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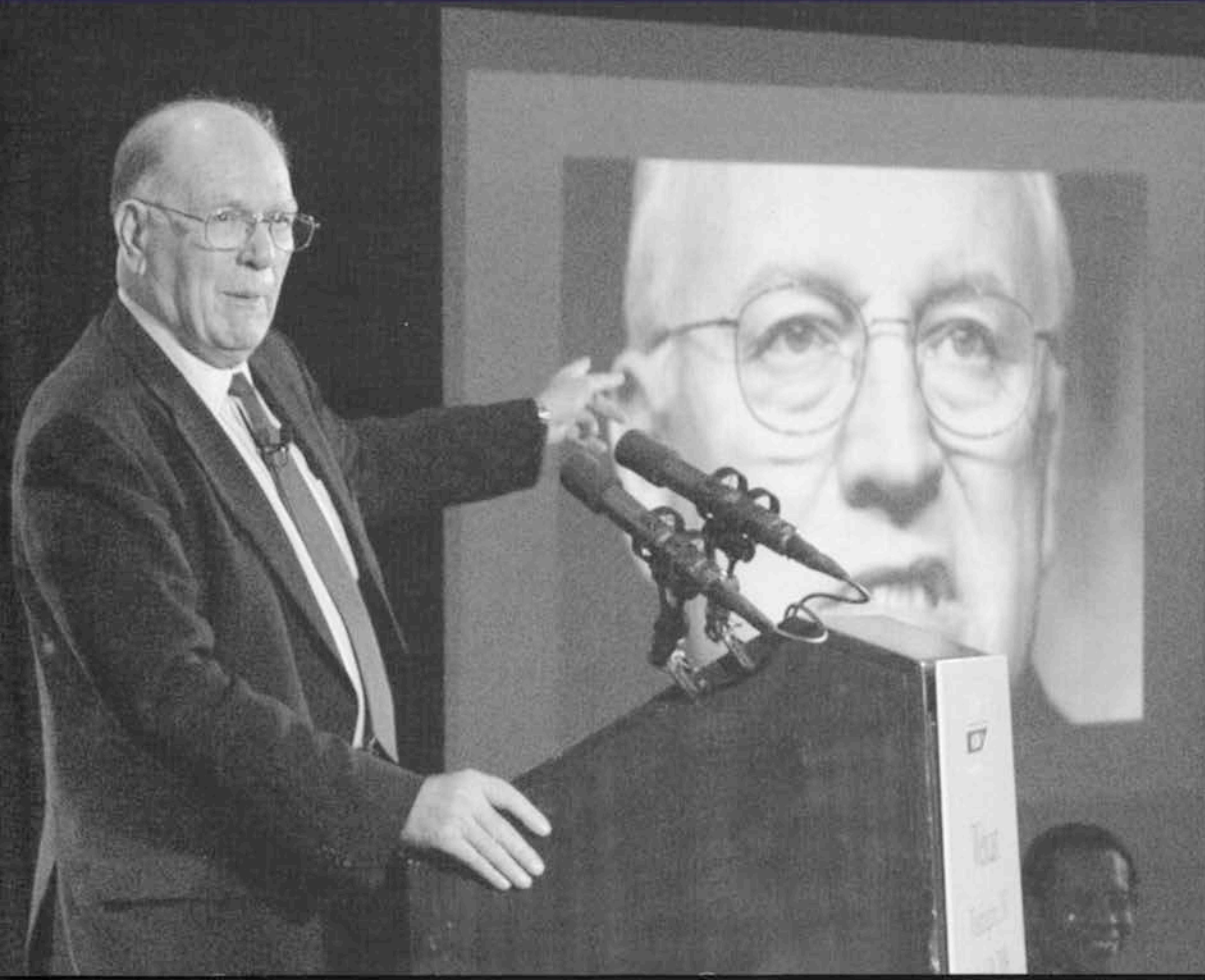
Executive Intelligence Review

July 9, 2004 Vol. 31 No. 27

[www.larouchepub.com](http://www.larouchepub.com) \$10.00

A Question Which the July Democrats Must Also Answer  
LaRouche: Build Up the Army Corps of Engineers  
Nazis Instigated Mexico's National Synarchist Union

## The Curse of Dick Cheney





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*EIR (ISSN 0273-6314) is published weekly (50 issues),  
by EIR News Service Inc., 217 4th Street, S.E.,  
Washington, DC 20003. (202) 543-8002. (703) 777-  
9451, or toll-free, 888-EIR-3258.  
World Wide Web site: <http://www.larouchepub.com>  
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**Postmaster:** Send all address changes to EIR, P.O. Box  
17390, Washington, D.C. 20041-0390.

## From the Editors

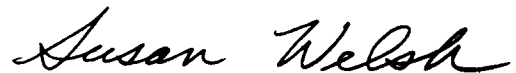
Lyndon H. LaRouche, Jr. set the stage for the politically crucial coming period leading into the Democratic Convention, in remarks to organizers in Montreal on July 1. “We have a Democratic Convention in Boston, Massachusetts,” he said, “in which I will be a factor. What kind of a factor? Nobody knows. I don’t know; they don’t know. But, something is going to happen. And we’re going to be fully mobilized around that, knowing that Bush is a disaster; that Cheney will probably be out, somewhere in this process—all things are possible—but probably out; that Kerry is impossible at the present time. . . .

“We’re going into Boston, with a full commitment to do whatever we have to do. . . . And our presence there will be a significant factor, in shaping the way politics goes in the United States, in the coming months.”

In this issue, we document Cheney’s imminent crash landing, as he confronts scandals and criminal probes on all fronts—and is heard muttering under his breath that LaRouche is persecuting him.

LaRouche’s article, “Hans Koschnick Poses a Question Which the July Democrats Must Also Answer,” lays out the policies required to replace the currently bankrupt financial-economic system—and thereby to restore both the German Social Democratic Party, and the U.S. Democratic Party, as constituency-based organizations working for the general welfare.

What if LaRouche’s warnings are ignored, and the Democrats continue, lemming-like, their race toward the sea? Two feature packages this week give a picture of the Dark Age that lies ahead, if we don’t change course. In *International*, our reports on the outbreak of synarchist-steered barbarism in Peru and Bolivia were rushed into print, especially to affect the situation in Bolivia, where a referendum is coming up on July 18, and the political climate is red-hot. And our *Feature* provides historical background on the current synarchist operations in Mexico, dating back to the Nazi/Falange founding of the National Synarchist Union in 1937. These operations remain very much alive today, directed against the LaRouche forces in Ibero-America; hence the urgency of exposing them internationally.



