoff.

But our actual totals of moisture have been down substantially, not only in West Texas, but all over the Southwest, and it’s putting a lot of pressure on farmers and ranchers.

EIR: Your soil gets so dry, and there’s only so much you can do. Some of your Texas agriculture researchers try and work on precision irrigation, or try and have certain kinds of crop rotations, like a sequence of sorghum and cotton. But there’s only so much you can do, if the water isn’t there. Is that the bottom line?

Barron: For sure! You know, as producers—and I’m still a producer myself—we can only do so much in controlling variables in successful crop or pasture yields. And Mother Nature and rainfall is about 90% of the success or failure of a cropping season, and that’s completely out of our hands. So, we can implement the latest in technology, which we do all the time with new technology in irrigation, precision fertilizer application, the latest in equipment and tractors and seed, and biotechnology, and all the new tools that are out there and all.

But still, that doesn’t offset the loss that we have due to drought and lack of moisture.

And associated costs, also, of that new technology, are tremendously high, and with our still low, low prices for all major commodities and livestock, it’s hard to justify that higher technology cost.

EIR: So it’s a disconnect in some ways? Because it isn’t pie-in-the-sky-technology—it’s terrific stuff—but you can’t buy it, because the relative expense is so high.

Barron: You know our main crop is cotton around Lubbock. We raise peanuts quite a bit nowadays, over the last 8-10 years; and as you travel north, you get into some corn, sorghum, and wheat pasture for cattle, as well as range and pasture. But in the case of cotton, which makes up about 85% of the acres in the immediate West Texas/Lubbock area, the price we receive for cotton today is still the same price as we got back in 1949, which is about \$.50 a pound!

EIR: That brings up the water price. You said that in many cases you don’t have the water, and you’ve ceased pumping. But now, even if you did have some water to pump, with the hyper-prices of energy, it must be prohibitive—natural gas, electric-

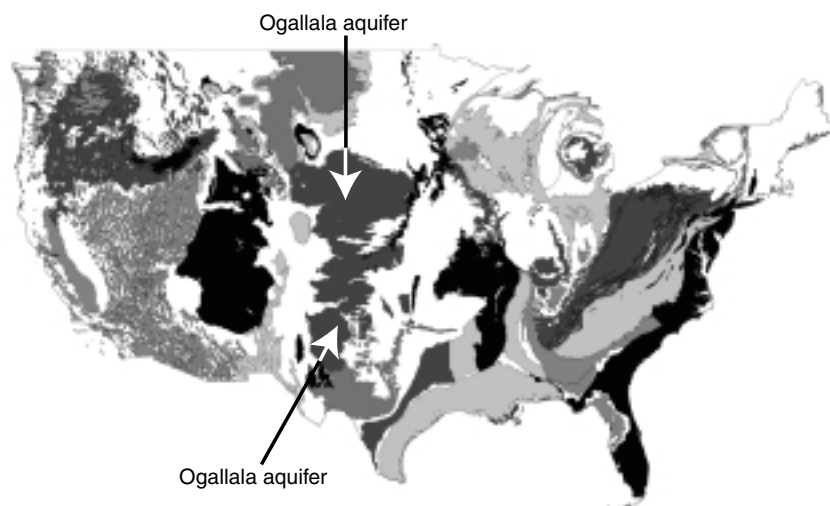
ity, whatever you use to run the pumps? (Figure 5)

Barron: Oh, yes! Price of energy—you know the price to put gasoline in your car has risen tremendously, putting a strain on your budget; every consumer’s faced with higher energy costs. And out in the fields, these big John Deere diesel tractors will utilize, in a full day of operation, about \$1,000 per tractor. That’s a tremendous expense, and it’s doubled in the last 12 months (Figure 6).

And then, to pump the wells with natural gas or electricity, those expenses have also doubled, while the price for the product, for the commodity, for peanuts or cotton, has not gone up to speak of. Our yields have improved a *little bit* with the new technology, but not nearly enough to offset the rising cost of production, so that puts all of us in a tremendous predicament. And particularly in the face of this globalization, this world trade process that’s being bantered around so much.

EIR: Let’s pick that up. I think the parlor-room polite term is “global sourcing,” that that was supposed to be good for everyone. They say the General Agreement on Tariffs and Trade that started up in the 1980s (you know, the father of the World Trade Organization), their motto was “one world, one market.” But I think we’ve reached the end of the line of any

FIGURE 2

U.S. 66 Principal Aquifers

Tones differentiate the aquifer locations in the map. The Ogallala (High Plains) Aquifer spans parts of eight states.

In the year 2000, of the 66 principal aquifers, eight of them provided 45% of the total groundwater use; and the High Plains Aquifer alone provided 23% of national groundwater use. A total of 57,400 million gallons per day is used from these nine aquifers and 19,100 million gallons per day from the other 57 aquifers. Groundwater accounted for about 21% of fresh water in 2000.

Will we learn the lessons of the farmer? A man with oil thinks he's rich, but a man without water knows he's not!

Source: U.S. Geological Survey.

pretense that this is anything but a disaster for everyone. What is the picture for cotton, for example, in all aspects of globalization? Low price to the farmer, seed control, and all?

Barron: We raise the cotton out here on the plains of Texas, as well as the other cotton-growing regions from California across to the Carolinas. We used to have enough textile mills along the East Coast, in Virginia and the Carolinas, to process the bigger part of our domestic cotton, and make our own clothes right here at home, but we've lost 50-plus percent of that textile mill capacity to Mexico, and now over to China. So, we have to export our raw cotton to other countries to get our clothes made, which makes for a bad situation, and puts a lot of pressure on our producers. Matter of fact, it's getting to the point where we're seeing a lot of producers talking about trying to get some of the mills to come back, or build new mills, if cost-feasible, to start processing our own cotton domestically once again, and not get so dependent on foreign mills for our clothes production. We see what it's done to us—foreign dependence in the oil business since the '70s—and we don't think it a good idea to keep heading toward foreign dependence in our food and fiber system.

EIR: So there's the crazy cross-hauling, the low prices to farmers, and control over processing and marketing. Wasn't cotton a forerunner in the move for extreme control by Monsanto, after it acquired sweeping patent rights for bio-engineering from the Delta and Pine Land company? What about the patterns of extreme control of seeds and plant varieties being consolidated, such as you see in the Roundup Ready line of Monsanto for corn, soybeans, and so forth?

Barron: You've got a lot of different potential dangers there,

that we study on a daily basis, and I broadcast about in my radio programming in West Texas. Monsanto is kind of the "father," I guess, of most of what you just described—tremendous fear in several different areas.

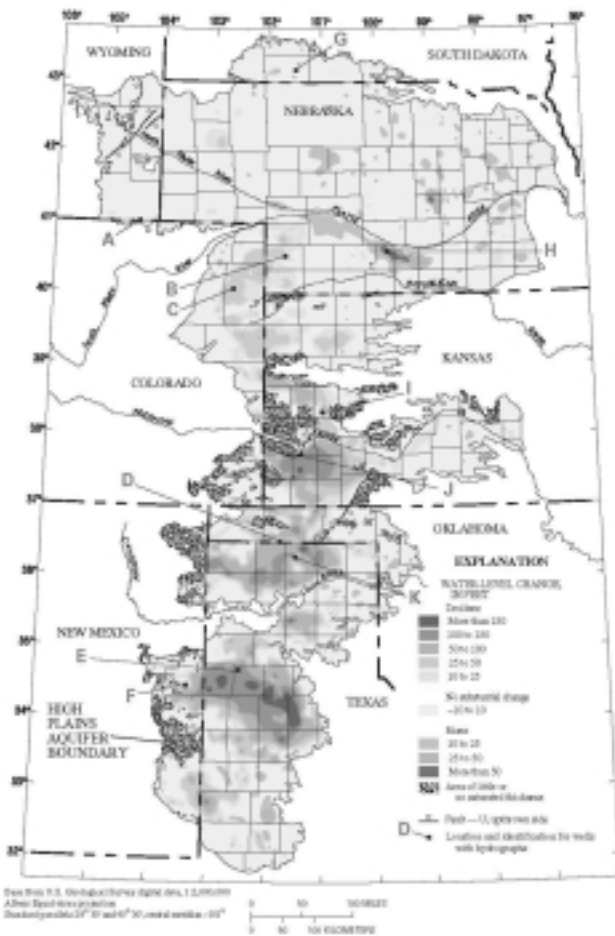
Number 1, is on the food side—getting away from cotton and going to the food supply—through the corn and through the soybeans and more of the food-style crops, we're seeing more genetically modified food that we're all buying, purchasing, consuming, and feeding our kids: There hasn't been enough independent research on the long-term effects of that genetically modified food, from a health and food safety standpoint. So, there's no doubt that there should be a little bit of concern there.

The European Union countries, I think, are exemplifying that concern, in that they still are rejecting that GMO [genetically modified organisms] food, because they are not sure about it. But the United States, Canada, and Argentina have run headlong into the GMO food game, and are trying to put pressure on the other countries to follow suit, and we'll see what happens there, in the WTO processes.

On the other side, from the producers' standpoint, the cost factor: Just to give you a reference point, we used to pay \$20-30 per bag, for a 50-pound bag of planting seed of cotton. Nowadays, if you buy bio-technology, your minimum cost or price is about \$150 per bag, on up to \$400. And yet the price for the cotton, the finished lint in the field, is still \$.50 a pound. There's very little yield increase. So, you can see the disconnect at that point right there. And that's causing a lot of our producers concern. More especially in the dryland areas like where I grew up, where we don't have irrigation to supplement the rainfall, you're not guaranteed any production, but

FIGURE 3

Significant Drop in Water Level in the Ogallala (High Plains) Aquifer, South to Northward, from 1930s/50s to 2000



The rock formation of the Ogallala, spanning an 111-million-acre area (173,000 square miles), in parts of eight states (Texas, New Mexico, Oklahoma, Kansas, Colorado, Nebraska, South Dakota, and Wyoming), consists of semi-consolidated sand and gravel, from alluvial deposits.

The toned patterns indicate how far the underground water level has fallen, or risen, as of 2000, from the period of earliest measurement available, before extensive ground-water pumping began (termed “predevelopment”). Darkest tones in the southern part, indicate a water level drop of more than 150 feet. (These are red tones in the original USGS color map). The darkened tones in the north (blue in the color map) indicate localized areas of rise in water table.

The earliest dates of measurement—“predevelopment”—vary by locality, from certain years in the 1930s, up through later decades. The median year for earliest measurement is 1957, out of the total of 20,000 wells over the whole area. The pattern clearly shows that the southern part of the aquifer, in West Texas, has experienced the sharpest drop in water level.

The capital letters refer to selected well sites where the Geological Survey provided hydrographs in its 2003 report, of the history of water level measurements at that location. The hydrograph for “E” is shown in Figure 4.

The 2003 report by the Geological Survey summarizes the situation:

“The average area-weighted water-level change in the High Plains aquifer from predevelopment [prior to extensive pumping] to 2000 was a decline of 11.9 feet. The average area-weighted water-level change by State ranged from almost no change in Nebraska, South Dakota, and Wyoming, to a decline of about 35 feet in Texas. The area within each State with 25 or more feet of water-level decline ranges from small areas in South Dakota and Wyoming, to about 9 million acres in Texas.”

Source: “Water in Storage and Approaches to Ground-Water Management, High Plains Aquifer, 2000,” U.S. Geological Survey, 2003

yet you’re guaranteed a *high cost of production*—so, that makes for a potentially volatile situation.

EIR: What about the fact that you might be going to very few suppliers, and have fewer conventional seeds and suppliers?

Barron: We have what we call “custom cotton seeding delinting plants,” in West Texas and other parts of the United States. We don’t have near the amount we had 10 or 15 years ago. Right here in the immediate West Texas area, 20 years ago we had 25 custom delinting plants, where they delint the cotton seed, rebag it, and have it for replanting for the following season, which is an age-old practice of farmers worldwide: saving some of their seed from one crop to plant their next crop.

But, with the new genetically modified seed, that doesn’t happen. You have to purchase brand new seed, different stock every year, and you can’t save any of your current seed, for

fear of getting sued by Monsanto, or whoever the company may be that has patent rights on that product, and that’s actually taken place some, unfortunately, in the last several years.

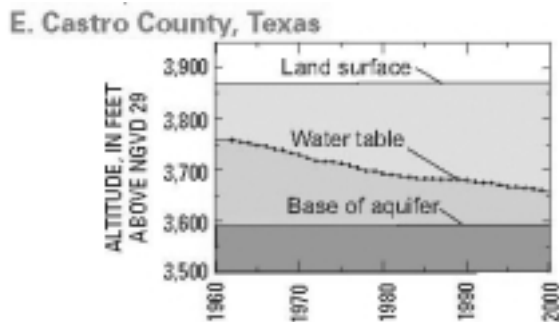
EIR: So, in other words, in past decades, you had a whole complex of a kind of redundancy in different cotton regions of the country, but especially yours, so, it wasn’t all dependent on one source. What about other commodities in this regard?

Barron: It’s about the same game, best I can tell. Every week on my two-hour radio address on Saturday, I get corn and soybean producers from the Midwest and other parts of the country to climb aboard with us, and talk about their situations and their thoughts. They parallel very much: They have concerns about this rapid consolidation and merger process with the pharmaceutical companies, which spills over to the domestic Monsantos, the chemical and seed companies—they’re all going together. What I hear lately is, instead of

FIGURE 4

Hydrograph in Castro County, West Texas

(Exact location shown in Figure 3)



Source: U.S. Geological Survey, 2003

The “base of the aquifer” refers to the estimated level of impermeable rock at the floor of the aquifer. The water level has fallen more than 100 feet from 1960 to 2000, at this site in the northwestern part of Castro County, south of Lubbock, in the region where rancher Lee Barron reports that irrigated agriculture had to stop.

having six major chemical companies like we have today, whereas we had 12 just a few years back, we’re going to get down to just two or three major suppliers. At that point in time, there’s a very big fear about where the cost may go, and maybe the availability, and who knows, the safety factor to all of us from a food consumption standpoint.

EIR: So that would be Monsanto, and Dow—which bought Pioneer Hi-Bred, and very few others.

Stepping back from that, how do you see the combined impact of the various economic downshifts imposed under globalization? Your Texas Panhandle is in the southern part of the High Plains region, and if you look county-by-county—*EIR* has done map animations of this—you see a dramatic *depopulation* throughout this whole multi-state belt.

It’s parallel with the takedown of the industrial regions, of the steel belt, Pittsburgh, Cleveland, Detroit—that kind of thing.

Starting from the Dakotas and going south, most counties have seen an exodus. The young people seek work elsewhere. The towns are boarded up. The average age of farmers left on the land is going up.

Barron: Well, just to put it simply, draw the bottom line: I’m 48 years old, and I rent out my farms in two counties. My goal, going to college back in the late ’70s, was to be a full-time cotton producer in West Texas. I’m not doing that today, mainly because of the lack of good, sound economics at that point. And most of my friends whom I graduated high school with, and went through college with, who went into “production ag” in the early ’80s, I’d say about 90% of them have now busted out, are bankrupted out of farming, and are doing

things elsewhere.

And in my travels in West Texas—I’ve travelled to all the cities and all the counties for going on 20 years—I’ve watched a rapid decline in the population of those small towns. I’ve seen a downsizing of the school population and a lowering of classification in athletics; churches closed; and just as you mentioned, a forced movement out of the country into town, due to low prices and high costs. And it’s still taking place today. And we’re moving production ag into Brazil, Venezuela, Argentina, China, and other regions outside the United States, and we’re pointed in a not-so-pretty direction.

EIR: Let’s go back in time. In the 1960s, there was a lot of discussion—and that was a turning point—about the question of infrastructure, water supplies, and climate. As of that time, the United States still had its Office of Saline Water, working on water desalination; I think it was in New Mexico or Arizona. They were looking at the potential—even earlier in the Atoms for Peace period—looking at setting up nuclear-powered desalination on the Gulf of Mexico and on the Pacific Coast.

There were the plans before Congress to have interbasin transfers of water, and move river water southward—even to Texas, from the Great North American Water Alliance. This would be diversion of some of the flow to the Arctic in the Mackenzie River in northern Canada. A grand plan to bring it way south.

Do you recall this, or the nuclear-powered desalination, or any other projects then? What has been any rearguard support over time? (**Figure 7**)

Barron: Oh, there’s still talk from time to time, that the future water supply is out in the ocean, to bring it in and utilize it thataway. And even utilizing the floodwater, and cleaning it up enough to utilize for irrigation, and maybe human drinking water and consumption at that point.

EIR: Recycle it?

Barron: Through its recycling, basically. But I don’t know—at that point, the true bottom line I guess, for myself and those farmers that I talk to, is that we need an increase in the price being paid for our commodities, of corn, wheat, milo, cotton, major row crops across this country, to get subsidized to an extent by the U.S. government, in the current farm bill. Because we all know the Bush Administration and the current, not this administration, but meaning the past, have cut farm programs; and now Bush is threatening to cut farm programs once again, and that’s probably where 50% of the income that comes to farmers nowadays is, through that government process. We’re barely paying bills with these high costs like it is, so if that gets cut, that’s a real, major fear factor at that point.

But, myself and most producers would rather not have this government help, these government subsidized payments: We’d rather just have a fair price in the marketplace for the product and be like most other businesses, where we

could obtain a parity price, a fair price for production, that would cover that cost of production, plus just a little profit. And domestically have our food and fiber system more at home, and let other countries do the same in their country, and then trade with these other countries, as would be fair for both parties and beneficial, and make sense.

But we're not doing that today, with these unfair trade agreements that they're trying to ram through, and unfortunately are getting done, like NAFTA and CAFTA; and who knows about FTAA, and then on to the WTO. It's making for a bad situation.

And unfortunately, if we let our food and fiber production be almost dominated by outside forces and producing elsewhere for shipment back to the United States, who knows? They don't *have* to send us the food, number 1, our availability could be suspect; number 2, who knows what the price might be?