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**Photo and graphic credits:** Cover, Page 19, EIRNS/Stuart Lewis. Page 12, Online Magazine for Elisabethschule Osnabrück. Page 13, [www.spd.nippes.de](http://www.spd.nippes.de). Page 15 (scene), Courtesy of Robert Beltran. Page 15 (inset, Odets), U.S. Library of Congress. Page 17, DoD Photo/Staff Sgt. Klaus Baesu. Page 24, Army Corps of Engineers/Carol Arney. Pages 26, 27, 29, 32, Army Corps of Engineers. Pages 39, 40, 41, 42, 43, NASA/JPL/Space Science Institute. Page 50, EIRNS. Page 59 (Huntington), [swiss-image.ch/photo](http://swiss-image.ch/photo) Remy Steingger. Page 60 (Aznar), NATO. Page 61, clipart.com. Page 63 (FDR), Library of Congress/Harris & Ewing photograph. Page 64, LaRouche in 2004. Page 71, [www.asambleadf.gob.mx](http://www.asambleadf.gob.mx). Page 77, U.S. National Archives.

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By Lyndon H. LaRouche, Jr. "All leading political parties of the world, socialist or not, whether or not they admit this reality, are presently thrown, like the [German Social Democratic Party], into an existential crisis caused chiefly by their hysterical refusal to take into account the nature of the profound and sweeping changes in national and world affairs which have already been brought on by the worsening storms of monetary-financial, economic, and increasing war-danger."

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## Dick Cheney's Imminent Political Crash Landing

by Jeffrey Steinberg

Dick Cheney's "Go fuck yourself" flip-out at Senate Judiciary Committee ranking Democrat Patrick Leahy (D-Vt.) in June 22 on the floor of the U.S. Senate, was but the most public display of the Vice President's mounting hysteria over accelerating pressure for his ouster from the 2004 Republican ticket. According to one Washington insider, Cheney's verbal assault was a premeditated act, calculated to send a sharp warning to Senate Republicans, who have made the Vice President's life miserable by throwing their support behind probes by the Intelligence and Armed Services Committees into pre-Iraq War intelligence fraud, Abu Ghraib torture, and other atrocities sanctioned by the White House in general, and the Vice President's Office in particular.

While no one has yet officially suggested that Cheney step down due to a diagnosed early onset of Tourette's Syndrome, or some other medical problem, it is no secret around Washington that Cheney is now viewed by Karl Rove and other Bush re-election campaign strategists as a big and growing liability. According to one source close to the White House, private polls prepared for President Bush and Rove show that 9% of core Republican voters are planning to stay home on Election Day.

One public "poll" that accelerated the "dump Cheney" momentum inside the GOP came on June 30, when Cheney made an appearance at Yankee Stadium for a Major League baseball game. When Cheney's picture flashed on the scoreboard screen, spontaneous booing filled the stadium. Later that night, television host David Letterman cited the incident on his late night show, and joked that Cheney had ordered all of the people who were booing to be brought onto the stadium field, stripped naked, and forced to prance around with dog collars and leashes around their necks.

Tourette's Syndrome is otherwise referred to as *copralalia*, a disease whose frequent symptom is unprovoked, un-

controlled shouting of obscenities. It is often diagnosed by psychiatrists as a form of Obsessive Compulsive Disorder.

### Cheney's Persecution Complex

The Vice President is also evidencing signs of an acute persecution complex. It is now widely known around Washington Republican circles that Cheney holds Lyndon LaRouche personally responsible for most of his election-year woes. Every time a House or Senate Democrat, or an establishment media pundit raises a question about Halliburton patronage, the Valerie Plame leak, Ahmed Chalabi's disinformation mill, or the non-existent Saddam weapons of mass destruction, Cheney sees LaRouche's face before his eyes, and goes wild. He has been reportedly overheard muttering under his breath about this persecution.

As one Republican insider put it to EIRNS: "Cheney has not yet figured out that he is his own worst enemy. Until he gets over that hurdle, he is going to continue digging his own political grave."

As they say, sometimes people with persecution complexes really are being targetted. This is certainly the case with the Veep. Cheney's activities, first as CEO of Halliburton, and later as Vice President, are now the subject of at least four Federal criminal probes.

First, there is the Valerie Plame grand jury, run by independent counsel Patrick Fitzgerald. Plame, the wife of diplomat Joseph Wilson, was "outed" as a CIA agent in a leak to the press by someone in the Administration, after her husband exposed the fraud of Administration claims about Iraq's alleged procurement of "yellow cake" uranium ore in Nigeria. In the past few weeks, the prosecutors have heard from Cheney, President Bush, and White House General Counsel Alberto Gonzales. In a highly unusual development, the President was questioned for 70 minutes, in mid-June, at the Oval

Office, apparently with a personal lawyer present. The tape of the President's testimony was to be presented to the grand jury.

At least one key target of the Plame leak probe is Cheney's chief of staff, Lewis Libby. There are widespread reports that at least one top aide to the Vice President has been "turned" by Federal prosecutors, and is now talking. One former intelligence community veteran suggested that the individual may be John Hannah, Libby's deputy and a former vice president of the right-wing Israeli lobby think-tank, the Washington Institute for Near East Policy (WINEP).

Second are the multiple probes, in the United States, France, Great Britain, and Switzerland, into \$180 million or more in alleged bribes, paid by a Halliburton-led consortium, to top Nigerian government officials, to win a lucrative natural gas contract in the African state. The events in question occurred between 1995-2000, during the period that Cheney was the company's CEO.

A French magistrate, Van Ruymbeke, has been probing the bribe case since Oct. 8, 2003. French sources familiar with the investigation say that the aspect that has top Halliburton executives in Houston most hysterical, is the inquiry into where the slush-fund payments actually went. One key player, Jeffrey Tessler, a London-based lawyer, set up offshore accounts in Gibraltar for a shadow firm called Tri Star, through which at least \$180 million passed. It is suspected that some of the funds passed through Tessler may have gone to the Republican Party, or even to the Bush-Cheney campaign in 2000. American prosecutors are in Paris, and will be meeting with the French magistrate. A separate U.S. Securities and Exchange Commission (SEC) investigation is also under way into the Halliburton bribe charges.

A second Halliburton-related criminal probe involves corporate activities during Cheney's tenure. Halliburton set up an offshore subsidiary company in the Cayman Islands, Halliburton Services and Products, which did hundreds of millions of dollars in business with Iran, during the period when there were strict sanctions against American firms doing business with the Islamic Republic, because it was on a State Department list of states sponsoring terrorism. Those sanctions still exist, and Sen. Frank Lautenberg (D-N.J.) has highlighted the Halliburton potential violations, as part of a larger drive to shut any possible enforcement loopholes.

According to June 18 report in *Forward* magazine, Halliburton has admitted that it has three other subsidiaries, based in Sweden and the United Kingdom, which are also doing work in Iran. The SEC is investigating whether these actions are in violation of U.S. laws, according to the *Forward*. A recent CBS-TV "Sixty Minutes" documentary revealed that the Cayman Islands-based Halliburton subsidiary, which has no employees or office on the islands, does have offices, telephones, and faxes in Dubai, which are shared with Kellogg, Brown & Root, which is an American subsidiary.

## Violation of Geneva Conventions

The Vice President is also in the dead center of the scandal around the Bush Administration's repudiation of the Geneva Conventions, in the torturing of prisoners in Iraq, Afghanistan, at Guantánamo Bay, and other "secure, undisclosed locations" around the globe.

Several highly placed U.S. national security veterans have identified Cheney's Vice Presidential General Counsel, David Addington, as an architect of the torture policy. On June 27, the *Washington Post* confirmed these reports, noting that Addington had not only reviewed and signed off on the August 2002 Department of Justice memorandum justifying torture; he had also written to DOJ lawyers, demanding "that the opinion include a clear-cut section on the President's authority." The DOJ and White House memos, in effect, asserted that the President of the United States was above the law, and could use the war on terrorism as an excuse to trample over international law, just as Adolf Hitler declared himself above the Hague Convention banning war crimes in the invasion of the Soviet Union in June 1941 (see *EIR*, July 9).

## Cheney Factor and the Elections

In the run-up to his July 15 webcast and the Democratic Party nominating convention two weeks later, candidate Lynndon LaRouche emphasized on June 30 that the looming fall of Cheney is a momentous event, which will transform both the Democratic Party and the 2004 election process.

When LaRouche launched his campaign to force the ouster of Cheney and the entire neo-con crowd from the Bush Administration in August 2002, the "conventional wisdom" among Democrats was that this was a futile, near-suicidal act. LaRouche ignored their advice, and produced a series of multimillion-copy campaign special reports, *The Children of Satan*, which exposed the neo-cons as the political descendants of fascist philosopher Leo Strauss, and exposed Dick Cheney as a Beast-Man, in the tradition of the Spanish Inquisition of Tomás de Torquemada, and the writings of Joseph de Maistre.

Now some leading Democrats are privately admitting that they had been wrong. However, in a July 1 encounter with members of the LaRouche Youth Movement, Democratic National Committee Chairman Terry McAuliffe insisted that he wanted Cheney to stay on the job, arguing, lamely, that his presence on the ticket would be "good for the Democrats," regardless of the harm Cheney's continued role in the Bush White House would do for the United States and the world.

The question for the Democratic Party is: McAuliffe's foolishness aside, will the lesson learned by other leaders of the party be truly internalized? If so, LaRouche has to be brought in, publicly, at the nominating convention in Boston, to assure that Cheney is gone and that the Democratic Party, under a revived majority in the model of Franklin Roosevelt's coalition, scores a landslide victory in November.

# High Court Jams Cheney, Bush Imperial Presidency

by Edward Spannaus

In rulings which took many, including the Defense and Justice Departments, by surprise, the U.S. Supreme Court on June 28 rejected the Bush Administration's claim—most forcefully advocated by Vice President Dick Cheney—that it has unlimited war-time powers, against which the Federal courts can say or do nothing.

Ever since the post-Watergate period of the 1970s, when Dick Cheney was in the Ford White House, he has endeavored to restore the “imperial presidency” doctrine of the Nixon era, which relegates the Legislative and Judicial branches of government to being mere bystanders, especially when the President is exercising his powers as Commander-in-Chief. Cheney also asserts the same argument with respect to Executive secrecy under the guise of the notion of “Executive Privilege,” as he did in the case on his Energy Task Force just decided by the Supreme Court. (In that case, the Supreme Court rejected Cheney's argument that he was categorically exempt from any court-ordered discovery, and instead, sent the case back to the lower court to narrow what it considered overly-broad requests for information and documents.)

This doctrine of unfettered Presidential power was most starkly expressed in the torture memos produced by the Justice Department's Office of Legal Counsel (see *EIR*, July 2), which asserted that Congress could not place any restrictions on the President's direction of the interrogation of enemy combatants, nor could a future Justice Department prosecute anyone under the Anti-Torture Statute, if that person was acting “pursuant to an exercise of the President's constitutional power.”

The June 27 *Washington Post* provided some new elaboration on the role of Cheney's counsel David Addington in the development of the torture memos, which had been first reported by *EIR*. The *Post* reported that not only was the Office of Legal Counsel's infamous August 2002 opinion vetted by lawyers in both the NSC and in the Vice President's office, but Addington had told Justice Department lawyers he was particularly concerned “that the opinion include a clear-cut section on the President's authority.”

## Questions on Torture

A number of experts consulted by *EIR* believe that the decisive factor in the Supreme Court's deliberations on these

cases, was the revelations on Abu Ghraib and the subsequent leaking of the DOJ torture memos. Oral arguments in both the Padilla and Hamdi cases were held on April 28, during which the Deputy U.S. Solicitor General, Paul Clement, was explicitly asked by Justices Ginsburg and Stevens, what would prevent the government from torturing detainees during interrogation. Clement's response was that the United States is bound by treaty obligations not to torture detainees, and he went on to admonish the court that that this is something in which you don't want “judicial micromanagement.”

Clement's further advice to the Court, was that “You have to recognize that in situations where there is a war—where the government is on a war footing—you have to trust the Executive to make the kind of quintessential military judgments that are involved.”

The Administration's timing could not have been worse. Shortly before the oral arguments commenced that morning, the Iraqi Coalition Provisional Authority briefing in Baghdad had taken place, in which Gen. Mark Kimmitt announced that six U.S. military personnel had been charged with criminal offenses for abuse of prisoners at Abu Ghraib. Kimmitt stated that this was the result of an investigation first announced in January. Worse, Kimmitt acknowledged that CBS had obtained photographs of prisoner abuses, which would be shown on CBS's “60 Minutes II” that evening.

And indeed, CBS did air the photos that night, including the now-famous one of a hooded prisoner forced to stand on a box with electrodes attached to him. Another showed naked prisoners stacked in a pyramid. Quickly, more details of torture at Abu Ghraib, based on the Army's Taguba Report, began spilling out, and soon after that came the leaks of internal Bush Administration memoranda, in which the Office of Legal Counsel had opined that the President can ignore the Geneva Conventions, as well as the international Convention Against Torture, and U.S. laws criminalizing torture and war crimes.

It doesn't take much imagination to figure out what the impact of this would have been on the Supreme Court, which had just been told by the Administration, that it must “trust us” about interrogations and torture.

Consequently, the rulings issued on June 28, can be summed up in Justice O'Connor's statement in the Hamdi case: “We have long since made clear that a state of war is not a blank check for the President when it comes to the rights of the Nation's citizens.”

## Guantánamo

In opposing a number of challenges to its indefinite detention of “enemy combatants” held incommunicado at Guantánamo Bay, the Bush Administration had arrogantly asserted that the courts had no jurisdiction whatsoever over these detainees, and that continued detention *and interrogation* of prisoners was an essential element of its war on terrorism, in



which the courts could not interfere.

By a 6-3 margin, the Supreme Court flatly rejected the government's argument. The Court ruled that even foreign nationals, who are subject to potentially indefinite detention within territory under U.S. court jurisdiction, are entitled to seek a Writ of Habeas Corpus in the U.S. Federal courts. The decision left unclear the question of whether this might apply to other areas of U.S. military operations overseas, such as Afghanistan and Iraq; critics of the ruling say that it might apply elsewhere.

The dissent was written by Justice Scalia, joined by Rehnquist and Thomas. Scalia charged that the ruling "springs a trap on the Executive" by subjecting Guantánamo to the jurisdiction of U.S. courts, and he denounced the ruling as "judicial adventurism of the worst sort."