EIR: And the drumbeat is even worse now to continue more of so-called free trade, when it's clearly a disaster. We are seeing this especially being promoted back here in Washington, D.C., but also through the national media, by this false friendly coalition between the ultra-right-wing, like Grover Norquist, of the anti-taxpaying league, and Bono, and others, who say, "Well, we're right and left coming together, because there should be *no* support, no price subsidies, no, programs for U.S. farmers," because it isn't fair to the Third World. "We have to allow Third World nations to have access with no limitations, to sell their products in the United States."

What do you say to that?

Barron: We have some bumper stickers we produced about six months ago, and I carry with me and pass out to farmers on a daily basis to promote my radio program. And they're white vinyl stickers with red letters that say, "NAFTA + CAFTA = Shafta. Buy American made. Call your Congressman immediately." That's pretty much how we feel about the trade agreements in West Texas.

EIR: What else needs to be said?

Barron: I guess the basis of our mission and my small com-

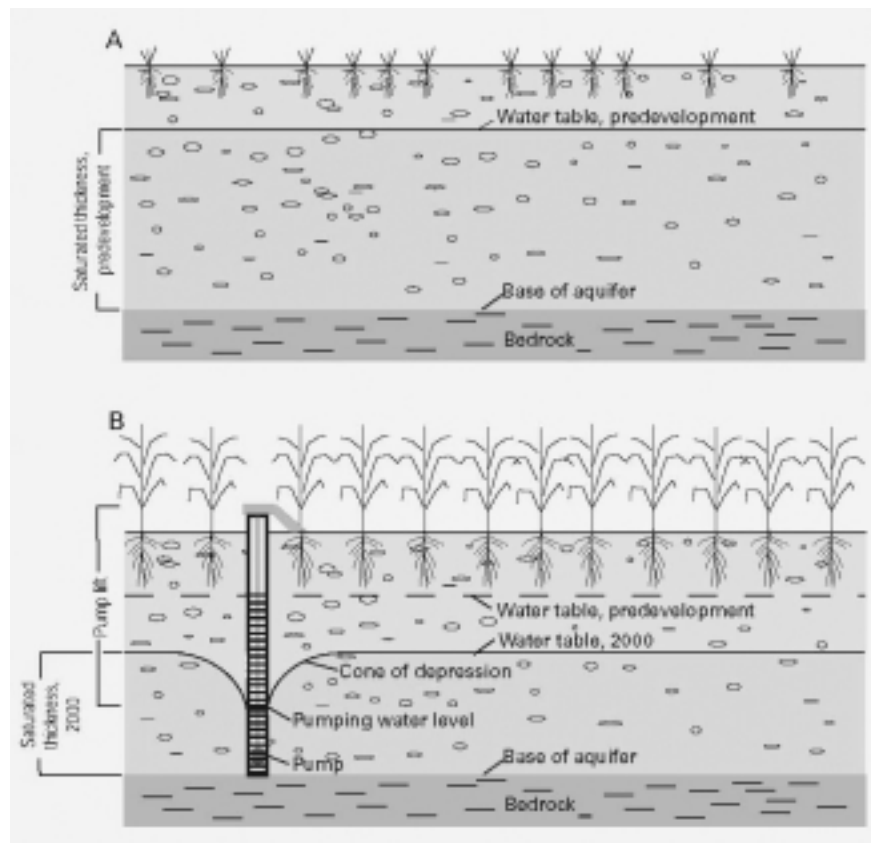
pany in Lubbock, Texas, is to promote agriculture and broadcast about the industry: I went through FFA in high school—

EIR: Future Farmers of America, it was called then, before they changed it to FFA.

Barron: And then, we have the 4H, which are the younger kiddos. My boys are currently involved in 4H, and we go to stock shows and show pigs. Those youth, from ages 8 to 19, a lot of them have a dream of coming on up and entering production agriculture, and becoming a farmer/rancher in the United States. But, that dream is fading quickly in my estimation, due to the greed factor of multinational corporations that are moving production out of this country, and

FIGURE 5

Irrigation Pumping Costs Soar From Declining Water Levels, Rising Energy Prices

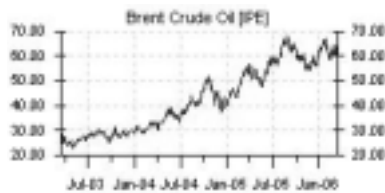


Source: U.S. Geological Survey, 2003

The diagram shows the water table and saturated thickness of the aquifer, during (A) predevelopment (before extensive pumping); and (B) after the water level has fallen, in 2000. The costs of pumping for irrigation have risen sharply both from hyperinflated energy prices (see **Figure 6**), and from the fact that energy requirements are more than one-to-one proportional to increasing the water lift distance. Energy costs also increase because well yields decline as saturated thickness declines, and pump operation time must increase. Many other characteristics of the aquifer can figure into the calculation (for example, the radius of the cone of depression can change), as well as the relative efficiency of the pumps used.

FIGURE 6

Hyperinflation of Price of Oil (Brent Crude), from July 2003 to January 2006, Per Barrel



Source: www.thefinancials.com

As the price of oil per barrel rose from the range of \$25 in mid-2003, up to \$63 in January, 2006, rising energy costs of all kinds—natural gas, propane, gasoline, electricity—have slammed agriculture operations.

making their dream fainter and fainter every day, that there should be a concern for our kiddos and grandkids in future generations. And that should be a criminal act that needs to be really looked at closer.

But unfortunately, the multinationals seem to be plenty good enough campaign contributors to our elected officials to keep their heads turned, and thoughts away from things like that.

It's a very frightening situation to me, one that ought to be addressed immediately. I think more mothers, fathers, grandmothers, grandfathers, and consumers, if they *really* understood better what's at stake here with our food supply, and the safety thereof, most consumers would be up in arms, and marching in the streets today. But unfortunately, they do not know, the consumer never has known for sure where the food's coming from. They've been kept kind of in the dark, about the American ag system, and the value of America's farmers and ranchers. Therefore, we don't have the support in the cities, from the 99% of the population off the farms, which we need. *But*, on the other hand, that's what my company's all about, and we're trying to run ads on television nationwide, as we speak, with some notable people, like Bobby Knight, Wilford Brimley, Red Steagall, and others that we run across that can be strong carriers of the message of the value of American agriculture. At that point, we're hoping to rally just a little bit of support among what we call our "city cousins."

EIR: Good. Well, a lot of people, city or country, didn't even think where their bridges came from—

Barron: Or, ports!

EIR: Or, ports came from, or where the levees came from. So, if we make clear where all of this comes from, namely, real, physical economy. I think we have a chance.

Barron: Well, I hope so, Marcia. I tell you what, we've got one heck of a fight going!

FIGURE 7

Nuclear Desalination Can Manufacture Vast, New Water Resources



Source: "Seawater Desalination Plant for Southern California," Metropolitan Water District of Southern California, Preliminary Design Report No. 1084, October 1993.

An artist's depiction of a modern seawater desalination tower, proposed for a site on the California coast. The structure houses a multi-effect distillation process (vertically stacked evaporation) for large-scale output (284,000 cubic meters daily). Multiple desal plants along the Gulf of Mexico and Pacific coastlines, plus at inland sites to desalt brackish water, would create vast new quantities of man-made, "natural" water resources in this arid region. Cheap, plentiful electricity is the pre-condition.

The installation shown here is intended for use with the new fourth-generation nuclear design by General Atomics (see p. 42). It was part of their proposal, "MHTGR Desalination for Southern California" (December 1988). Desalting plants supplying 1 million cubic meters a day—say, four of these towers—could supply an urban concentration of 4 million people with sufficient water for domestic use; or the equivalent volume for other purposes.

The water graphics used here were selected directly, or adapted from, illustrations of the U.S. Geological Survey, by Cody Jones, Drew Langsner, Joe Smalley, and Aaron Yule.

Russia Embarks on Its Global Nuclear Power Plans

by Marsha Freeman

In a series of national and international meetings in mid-March, the Russian government put forward its concrete plans to lead the global renaissance in the construction of new civilian nuclear power plants. Recent personnel changes in Rosatom, the Russian nuclear agency, are designed to position Russia as a major exporter of nuclear plants, which will help finance the construction up to 40 new domestic nuclear plants over the next 20 years. Russia's current chairmanship of the Group of 8 industrial nations positions it to lead the nuclear revival internationally.

On March 15-16, the energy ministers of the G-8 nations met in Moscow, to formulate proposals to be adopted by the G-8 heads of state, scheduled to meet in July in St. Petersburg. Two days earlier, an extraordinary meeting took place at the Kremlin, to mobilize Russia's domestic nuclear industry and establishment to meet the challenge. In addition to President Vladimir Putin and nuclear officials, the conference was attended by Prime Minister Mikhail Fradkov, Security Council Secretary Igor Ivanov, and Industry and Energy Minister Viktor Khristenko.

Addressing the conference, President Putin emphasized that nuclear power engineering is "a priority [industrial] branch for the country, that makes Russia a great power; the most ambitious projects and progressive technologies are linked with this branch." Describing nuclear energy as "one of the most important national priorities" for Russia, Putin said that nuclear power is "no longer a Cinderella" or outcast.

The head of Russia's nuclear state enterprise, Rosatom, Sergei Kiriyenko, stated at the conference that funds in the Russian government's budget are insufficient to build the new nuclear reactors that Russia needs. So Russia plans to build 60 nuclear plants abroad, expecting major "markets in southeast

Asia, in order to finance its domestic program." That this can be done, he pointed out, is evidenced by the fact that in the past, Soviet nuclear specialists built 30 reactors in other countries.

This approach has been used successfully by the Russian government to keep alive its manned space program, and prevent its most talented specialists from leaving the country. The Russian space agency has been selling services abroad, including transportation to the International Space Station, in order to preserve its critical science and industrial infrastructure, and begin new space technology programs.

As chair of the March 15-16 meeting of G-8 energy ministers, Russia presented an 11-point statement as the agenda for discussion. It states that: "A significant reduction in the gap in energy supply between developed and under-supplied, less-developed countries is a major aspect of global energy security." The statement also describes nuclear energy as "crucial for long-term environmentally sustainable diversification of energy supply."

The importance of taking this global view was stressed in an article by Academician E.P. Velikhov, president of the prestigious Kurchatov Institute nuclear research center, on March 20. If the "so-called golden billion" people of the G-8 nations isolate themselves, conflict over energy supplies among the "2 billion people in the world [who] do not have access to electricity at all," will "require military unions, fleets, etc. . . . generating international conflicts at different levels, and escalating terrorism," Velikhov warned.

"We need to give a new lease on life to nuclear power engineering that could become an important factor, capable of influencing the crisis," he wrote. Velikhov's proposal in 1985 for nations to jointly build an experimental nuclear fusion plant, will finally come to fruition, when Russia, the



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Kurchatov Institute head Academician E.P. Velikhov: "We need to give a new lease on life to nuclear power engineering."

United States, Europe, Japan, China, India, and South Korea sign the final agreement to begin construction of the reactor in St. Petersburg, in June.

Although there were statements of agreement from the United States on including nuclear energy as important in the energy supplies for the future, there was no joint statement adopted by the eight industrialized countries at the end of the two-day session. European Union Commissioner for Energy, Andris Pielbalgs, told reporters on March 16 that there is not such a clear consensus on the nuclear issue among the countries of the European Union. "A common position on nuclear is still difficult to reach, because it's still controversial," he complained.

The United Kingdom is in the process of reviewing its energy policy, he stated, France is "very strongly supportive," while "Germany is phasing out nuclear power plants." However, there are signs that the British energy policy, to be released this Summer, will call for new nuclear plants there, and on March 22, during a visit to Japan, Germany's Economics Minister, Michael Glos, reported that anti-nuclear "public opinion" is changing in Germany.

Russia Is Not Waiting

Russia has no intention of waiting until the other industrial nations approve its global nuclear development perspective to forge ahead.

One week after the G-8 meeting in Moscow, President Putin, with an entourage of nearly 1,000, including top energy officials, arrived in Beijing. During his first day of talks with China's leadership on March 21, Putin stated that Russian-Chinese energy cooperation goes beyond the oil and gas deals the two nations are signing. "This cooperation includes supply of equipment for the purposes of [the] nuclear energy sector, including our participation in developing new nuclear capacities in China," Putin said.

This was reiterated during a visit by Russian nuclear chief Sergei Kiriyenko to the two Russian-built power plants that are currently under construction at the Tianwan site in China. And on March 22, Russian Foreign Minister Sergei Lavrov



Presidential Press and Information Office

Russian President Putin with Chinese President Hu Jintao. "Nuclear power is no longer a Cinderella," Putin told the G-8.

added that Russia "has very strong advantages" in the nuclear sector. China is expected to announce this year which vendor it will choose for its next block of four commercial nuclear plants, and Russia has bid on those reactors.

The nation in Asia with the second-largest nuclear power plant construction program is India. In July, the Presidents of India and the United States signed an agreement in Washington to cooperate in civilian nuclear power development. To do this, the 1954 Atomic Energy Act would have to be amended by the U.S. Congress, to make India an exception from the non-proliferation restrictions of U.S. law.

Russia is not waiting for the political wrangling that will take place in Washington over at least the next few months to be sorted out.

After India exploded its first nuclear device in 1974, the United States cut off shipments of fuel for India's two U.S.-built commercial Tarapur reactors. Taking its cue from the new U.S. openings to India, Russia decided it was now opportune to reinstate its own nuclear cooperation.

According to the March 21 edition of Pakistan's *Daily Times*, India has received the first of two 30-ton shipments of nuclear fuel pellets from Russia, which will be manufactured into fuel rods for the Tarapur reactors. The shipment, aboard a special freighter, landed in India on March 16, just hours after Russian Prime Minister Fradkov touched down in New Delhi, on a state visit. The second low-enriched uranium fuel shipment will reach India "very shortly," sources told the *Daily Times*.

It is reported that the deal for Russia to supply India with nuclear fuel was concluded last December, but because it was going to raise hackles, especially in the United States, it was kept under wraps until February. At that time, Russia notified the International Atomic Energy Agency and the Nuclear Suppliers Group of the sale.

Over the past month, Russia has also signed a nuclear cooperation agreement with Hungary, and has offered to help Vietnam build its first nuclear power plant.

India: Tamil Nadu Gets Nuclear Desalination

by Ramtanu Maitra

One of the hottest subjects in the southern Indian state of Tamil Nadu is drinking water. The economically flourishing Tamil Nadu is confronted with a perpetual water shortage. The only solution is widespread desalination of sea water, and a leading Tamil Nadu politician and former Chief Minister, J. Jayalalitha, has made desalination her political trademark in the state. She has accused the national government in New Delhi of sabotaging her plans to set up more desalination plants.

Although Tamil Nadu has forced through initiatives to meet its water shortage through desalination of brackish and sea water, the fact remains, that the entire nation of India is facing a water crisis. India, which had enough drinking water for its people in 1951 at 5,177 cubic meters per person per year, is becoming a water-deficient country. In 2003, the country had a 25% deficit, at a rate of 1,500 cubic meters per person per year. The deficit is projected to rise to 33% by 2025, unless measures are taken to resolve it.

Ironically, Tamil Nadu is providing a leading example of how to deal with potable water shortages, not only just for India, but also for countries throughout the world. If combined with a major commitment to nuclear power as well, the potential for solving this life-threatening problem is clearly in sight.

Obstacle to Growth

Jayalalitha could not have been more right in demanding more desalination plants. Tamil Nadu is a water-scarce state. Although it has 33 river basins, the rivers are short, and carry water seasonally. On the other hand, almost 45% of the state's land is under cultivation, and the annual food grain production exceeds 10 million tons, with rice alone contributing an average 8 million tons.

Minerals such as limestone, lignite, granite, clay, gypsum, feldspar, graphite, and iron are abundant in Tamil Nadu. Besides these, small quantities of gold, copper, magnesite, kaolin, bauxite, and asbestos are also found here. Many industrial units have been set up for optimum utilization of these mineral resources, and more would be set up in the future, if the water shortage could be solved. The organized sector employs more than 25 million people, and the number is growing.

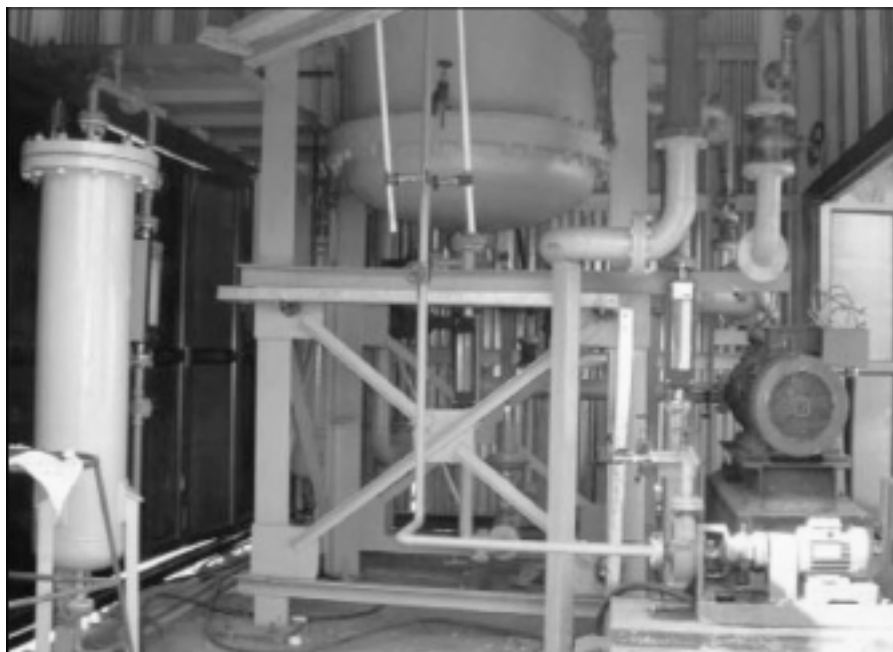
At the same time, in order to grow, Tamil Nadu has invested heavily in education, and ranks the third highest in the Union in terms of total expenditure on education. There is no

question that under the circumstances, Tamil Nadu should explode with economic activity and generation of wealth. However, the shortage of available water, and the national leadership's inability to develop policies that would help Tamil Nadu develop a water surplus, have held the state back.