Yaser Hamdi was captured in Afghanistan in late 2001 by the Northern Alliance, was handed over to the United States, and then shipped to the Guantánamo Bay prison camp. Hamdi was transferred to the Navy brig in Charleston, South Carolina after it was determined that he was born in the United States and therefore possesses American citizenship.

Eight of nine Justices disagreed with the Administration's position that it is entitled to hold Hamdi in detention on the basis of the government's "say-so," and that the Federal courts can do nothing about it. All eight agreed that Hamdi is entitled to file a Writ of Habeas Corpus, and that he should have the opportunity to present evidence to challenge the government's claim. Only Clarence Thomas disagreed.

Four Justices—O'Connor, joined by Rehnquist, Kennedy, and Breyer—said that the President has the power to order detention of an enemy combatant, and that the Congressional authorization for the use of force in Afghanistan is sufficient authority for this. (This is what the Administration claims as its victory.) But they disagreed with the government's contention that once the government offers some bare minimal showing that the detainee is an enemy combatant, the courts can go no further. In this case, the "showing" was a two-page declaration by a Pentagon neo-con bureaucrat (Michael Mobbs, recently of Halliburton fame), which the lower court termed "hearsay," since all Mobbs had done was to review Hamdi's file. The government insisted that Hamdi had no right whatsoever to factually challenge the Mobbs Declaration.

Four other Justices went further, and said that Hamdi's detention is not authorized at all, and that he should be released, unless the government were to bring criminal charges against him. Justice Souter, joined by Ginsburg, disagreed that Hamdi's detention is justified by the Congressional authorization for the use of force in Afghanistan; they said that Hamdi's detention violates the Anti-Detention Act passed by Congress in 1971.

Justice Scalia, joined by Stevens, said that the government has no right under the Constitution to detain Hamdi,

unless Congress were to declare a suspension of Habeas Corpus. The only way to hold him would be to file criminal charges against him, such as had been done in the John Lindh case.

## Padilla

The third case in which the Supreme Court ruled was that of Jose Padilla, a U.S. citizen arrested on U.S. soil on the basis of "evidence" obtained by torture of al-Qaeda suspects captured in Afghanistan; he was later transferred out of the Federal court system into military custody. His lawyer petitioned for a Writ of Habeas Corpus in New York, where she had last seen Padilla.

On strictly technical grounds, the Supreme Court ruled, 5-4, that the Federal court in Manhattan lacks jurisdiction, because Padilla is being held in South Carolina. But there is no question that when he re-files his petition for a Writ of Habeas Corpus in the proper district, it will be governed by the Hamdi ruling, and the court will have to fully hear it.

However, there are indications that the Administration will duck the issue altogether, by bringing a criminal indictment against Padilla in Federal court in Miami. But since the Justice Department has "blown it" with its press conferences about Padilla, the indictment could not be on the discredited "dirty bomb" story, or the more recent apartment-bombing allegations (see *EIR* June 11), and it will have to come up with some other charges.

## The Aftermath

Not everyone was pleased with the court's rulings. In a *Wall Street Journal* op-ed, DOJ memo-writer John Yoo attacked the Supreme Court as "an imperial judiciary," which "has unwisely injected itself into military matters." Yoo admitted that the Court's decision on the Guantánamo detainees was "a clear defeat" for the Administration, with its finding that Guantánamo is subject to Federal court jurisdiction; Yoo complained that this might even apply to Iraq and Saddam Hussein. The only element of the Court's decisions he liked, was its upholding of the President's right to designate and detain illegal combatants.

The editor of the *Wall Street Journal's* OpinionJournal.com, James Taranto, declared that the court "handed Osama bin Laden a victory" by saying that terrorists at Guantánamo could sue in U.S. courts. Attorney General Ashcroft himself complained that the Court had given more rights to terrorists.

Meanwhile, the Defense Department was scrambling to come up with some means of handling the flood of anticipated *habeas* petitions. Under discussion, were the possibility of releasing many of the Guantánamo detainees, and moving the rest to a military prison in the continental United States; or setting up a special tribunal at Guantánamo; or designating one Federal district, such as the infamous Eastern District of Virginia, to hear all the Guantánamo cases.

## House Rejects Budget Enforcement Bill

The chaos that has engulfed the budget process this year was further exhibited on June 24, when House Republicans could not agree among themselves on a budget enforcement bill. The result was that the bill, sponsored by House Budget Committee chairman Jim Nussle (R-Iowa.), went down to defeat by a 146-268 vote. The bill would have imposed spending caps for the next two years, and would have applied the pay-as-you-go rule to mandatory, as well as discretionary spending, meaning that any increases in either category would have had to be paid for somewhere else in the budget. Nussle conceded, at the outset, that he would have preferred to bring his bill to the floor after the Senate had passed the conference report on the Fiscal Year 2005 budget resolution, but the rapid growth in spending made consideration of the bill necessary.

Democratic opposition centered on the fact that the pay-as-you-go rule in the bill only applied to spending, and not to the revenue side of the budget. Rep. John Spratt (D-S.C.), the ranking Democrat on the Budget Committee, told the House that the two measures that worked during the 1990s were not being considered except in an amendment that he was offering; that is, five year spending caps, and a pay-as-you-go rule "which requires us . . . to offset new tax cuts and new entitlement increases by new revenues or by equal spending cuts so they do not add to the deficit. . . ." He argued that the tax cuts of recent years were responsible for the \$2.3 trillion of the budget turnaround from surplus to deficit, but that the Nussle bill ignores that "elephant in the room. . ."

House Appropriations Committee chairman C.W. Bill Young (R-Fla.)

led the opposition to Nussle's bill on the Republican side, complaining that he only wanted a one-year spending cap, and that the Appropriations Committee was left out of consideration of what amounts the caps should be. More importantly, he argued that the bill would impose the caps in law, rather than in a Congressional resolution, which is traditionally how caps are imposed. Making the caps statutory would bring the Executive branch into the budget process, and "That is not the role of the executive branch in government." Young noted that the Constitution gives Congress the responsibility for spending and financial matters, and the only role the President has is to sign appropriations bills. The Nussle bill, however, "puts the Executive branch in the driver's seat when it comes to setting our budget caps. . ." he said.

## GOP Slips Debt Limit Increase Into Defense Bill

For weeks, the Congressional GOP leadership has been pondering ways to deal with the statutory debt limit without being forced to vote openly on it. On the evening of June 21, House Republicans found a way by sneaking it onto the Fiscal 2005 defense appropriations bill via the House Rules Committee. When the Rules Committee met to write a rule for the defense bill, it voted to deem as passed, an amendment to the bill instructing the Federal government to "take all steps necessary to guarantee the full faith and credit of the Government."

At first, the Republicans did not even acknowledge what they had done when the rule went to the House floor the following day, but Democrats were incensed. Rep. Martin Frost (D-

Tex.) called it an "underhanded move to raise the debt limit," and said that he resented the fact that anyone would use a bill that normally has wide bipartisan support, for such a move. Rep. David Obey (D-Wisc.) called it a "procedural gimmick" that "abuses the troops in order to hide responsibility," and that it "epitomizes the total lack of shared sacrifice that this administration and the Republican Party have foisted on the American people."

After these attacks, Rep. Todd Tiahrt (R-Kan.) defended the move, claiming that the drop in Federal revenues over the last three years is due solely to the bursting of the tech bubble in 1999 and the Sept. 11, 2001 attacks and other similar external factors, and that these factors have made the increase in the debt limit necessary. The GOP successfully turned back a Democratic attempt to strip the provision from the rule, by a vote of 220-196 and then passed the rule 221-197. The Defense Appropriations bill, itself, later passed by a vote of 403-17.

## Pelosi Proposes 'Minority Bill of Rights'

On June 23, House Minority Leader Nancy Pelosi (D-Cal.) sent to House Speaker Dennis Hastert (R-Ill.) a "Minority Bill of Rights" that "includes guidelines for a bi-partisan administration of the House, and for the regular democratic order for legislation. The principles are fair, and will provide for the full and open debate that the American people expect and deserve." Pelosi's proposal calls for regular consultations between the leaders of the two parties, and full and open debate on all legislation, including full rights to the minority to offer amendments. It notes that while the U.S. Con-

stitution begins with the phrase “We the people,” the House is run, today, such that “the voices of nearly half of the people have been silenced, and the marketplace of ideas has been effectively closed. Too often, incivility and the heavy hand of the majority have substituted for thoughtful debate.”

Hastert dismissed Pelosi’s proposal, telling the *Washington Post* that the Republican record is as good as any. House Rules Committee chairman David Dreier (R-Cal.) added: “Yes, we have done, as we have had the responsibility of governing, some of the things we criticized when we were in the minority”; but he said that Hastert’s leadership team has struck a “fair balance.” The way the Republican leadership has consistently used procedural votes to block debate on Democratic alternatives, belies Hastert’s and Dreier’s claims. Their ability to do that is reinforced by the fact that rank-and-file Republicans will rarely, if ever, buck the leadership on procedural votes.

## Senate Completes Defense Authorization Bill

The Senate finally completed its work on the Fiscal Year 2005 Defense Authorization bill—passing it by a 97-0 vote on June 23—and sent it to what promises to be a contentious conference to resolve differences with the House. In particular, the Senate adopted a provision that would restrict the Pentagon’s ability to acquire Boeing tankers. The provision, authored by Sen. John McCain (R-Az.) would require the Defense Department to complete and review two studies of the Air Force’s air refueling requirements before buying any new tankers. The

House supported the Pentagon’s plans, and is requiring a contract to be negotiated by March of 2005.

Along the way toward passage, Senate Republicans turned back further Democratic attempts to get more accountability on Iraq and the torture scandal. An amendment sponsored by Sen. Ted Kennedy (D-Mass.) would have required the Bush Administration to submit reports on which countries are contributing forces and resource to Iraq at the behest of the United States, and its estimates on U.S. force posture in Iraq during the next year. Kennedy’s amendment was turned back and replaced by an amendment by Sen. Mitch McConnell (R-Ky.) which requires “a comprehensive balanced report” on Iraq stabilization efforts “within an appropriate and feasible time period that enables Congress to perform its oversight responsibilities,” in the words of Senate Armed Services Committee chairman John Warner (R-Va.).

The Senate also turned back an amendment sponsored by Sen. Jon Corzine (D-N.J.) that would have required the Justice Department to turn over documents in its possession relating to the treatment and interrogation of detainees in U.S. custody.

## Levin Slams Bush Administration on Iraq

Sen. Carl Levin (D-Mich.), at a June 25 hearing of the Senate Armed Services Committee, gave an opening statement that warned that the majority of Iraqis see all Americans as behaving like the Abu Ghraib torturers. He called for giving real power to the Iraqis themselves. Levin said the United States is in a race against time in Iraq “because the United States ap-

pears to be losing the war for the hearts and minds of the Iraqi people. According to press reports, a recent poll conducted by the Coalition Provisional Authority but not released to the public, indicated that an overwhelming 92% of Iraqis view the coalition forces as occupiers, and only 2% as liberators. In fact, 55% of the Iraqi people said they would feel safer if U.S. troops left immediately.”

“At the same time,” he added, “it is interesting to note, and discouraging to note that 81% of the Iraqis polled said that they had an improved opinion of Moqtada Sadr, and 64% said the actions of his militia have made Iraq more unified. While their opinion of Sadr is improving, their opinions of Americans are certainly not. Fifty-four percent of Iraqis believe that all Americans act like those who perpetrated the abuses at Abu Ghraib. We have a problem.”

The Bush Administration’s case was made more difficult by one of its own witnesses, Deputy Secretary of State Richard Armitage, who repeatedly contradicted Deputy Secretary of Defense Paul Wolfowitz. Armitage said that the United States made a number of crucial mistakes in Iraq. He added that not only does the insurgency in Iraq have what he described as a central nervous system, but that no one in the administration even has a handle on who the insurgents are. In contrast, Wolfowitz and Chairman of the Joint Chiefs of Staff Gen. Richard Myers would not admit any mistakes on the part of the United States. The only thing Wolfowitz would concede is that “There was no surrender,” to which Sen. John McCain (R-Ariz.) commented “It’s interesting. Things didn’t turn out as we had anticipated they would, yet we didn’t do anything wrong.”

## Hans Koschnick Poses A Question Which the July Democrats Must Also Answer

*This release was issued on June 30 by the LaRouche in 2004 Presidential campaign committee.*

The June 23rd edition of Germany's prominent conservative daily, *Die Welt*, featured a June 17th interview with a former Vice-President of that nation's Social-Democratic Party (SPD), Hans Koschnick, in which he delivered a challenge to his SPD which must also be taken very much to heart by the U.S. Democratic Party's coming July, Boston convention.

I explain the strategic implications of the relevant connection.

Koschnick, well-known as a former mayor of Bremen, warns, that his party should know that it is no longer relevant to consider whether or not the SPD will be in power during the immediate years ahead, but, rather, what future the Social-Democracy still has. Admittedly, the U.S. Democratic Party, which is not a socialist party, has much greater margin of electoral potential for the immediate future available to it to waste, than Germany's gravely wounded SPD of today. Nonetheless, the problems of the SPD should be seen by leading parties throughout western and central Europe, and also in the U.S.A., as a warning to them, that all those leading political parties of most of this world, which had retained positions of relatively great authority during the past several decades, are now gripped by onrushing existential crises which parallel, in greater or lesser degrees of calamity, those of Koschnick's SPD.

To understand the crises now actually gripping all U.S.A. and European parties today, we must focus upon the feature of European politics which had formerly situated the European Social-Democracy as among the durable kingpins of European politics, prior to, and after the wave of fascist takeovers during the 1922-1945 interval. To understand that particular crisis of European social-democracy now spreading across

Europe, it is relevant to see today's crisis of those, and other leading parties, in the light of the fact today, that, from the outset, what emerged as the socialist political movements of the 19th and 20th Centuries was deeply divided, between two leading currents whose conflicts often dominated the same political party.