Desalination Is the Answer

At least some in that state have come to realize that Tamil Nadu, with its long coastline, is not really water-short. What it is short of is New Delhi's support to develop a water surplus. Over the years, Indian planners and crisis managers have talked about a Peninsular river project. One part of the southern development project would consist of linking the Mahanadi, Godavari, Krishna, and Cauvery rivers by canals. Extra water storage dams would be built along these rivers, to transfer surplus water from the Mahanadi and Godavari rivers to the south of India. However, nothing much along these lines has seen the daylight yet, and it is anyone's guess when this actual interlinking would be done. On the other hand, it is almost a certainty that in a water-short nation like India, states which have some surplus water in their rivers, would object





BARC

Tamil Nadu has a great potential for industrial growth, provided that the problem of a perpetual shortage of water is solved. Shown here is a desalination unit attached to the CIRUS nuclear facility, near Bombay, in a different region of India.

vehemently to such water transfer plans.

One such instance was the Telegu Ganga plan, which would have allowed seasonal surplus water from the Krishna River to get to reservoirs that provide year-long drinking water to the residents of Chennai (formerly Madras), the capital and main city in Tamil Nadu. However, the Telegu Ganga project has yet to supply the promised water to Chennai from the Krishna River, despite major investments made to the project by the state of Tamil Nadu.

It had long become evident to the state politicians that the only way Tamil Nadu's water shortage can be met is through desalination. Championing the cause, former chief minister Jayaram Jayalalitha in 2004 accused Union Minister for Environment A. Raja of stalling a proposed 100 million liters per day (MLD) desalination plant for Chennai. Jayalalitha has also criticized Finance Minister P. Chidambaram, also a Tamil Nadu politician, for prematurely saying that the central government was ready to give Tamil Nadu Rs. 10 billion (rupees) for setting up a desalination plant, and doing nothing to prevent the stalling tactic used by Raja.

In a rebuttal to an academic's assertion that desalination would not solve the water shortage problem, Jayalalitha, in a letter to a newspaper in September 2004, wrote: "The Government of Tamil Nadu is also keen to proceed with the desalination plant for Chennai. Desalination is the only reliable final solution for Chennai's growing water needs. Desalination technology has been greatly improved upon, making it now possible to supply fresh water at a reasonable price. . . ."

Success Stories Around the Nation

The reason that Jayalalitha is so confident, is that a large number of small desalination plants, based on the reverse

osmosis (RO) process, are already functioning in the state. Water managers and experts point out Chennai's satisfactory experience with the five units in the city, producing 500,000 liters a day. Metrowater set up three plants at Nochikuppam, Kasimedu, and Velachery, in the area around Chennai, in 1977-78, and two at Kasimedu and Ayodhyakuppam in 2001.

The seawater-based desalination plant at Narippaiyur in Tamil Nadu, a major plant in south Asia, is successfully supplying drinking water to 264 villages in the Ramanathapuram district, according to the Tamil Nadu Water Supply and Drainage board (TWAD). The plant, installed recently, has a capacity of 3.8 million liters per day and covers a population of 235,000, providing an average of 10 liters of drinking water per day per person.

The Tamil Nadu government has approved the installation of 45 desalination plants in Ramanathapuram district, at a cost of Rs. 5.3 billion, and the installation work has been entrusted to Bharat Heavy Electricals Limited (BHEL), a Government of India undertaking. Out of 45 plants, two major ones are at Narippaiyur and Rameshwaram (300,000 liters per day). The remaining 43 smaller plants (20,000 to 300,000 liters per day capacity) have been designed for treating brackish water from bore-well sources.

Thanks to Jayalalitha's relentless campaign for desalination plants, the water managers and experts now point out that finally both the central and state governments seem to be adopting a similar approach. That is why Chennai's Metrowater has decided to go in for a 100 million liters per day (MLD) desalination plant.

Jayalalitha's campaign has drawn her close to a number of major advocates of desalination. One such is Indian President A.P.J. Abdul Kalam, a Tamil Nadu resident and widely ac-



This 4,500-cubic-meters-per-day Multi-Stage Flash desalination plant is under construction, inside the nuclear facility at Kalpakkam, in Tamil Nadu state.

knowledge as the “Father of the Indian Missile Program.” Delivering the inaugural address at the Indian Nuclear Society conference at Kalpakkam, near Chennai, in 2003, President Kalam had stressed the need for finding a lasting solution to the water crisis around the world. He said on that occasion, that desalination of sea water to produce fresh water appears the best, with 97% of the Earth covered by ocean. This could produce a perennial supply of fresh water. The Indira Ghandi Center for Atomic Research is located in Kalpakkam.

Kalam pointed out that India has begun looking at the use of nuclear power for desalination of sea water. A desalination demonstration plant at Kalpakkam, using nuclear waste heat for the multi-stage flash process that produces 4,500 cubic meters per day has already been set up. “These plants can be scaled up 10 times from the present configuration with out any difficulty,” he said.

Already two methods of desalination—reverse osmosis and multi-stage flash—have been demonstrated at the Bhabha Atomic Research Center (BARC). Joining voices with Kalam, Jayalalitha, who was then Tamil Nadu’s chief minister, urged the Department of Atomic Energy to set up a large number of smaller desalination plants all along the Tamil Nadu coast, based on the Kalpakkam experience.

BARC Support

There are indications that Tamil Nadu may get what it needs. B. Bhattacharya, former director of BARC, who played a key role in developing the desalination plant coupled to a nuclear electricity station in Kalpakkam, has already supplied 15 desalination plants to different Indian states, and constructed a large desalination plant adjacent to the Madras Atomic Power Station (MAPS) at Kalpakkam, at a cost of Rs. 4 billion. The plant was inaugurated in 2002 by the then-Indian Prime Minister Vajpayee on Dr. Bhabha’s birthday, Nov. 4.

In an interview in 2001, Bhattacharya pointed out that desalination technologies available today are broadly based

on processes belonging to three categories: reverse osmosis (RO); multi-stage flash (MSF); and multi-effective distillation (MED). India has pursued all three processes for some time, and has realized that the RO and MSF technologies were the two in which it can be self-reliant. MSF does not need any imports. RO has a membrane module which is imported.

Meanwhile, the second nuclear desalination plant at Kalpakkam, with a capacity 4,500 cubic meters per day, is expected to be commissioned in March 2006, an official of BARC said.

BARC has already commissioned a 1,800-cubic-meters-per-day nuclear desalination demonstration project (NDDP) at Kalpakkam, using reverse osmosis technology. The remaining 4,500-cubic-meters-per-day plant, which is under construction at Kalpakkam on MSF water purification technology, will be commissioned this month.

Anil Kakodkar, chairman of the Atomic Energy Commission, told *The Hindu* recently that the BARC is working on a mobile barge-mounted desalination plant located meters off shore. “It will be ready by the end of the Tenth Plan, maybe in 2006 or 2007. People are working out the engineering details,” Dr. Kakodkar said.

“It can go on any platform. It can go by water route or land route. But the first idea is to put it on a barge,” the AEC chairman said. On the sea, it would float, depending on the draught. “The barge may be able to come within 10 meters of the shore,” he said. But there should be a storage tank on shore, which can be filled with the water that has been desalinated. Similarly, if it is trailer-mounted, it can be parked near a storage tank that can be filled with fresh water. Pipes from the mobile desalination plant will fill the storage tanks with purified water.

Foreign Investors

India’s eagerness to accept desalination as a way to meet the water shortage has attracted investors as well. Saudi Arabia’s Bushnak Group is forming joint ventures with Indian project developers to help set up desalination units, the first of which is slated to come up in Karaikal, Pondicherry, north of Tamil Nadu on the east coast, by 2007. In the case of the Karaikal desalination plant, the \$8 million investment is proposed to set up a 5-million-liters-per-day capacity plant, expandable to 10 million liters. It would produce water for industrial use.

Bushnak has tied up with Hyderabad-based Pallava Water and Power to set up the first joint venture, which plans to undertake three desalination projects in southern India. The group has announced its plans to set up desalination units in the states of Tamil Nadu, Andhra Pradesh, and Karnataka, besides Pondicherry (in southern India). Although the exact locations are still to be finalized, the second desalination project is planned south of Chennai for completion by December 2007, followed by another one in Visakhapatnam on the east coast of Andhra Pradesh by mid-2008.

When Will Atomic Power Return To Germany?

by Rainer Apel

At the meeting of the G-8 Energy Ministers in Moscow on March 16, Russian President Vladimir Putin, who has repeatedly urged his own nation to make special efforts to increase the percentage of Russia's power that is generated by nuclear plants, presently at 16%, to 20%, had ironic "praise" for the Germans: "Even in Germany, where our colleagues had announced that they were going to phase out the country's nuclear energy program, nuclear power plants currently produce around 28% of Germany's electricity—not a bad figure at all."

But, it is a bad figure: Had the German elites not opted out of nuclear technology development, Germany, like France, could have almost 80% of its power supply generated by nuclear plants. Other nations of Europe, such as Austria and Poland, have also opted out of nuclear power generation, but the green ideology with its hysterical anti-technology bias, has had its most devastating effects in Germany. This is not only bad for the Germans; it is bad for all Europeans, because Germany, Europe's leading industrial producer, needs an enormous volume of power to maintain its industrial output.

Germany is importing electricity—most of it from France, but some also from the Czech Republic and Ukraine, all of which generate a substantial, and growing portion of their electricity from nuclear plants. In terms of power generation, the German elites have brainwashed themselves into the illusion that by the year 2050, most of the power supply will be based on "alternate" energy sources, such as wind, solar, and geothermic. At present, there is no political force in Germany outside the LaRouche movement that openly calls for new nuclear power plants. The political elites are sticking to their 2000 agreement with the then-governing Social Democratic (SPD)-Green coalition, on the total exit from nuclear by 2021. They have stuck to this agreement, although since November 2005, the Greens no longer are in the government. Germany is now governed by a Grand Coalition of Christian Democrats (CDU-CSU) and the SPD.

German Economics Minister Michael Glos (CSU) said, during a visit to Japan on March 22, that it was his "personal opinion" that his country should return to nuclear power. "I think there have been changes in public opinion," he said. "The use of safe nuclear plants is the path that we should take, within the context of the G-8 and the European Union." Some in Glos's party, the Bavarian state section of the Christian

Democrats, want to present a "pro-nuclear position paper" at the April 3 "national energy summit."

But the CDU-CSU alliance of Chancellor Angela Merkel is being blackmailed by its coalition partner, the firmly anti-nuclear SPD. The SPD has insisted that any debate on nuclear technology at the energy summit be excluded from the agenda. Merkel's own party is green enough to make it acquiesce, because the green paradigm shift in the 1970s and 1980s has also deeply penetrated the CDU. It was a CDU-led government, under Chancellor Helmut Kohl, which in 1991 announced the shutdown of the fast breeder project.

Green Takeover of the SPD

The main problem, though, after the ousting of the Greens from the government, is the SPD, where the green brainwashing has been the deepest. Indicative is what happened at the SPD's own "energy conference," in Berlin on March 6. There, national party chairman Matthias Platzeck said that "progress must stop going at a snail's pace," and called nuclear power and oil the "energy sources of the past" which have to be replaced by "sources of the future." That is why the SPD would never again say "yes" to the atom, he added.

The SPD's Minister of Environmental Affairs in the Grand Coalition government, Siegmund Gabriel, said in his speech at the conference, that "we must regain freedom, and that means to be free from the atom and oil." The energy future of the SPD: wind, solar, energy conservation, efficient use of both hard coal and lower-quality soft brown coal, and natural gas.

The aforesaid is evidence of the fact that the SPD has replaced British Prime Minister Tony Blair's "Third Way" with "no way." This may be because of the late February meeting between Platzeck and Blair, in London, and the March 3-4 Policy Network conference in Venice. The Policy Network is chaired by Peter Mandelson of Britain's New Labour. Anthony Giddens, another Third Way spin doctor, plays a key role in the Network. At the end of March, a follow-on conference is scheduled in Berlin.

Platzeck's longtime advisor, Tobias Dürr, attended the meeting in Venice; another former Platzeck advisor, Sebastian Heil, is now general party manager of the SPD. Dürr is publisher of the *Berliner Republik*, journal of the so-called "SPD party left" or "Networkers," as they call themselves. These are the people who made the inner-party coup against party chairman Franz Müntefering at the end of last year, and who then took control of most of the newly elected SPD executive. With this group in control of the SPD leadership, the Social Democrats are not going to drop their anti-nuclear crusade.

But maybe, the dark clouds that are gathering around Tony Blair, over the illegal party funding affair that has broken into the open, will relieve the SPD from the tight London grip, and create breathing space for the Social Democratic minority that wants to develop nuclear technology again.

Texas University To Build First Nuclear HTR Research Reactor!

by Marjorie Mazel Hecht

The first U.S. fourth-generation nuclear reactor will be built at the University of Texas of the Permian Basin as a teaching and test facility, according to an agreement signed on Feb. 22 between General Atomics and the University. The GT-MHR is a modular high-temperature gas-cooled reactor, which uses a direct-conversion cycle that is 50% more efficient than the conventional nuclear steam cycles in producing electricity. (The initials stand for Gas-Turbine Modular Helium Reactor.)

In the GT-MHR, the high-temperature heat created by nuclear fission is conveyed by the helium gas to directly turn a turbine that produces electricity. The GT-MHR is similar to the South African Pebble Bed Modular Reactor. The difference is that the GT-MHR has its fuel particles stacked in rods arranged in a prismatic core, instead of the tennis-ball-size fuel pebbles of the PBMR. The GT-MHR and the PBMR both have the same passive safety systems that automatically shut down the reactors, without human intervention, if there are any problems.

The University and General Atomics, along with local county participants and the company Thorium Power, have already started work on a pre-conceptual design (an initial study) for the project, which is expected to take six months. The project is named HT³R, and pronounced “heater,” which stands for high-temperature teaching and test reactor. If all goes according to plan, the HT³R should be operating in six years—2012. It will be a 10- to 25-megawatt-thermal reactor, depending on the determination of the pre-conceptual design study.

HT³R is important not just for West Texas, but nationally and internationally, because it will be a teaching and research facility to train a new generation of engineers and scientists in nuclear technologies. It will carry out testing and development of gas turbines, materials, fuel cycles (such as thorium), and will also demonstrate the feasibility of using the 950°C high heat for applications such as hydrogen production and desalination.

A West Texas Nuclear Park

The University is located in Andrews County near Odessa, an area that is the country’s largest onshore oil and gas production center—the Permian Basin. The local communities are fully behind the project, and are thinking of it as part of what will become a West Texas Nuclear Park. There is

already a low-level nuclear waste facility in the area, and a uranium enrichment plant is soon to be licensed nearby in New Mexico, on the border.

“We want to help lead the country and the world into the hydrogen economy,” project manager Dr. James Wright said in a press statement. “Japan and China are the only countries in the world with high-temperature helium-cooled test reactors, and each is working to generate hydrogen from such systems as an alternative energy source.”

How the project came about, and what its vision is, were described by Wright in an interview for the Spring 2006 *21st Century Science & Technology* magazine. Wright stressed the strong local support for the project: The communities of Midland, Odessa, and Andrews County each donated \$500,000 for the pre-conceptual design study; and local philanthropists and institutions, including the Rural Electric Company, have put up another \$250,000.

As for the funding for the construction of the project, Wright told *21st Century*: “We are going to seek funding in several places in the Federal government, but we expect probably a third of this to be financed by private sources—non-Federal-governmental sources. The state of Texas and the communities here have already demonstrated that they’re real proponents of this technology. We’ve already anteed-up \$3 million. There’s no other area of the country that has said that we believe that this is so important that we’re going to put \$3 million into it. . . .

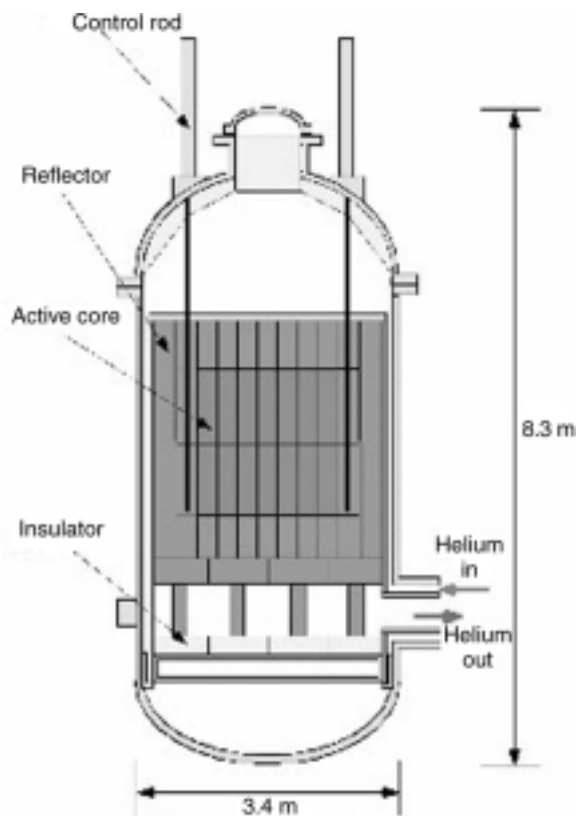
“I can’t say enough about any of the citizens here in West Texas, because they put their money where their mouth is. Rather than ‘not in my backyard,’ they say, ‘We’ll pay you to come to our backyard.’ So the communities here are really unique.”