Over the recent decades, those leading political parties and governments had premised themselves, more and more, upon a fictional view of the world's economic and general strategic situation, a view which has had less and less correspondence to proceedings in the real world. As in the U.S.A., the conditions of life of the lower eighty percentiles of family households, and in more and more communities, have become worse and worse, while the parties have bragged more and more of the successes produced by those reforms which helped to bring conditions to the point of the remorselessly advancing state of worsening calamities of economic and general security today.

The fatal flaw which had inhabited those, and other types of parties from the outset, was the role of those unprincipled compromises by which parties had secured the broader base of support on which their political power in national life had lately depended, until now. As the illusions failed, so, the practical, real-life basis for that unprincipled consensus was taken away, as during the 1920s and 1930s, when the existing party-systems' base waned, and collapsed. An at least ominously similar process is under way now.

Meanwhile, all leading political parties of the world, socialist or not, whether or not they admit this reality, are presently thrown, like the SPD, into an existential crisis caused chiefly by their hysterical refusal to take into account the nature of the profound and sweeping changes in national and world affairs which have already been brought on by the worsening storms of monetary-financial, economic, and increasing

war-danger. This is the danger which came to the surface during the period since the outbreak of the international monetary crises of 1997 and 1998.

The failed responses since then, of all relevant governments, including the government and leading political parties of the U.S.A., set the stage for the pattern of spreading and worsening global economic and strategic catastrophes which has unfurled itself like a pandemic, around more and more of the world, since the January 2001 inauguration of President George W. Bush, Jr. That Bush Administration did not cause the disease; the failure of Bush was the leading product of that global pandemic which had already been set into motion under the reign of that President's predecessors. It is not a U.S.A. epidemic. As the recent European Union elections reflect this, it is a global pandemic which has now put western and central Europe into its charnel house.

The expedient internal compromises which socialist and other major political parties of the world had cultivated during the pre-1997 period, could no longer be maintained under those conditions of accelerating strategic military and economic crises which have wracked the world since the close of 1996. The achievements of those parties, prior to 1997, have been exposed as a euphoric delusion. The rise and fall of the "Red-Green" coalition government of Chancellor Schröder, is but one among many cases of what had become such an unworkable, attempted political compromise with onrushing destiny, under what had been already an acceleration of rapidly changing conditions for the worse.

Under such a condition of systemic spread of global existential crisis, there is no more dangerous idiocy in politics,

than to attempt to define politics in terms of the "left," "right," and "center" seating arrangements among, or within political parties. For any literate student of history, there are two leading currents of axiomatically distinct political thought among the political systems of modern, globally extended European civilization, neither of which are either "left," nor "right," nor "center." The only important, enduring, and axiomatic difference in modern European political culture, is between the Classical humanists and the sundry, opposing varieties of materialists. The implications of this are of fundamental importance for the class of problems to which the Koschnick interview refers. I explain this crucially important distinction as follows.

In Europe, one of the two mutually opposing currents whose intersection had effected the historical development of both the European continental social-democracy and the U.S. political-party system, was the same Classical humanist current which had been associated with the radiated 18th-Century influence of such as Leibniz, J.S. Bach, Abraham Kästner, Gotthold Lessing, Moses Mendelssohn, Friedrich Schiller, and the brothers Wilhelm and Alexander von Humboldt.

The opposition to the Classical humanist current from within, notably, the socialist parties of continental Europe, was the same, self-styled "materialist" current to which most of the world's Communist parties adhered, at least on their principal official records.

What often bounded these two opposing socialist currents into a single, so-called "left-wing" party of variously meliorist or revolutionary disposition, was a commitment to unprin-

## What Koschnick Said

Hans Koschnick's lengthy interview with in the leading German daily *Die Welt* appeared on June 23. Koschnick, 75, is a former deputy chairman of the German Social Democratic Party (SPD), a former mayor of the city of Bremen, and one of the "grand old men" of the SPD. During the 1990s, Koschnick was European Union Administrator for the city of Mostar, in Bosnia-Herzegovina.

Koschnick told *Die Welt* that the SPD under Gerhard Schröder had adopted a paradigm of economic-social policies which has now come to a complete dead-end. One can already rule out that the SPD will be re-elected to government, in the next national elections in 2006, and the party will be relegated to the opposition for some time after that, Koschnick said.

The party elder statesman said that a fundamental policy shift is required for the SPD, terminating the current

"hand-to-mouth" policies, "day-to-day" politics, or appeals to short-term populism. Running after "the hedonistic new middle class, as Schröder did in 1998, has been a failure." Schröder ignored the SPD's party base and the broader population, which may accept temporary sacrifice, but only if they know why, and for what. The population, said Koschnick, needs a perspective, and the party needs to show "the intention to change something about this society."

What is required, he insisted, is no mere reform of the party's structures, but a fundamental new idea, "a new vision of society"; but the latest European Parliament elections have shown that the Social Democrats had "no concept whatsoever, not the faintest approximation of an idea." Such an idea will, however, not come from the cabinet table of Chancellor Schröder or "expert commissions," Koschnick said. "Only such parties have a future, that have clear-cut values, a clear-cut message of how society has to be shaped in the future."

cipled intra-party factional compromises, which afforded a party relatively short-term unity, under the common aims of retaining political power through unity of action, and, also, at least for some in the party, a means for temporarily defending the general welfare against the abuses commonly practiced by both the relics of Europe's feudal past, and the equally predatory interest of what 18th- and 19th-Century Anglo-Dutch Liberalism has defined as "free trade," to the present day.

In the case of the United States, we, with our uniquely principled Declaration of Independence and original Constitution, had adopted a different form of national economy than is found anywhere in Europe, still today. The constitutional model was known as "The American System of political-economy," the leading alternative to, and opponent of the Anglo-Dutch Liberal system which dominates the political thinking of Europe today. However, from time to time, much of the influence of this U.S.A. model did spread back into Europe, especially in the wake of the war-time victory, led by President Abraham Lincoln, over the British asset known as the Confederacy. Following the triumphant 1876 demonstration of the superiority of the American System of political-economy,<sup>1</sup> over the inherently predatory Anglo-Dutch Liberal, monetarist system of so-called "free trade," some nations from around the world, including Bismarck's Germany, Russia, Japan, and others, radically revised national policies according to the model of the world's leading 19th-Century economists, Alexander Hamilton, Friedrich List, and Henry C. Carey.

Thus, because of the moral and related advantages of the American System of political-economy, relative to the experience of Europe, no significant socialist movement comparable to those of Europe, developed until a period, during late in the 19th Century. Although labor movements, such as Terence Powderly's Knights of Labor, did emerge during the 1820-1876 interval, it was not until the influences such as the British gold standard and the corruption of the Specie Resumption Act, and, later, the Federal Reserve Act, were used to force upon large sectors of the U.S. population the misery caused by a London-modelled Wall Street savagery, that the 1877-1937 pattern of Europe-like, legendary social conflicts between capital and labor emerged in the United States. The result was often expressed with a savagery which echoed the state of affairs induced by Europe's Anglo-Dutch Liberal model of financier oligarchy.