The Need for Nuclear

In the interview, Wright reviewed the dire energy situation in the United States, and the need for nuclear power. “By 2040,” he said, “our current nuclear plants will be decommissioned, and nuclear capacity is about 20% of our electricity. Furthermore, by 2040, an additional 26% will be decommissioned from coal and gas-fired plants. What people don’t understand is that all these plants have a finite lifetime, and we’re not going to be able to afford to put in all these coal and gas plants. We’re going to have to put in a lot more than that 20%

FIGURE 1

The GT-MHR University Research Reactor Schematic



The GT-MHR University Research Reactor design has the same characteristics as the full-scale reactor: It uses a helium coolant, a graphite moderator, tiny ceramic-coated fuel particles, and the same passive safety characteristics. The fuel particles are stacked in vertical rods, which are arranged in hexagonal graphite blocks in the reactor core. The core is all ceramic, which permits very high temperature operating conditions. No meltdown is possible.

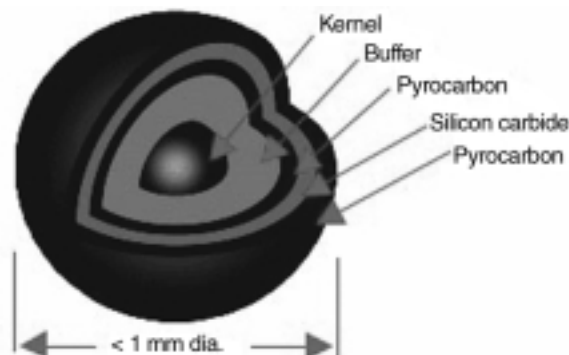
nuclear; we're going to have to put in 30 to 40% nuclear to keep the cost down. . . . By using high-temperature plants, you have a higher efficiency, so actually you need to build less thermal capacity in order to get the same electrical capacity."

The U.S. energy plan includes building a high-temperature reactor at the Idaho National Laboratory, which would be coupled with hydrogen production, but the program is still in the idea stage. The HT³R will be a "little brother" to whatever reactor design is eventually built, providing research and development experience.

General Atomics has another GT-MHR project in Russia, now in an engineering stage, to build a full-size prototype reactor that will burn weapons plutonium. It could also be up and running in six years, if the funding were available. General Atomics also recently announced a joint research program with the Korea Atomic Energy Research Institute for

FIGURE 2

Coated Particle Fuel for the GT-MHR



Source: Illustrations courtesy of General Atomics.

The outer layers of the fuel particle are ceramics, which provide "containment" for the nuclear fuel at the center. The temperature limit of the coating is higher than the temperature that can be achieved by the fuel particle, even in the most severe accident conditions. No fission products can be released.

Note that the diameter of the particle is just 1 mm.

the production of hydrogen using helium-cooled reactors.

The enthusiasm for the West Texas project should spur other U.S. universities to look ahead to a nuclear renaissance and reopen the research reactors that were shut down under anti-nuclear pressure in the past two decades, or even better, to build new fourth-generation reactors to train the engineers and scientists the country will need.

Read More About 4th-Generation Reactors

• South Africa's PBMR Ready To Power an Industrial Take-Off

Jonathan Tennebaum reports on an international conference in London to discuss the fantastic economic potential worldwide of South Africa's Pebble Bed Nuclear Reactor.

EIR, Feb. 10, 2006

• Inside the Fourth-Generation Reactors

Marjorie Mazel Hecht reports on how the modular high-temperature reactors work, with profiles of both the General Atomics GT-MHR and the South African PBMR.

21st Century Science & Technology, Spring 2001

Implosion of the Global 'Carry Trade'

by Lothar Komp

It is standard procedure of leading central banks these days to fight any symptom of global financial disintegration by further gearing up money-printing machines. Hedge funds and other investors could borrow the fresh liquidity at near-zero interest rates, and then channel it into any kind of high-risk, high-yield assets, from emerging market stocks, to junk bonds, or mortgage-backed securities. However, interest rates in the United States and Europe have started to rise, and even in Japan, the days of zero-interest rates are numbered. Already the expectation of reduced liquidity in the near term has caused a partial implosion of some of the "carry trade" bubbles. The first wave was marked by the Iceland crash in mid-February. In early March, another wave suddenly hit stocks, bonds, and currencies all over Ibero-America and Africa, as well as Russia and Turkey. Since mid-March, Arab asset bubbles have been the center of attention. The latest victims include the commodity-related currencies of Australia and New Zealand.

Referring to recent off-the-record discussions that *EIR* has had with senior financial analysts in Europe, Lyndon LaRouche noted on March 14 "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." It should be seen as a sign of the times that senior banking sources have come around to converge with LaRouche's assessment of Greenspan's role, which he had publicized widely during the recent decade.

Systemic Banking Crisis in Iceland

In the last few years, Iceland has been transformed into a Caribbean-style "hot money" and "carry trade" financial center. The country's three large banks—Kaupthing, Landsbanki Islands, and Islandsbanki—played a central role in such schemes. Investors were borrowing at ultra-low interest rates, in particular from the Euro-zone, and then investing the money into bonds in Iceland, such as those issued by the three banks, at rates above 10%. In so doing, the three banks piled up external debt of \$18 billion—about 150% of the country's Gross Domestic Product—which is coming due

within the next two years. Stock and property markets were pushed to the stratosphere by the foreign capital inflows. Stock prices increased by almost 300% since Summer 2003, and house prices in Reykjavik doubled in the same time period. Credit to the private sector doubled within three years. Meanwhile, Iceland's current account deficit expanded to 15% of GDP in 2005.

In the end, it required just one negative report by the British rating agency Fitch, pointing to the country's "unsustainable current account deficit and soaring net external indebtedness," for the whole thing to crash. On Feb. 21-22, Iceland's currency, the krone, suffered a sudden 9% collapse against the dollar. The crash in Reykjavik set off shock waves in currency and bond markets in Brazil, Mexico, Australia, New Zealand, Indonesia, Turkey, South Africa, and Eastern Europe. London's *Financial Times* on Feb. 23 wrote: "A financial crash in Iceland snowballed yesterday, setting off a series of tremors as far afield as Brazil and South Africa. . . . The crash sparked a sell-off among hitherto strong performing emerging-market currencies across the globe." All profits from the Iceland carry trade over the last two years were eliminated within just two days. Foreign capital flows are reversing, putting the three large banks into an impossible situation.

The widespread fears of a systemic banking crisis in Iceland, have prompted Kaupthing to issue a statement, detailing its obligations and cash position, in an effort to convince investors that it's not about to go bankrupt. Islandsbanki on March 17 decided to cut the term "Island" from its name, hoping such a measure would calm investors. It's now called "Glitnir." As the bank explained in its press release, Glitnir is the home of the Nordic god of Justice, and "according to the legend, all those who go there leave reconciled and at peace." It's rather questionable whether the renaming will help to calm down international investors. The Danish newspaper *Jyllands-Posten* on March 13 warned of a blow-out of the Icelandic banking system that would be too big for any kind of public bailout. The banking crisis could have "incalculable consequences," read a statement by Nykredit, and the amount borrowed by the banks is so large "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 as it used to be."

A devastating report on Iceland, headlined "Geyser Crisis," was issued on March 21 by Danske Bank, the second-largest Danish bank. It notes that in terms of parameters like the current account deficit, the Icelandic economy is the most extreme case in the entire OECD area. Therefore, "we think the economy is heading for a recession in 2006-07" in which GDP "could probably dip 5-10% in the next two years." While this picture already looks grim, the situation is actually much worse due to the pyramid of debt. In the recent few years, there has been "a stunning expansion of debt, leveraging, and

risk-taking that is almost without precedent anywhere in the world. External debt is now nearly 300% of GDP, while short-term external debt is just short of 55% of GDP. This is 133% of annual Icelandic export revenues.” “Since 1990,” the report continued, “total debt as a percentage of annual GDP has more than doubled, to 350%. This development has primarily been driven by the corporate and household sectors, which have tripled and doubled debt as a percentage of GDP, respectively.” External debt now accounts “for more than 80% of total debt,” which in turn is “almost entirely denominated in foreign currency.” “Consequently, the Icelandic economy has become increasingly dependent on foreign capital” and “the willingness-to-lend of global financial markets. This raises the question of whether the economy is facing not just a recession—but also a severe financial crisis. . . . Previous similar crises in other countries have sparked very large market reactions. In Thailand (1997) and Turkey (2001) the currencies weakened by 50-60%. . . . We conclude that Iceland looks worse on almost all measures than Thailand did before its crisis in 1997, and only moderately more healthy than Turkey before its 2001 crisis.”

A Stock Market ‘Desert Storm’

Iceland is just one example of numerous carry-trade bubbles all over the globe, that are now ready to burst, in particular as interest rates in the U.S.A., Europe, and Japan are rising. Another example is the Persian Gulf region. On top of the liquidity pumped in by international “carry traders,” petrodollars resulting from the record high oil prices played an important role as well. During 2005, the Dubai stock market index rose by 125%, that of Saudi Arabia by 97%, and that of Egypt by 162%. The total market capitalization of the seven Gulf stock exchanges increased almost tenfold from \$119 billion in 2000 to \$1.14 trillion at the end of 2005, rising further to \$1.3 trillion in mid-February.

By mid-March, panic sales had reached the Gulf region. On March 14, the Dubai stock market plunged by 12%, its biggest one-day decline in history. In total, the Dubai Financial Market Index has lost 40% since the start of the year. In Egypt, the CASE-30 stock market index had fallen by 11% in early trading on March 14. Then the government stepped in. Trading was suspended for an hour, and the Egyptian Capital Market Authority announced that it was buying up Egyptian stocks in order to prevent the market from crashing further. In Kuwait, the government-run Investment Authority was instructed to buy up stocks, after the Kuwait Stock Index Change Index fell by 4%. Saudi Arabia has by far the largest stock market in the region. On March 14 and 15, the Tadawul All Share Index fell by a combined 10%, following sharp losses on the previous three trading days. Saudi Prince Alwaleed bin Talal announced that he would buy \$3 billion worth of Saudi stocks. After reaching an all-time high in mid-February, the total market capitalization among all Gulf region stock markets has imploded by an estimated \$250 billion.

Nervous Central Bankers

More is certainly to come. In its latest quarterly report, the Bank for International Settlements (BIS), the central bank of central banks, highlighted the overheated situation of emerging market assets. The fate of such bubbles is closely related to the global hedge fund sector, and the big banks standing behind them. The BIS noted: “Asset prices in emerging markets rallied to record highs early in the new year. Foreign investors snapped up emerging market bonds and equities, pushing indicators of valuations towards, and in some cases beyond, the upper end of their historical range. . . . Almost all emerging equity markets had recorded double digit increases in 2005, led by Egypt, Colombia, and Saudi Arabia, where prices had more than doubled.” This rally “was driven in large part by massive inflows of foreign capital.”

Another high-yield, high-risk market receiving huge capital inflows in 2005 were corporate bonds, including junk bonds. “In recent months there has been no let-up in the rapid pace of mergers and acquisitions (M&As), including leveraged buyouts (LBOs). Acquisitions totalling \$3.2 trillion were announced in 2005, up almost 30% from 2004, and the highest level since 2000. More worrisome for credit investors, LBOs in 2005 reached their highest level since the buyout frenzy in the late 1980s—a frenzy which contributed to a sharp increase in corporate defaults soon afterwards. Furthermore, in contrast to the 1980s, the recent increase in LBO activity was not limited to the United States. Indeed, more than half of all deals involved firms outside the United States, mainly in Europe but also in Asia,” declared the BIS report.

Another indication of the nervousness behind the scenes was presented by the two-day conference on March 16-17 of the Financial Stability Forum (FSF) in Sydney, Australia. The top issue of the gathering was “risks and vulnerabilities” in the global financial system. Participants included top representatives from central banks, finance ministries, financial supervision agencies, and international financial institutions. According to a BIS press release, FSF “members pointed to several developments with the potential to cause strains in financial systems. These included further growth in external imbalances, high levels of household sector indebtedness in some countries, and low risk premia reflecting a high degree of liquidity and the continuing search for yield in markets. Members reviewed some areas of ongoing concern, including issues related to counterparty risk management, hedge funds, operational risks, and valuation practices for complex financial instruments.”

The latter issue refers to credit derivatives. Concerning the abundant liquidity right now invested in high-risk assets, the BIS release warns of “a sudden reversal in risk appetites, especially if it were accompanied by unexpected increases in global bond yields or a sharp increase in asset price volatility.”

Doomed by Iraq, Corruption, 'Tony Blair Is Going Down'

by Scott Thompson

In a recent discussion with members of the international LaRouche movement, Lyndon LaRouche drew a direct parallel between the rising resistance in the United States to the Cheney-Bush regime (see *EIR*, March 24, 2006), and the coming fall of British Prime Minister Tony Blair.

"*Tony Blair is going down*, LaRouche said. "He's about to be sucked under."

"Look, we have a situation in which the United States government is not functional, that is, the Presidential part is not functional; and the rest is not functional because of that. The war in Iraq is a loser: There's no possible way this thing can be continued," LaRouche said. "You have now at present, the Blair government's about to go down. It might stay on by some miracle, but right now, it's doomed. It's doomed because of the Iraq issue. The Iran thing is not going to go freely in the direction people think it's going to go in. There's tremendous resistance to expanding this Iran problem, and then postponing some of the Iraq issue."

For the past three weeks, Blair has taken a beating in the major London press in a "loans for peerages" corruption scandal, so that this, combined with the overall unpopularity of his "Blatcherism," leaves him with a job approval rating of 36%, just slightly above that of George W. Bush. And, Blair is in free fall. There is an avalanche of woe coming down on Tony Blair, who has led the world in supporting the Cheney-Bush policies.

Off With His Head

If there were any doubt, *The Economist*, the semi-official voice of the City of London, delivered a pronouncement in its March 16 issue about the fate of Mr. Blair, and the message was, "off with his head." The headline of the magazine declared, "The final days of Tony Blair," with an all-black cover design, and Blair in the shadows.

The Economist, *The Times*, *The Guardian*, and *The Inde-*

pendent have by now all called for Blair to quit. A YouGov poll found that this sentiment is shared by 50% of British voters, of whom 21% want him to quit now and 29% want him to quit within a year. His successor is named as Gordon Brown, Chancellor of the Exchequer.

The Economist was the first to say that Blair should quit "sooner rather than later," in its lead editorial. Before this, *The Economist* had always supported Blair. The editorial never mentions the loan scandals, but instead frets that Blair does not have the political capital to push needed domestic policy reforms through Parliament.

"Once upon a time," it says, 30 years ago, Harold Wilson resigned without warning. Blair should do the same. Furthermore, everyone knows that Chancellor of the Exchequer Brown is going to be the next Prime Minister, but not what he'll be like in that job. Rather than Blair's taking on the tough task of driving his domestic reforms through after "nine wearying years in office," *The Economist* suggests, "Better, surely, for him to quit while he is still ahead."

Sunday Times former editor, now columnist, Lord William Rees-Mogg wrote on March 20: "In May the local elections are expected to be disastrous for Labour. If they are, Tony Blair's position will be weakened still further. If Mr. Blair does not go now, as he should, July will be the latest month."

'Blatcherism'

Tony Blair's "New Labour," through bagman Lord Michael Levy of Mill Hill ("Lord Cashpoint"), broke Labour's historical fundraising tie to the labor unions, and instead allegedly collected secret loans from wealthy businessmen in exchange for knighthoods—or life peerages that carry the right to sit in the unelected House of Lords. Now, with 23 million pounds in loans—about which it knew nothing—coming due, the Labour Party is facing bankruptcy. The National Execu-

tive Committee, which is heavy with union representatives, has taken charge of Party finances, led by Party treasurer Jack Dromey.

Both Dromey and Deputy Prime Minister John Prescott claim they knew nothing of the 14 million pounds of loans that Lord Levy arranged for Blair to win his third term, out of a total of 17.9 million spent in the election.

According to one frustrated peer, Sir Gulam Noon, Lord Levy asked him to give his money as a loan rather than an outright cash donation, because loans were kept secret.

Blair's New Labour outlook has always been a betrayal of the union base, setting out to out-Thatcher former Conservative Party Prime Minister (now Lady) Margaret Thatcher by partially privatizing health care, creating a real estate bubble rivalling that in the United States, privatizing pensions, and cutting taxes to the wealthy.

If elections were held now, rather than at the expiration of Blair's term in 2010, the Conservative Party would trounce Labour. With Blair in free fall, there is now no hope of his recovery at some later point.

In the latest development, three out of four of the most recent "loans for peerages" cases have been referred to Scotland Yard for investigation, to determine if they broke a 1925 Act against selling peerages; the law was passed in response to the similar practice of Prime Minister David Lloyd George, whose own bagman, Maundy Grigory, went to jail. So have those "above suspicion" fallen.

The Royals Under Siege

The same City of London "Club of the Isles" apparatus that has mobilized for Tony Blair's ouster, is also posing the most direct challenge to the Royal Household since the abdication of Edward VIII in the late 1930s. An even stronger parallel can be drawn to Lord Shelburne's 1780s moves against King George III and the entrenched Tory apparatus that had bungled the American Revolution and jeopardized the entire British Empire.

U.S. intelligence sources familiar with the inner workings of The City say that major factions in the "Club of the Isles" financier oligarchy are promoting the replacement of an aging Queen Elizabeth II with her son Prince Charles, and that they wish to see this transition accompanied by the Blair ouster and his replacement by the Tories. Under the long reign of Queen Elizabeth II and her Royal Consort, Prince Philip, the actual power of the Monarchy has grown dramatically. According to the source, Charles is seen as a weak personality, who will serve the interests of the City financiers, who wish to seize greater power, to steer Britain and the Commonwealth through a period of financial chaos.

Tory leader David Cameron has recently called for the war power authority to be taken away from the Crown, and placed in the hands of the elected British government. Several leading anti-Blair Labour Party figures, including Clare Short, have made similar proposals, indicating a broad-based move to strip the Crown of some of its vast powers. The U.S.

intelligence sources say that this dramatic shift in the British power structure is likely to take place over the next 18 months, and could occur much more quickly, if crises erupt.

Forces in Motion To Prevent Attack on Iran

by Muriel Mirak-Weissbach

With the news, on March 17, that Iran and the United States had agreed to talks over the situation in neighboring Iraq, a new opportunity was opened up, to effect changes in U.S. policy towards Iraq, and the region more broadly. At the same time, the announcement in Washington of the formation of an Iraq Study Group, consisting of seasoned political figures from previous Republican and Democratic administrations, indicated that this bipartisan grouping had realized that something drastic had to be done, to seize control over foreign policy from an insane White House. In parallel, Russia and China moved together at the United Nations Security Council to squash all efforts to issue a formal statement dictating terms to Iran on its nuclear energy program.

If these encouraging developments are to bear fruit, those most responsible for the disaster in Iraq and the threats of aggression against Iran—Vice President Dick Cheney, Defense Secretary Donald Rumsfeld, et al.—must go, now. This is the marching order re-issued in the wake of these events, by Lyndon LaRouche, whose perspective for a solution to the crisis in Southwest Asia, known as the "LaRouche Doctrine," is now taking shape.

Enemies Negotiate, Not Friends

Iran and the United States have not had formal contact since the 1979 Islamic revolution, with the exception of their joint participation in the six-plus-two talks on Afghanistan in 1991. U.S. Ambassador to Iraq Zalmay Khalilzad floated an initial offer to the Iranians for talks in February, but the Iranian government responded only after the proposal had been made by Abdul Aziz Hakim, the head of the Supreme Council for the Islamic Revolution in Iraq (SCIRI), in the Shi'ite United Iraqi Alliance (the largest political faction). On March 16, Hakim stated: "We call on the wise leadership of the Islamic republic [of Iran] to open a clear dialogue with the United States and to discuss points of disagreement over Iraq. Such a dialogue can only help Iraq."

The head of Iran's Supreme National Security Council, Ali Larijani, and lead negotiator in the nuclear talks, answered Hakim with a yes: "Since Mr. Hakim, one of the influential leaders in Iraq, has asked us to talk to the Americans regarding the future of Iraq, therefore we accept to talk to them about Iraq. In the coming days, we are going to designate people

who are going to carry out these talks,” Larijani said. The goal, he said, would be to create an independent Iraqi government. According to the *Washington Post*, Larijani also said: “We can create stability and security in the region, but not with the sort of rhetoric and language Mr. Bolton is using.”

Iranian Foreign Minister Manouchehr Mottaki, in remarks on March 17, stressed that despite the 1980-88 Iran-Iraq war, Iran “has always supported the territorial integrity of Iraq and national solidarity of the Iraqi nation during the past couple of years.” Furthermore, he said, “Iran supports the time schedules for the evacuation of occupiers and the phased plans for establishment of democracy in Iraq.”

Iran’s highest authority, Supreme Leader of the Islamic Revolution, Ayatollah Ali Khamenei, who had obviously endorsed the idea, made an official statement to this effect on March 21, specifying that “If the Iranian officials can make the U.S. understand some issues about Iraq, there is no problem with the negotiations.” He added, “But if the talks mean opening a venue for bullying and imposition by the deceitful party, then it will be forbidden.”

It is probable that Iran’s approach will be to say: We can help stabilize the Iraqi situation, on condition that a clear timetable for orderly withdrawal of U.S. troops is laid out and followed. In addition, Tehran will likely demand acknowledgment of its status as a regional power: to be treated on equal terms, and not subjected to threats or interference in its internal affairs. Although the talks will not deal officially with the nuclear issue, the fact of improved relations between the two governments could shape the process of dealing with that agenda item.

Mixed Signals from Washington

Although Khalilzad had received his instructions from Washington, to seek contact with the Iranians, once the positive answer had been uttered, the rhetoric from Washington continued to be threatening, from the President and others. But it is clear that other forces outside the Presidency are now in action.

With the announced formation on March 17, of the Iraq Study Group (ISG), a new policy-shaping institution entered the scene, with potentially far-reaching implications. It was immediately mooted that this group—not the Cheneyacs—had been behind the offer for negotiations with Iran.

The initiative for the ISG (see *EIR* March 17, 2006) came from a group of Senators, among them Republican John Warner (R-Va.), the chairman of the Senate Armed Services Committee. The group will be assisted by a military advisory panel of retired four-star generals (with one retired two-star), and four expert panels on: the strategic environment of Iraq, the Iraqi military/security situation, Iraqi politics, and reconstruction of Iraq. Former Secretary of State James Baker III said that there is no fixed deadline for completion of its report, but that interim reports will be produced if necessary.

The ISG thus represents a bipartisan effort on the part of seasoned political figures *not* part of the neo-conservative

cabal, to find ways of pulling the United States out of the Iraq quagmire.

As LaRouche stressed in comments on these developments, it is urgent for the U.S. to pull out of Iraq now, and to set up the regional mechanisms for stabilizing the situation, to prevent partition or civil war in Iraq. In his April 2004 “LaRouche Doctrine,” he had stipulated that an orderly withdrawal of U.S. and other foreign troops should occur within the framework of a regional security arrangement among neighboring countries, with special emphasis on Iran, Turkey, Syria, and Egypt. Obviously, for Iran to play a constructive role, the pressures and threats being made against it, around the nuclear issue, must end. In this context, LaRouche emphasized the role of Russia and China.

Policy Clash Is International

Indeed, both permanent members of the UN Security Council have been stubbornly preventing any form of “statement” from being approved by the Security Council, such as the draft prepared by France and Britain, calling for a two-week deadline on a new report by IAEA chief Mohamed ElBaradei on Iranian compliance with IAEA guidelines. As Russian Foreign Minister Sergei Lavrov explained March 22, Russia would not support the draft because “these terms are really ultimatums.” The draft, he went on, “contains the wordings that actually provide the grounds for sanctions; we believe it premature.” He also noted that the draft would “actually hand over the Iranian nuclear problem from the IAEA to the UN Security Council. It is not right.” As for the Chinese, they have repeatedly said there is plenty of time to continue discussions, and have backed the Russian stance fully.

Among the joint statements issued by the Russian and Chinese governments, on the occasion of President Vladimir Putin’s visit to Beijing March 21-22, was one on the Iranian dossier. It stated: “The sides noted that they will cooperate closely in the settlement of the situation around the Iranian nuclear program by political and diplomatic means.” Both Beijing and Moscow (and Tehran) issued scathing denunciations of the latest U.S. National Security Strategy, which calls for the imposition of neo-con style “democracy” throughout the world.

The Russians have figured out the nature of the game being played out of Great Britain, with the U.S. neo-cons, targetting Iran. Major policy statements issued by Foreign Minister Lavrov, have explicitly defined the historical references for their current approach (see *EIR*, March 17, 2006). The Russian government, therefore, is committed to jamming up the Iran debate in the Security Council, and aims at returning it to its proper venue, the IAEA. China concurs.

The position of the war party is deteriorating politically by the day. Yet time is running out for Iraq, as moves for civil war and partition are accelerating, processes which would convulse the entire region in conflict. The battle inside the United States for control over foreign policy must be decided in favor of sanity and the LaRouche Doctrine.

Is Iran Really a Threat To The United States and Israel?

Professor van Creveld teaches military history at Hebrew University, Jerusalem, and is the author of over 15 books on military history and strategy. He has lectured or taught at strategic and military institutes and universities throughout the world. Michael Liebig and Dean Andromidas interviewed him on Feb. 28.



EIR: What is your assessment of the conflict over Iran's nuclear program?

Van Creveld: First, I find it hard to understand why Washington should be so concerned with Iran. One could argue, if the Bush Administration is so much concerned over the Iranian nuclear program, why did they pick Iraq for attack in 2003? Why did they attack Iraq, which was no danger to anybody, and not Iran? From the beginning, it was obvious that the great winner of the war in Iraq and its aftermath would be the Iranians.

I think a nuclear-armed Iran would be very worrisome to the Gulf States and Saudi Arabia. The one state that can counterbalance such a potential threat is the United States. Clearly, when the United States withdraws from Iraq, it will have to keep its military presence in the Gulf region—just to make sure that the oil does not fall into the hands of the mullahs. And, maybe this whole ruckus about Iran is really about oil and preventing Iran from dominating the Persian Gulf.

EIR: What do you think about the line coming from Dick Cheney and the neo-cons, that there is a clear and present danger from Iran—necessitating preemptive military action?

Van Creveld: I don't see it like that; this is not very good reasoning. In fact, for the last 60 years every country that acquired nuclear weapons became less adventurous, not more so, as a result of having them. I see no reason why that should not apply to Iran.

EIR: So you see a deterrence regime as a definite possibility in the Southwest Asia region? Would you think that Israel's security is compatible with such a deterrence regime?

Van Creveld: I think a deterrence regime in the Persian Gulf

region is very likely to emerge. It's hard to see what could prevent the Iranians from getting nuclear weapons—even if they do arrive at an agreement with the Russians for uranium enrichment in Russia. I have no doubt that the Iranians want to have nuclear weapons. And, if I were an Iranian, I too would be working on nuclear weapons.

After all, seen from Tehran, the strategic situation of Iran has deteriorated very much in the past three years. Iran is now surrounded by American forces: from the south in the Persian Gulf, from the east in Afghanistan, from the northeast in some of the Central Asian Republics, and from the west in Iraq. So, Iran is really surrounded by American forces. And everybody knows, wherever American forces are deployed, nuclear weapons are not far behind.

So from the Iranian point of view, their country is going through a very dangerous period. You might compare it to Germany in the early 20th Century, when she was building up her fleet. The Germans were worried that the British might do to them what they did to the Danes in 1806—setting Copenhagen and the Danish fleet ablaze. They even had a term for it: "to copenhagen." The Iranians' problem is to go through this dangerous period when they don't have the bomb yet and are therefore open to attack. So they will use all diplomatic means to maneuver, to evade, to deceive, including that agreement with Russia, if it were to materialize, while pressing on towards nuclear weapons. Once they have them, their problem would be solved.

As to Israel, I think its role in all this is rather marginal. We have what we need to defend ourselves or to deter an Iranian attack. We've had that capability for over 20 years. First, long-range aircraft with air-to-air refueling, then missiles that are capable of reaching Tehran, and now in the form of a second strike capability with submarines, each with four cruise missiles. We already have three subs, and are going to get another two. So at any time, there are going to be some eight cruise missiles with nuclear warheads, presumably thermonuclear weapons, aimed at Tehran. That will be enough.

I also think the Iranian nuclear effort is not primarily directed against us. It is directed against the United States—and that's understandable. You might say Israel is a good lightning rod for the Iranians. And, of course, we in Israel have our own game to play: Traditionally we have used threats to get weapons. First, to get them at all, and then to get them

on good terms—and it has worked. It worked in the 1960s, when first Germany, and then the United States, provided us the weapons we wanted. It worked after the first Gulf War in 1991. We told Germany: “Your missiles have been falling on us”; the German response: “Okay, you get three submarines.” And now it’s working again. “The Iranians are building nuclear weapons to eliminate us”; response: “Okay, you get another two submarines, almost for free.”

So Israel has been playing its own game. Henry Kissinger once said that Israel has no foreign policy, only a domestic policy—and that’s true. We are having Knesset elections in March, so the Arab danger and the Iranian threat are being played up. It works politically inside Israel—and outside of Israel. This is something you have to take into account.

EIR: You say there is a near-inevitability of Iran becoming a nuclear power. And you say this is not a strategic catastrophe at all. But, were an attack against Iran to occur, the Iranian counterstrike would obviously be massive. What is your sense of that?

Van Creveld: No, I disagree. Let’s start with the first part of the question. I don’t have the intelligence about the U.S. plans for Iran, so as to assess whether hitting the Iranian nuclear sites could be so effective as to knock them out indefinitely, or at least delay the program significantly. We don’t really know. The best available information does not tell us the really important point. The really important question is: How are the various nuclear sites linked to each other? What is done in each of them and how are they integrated in the program? Maybe the Americans know enough to really put the pieces of the puzzle together, maybe they don’t. One lesson from the last few years is: How lousy, to put it politely, all those intelligence agencies have been when it comes to weapons of mass destruction.

EIR: What about the Iranian capabilities for counteraction?

Van Creveld: I think that this is grossly exaggerated. We can imagine basically two kinds of reactions. The Iranians barely have an air force—you can forget that. They have not acquired a single modern combat aircraft for the last 30 years, as far as I know. So they would have to use missiles. Their missiles are, as far as we know, not yet fully operational; they are not yet available in large numbers, and we don’t know how accurate they are. Remember Saddam Hussein’s Scuds. They couldn’t hit anything smaller than a big city. Militarily, their impact was absolutely zero.

Some people say Iran has 20 missiles, maybe they have 50 of them. According to my information, the Iranian missile tests have not gone smoothly; they seem still to be experimenting with their missiles. There is no mass production yet. To use such missiles with anything but nuclear warheads would be simply stupid. Do you spend billions developing these weapons simply to destroy a few houses? Suppose the Iranian missiles carried chemical warheads, the impact would

be somewhat greater, but still not significant, militarily. Civilian casualties might be greater with chemical weapons, but militarily the impact would be close to zero.

But, here Israel gets very emotional. My feeling is that if anybody tried to use chemical weapons against Israel, it would be a fatal mistake—not to mention the fact that it might hurt the Palestinians, because the prevailing wind blows from the Mediterranean inland. A not-so-accurate chemical missile aimed at Israel has a very good chance of hitting the Palestinians. We are talking about a 1,500-kilometer flight path; if they fall 10 kilometers to the east they fall on occupied territory. I think chemical weapons are not a military threat for Israel. But, I think that if the Iranians were foolish enough to use chemical weapons against Israel, some very bad things might happen. This is something that is traumatic for us. This is what we set up Israel for: Never again will Jews be gassed. If they tried that, it might lead to some very, very bad things. I hope the Iranians understand that.

EIR: How do you see a possible asymmetric irregular warfare response by Iran and its potential consequences on world energy markets and financial markets?

Van Creveld: Remember we had similar fears during the 1991 Gulf War. Supposedly Iraqi sabotage teams would be waiting to strike all over the world. In the middle of that war, I flew from Tel Aviv to London-Heathrow and there were more British troops around Heathrow than there were in the Gulf. But, there was not one act of sabotage. Now I won’t rule out an irregular warfare response by the Iranians. My guess is that even if that happened it would be pinpricks, just pinpricks. Even a 9/11-type of attack in the midst of a strike against Iran, militarily would not make any difference.

EIR: What about closing the Straits of Hormuz?

Van Creveld: I am not sure the Iranians have what it takes to close the Straits of Hormuz. Don’t forget that the first state that goes bankrupt, is Iran itself, because they can’t export their oil any longer. They would have to use their submarines. I am not a naval expert, but I do know they have a few Russian-built subs. Probably, the U.S. Navy could take care of them. Otherwise all they could do is to float mines or use speed boats. Well, those are threats, but not very serious ones.

EIR: What about Iran’s ability to act through the Shi’ites in Iraq?

Van Creveld: That’s correct. Those Shi’ites will take help from whoever is prepared to offer it, including, of course, the Iranians. Insurgencies are made with weapons up to one yard long because those can be concealed; anything bigger than that cannot be concealed. And of those small arms, the Iraqis already have an unlimited supply. On the other hand there is an age-old hatred between Arabs and Persians. The Iraqi Shi’ites may receive some aid from Iran, but over the long run, I certainly don’t see an important part of Iraq becoming

part of Iran. Anyhow, the Iranians have enough trouble at home, and I don't think they want to take over 25 million Arabs who don't want that.

EIR: With the possibility of an attack against Iran in mind, let's have a look at the U.S. situation. On the one side the series of massive mistakes of the Bush-Cheney Administration, and on the other side a revival of the Democratic Party, significantly catalyzed by Mr. LaRouche. What is your assessment of the political dynamic in the United States?

Van Creveld: You know, I just finished a book on the United States, called *The American Riddle*; it is even now making the publishers' rounds. As an historian who has tried to understand America, what really impresses me most about the United States, is how enormously stable this country is. Here you have an extraordinary success story. With one very major disruption—the Civil War with 600,000 dead, more than all the other wars America was involved in, put together—the 18th-Century U.S. Constitution has held up remarkably well.

That assessment might seem to differ from Mr. LaRouche's views. Of course, Mr. LaRouche is not criticizing the American Constitution, but he is criticizing American political life. Yes, there have been all kinds of funny people who ruled in Washington, including a Dick Cheney, whom I view as a very, very dangerous man, and all sorts of political crazies pushing terrible things. But, the United States has never ceased to be the country of its people; it never, never strayed away from its Constitution in any really significant way. So, I would say that what always impressed me most about the United States is the extraordinary stability of the country. There have been deviations, but I don't see the system changing so fundamentally that it will no longer be American. There are 300 million people in America and they are committed to freedom, equality, and justice.

You, of the LaRouche movement, are talking about Roosevelt as a model and, on the other side, the danger of a "unitary executive" government. I think I understand what you mean. But, remember how much opposition there was to the New Deal. I mean few Presidents in all of American history have been so much hated as Roosevelt—he was denounced as a dictator, pinko, socialist, communist—what has not been said and written about Roosevelt? But the American system held. It held despite the greatest economic depression in the whole of modern history, with 25% of the workforce being unemployed. At that time, few married women worked. Therefore, the economic impact of 25% unemployment was much larger than it would be today when, in many families, women can go on working even when their husbands are unemployed. Yet the American system survived that. The system was strained, but it was never in real danger, there was never, ever any serious alternative like there was in Germany during the 1930s.