1. The referenced event is the 1876 Centennial Exposition held in Philadelphia, which showcased the industrial and scientific might of the United States.



*SPD leader Hans Koschnick, shown here in his term as Mayor of Bremen, says that the party must be clear that its policy and strategy have "come to an end," and require a complete systematic change.*

Nonetheless, despite those historically determined differences between the United States and Europe, the conflict between the "Classical humanist" and "materialist" currents of socialist and other thought have developed somewhat in parallel, in both continents, that in notable forms and degrees. With the passing of the immediate post-war decades, the already exceptional, if potent influence of Classical humanist currents akin to Germany's 1920s and early 1930s Reichsbanner tradition, although revived under Chancellor Konrad Adenauer's term in office, have more or less vanished among the European socialist movements during the later 1960s, as the older generation of the Classical humanist movements passed into retirement from leading positions in public life. The ranks of the Classical humanists were winnowed, partly by deaths, and more emphatically as the beastly subversion of the Congress for Cultural Freedom took hold. This issue, of "Classical humanist," versus "materialist" world-outlooks, within the SPD and other branches of European socialism, is the implied challenge of the reality in which I situate my reading of Hans Koschnick's published remarks.

My included personal qualifications for addressing this subject of European socialist parties as such, are exceptionally important today, both in respect to philosophical grounding of my role as one of the world's most successful economists, and other notable features of my personal experience of the past sixty years, including my practical experience with socialist parties and kindred associations outside the U.S.A.

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## 1. How the Socialists Often Failed

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It is relevant to my authority on the subject of Hans Koschnick's remarks to *Die Welt*, that I have had a notable association with socialist movements during two discrete intervals

of my adult life. The first was during the interval 1948-1953, in my commitment to defeating the pro-fascist, pro-Churchillian upsurges which had been associated with President Truman's term in office, as these were infamously echoed by Roy M. Cohn's Senator Joseph McCarthy. The second interval occurred slightly more than a decade later, when I reacted against that renewed clear threat of fascist insurgency, this time the manifest threat posed by what President Dwight Eisenhower had denounced as "a military-industrial complex." That onslaught by that pro-Synarchist "complex" erupted most violently, in both Europe and the Americas, during the post-John F. Kennedy, 1964-1973 interval.

The first instance of my association with socialist politics, occurred as I returned from overseas duty to find a U.S.A. then under President Harry S Truman. It was no longer President Roosevelt's U.S.A. I was faced with the insolence of a reigning, post-Roosevelt, Wall Street establishment, which was now allied with significant elements of that same fascist enemy which we had declared our Franklin Roosevelt-led nation committed to fight. I found the fascism of what I later learned to recognize as the financier-controlled Synarchist International of the 1918-1945 interval, resurgent in even the United States itself.

By late 1948, the dwindling fractions of both socialists and pro-socialists were, for me, the only visibly significant political stratum with an active popular base which appeared ready to make an open rear-guard resistance to this new resurgence of synarchism which the right-wing, "preventive war" policies of Bertrand Russell and President Truman, et al. represented. So, after President Eisenhower had dealt with Senator Joe McCarthy and dumped the "preventive nuclear warfare" of Truman and the Committee on the Present Danger, the socialists of my U.S.A., were left with nothing truly important which they were actually willing to do; for me, they were simply too intellectually sterile and insufferably boring to continue to be worth my while.

At that point, I went happily back to work, thinking to assume what passes among us for a normal family life. However, that was not to last for long. A decade later, new developments mustered me back to the war against fascism once again.

In the aftermath of the 1962 missiles-crisis, the John J. McCloy-led, Warren Commission cover-up of the right-wing assassination of President John F. Kennedy, and the launching of the lunatic official war in Indo-China, I saw the emerging



*An SPD rally backing Chancellor Gerhard Schröder in the policy-delusions of the 1990s. "Keep it up, Gerd!" say the signs, a slogan no one would suggest any more. The party's present harvest of disaster was sown with its "green," neo-Malthusian turn of the 1981-82 period, says LaRouche. With that, empiricist catering to "mass opinion" drowned out the opposed, Classical humanist impulse which also characterizes the divided mind of most European socialist parties.*

anti-war youth ferment of that period as the only relevant spark-plug in sight, for resisting what I recognized, as an economist, as the post-Eisenhower rise of the preconditions for a serious attempt at introducing fascist (e.g., Schachtian) policies, and matching impulses toward new wars, into the world in general.

However, by 1971-1973, it had become clear to me then, even decades before the relevant FBI documents were released to me from the archives, that the socialist movements of that time were controlled largely by the U.S. Department of Justice's internal security apparatus, or by kindred spirits among leading law firms and think-tanks of the financier-oligarchical interest associated with the pro-synarchist Congress for Cultural Freedom. This signalled that self-certified socialist organizations had become less than useless as a rallying-point of U.S. internal resistance to the new fascist impulses expressed by the 1971-72 shift to a "floating-exchange rate" monetary order.

So, after the U.S. Justice Department's steering of its assets in the leadership of the CPUSA into a continuing, February 1973 and later effort to remove me physically from the ranks of the living, I knew that this reflected the fact that, within virtually all of the sundry socialist circles in the United States, the leadership had become the controlled assets of that FBI-steered operation. The nominally socialist movement of the U.S.A. was virtually dead. The degenerated socialist political currents of the U.S.A. had died a dishonorable death, and

were no long capable, at least up to the present moment, of contributing a significantly useful role of leadership in the political life of the U.S.A.

My immediate duty was to the youth movement which I had developed over the 1965-1974 interval. The 1974-76 organizing of the U.S. Labor Party by me, as a new Whig association, was the first result. My 1976 campaign, on that ticket, was fought against the attempted revival of the “preventive nuclear war” organization, the revived Committee on the Present Danger. The intended revival was launched by a group around James R. Schlesinger et al., which deployed under the umbrella of Zbigniew Brzezinski’s campaign to become the new U.S. National Security czar. These developments led to my subsequent role as a candidate for the Democratic Party’s 1980 Presidential nomination, and my association with the Democratic Party ever since. It also led to my role in crafting what became known as the Strategic Defense Initiative, and to my current campaign against current Nazi-like Vice-President Dick Cheney’s continuing, now nearly fifteen-year-long commitment to perpetual, global “preventive nuclear warfare” today.

Thus, in both cases of my association with the U.S. socialist movement, 1948-1953 and 1964-1972, my impulse was to combat the aggressive introduction, into the post-FDR U.S.A., of Hjalmar Schachtian and other echoes of pre-1945 European fascism. It was a fascism which I later discovered, through my strategic intelligence investigations begun in 1983, to have been an influence which had been created and steered by those Synarchist International’s financier circles, whose aims were expressed through such visible channels as Allen Dulles’ negotiations with a core of the Nazi SS. My concern became centered on the fact that the same crew of financier oligarchs which had given us Hitler, were the enemies I must combat today. My view then, as now, is that when my republic, and much more, is in danger of the kinds of threats which arose during the post-Roosevelt 1940s, and in the contexts of the 1962 Missiles Crisis and Vietnam War, these are the kind of crises which demand that the individual citizen must pick up the guidon where he finds himself standing.