EIR: Well, Mr. LaRouche has always emphasized the



Staff Sgt. Alfred Johnson

"I could never understand why on Earth the Americans should want to attack Saddam Hussein, who was absolutely no threat," said Professor van Creveld. "Maybe they just picked the wrong country—as we all know, geography is not Mr. Bush's specialty." Here, a U.S. soldier from the 101st Airborne Division during Operation Swarmer, northeast of Samarra, on March 22, 2006.

uniqueness and superiority of the U.S. Constitution and the "American System" based upon it. What about the "funny people" in very high places, including in the White House, making "funny" decisions, for example in 2003 in respect to Iraq?

Van Creveld: Each time the United States has waged a war that was seen as necessary and successful, like after 1945 and after 1991, the Executive has gained in power at the expense of the Legislative. And you could interpret what happened in 2003 along this pattern. Of course, the successful Gulf War of 1991 was blown up out of all proportion. You will remember, in 2003 the Senate voted 99:1 in favor of the war—so strong had the confidence in the administration become. Now, after this Iraq War, things have turned around. Bush, is, I think you will agree, now a "lame duck" President. The real miracle is that he got himself re-elected in 2004. But almost since the day after his election, his power, his prestige, his status, have dropped like a stone.

I would argue that the Legislative is now recapturing the ground it has lost between 1991 and 2003. The push for "unitary executive" government is a reaction to that. The tension between the Legislative and the Executive is, as you know, deliberately built into the American system. Remember, under Nixon, people used to talk about the "imperial Presidency"—and then came the bitter end of the Vietnam War, and Watergate. Under Carter, the Executive was in really bad shape, but then came Reagan and he rebuilt the prestige of the Executive. Then came Saddam Hussein and gave Bush, Sr. a little push.

Here is a story: While Bush, Sr. was President, Mubarak

I think a deterrence regime in the Persian Gulf region is very likely to emerge. It's hard to see what could prevent the Iranians from getting nuclear weapons—even if they do arrive at an agreement with the Russians for uranium enrichment in Russia. I have no doubt that the Iranians want to have nuclear weapons. And, if I were an Iranian, I too would be working on nuclear weapons.

visited Washington. When he came back home, he gave the order that all doors in Egypt were to be marked “Bush.” They asked him: “Mr. President, why that?” Mubarak said: “I have just been to the United States and all the doors there have a sign ‘Bush.’ ” Of course, in the Arabic language there is no “P,” only a “B.”

EIR: What is your sense of the institutions of the United States—the military, the intelligence services, the foreign service—in the period prior to the Iraq War?

Van Creveld: I used to spend many months a year in the United States, I lived there for a couple of years, but now I visit the U.S. only once or twice a year for a few days. I could never understand why on Earth the Americans should want to attack Saddam Hussein, who was absolutely no threat. Maybe they just picked the wrong country—as we all know, geography is not Mr. Bush’s specialty. Well, it didn’t make sense to me. Probably the best article on that subject was written by Anatol Lieven, an excellent piece about how this attack on Iraq really linked up with the neo-conservative agenda.

In many ways, I am an admirer of the United States. But as this Iraq War has clearly shown, the United States—not unlike past empires—has a tendency to overreach itself. Hubris. So as an admirer of the United States, I would like to see the United States blossom and prosper, not to speak about Israel’s own dependence on America. I think that—paradoxically enough—this Iraq War was a “good thing.” It demonstrated to the people in Washington—whatever they might say—the limits of American power. I hope that they know they are not omnipotent. For some time at least, because the way American society is structured means it is rather ahistorical.

The United States is a society that is more dynamic, is more capable of change, has fewer limits than any previous society—because of its ideals, but also because of its power. Tragic as it is, the Iraq War has shown what the United States is capable of when it is the only superpower.

EIR: Now Russia is coming back on the world scene.

Van Creveld: Yes. Putin has succeeded more or less in putting his own house in order. To him, of course, the breakdown of the Soviet Union was a catastrophe. That’s the way he sees it, which, from his point of view, is quite understandable. Putin has succeeded in putting Russia back on track, and now he is trying to make a comeback for Russia—not as the dominant power, but as a major player. Ten years ago or seven years ago, the Russians were on their knees, begging for help. When I was in Russia in 1998, they were literally begging on their knees: “Please, help us, we are collapsing.” Putin put an end to that.

And Putin has been lucky: The oil price went up, raw materials went up. Now, he is trying to make a limited—I would say limited—comeback for Russia as a world power. And among other places, Putin is getting active in the Middle East—like inviting the Hamas leadership to Moscow, or his dealings with the Iranians.

The war in Iraq will make America careful again—for a number of years. And Putin will remind them of that. The Russian attempt to reassert itself is—again, paradoxically—a “good thing” for the United States and for the world. America, which is a country based on ideals, not nationality, does not have the inborn restraints other countries have. So the restraints will have to be provided from the outside. In that sense, I think the reassertion of power by Russia is a “good thing” for the United States.

EIR: You have stated that you have a calm confidence in Israel’s security: Israel should withdraw from the Occupied Territories and basically separate Palestine and Israel. Because Israel possesses an efficient nuclear deterrent, it faces no existential security threat.

Van Creveld: You have to divide Israeli, mainly Jewish existence in Palestine, into three periods. The first one lasted until 1948: Whatever threat existed then came from inside the country, the local Palestinians. They were basically put down by the British—not by us.

Then, in 1948, the British got out and we got a free hand against the Palestinians, and they were defeated. If it hadn’t been for the Arab [League] invasion, which started on May

15, 1948, then our War of Independence would have been over in June or July 1948. By that time the Palestinians had almost ceased to be a factor in the fighting.

Then we had the period between 1948 and the outbreak of the first Intifada in 1987. It is true that 1967 was a very important year, because it was then that we occupied the West Bank and Gaza. Even so, in spite of occasional bombings and other incidents, for 20 years the situation in the territories was essentially calm. The day before the first Intifada broke out in 1987, our Coordinator of Activities in the Territories said that Israeli rule in the Occupied Territories had been a “brilliant success.” And, in some ways, it was. One battalion held the whole of Gaza, and I think less than two battalions held the West Bank.

So, until 1987, certainly until the peace with Egypt in 1979, our main security problem was with the Arab countries, not the Palestinians. They were not a significant factor for our security. Since 1987, the first Intifada, and after 2000, the second Intifada, that has changed.

Between 1948 and 1973, the greatest threat was always Egypt, our largest and strongest enemy, and the worst thing that could happen was a combination between Egypt, Syria, Jordan, and maybe some others. In 1979, when we made peace with Egypt, that threat was lifted. Later, we got peace with Jordan as well. And Iraq, once a powerful Arab state, has ceased to be a military factor. We really have no external enemy left.

So, externally, as Sharon once said, we are now in the fortunate position where the closest threat is some 700 miles to the east, in Iran. We do, however, face an internal threat: The threat now comes from inside. And the question is, how do you deal with an internal threat, which in some ways is much more dangerous than an external one? And, to my mind, the reason why it is more dangerous is not because of a bombing here and a bombing there, but because it puts Israelis against each other. If you are small and you fight the strong, then you unite. If you are big and strong and you fight the weak you become disunited. Very simple.

The danger in the Palestinian Intifada is that it could trigger civil war in Israel. And how real that danger was you could see when Rabin was murdered. A former Israeli Minister of Defense, Benjamin Ben Eliezer, once said something very true: “I am not sure that Israeli democracy can survive another bullet in a prime minister’s spine.” Neither am I; one more such assassination, and God knows what will happen to Israel. So the main danger to us, almost the only danger, is now internal.

If I had a button to press and send all the Palestinians to the Moon, maybe I would do it. But I don’t have such a button. And so I and, at the moment, the majority of Israelis believe we have to build a wall and separate ourselves from the Palestinians.

What will happen after the elections? I am worried about

Kadima. Kadima is not really a party; it is a collection of opportunists who gathered around Sharon, who is no longer there. [Ehud] Olmert actually has no special leadership credentials. There is, in my view, a strong danger that no sooner will the elections be won by Kadima—and so far it looks as if they are going to win—they’ll split. Because nothing, absolutely nothing holds these people together, except pure opportunism. So I am not at all sure that Olmert will be able to get Israel out of the West Bank.

There is another ugly possibility. Only two days ago, Maj. Gen. Yair Naveh of the Central Front Command said that maybe King Abdullah will be the last King of Jordan. And of course the Jordanians were very offended and the Israeli government had to distance itself from Naveh’s statement. But there is a not unimportant part of Israeli public opinion, which in earlier times used to be led by Ariel Sharon himself, which would like to throw all the Palestinians out of the West Bank and into Jordan.

Now obviously to do that, you need a wide internal consensus in Israel. And that could be created by terrorism. Suppose tomorrow we have what we call a mega act of sabotage: 500 people die as a skyscraper in Tel Aviv is blown up, or chemical weapons are used in a terror attack. Some say that the Palestinians have already used biological warfare and that it is being deliberately covered up.

Suppose we got large-scale terrorism on the one hand, and suppose something was to happen in Jordan, like a revolution overthrowing King Abdullah, or King Abdullah dies and there is no successor, so civil war breaks out. Quite a number of Israelis would say: “Let’s use this chance. We did it once in 1948 and we could do it again. We missed our chance in 1967 and we missed our chance in 1991. This may be the opportunity.” These people say that Jordan already has a Palestinian majority and Jordan is already a Palestinian state.

At the worst point of the second Intifada, it looked as if it might happen. Forty-four percent of Israelis polled at that time were in favor of such a solution. This was April 2002.

EIR: In 2002 you firmly said: “My advice to the Americans is: Don’t do this Iraq thing.” What would your advice in respect to the Iran crisis be?

Van Creveld: I have already said, whatever happens in Iraq, the Americans will have to remain in the Middle East and the Gulf. Beyond that there is a possibility that some sort of arrangement on the Iran question could be found with the Russians. That could be a good idea. I don’t know whether the Americans would find it attractive, because the Russians would have to be treated as a full, equal partner by the Americans. The other question is, what will the Russians ask for in return? What about the American presence in Central Asia? How about the Ukraine? The real question is: What is the United States prepared to pay?

Behind the Belarus Election: A Nation That Says, 'Just Try'

by Konstantin Chermnykh

People doubt that George W. Bush can tell Slovakia from Slovenia, or Uruguay from Paraguay. There is one country in Eurasia, however, not much larger than those, which is definitely accessible for the restricted capabilities of Mr. Bush's intellect. He can point it out perfectly on the political map, although this country is not a site of warfare or civil conflict; its citizens don't turn up on lists of international terrorists or religious fundamentalists; and it does not bother the U.S. State Department with requests for material and moral support (although, lacking both raw materials and an outlet to the sea, it certainly could). Still, this country constantly draws attention, like a white crow or a black sheep. It disturbs the sleep of any strategist of the new globalist order—because, for some mysterious reason, it remains an exception to this order, at least among the surrounding nations. From the standpoint of such a strategist, something must be done about it, but a multitude of attempts to intervene have turned up as humiliating failures.

This country is the Republic of Belarus, which, as the Soviet Republic of Byelorussia, was one of the Soviet republics with its own United Nations Mission, alongside that of the U.S.S.R. Today, attitudes toward this country and its leadership have become a kind of a litmus test: If you want to know something about an intellectual's political views, ask him about Belarus. His answer, and especially his arguments, will always tell you a lot. Just try.

In a much-publicized speech last summer, the President of the United States, carefully reading from a prepared text, named one after another the countries in the world that have made a choice in favor of what he called democracy. Two of them, by that time, were in a state of physical warfare. The others were facing desperate internal political conflicts. Belarus was not among them, but any diplomat or political journalist knew that it was on the long-ago composed waiting list.

In one of Sir Arthur Conan Doyle's stories, a person expecting that a certain revenge will be exacted in a hundred days sees a number on his door, or on his ceiling, and each day it is a lower number. The mere fact of being on some kind of a blacklist is not a pleasant experience for any person, politician, or statesman. One needs to have certain specific personality traits to overcome this fear, especially upon realization that in today's glorified open society, one cannot know exactly where the global judge's agent is, and what

kind of surprise he is preparing.

Add in the fact that the number of strategic institutes and organizations, which used to service the Cold War, did not shrink after the end of that global rivalry. Add the fact that this Cold War finished off what had been declared an "indissoluble union of peoples." Add the fact that most of the instruments of this war are now focussed on your country, and are engaged virtually in a competition to create the best scenario to crush your unwanted regime for its blatant disobedience to the rules of the world order.

Belarus President Alexander Lukashenka was not alone in this position. Uzbekistan's President Islam Karimov had similar grounds to feel insecure, at least since he stopped cooperating with political projects, designed for the sole purpose of cornering Russia. Karimov did resist, but the price of his resistance was paid in human lives, including many quite innocent lives. Generally, however, with respect to financial capabilities, as well as natural resources and defense forces, Karimov had more ways to protect himself.

In many respects, Alexander Lukashenka was less secure. His country shared a border with the European Union and NATO. The governments of two of the adjacent countries were openly hostile to him and his rule; a third country, along with the supposedly precious fruits of democracy, was enjoying transformation into a field of operations for sophisticated destabilization techniques; while relations with a fourth adjacent neighbor, Russia, were not as smooth as had been expected, especially as concerns its powerful corporations with their long and merciless teeth.

Despite all this, Lukashenka made a political decision which could only multiply the rage of his opponents, providing them with an additional argument for his illegitimacy: introduction of a constitutional amendment that permitted him to run for one more term. In addition, he insisted that the elections be conducted three months before the end of his term. One could imagine the rage of the international functionaries involved in the effort to topple him: three months of salary were gone!

This detail is important. From the position of an object of a political effort—a global one, without exaggeration—he put himself into the position of a subject. For any of his opponents, it was all too clear that his preemptive measures were not motivated by fear; it was not defensive behavior. The



Press Service of the President of Belarus

Alexander Lukashenko commissions an electric power plant, Dec. 30, 2005. Western experts who try to explain why their attempts have failed to unseat this politically incorrect but extremely popular President need to consider the positive effects of his rejection of globalist economics, and reacquaint themselves with Classical culture.

adversaries had been arranging plans, seeking instruments, hiring task forces, and calculating options in accord with their textbook science of political, economic, cultural, and mental intervention, on the basis of books like Zbigniew Brzezinski's infamous *The Grand Chessboard*. Lukashenko did not wait for the powerful pieces to corner him. He kicked the chessboard over, so that the well-prepared arrangements were hopelessly confused.

Just try, he said, as he was told about new foreign-made plans to "unseat" him. Just try.

What did this ambition rest upon?

Lukashenko knew he had an advantage of the sort that cannot be obtained in one day, or one month, or one year. Unlike other figures on the Washington-composed blacklist of "rogue dictators," he was protected from the rear. The economic and social policy he had conducted for years, since his first election, year after year and day after day, provided a base of support of a really unusual quality. Its essence cannot be described with terms like loyalty or obedience. The appropriate terms of characterization are not found in today's political dictionaries. They are: gratitude, confidence, hope.

Western analysts wonder why he is still "afloat." The term is inappropriate; he never was. He was firmly standing on his feet when he entered politics, and he radiated confidence to the population, which he has the habit of addressing not only on the eve of elections, but at any point of decision-making. Grain harvests, signing of international agreements, building a national library in the center of Minsk, replacing a government official—all of these were things he would talk about to

the population.

Without any teachers and without hiring advisors, he followed his own path, managing never to alienate himself from the population beyond the walls of his office, which remains as modest as it was ten years ago. Keeping the connection, he would address the honor of the population. Consciously or subconsciously, he was becoming a part of everyone's life; his success was viewed a common success; his mistake as a common mistake; an assault on him as an assault on the whole nation. His "try and attack me" sounded equal to "try and attack all of us." And he knew that.

The harder the enemies tried, the funnier their failures.

On March 20, the sparse pro-Western opposition, gathering for an unauthorized rally in Minsk's October Square, was dispersed not by the police, but with an unexpected heavy snowfall. "That is an unusual blizzard," said the most unlucky opposition candidate, Alexander Kozulin, subconsciously ascribing supernatural capabilities to the President.

The Colored Subjunctive

After an obvious failure, institutions that spend taxpayers' money on foreign operations are supposed to analyze their mistakes. In the case of Belarus, such a study is likely most complicated, especially today.

The international forces behind Alexander Milinkevich, the pre-selected "unified democratic candidate" (earlier, chairman of the Association of Resource Centers, which means the distributor of foreign grants among non-governmental organizations, or NGOs), clearly recognized that the



Three of the immediate neighbors of Belarus—Poland, Lithuania and Latvia—joined NATO and the European Union in 2004. The governments of Lithuania and Poland are hostile to President Lukashenka of Belarus. A third adjacent country, Ukraine, became a laboratory for sophisticated destabilization techniques, while relations between Belarus and Russia have been not as smooth as expected.

battle was going to be tough. But they expected a better result than the miserable 6% of the vote he received.

So did the Moscow experts. With formidable reference to the so-called “factor of exhaustion of popularity,” they predicted that Lukashenka’s score would hardly exceed 60%. This forecast belonged to Yuri Levada’s Analytical Center in Moscow—the real one, not the fake “Levada Center” to which some Minsk oppositionists attributed an exit poll showing only (only!) 47% for Lukashenka. (That was a really unique swindle in all post-Soviet history: the pro-Western opposition named their poll after a Moscow-based center, on the supposition that those irrational Belarusians would not trust a Western institution!)

In the rural areas, as before, the support for the President was higher, while in some Minsk districts rival candidates gained 25-30% of the vote. But, despite all the forecasts by experts from the West and from Russia, as well as national research groups, the difference was much smaller than five years ago. In 2001, the candidacy of the incumbent President Alexander Lukashenka was supported, according to official records, by 49% of the citizens of Minsk. This year that figure rose to 70%, and 82.6% nationwide, the highest result in the President’s political biography.

Other differences were registered in the Belarusian dias-

pora in the former Soviet Union. The lowest vote was in Moscow—around 75%; the highest came from Ukraine—almost 92%—and a number of Russian border regions, especially Kaliningrad and Krasnodar Territory. In quiet Estonia, where the Belarusian diaspora mostly identifies itself as Russian, the turnout increased by one-third over the level five years ago, and support for Lukashenka also exceeded 90%. This self-mobilization of the Belarusians can’t be explained as massive vote fraud, as U.S. and EU officials continue to insist, without formidable proof.

Alexander Lukashenka’s victory was anticipated by both his friends and his most aggressive opponents. No wonder. Anybody who has visited Belarus even once, would admit that games that may work conveniently in Kiev, Tbilisi, or, for example, Manila, would not work here.

In the typical scenario of a “color revolution,” some popular organization, institution or group of persons, possessing sufficient authority in the population, raises sufficient doubts around the official vote tally, to mobilize a sufficient number of the citizens for real unrest, paralyzing the incumbent regime and forcing it into a dilemma: either a brutal crackdown on their own people, or unconditioned surrender.

No such popular organization, institution, or group of persons existed in Belarus in 2001, when millions of dollars were poured into the opposition campaign of a bleak trade unionist, Vladimir Goncharik. It did not emerge in 2003, either, when well-trained professional organizers tried to get started in Belarus a movement analogous to “Otpor” in Serbia or the later Ukrainian example, “Pora.”

One of the key obstacles the destabilizers confronted, was the small possibility of speculating on social dissatisfaction and material greed. Special “reservations” for government officials and financial tycoons, so typical for Russia and Ukraine, did not exist here. There was no place comparable to Moscow’s elite community Zavidovo, or Kiev’s Koncha-Zaspa. Desperately poor towns and villages were similarly atypical. It was unclear how to launch revolutionary propaganda in a village street of nice brick houses, and a low level of social stratification.

The organizers, realizing that Belarus could not be cracked in the same easy way as Georgia or Ukraine, initiated their effort years before the elections. But the artificially planted “Zubr” movement, despite being named after a wild bull, failed to develop into a serious force, either official or underground. The strategists, who composed their plans in comfortable offices far away from Minsk, were probably unaware that a “ZUBR” Movement already existed. It was a semi-official organization, blessed by Lukashenka and composed mostly of youth, whose diametrically opposite mission was encoded in the name: Za Ukrainu, Belorussiyu i Ros-siyu—“For Ukraine, Belarus, and Russia.”

To organize masses of youth, eager to destroy the existing power structure, would require sufficient support from the street—from idle and desperate masses, who have no finan-

cial possibility for studying and no jobs to find. In 1994 or 1995 that might have been possible, but not by the end of Lukashenka's second term. Now, the great majority of Belarusian youth are either studying, working, or in military service.

The only option was to try to spread the opposition sentiment among scholars. That is why the person, finally recruited for the role of an alternative to Lukashenka, was a former professor.

The other option, similarly to the pattern of Serbia (Vojvodina Hungarians), Ukraine (Crimean Tatars), and Kyrgyzstan (the Uighurs), was to exploit the sentiments of ethnic minorities. The only numerous and relatively compact minority in Belarus was the Poles, living most densely in the western Grodno Region. That is why Alexander Milinkevich was picked from Grodno. But the traditional pattern did not work here, either.

The agents of destabilization stumbled against two unexpected circumstances. One of them was merely cultural. Most of the Polish minority in Belarus did not speak Belarusian. The Grodno-centered Catholic Polish culture of the towns was different from that of the Belarusian-speaking, largely Orthodox countryside. With the general revival of Christianity, which was as great in this country as in any other post-Soviet state, this difference had become only more significant. Surprising for the revolution-mongers, neither of the two religious communities was eager to oppose the state, for in the reconstruction of old churches and building of new ones, local officials and priests have worked side by side (as well as living side by side). Again, there was also no great social difference among the religious communities, which could be played upon in some way.

The second obstacle was the active involvement of the Polish minority in public affairs, as well as the high authority of state officials of Polish origin, associating their own careers and government service with the name of the President. The Parliament's Foreign Affairs and Security Committee, in particular, is half Polish. The attempt made last year to replace the loyal leadership of the Polish Cultural Association failed miserably.

The third precondition for success of destabilization would be, theoretically, at least one positive example of a "democratized" and happy country. There was none. Ukraine had already been regarded here as a badly governed and desperate area, a permanent source of street crime. The very image of Ukraine's "orange revolution," President Victor Yushchenko, did not contain a single positive feature for a Belarusian. Who is that man? A state banker? Has he improved the well-being of his people? If not, why is he worthy of admiration?

The year following that "color" revolution in neighboring Ukraine could convince a Belarusian farmer or worker, student or pensioner, only that this is the choice a reasonable nation *should not* follow, under any pressure or temptation,



The image of Ukraine's "orange revolution," President Victor Yushchenko, did not contain a single positive feature for Belarusians, who ask: Who is that man? A state banker? Has he improved the well-being of his people? The year since Ukraine's regime change could convince a Belarusian only that this is the choice a reasonable nation should not follow.

no matter what carrots and sticks might be used. In the western regions, close to the Polish border, the example of those neighbors—in many cases, including relatives—likewise offered little inspiration. The farther these adjacent economies had gone down the free market path, the less attractive they became for any farmer or worker, interested in working for himself and his nation.

This was no longer a matter of taste; it had become a question of values. These people were no longer an abandoned piece of a larger community, as many Ukrainians, especially intellectuals, still feel they are. Belarusians have saved too much, reconstructed too much, and built too much with their own hands, to regard it all as other than their own.

Dust in the Air

In an interview with a Russian web agency shortly before the election in Minsk, Dmitri Simes of the Nixon Center plainly admitted that a "color revolution" is impossible in today's Belarus. "We can't punish this country by rejecting assistance to it, as we can't deprive them from something

that they don't enjoy," he said.

Simes was a rare example of an analyst who honestly tried to save the face of his own President—by admitting that Mr. Bush's power and authority is not absolute. Others served Washington badly. That goes for the sponsors of the unregistered "Partnership" group, caught red-handed with exit-poll results for 107 precincts—ten days before the election—with the pre-printed forms, the ready-made "analysis" announcing the victory of Mr. Milinkevich, and a six-digit sum in U.S. dollars.

Even worse was a certain Global Democracy Fund, reportedly based in Indianapolis. On March 10, the *Lenpravda.ru* website reproduced the text of a plan called White Dust, prepared by this mysterious think-tank. The reader was left with a mixed feeling of amusement and disappointment, like a pupil who suddenly finds his teacher scratching his rear end like a baby.

The plan as made available on *Lenpravda.ru* resembled the fantasy of a disturbed mind in Freudian treatment. It suggested a massive revolt, which was supposed to start in the center of Minsk after the death or injury of Lukashenka's major opponent, Milinkevich, which naturally would be ascribed to Lukashenka's police.

For any Russian, acquainted with the methods of manipulation used by the disgraced and exiled oligarch Boris Berezovsky, the scenario sounded quite familiar. Something similar was supposed to happen with Berezovsky's former political ally Ivan Rybkin, who was registered as a Russian Presidential candidate in 2004, with no prospects for victory, but with a definite prospect of being "disappeared" during a visit to Kiev just before the election. Rybkin was accidentally saved by those Ukrainian politicians who were cynical enough to take money from him and use it for different games. Milinkevich was saved by Belarusian intelligence. This intelligence service is hardly anything special in terms of skills and methods. It is simply capable, like Belarusian industry, agriculture, construction, and the armed forces.

Reflecting on the disgrace of the ousted Ukrainian President Leonid Kuchma, one should bear in mind that he could not rely on his own special services. In a recent Ukrainian publication, the newly appointed director of Ukrainian intelligence, the SBU, was described as a junior partner of an influential gangster. The same website honestly admitted that his opponent, who launched a campaign to discredit him, was a partner of another gangster.

No U.S. think-tank had confirmed or rejected the existence of the "useful sacrifice" scenario. Yet the very fact that the opposition refrained from initiating a street clash, a kind of action it had done many times before, may be evidence that Lukashenka's opponents at least admitted that their patrons were capable of playing that kind of game.

Some Lukashenka-haters in the Russian liberal community complained that the West's clumsy games have again played to Lukashenka's advantage. The leftist *Pravda.ru* web

site jeered on the same subject: "They [the West] realize that their services are backfiring. But it is probably too exciting, so they can't stop."

Generally a masturbator is really not a dangerous person. The Freudian scenario would not really shake Belarusian statehood. In case something bad really happened to the health of Milinkevich, success of the destabilization still remained improbable. From a cynical standpoint, it was not necessary for Belarusian intelligence to intervene. Most probably, the voters would anyway have rather trusted the leader of their country, than any explanation offered from the West. In addition, a leader who is really convinced of his authority does not need blood of his enemy.

Lame Arguments

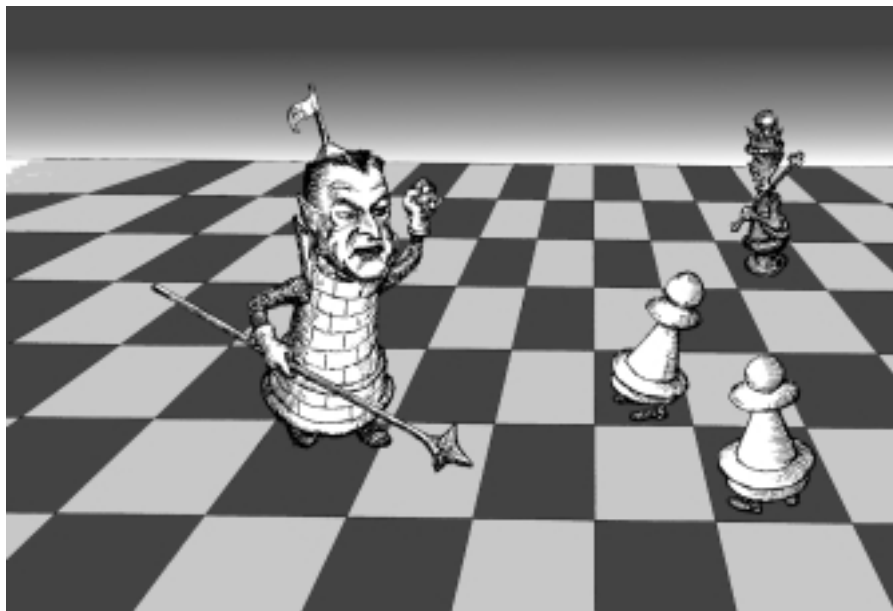
The ready-made explanation, or "excuse," for Lukashenka's success was available months before the elections. Experts referred not only to the authoritarian style of the Belarusian leader, but to some additional factors. In particular, there was the fact that Russia's Gazprom did not increase the price of natural gas exported to Belarus, unlike all the other Commonwealth of Independent States (CIS) countries. This was supposed to serve as an additional argument in favor of Lukashenka, regarded as a foreign policy success.

Another argument, mentioned even before the opposition chose its own candidate, was the notorious lack of charismatic opponents. But that argument is too obviously lame. Any unbiased observer would admit that Milinkevich, selected as the "unified opposition" figure this time, is at least a more individual character than the faceless personalities of earlier candidates like Semyon Sharetsky or Vladimir Goncharik.

Two more arguments were raised in the Russian media after the elections. Sergei Baburin, representing a conservative patriotic community among the "conditional opposition" in Russia's State Duma, indicated that the extraordinary success of Lukashenka, as well as an extraordinarily high turnout (93.3%), resulted primarily from outside pressure.

Again, this was not quite true. Fairly speaking, the pressure was not as concerted as five years before. A number of European states, previously involved in destabilization efforts through various institutional channels—especially Germany—were now reluctant to serve as an instrument of political and cultural pressure. The financial clout of the networks, earlier tasked for such purposes in Poland and the Baltic countries, should also not be exaggerated. To some extent, they were discouraged. Weeks before the Belarus election, Vladimir Velman, the chairman of Estonia's Association for Democracy in Belarus, unexpectedly resigned. Without going into detail, he explained that some "radical" figures from the same institution, like deputy Marko Mihkelson, were engaged in "orange clownery" (sic), with no regard for the political realities of Belarus.

As Dmitri Simes admitted, the West would prefer that Moscow introduce a "change" in Minsk. The next phrase



Alan Yue

Assigned a losing part in a nasty strategic game—shown here in an illustration for Lyndon LaRouche’s March 1999 article, “Mad Brzezinski’s Chessboard”—Belarusian President Lukashenko did not wait for the powerful pieces to corner him. He kicked the chessboard over.

sounded ambiguous and a bit provocative, “But I’m not sure that today, this is possible for Moscow either.”

In 2001, in Minsk and Moscow, this author was told, by various sources, about four (!) scenarios for regime change in Belarus. One of them allegedly involved the chairman of the Belarusian State Security Service, who ended up quietly serving a prolonged posting as Ambassador in Belgrade.

The made-in-Moscow scenarios of that time were also reinforced with a massive attack in the liberal media, including through “daughter” papers issued in Minsk. The central instrument of this operation was *Izvestia*, co-owned at the time by the Lukoil corporation. The effort had a distinct smell of crude oil.

By 2006, the major problems with Russian corporations had been solved at the level of the Presidents of Russia and Belarus—even disputes with Gazprom, at least for the time being. The Russian leadership, having learned something from the events in Kiev, realized that a change in Belarus would bring no political benefit, and would inevitably be interpreted as “Moscow’s weakness.” President Vladimir Putin was sick and tired of this argument, excessively propagated through the global media after the “orange revolution” in Ukraine. After the Belarusian police, a week before the elections, seized several thousand copies of a forged pro-Lukashenko Belarusian newspaper (one more desperate invention of the opposition), the typesetter in Smolensk, where the provocative edition had been produced, was forced to break all its contracts with the Belarusian opposition press.

Thus it is obvious to the informed observer, that five years ago most of Lukashenko’s supporters had far more reason to mobilize in the face of foreign pressure from both West and East. Yet the 2001 result was far less convincing, and the turnout was lower. Why?

You will never find the answer in a Russian paper, whether loyal to the Kremlin or not. This answer is too uncomfortable for both sides inside Russia, though it lies on the surface.

In 2001, the most significant foreign factor, influencing the minds of Belarusians and other former Soviet citizens, was the exceptionally high popularity of Russia’s Putin. Millions of people of the former U.S.S.R. saw the young and energetic leader, originating from the once powerful KGB, as a figure, capable of re-establishing a new kind of union of the former Soviet peoples. The first disappointment came with the decision of the Russian govern-

ment to introduce foreign rates for rail travel and phone calls to all CIS countries. The next one was the exchange of passports, which meant real trouble for a lot of divided families, but was chiefly significant as an unexpected psychological blow.

What did that mean to a Belarusian? Just that he had to rely upon himself, and not have any illusions about a strong, just, and protecting authority in the Kremlin. Should he be blamed for forming his own standards for a state system and government leadership?

On Monday, March 20, Russian political commentator Mikhail Leontyev, once a furious Lukashenko-basher, claimed on his own TV show that Russia has no choice in Minsk except Lukashenko. This was the truthful part of his argument. The fraudulent part was that the vote of the Belarusians actually reflected an all-national enthusiastic choice in favor of Russia and the Kremlin’s policy.

Kremlin policy?... Which one?—today’s handshake with Hu Jintao or tomorrow’s flirt with VIPs from the G-8? Today’s founding of the State Military Industrial Commission, or yesterday’s elimination of benefits for the poorest layers of the population?

Which policy? Frankly speaking, I can’t imagine an average Belarusian—who is usually an educated person—inspired by the liberalization of trading in Gazprom shares, or by Russia’s entry into the World Trade Organization, which has been blessed in public by George W. Bush, the very self-confessed bitter enemy, as it is understood by the population

of the Belarusian nation.

Tell that one to your grandmother, Misha, as the Russians saying goes. The truth does not lie there. The point is not the choice between one political side and another. The values, which mobilized Lukashenka's supporters, like most values, don't have political borders.

"Outside pressure" is certainly not a sufficient explanation. Something else got more than 92% of the adult population out of their houses and away from their jobs, to the polls, to vote overwhelmingly for the internationally hated "white crow," adored at home. This "something" extends far beyond everyday political reality, including the West's political pressure as such, to which people in Belarus are accustomed. This "something" extends beyond the choice of a particular person, though to understand this, one has to address the person of Lukashenka, in some seemingly unimportant details of his personal behavior.

Harry Potter and Jesus Christ

This incalculable Lukashenka has been politically incorrect from the very outset of his career. As a parliamentary deputy, he demanded the investigation of financial crimes, including those involving international corporate interests. As a young President, he was invited to the British Embassy and offered money, but instead of expressing grateful loyalty, he raced to his parliament to say, "See, they just tried to bribe me." Like other Presidents in the former Soviet Union, he was offered the chance to purchase a personal aircraft in Moscow, and he chose the cheapest, two-seat version. As head of state, he could have sent his son to study at a university in the West, but both father and son decided that the education in their country is not inferior.

Not inferior to renowned European institutions? Not inferior to the Sorbonne or Oxford?

If the measurement is to be not merely statistical, it should start with the idea of education and, therefore, with what the result of an education is supposed to be.

In a modern Oxford English textbook, distributed in Russian cities through the British Council, a child cannot find any reference to human tragedies or social disasters; a child of 13, unlike a Young Pioneer in the Soviet era, is not supposed to be engaged in anything except fun. Fun, fun, and, once again, fun. Professions? Grow up to be an advertiser, a movie star, or a DJ. Nice books? Harry Potter, and once again Harry Potter. Forget about the old and outdated Dickens, Thackeray, and Jack London. These names, familiar to any Soviet-era schoolchild, have been ousted from today's school program. Music? The Classics are the Beatles. Again, not all of them. If a kid hears a song like "Revolution Number Nine," he might suspect that John Lennon was a Communist. And even "Lady Madonna" and "When I'm Sixty-Four" are too bad, because they suggest an echo of some troublesome reality. No, no, no! The "best intentions" of the authors can't allow them to publish anything by the Beatles except "Can't Buy Me Love."



European Union Contest for Young Scientists

Belarus student Dzmitry Makatun explains his winning project in the European Union Contest for Young Scientists to the Irish Minister for Education and Science. Belarus has put a premium on scientific and Classical education, and spurned the fantasy Harry Potter culture offered to youth in other countries.

A Russian who would like his child to be educated as a human being, and not as an ape, can feel only envy towards Belarusian parents, who are lucky enough not to know what the British Council is, because this institution does not dictate fashions or standards in Belarus. A Belarusian kid still enjoys access to real Classical culture, including Classical English and American language, from re-issues of some Soviet textbooks, as well as locally produced educational supplies. The basic texts, inherited from the European and American humanist traditions, illustrated also with Classical art, are still there. This heritage is not regarded as outdated. It is regarded as necessary as air, water, and bread.

This Belarus youngster is not forced to put on a Young Pioneer's uniform or swear oaths before a red banner. But neither is he locked in a destructive world of postmodernist virtual ghosts. Instead, he is allowed to enjoy the masterpieces of humanist culture, and thus to relive the experience of Classical characters, with their compassion for the poor, courage to speak the truth, and human dignity. This schoolchild's heart is open to the troubles and injustice of mankind, and welcome to think about how to overcome it. He is welcome to train his knowledge and skills in applied practice. He is allowed to feel the joy of productive labor, as the system of vocational schools, the laboratory of physical economy, is functioning and expanding. That is because the government of this country sincerely believes that in the absence of raw materials, easy to extract and ready for sale, a citizen needs to be skilled and trained in a broad range of assembly, chemical, and agroindustrial industry skills, and last but not least, in the military professions, as the Good won't survive if it does not have fists.

These elements produce a strange effect, which will be probably a subject of future studies: In this unusual country,

generational conflict is not a problem. That fact was demonstrated, in particular, in the March 19 national election, where the result of the vote did not display differences among the generations.

Classical culture plays a role that not easy to capture in words, except through contrasts. Many Belarusians are shocked by such a contrast, upon travelling to Moscow or the West, as soon as they look out the window, or open a Moscow-published popular magazine, or talk to a Russian teenager who can't name the dates of the beginning and the end of World War II, which once rolled mercilessly across his country, but can rattle off all the characters in the latest Harry Potter sequel.

Classical culture, without pressure and didacticism, introduces a certain view of the world, populated with real, not virtual, good and evil forces, and provides a myriad examples of personal and collective resistance to evil. A Belarusian Communist could ask Gennadi Zyuganov, chairman of the Communist Party of the Russian Federation: "Dear comrade, what were you doing last week in the company of financial tycoons and casino owners at a rock star's wedding bash? What were you doing at this *Vanity Fair*? A Belarusian businessman could ask his Russian partner, "Gospodin Ivanov, why don't you donate a bit of your money to an orphanage, full of little *Oliver Twists* of Russian origin?"

"What really shocked my people was this killing of Slobodan Milosevic," a Belarusian friend told me.

"Was he very popular in Belarus?"

"No. Since the Dayton agreements, we regarded him as a weakling."

"Then why?"

My friend was silent for some minutes, trying to choose an argument I could understand. "Your idiotic TV channels compare the Hague Tribunal with the Nuremberg Trials. Why don't they think of a better parallel?"

"Which?"

"The Leipzig trial."

The case of Georgi Dimitrov?"¹

"Yes."

That was surprising to hear from my friend, who is by no means a Communist.

"What do you mean?"

"Don't you understand? The Nazis did not kill Dimitrov, although he was their worst ideological enemy. These guys in the EU are *less moral than the Nazis*."

Now, it was my turn to be silent. He went on, "See, it is not a question of Milosevic. The point is that this (European) bureaucracy is not Christian. They don't mention Christianity in their Constitution. They indict some war criminals from all the sides in the Yugoslav conflict, but have they ever said a word about the destruction of monasteries in Kosovo? Those

were, by the way, Christian churches, weren't they?"

As I am still silent, he asks: "Do you think we are all crazy here? We believe that *they* are all crazy."

I didn't argue. I just realized that now I had the complete answer, which could not be measured with statistics. These people have mobilized themselves not to protect their leader, but to stand for their truth—as they understood it from their own experience, and from comparison with a different reality.

Truth does not emerge from propaganda. Truth can't be imposed with force. It arises from the whole tissue of life, sparked with Classical culture and nurturing Classical values.

No sociologist can explain the result of the Belarusian vote, for just that one reason: Truth cannot be measured with statistics.

But it is powerful. And that is why the rulers of the new world order lose sleep, when the President of Belarus wins. This victory means too much. It means that incalculable phenomena of this sort are possible, and can be repeated.

The Price of Joy

In 1999, shortly before the Presidential elections in Ukraine, President Leonid Kuchma angrily said to his subordinates: "Why are you cheating me again? Do you want me to give you Lukashenka's kind of treatment?"

That was not the only indication that the Belarus example has been an object of envy by Ukrainian leaders. Here's a noteworthy coincidence, in the given context: Explaining Kuchma's easy and ignominious political surrender, a Ukrainian friend of mine said, "See, he was just afraid that if he tried to use force, he would be dragged to The Hague."

Kuchma never could introduce any Lukashenka treatments or Lukashenka strategy. To do that, one has to be born in a village where everybody is engaged in productive labor, providing needed goods for the people. One has to serve in a remote army unit, and be tasked with supervising morality there. Being elected to parliament, one has to establish a special commission for financial investigation, assembling a team of professionals that is later incorporated into the first financial monitoring ministry in a CIS country, established without instructions from the international Financial Action Task Force on Money Laundering (FATF), and reporting only to the head of the state. During the first Presidential campaign in Belarus, one had to not only oppose the candidate backed by the Moscow oligarchs, but also resist the whole allied complex of political, economic, and criminal circles. After winning, one had to start from practically nothing, from zero, and to rely only on one source of power—the millions of people who trusted him. One had to feel the pulse of this people, their immediate desires, as well as the immediate needs of the stalled economy. To make this economy viable, one had to establish a complicated and flexible strategy of foreign trade. All of these tasks together require not only skill, but hard and sustained labor

1. Dimitrov was Bulgarian Communist and Comintern leader, framed up by the Nazis for the Reichstag fire in 1933.

by this people, who had to be organized for the sake of their own future.

Steady 9% annual economic growth in Belarus, achieved in the physical economy, is the result of an enormous effort. Other former Soviet republics, possessing a much larger initial potential, can only dream of such success, not to mention such a level of economic sovereignty. Any of Lukashenka's colleagues in the CIS can only dream of responding to outside pressure as the leader of Belarus today can allow himself to do.

The day after the elections, the EU bureaucracy threatened Belarus with economic sanctions. "Lukashenka is laughing," headlined Moscow's *Nezavisimaya Gazeta*. Instead of begging for mercy, he just reminded the European community that the national incomes of two of its new members, Lithuania and Latvia, are 30% dependent on exports from Belarus.

In his address to his nation a day before the elections, Lukashenka had said, "I guarantee that the future of Belarus will be decided solely by the Belarusian people." A lot of other politicians around the world are unable to guarantee the same for their nations, although they would like to.

They would like to have a people who would listen to them with such respect, with such confidence, and with such hope. But to obtain that result, the demands are too much for any of them.

Firstly, compassion for the people, and sympathy for their

natural values, associated with labor, and the joy of labor—something not found in economics textbooks.

Secondly, the courage to protect these people in the face of any authority, no matter how high, be it the skyscrapers of Wall Street, or the Kremlin towers.

Thirdly, a commitment to overcome evil locally, nationally, and globally.

I feel sorry for Mr. Kuchma's successor, President Yushchenko in Ukraine. His rule, arranged through a "color democratic" third round of elections, is obviously coming to an end. The major reason is not a lack of leadership talent, but the lack of courage even to convince his international backers of the "orange revolution" that the constitutional reform, invented by his unpopular predecessor for the sole purpose of staying in power, should be cancelled. The compromise he made, along with a lot of other compromises, is burying not only his career, as his split coalition is unable to win, but also the basis of Ukraine's statehood.

The parliamentary elections, which are to elevate the leader of the winning party to the position of Premier, are supposed to be free and fair. But the current campaign for the March 26 election has already swallowed at least 6% of Ukraine's GDP, and the legitimacy of its results will inevitably be questioned. A lot of voters' names are missing from the election rolls, since apparently the master list of voters, prepared for the 2004 Presidential elections, has mysteriously disappeared. Who is to blame? In the furious battle of clans, splitting the Government and local elites into pieces, it is practically impossible to trace who falsified what.

Most of the polls, conducted by Yushchenko's friends and foes alike, recognize that the Party of Regions, led by his former rival Victor Yanukovich, is going to receive the largest vote. But it will be a pyrrhic victory for Yanukovich's party, since his team will be faced with an avalanche of problems, multiplied during the "orange rule." And the head of the Party of Regions also has not demonstrated any excess of courage during this time, even to support of his own ostracized allies. All of his initiatives in the economy have been irreversibly undermined.

To follow the example of Belarus, Ukraine needs an outstanding leader, who is able to face the prospect of starting from nothing, and initiating the exceptionally hard, selfless, and physically dangerous work of transforming policy, the economy, and culture in the interests of the whole people, addressing a desperate nation with convincing words that are able to reach a pensioner and a child, an engineer and a farmer—words of compassion, faith, and hope.

Those values cannot be measured in terms of price. They are not traded in the market. But the potential they create still allows humanity to survive, as all the evil in the Universe is helpless before them.

The author is a Russian physician and writer based in St. Petersburg.

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 Glazyev



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International Intelligence

Indian President Talks Democracy With Myanmar

Indian President A.P.J. Abdul Kalam, during his March 10-12 visit to Myanmar, raised with the junta leaders the issue of returning to democracy in Myanmar, informed sources told *EIR*. Reports indicate that the Indian President used a "tone of gentleness and persuasion," advising that democracy is demanded the world over. This was interpreted to mean that President Kalam was warning of a push for a "regime change" if Myanmar did not move on its own steam to bring democratic rule in the country. He also pointed out that democracy would bring about the best in Myanmar, and ensure military and economic security.

President Kalam also touched upon the mutual benefit for India and Myanmar of piping Myanmar gas over to India via Bangladesh. Myanmar had earlier agreed to such a plan, but later sold the gas to China instead. During their discussions with the Indian President, the Myanmar authorities assured New Delhi that India would get a portion of the hydrocarbons in new, yet-to-be-developed fields. India has so far invested \$2 billion in Myanmar and the country is the cornerstone of India's ambitious "Look East" policy.

Conflicts Emerge in Anti-China 'Troika'

The United States, Japan, and Australia launched a "Trilateral Strategic Dialogue" on March 18 in Sydney, Australia at a meeting among U.S. Secretary of State Condoleezza Rice, Australian Foreign Minister Alexander Downer, and Japanese Foreign Minister Taro Aso, but the event caused an open conflict between the U.S.A. and Australia over the role of China in Asia—a dispute which is reflected even within the Bush Administration.

Rice has generally left Asia matters to her deputy, Robert Zoellick, but before leaving for her visit to Asia, Rice told reporters that the Troika was driven by the

"China threat," contrary to explicit statements by Australia's Downer. "We need together to recognize that China is going to improve its military," said Rice, "but we need to make sure that this improvement is not outsized for China's regional ambitions and interests. That is concerning, particularly for those who have had the responsibility for defending the Asia Pacific region." On the economy, Rice added that "the last thing we need is a very, very big Chinese economy that's operating outside the rules of the international economy. . . . That's why I think the trilateral dialogue is very important."

Downer, when he announced this meeting a year ago, stated clearly that the troika was not intended to counter China, with which Australia is increasingly dependent as a market for energy and raw materials exports. He reiterated that stand in a public appearance with Rice.

Rice partially backtracked from her hardline stance, assuring the Australians that the United States was not viewing China in terms of the "containment" of the Cold War days. Still, Australian officials noted that she refused to use the phrase coined by Zoellick, that China was a "responsible shareholder" in the world economy, with which "engagement" was the only appropriate policy.

UN Blasts Israeli Closure Of West Bank and Gaza

The United Nations Office for the Coordination of Humanitarian Affairs issued a warning on the disastrous consequences of Israel's closure of the West Bank and the Gaza Strip, the daily *Ha'aretz* reported on March 18. The Israelis, claiming that they fear a revenge attack after their raid on the Jericho prison, extended a closure that had been going on for weeks. The closure has also blocked the exit and entry of trucks that carry flour and other food into the Palestinian territories. Within a day or two, the newspaper reported, there will no longer be any flour and therefore no bread, the staple of the Palestinian diet.

The UN office also warned of the conse-

quences of Israel's refusal to transfer duties it collects on behalf of the Palestinian National Authority's imports. The UN warned that this is contributing to the collapse of the P.N.A., as well as the health, education, water, and electricity systems and other essential services. The three-week closure has cost the tiny Palestinian economy over \$10.5 million in losses. This is plain robbery, since that money belongs to the Palestinians. The UN also reports that roadblocks in the West Bank have increased by 25% over the last six months, and now stand at 471, which is strangling the Palestinians.

China and Russia Reject Preemptive War Document

Russian Federation Council speaker Sergei Mironov and the Russian Foreign Ministry each issued criticisms of the Bush-Cheney "preemptive war" National Security Strategy doctrine which was released March 16, and included an attack on Russia for its "diminishing commitment to democratic freedoms and institutions."

Mironov said, "Regrettably, serious international problems, including the fight against terrorism and partnership in energy, are not reflected in the U.S. national security doctrine." He added, "The new U.S. national strategy document arouses some queries, but its gist is: 'I like who I want and I love who I want,' and each country will be assessed from the angle of liberties in the way in which Washington understands them." Russia will tackle international problems exclusively on the basis of international law, he insisted, concluding, "What is happening in Iraq is the product of the American doctrine."

A March 20 Russian Foreign Ministry communiqué asked, "Should we understand this means that in the immediate future U.S.-Russian relations face far from the best of times?"

A Chinese Foreign Ministry spokesman, Qin Gang, also denounced the document, saying that it made irresponsible remarks in groundlessly reproaching China's domestic and foreign policy and interfering in China's internal affairs.

Editorial

Cheney and Rumsfeld Must Go!

There is the talk of impeachment in the air, particularly in reference to that babbling incompetent President George W. Bush. Allegedly, the Republican Party itself is ecstatic about the discussion, which they claim will discredit those opposing the blatant insanities of the President. Thus, when Senate Majority Leader Bill Frist issued his latest blast at Democratic Minority leader Senate Harry Reid, he attacked him for, among other things, saying “that he, as a leader of Senate Democrats, would not rule out impeaching President Bush over the wiretapping program.”

Senator Reid showed extraordinarily good judgment in responding to Frist’s charge. According to a report sent out by his Political Action Committee, he commented: “Quite frankly, I’d probably rule it out, because the only President who could possibly be worse than George Bush would be Dick Cheney.”

Senator Reid is making an understatement. Putting Dick Cheney in the President’s place would be a total disaster for the United States and the world. Indeed, each day that the President of Vice stays in his current office, from which he effectively tells his “Mortimer Snerd” what to do, the world comes closer to catastrophe. The most urgent task before the Congress, and the American people, is to get Dick Cheney (and Donald Rumsfeld) out of office fast enough to prevent a new no-exit war against Iran, and a devastating financial/economic disintegration of the world economy.

There is clear indication that such a “rearrangement” in the Bush Presidency is being widely discussed, among Republicans and members of the broader institution of the Presidency. According to *EIR*’s sources, however, the assumptions behind such discussions are way off base. The most insane one of all is that Cheney would respond to polite pressure, and go quietly. Related, is the assumption that the Administration could afford to wait until after the mid-term elections to replace the Vice President, putting a suitable candidate for the 2008 Republican nomination in place.

Even crazier is the view among some Democrats that we shouldn’t “help” the Bush Administration by removing the Cheney albatross from its neck—out of

electoral considerations.

Let’s set the record straight, and get the policy right.

First, as he made abundantly clear with his bald-faced lying performance on the CBS “Face the Nation” show March 19, Dick Cheney is determined not to resign—or even offer his resignation for the President to accept or reject. Cheney is entrenched and determined to continue “advising” President Bush to continue the bloody war and dictatorship policies which have already destroyed the United States’ reputation abroad, and threaten an irreversible descent into global irregular warfare, and a New Dark Age.

Second, delaying the removal of Cheney until after the mid-term elections, or, even worse, until the 2008 Presidential elections, is a suicidal move for the *nation*. While President Bush may truly believe the lies which he has been telling about how well the war in Iraq is going, there is no sensible military man, or political leader, who does not understand that the Iraq War has been lost. Similarly, while Bush may believe the United States could carry out a military assault to force Iran to abandon its nuclear program, there is no military option for confronting Iran. Yet, as long as Cheney remains in place as the President’s chief advisor (which he will be as long as he is in office), the President will find these insane policies reinforced, and they will go ahead.

There are those who argue that Defense Secretary Rumsfeld, as the most visible architect of the disastrous war, should be the first to be removed from office. We have no disagreement with that proposal. As we have often pointed out, Rumsfeld and Cheney are a team, going back to the Ford Administration, and the removal of Rumsfeld will definitely weaken Cheney’s grip over the Administration.

But there is no substitute for creating a drumbeat for the immediate removal of Cheney from office. It seems impractical, with a Republican Congress, to threaten impeachment? Then it’s time to make it practical, by creating a bipartisan groundswell against the most corrupt, most thuggish, most incompetent, and most amoral Vice President this nation has ever had: Richard B. Cheney.