On the subject of the useful role contributed by socialist movements with which I associated myself on those two occasions, resistance to oppression, and fights for justice, are always in order. The important qualification, often overlooked by the usual run of socialist associations, is that those efforts should never have been conducted stupidly. A just cause is never a justification for being stupid about the crafting or avoidance of alliances and their objectives.

The failures of the socialist parties on that account, have not been accidental. The dominant role of various expressions of the materialist (e.g., empiricist) world-outlook in the philosophical world-outlook of those parties and related associations, has often blinded those parties to the requirements of the essential interests of mankind. Those movements have

tended to choose failed substitutes for a Classical-humanist sense of purpose, substitutes found in utopian, populist qualities of concocted “social contracts”; or in the old German social-democracy’s “objective theory of stages of history”; in the simplistic “class struggle” formulations, or a combination of these. Therefore, except as socialist organizations are sometimes influenced by Classical-humanist influences, their positive role has been limited to fighting against perceived social threats, rather than motivated by a Classical humanist policy: a Classical humanist commitment to building those principled communities of sovereign nation-states which are the only proven long-term alternative to the systemic evils under which civilization has continued to suffer until the present time.

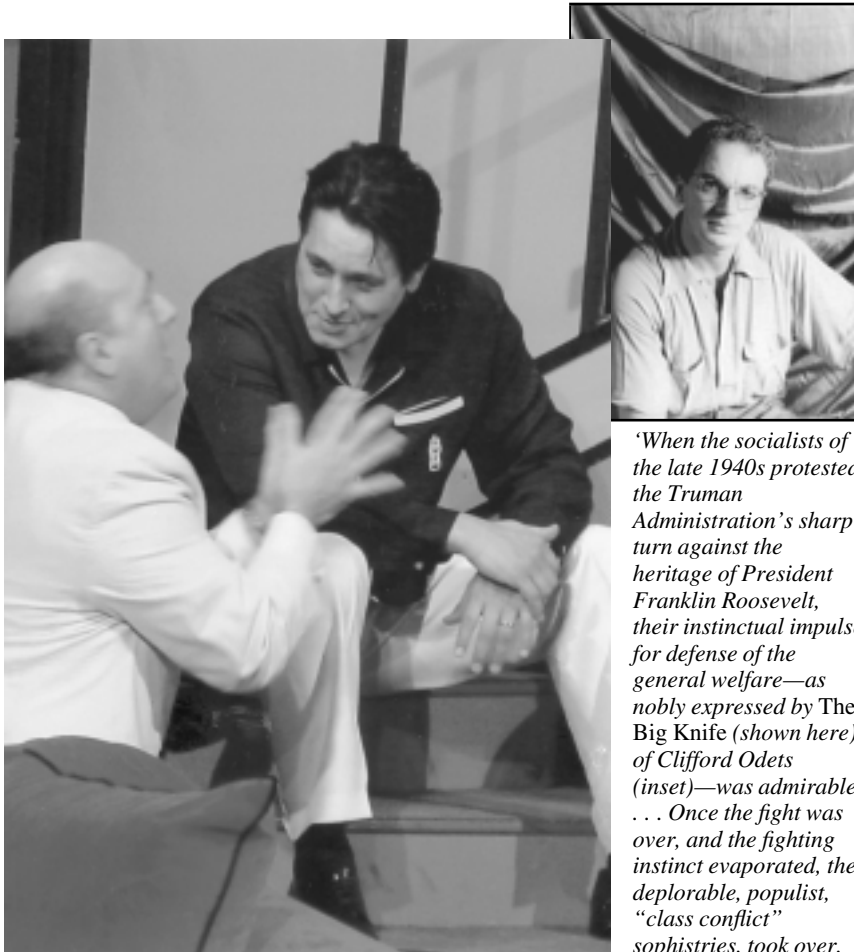
When the socialists of the late 1940s protested the Truman Administration’s sharp turn against the heritage of President Franklin Roosevelt, from the outset of Truman’s inauguration as President, their instinctual impulse for defense of the general welfare—as nobly expressed by Clifford Odets’ *The Big Knife*—was admirable; it was their home-baked, pro-“materialist,” simplistically mechanistic recipes which were often deplorable. Once the fight was over, and the fighting instinct evaporated, the deplorable, populist, “class conflict” sophistries, took over. So, at appropriate moments in the course of time, I relieved myself of the alliance, to take myself back to my own independent policy of practice; but, I have never had reason to repudiate, or regret, what I did during those periods of my predominantly difficult association with those forces.

Similarly, in the mid-1960s, the opposition to the Indo-China war was sound, but the 1968ers’ populist remedy, “post-industrial” utopianism, was to prove even more wicked, in global scope and duration, than the war they opposed at that time. As I warned the “single-issue” anti-war activists of that period, to resist the folly of the continuing of the Indo-China warfare, an appropriate political approach must be taken to those in the labor movement and elsewhere, who were misled into believing that the issue of that war was one of patriotism, rather than the war being a correlative of an attempted right-wing takeover of the U.S.A. by an Anglo-American financier faction, a faction whose pedigree was to be traced to their recurring association with both Hitler’s rise to power, and the assimilation of key elements of the Nazi SS into the post-war “Atlantic Alliance.” The socialist and related elements of the anti-war movement rejected my approach.

Worse, the dominant current within the anti-war youth was not typified by the Rev. Martin Luther King, but by those radical youth of that time, who were largely caught up in the “rock-drug-sex counterculture,” who were steeped in the Luddite ideological tradition of “post-industrial” utopianism, and a matching hostility to the “blue collar” of modern agriculture and manufacturing.

It was the cultural-paradigm shift which the fusion of rock-drug-sex youth-counterculture and “post-industrial”





*‘When the socialists of the late 1940s protested the Truman Administration’s sharp turn against the heritage of President Franklin Roosevelt, their instinctual impulse for defense of the general welfare—as nobly expressed by The Big Knife (shown here) of Clifford Odets (inset)—was admirable. . . . Once the fight was over, and the fighting instinct evaporated, the deplorable, populist, “class conflict” sophistries, took over.*

of the mass-base of the leading conservative electoral parties, too.

The hallmark of the appalling, widespread intellectual mediocrity of the socialist organizations of the U.S.A., over much longer than a century, has been the prevalence of the delusion that the mark of political purity was devotion to a militant “anti-intellectualism.” This pathetic trait has been commonplace among existentialist atheists and “fundamentalist” fanatics, alike. Such beliefs, by atheists or believers alike, are a virtually religious form of bigotry approaching that of the notorious Grand Inquisitor.

The recent four decades of intellectual, and often moral decay among the socialist associations of Europe and the Americas, was the turn away from what had been the saving grace of many such associations, away from their grounding in the rudiments of betterment of conditions of life through national political commitment to the development of the basic economic infrastructure of nations as a whole; a turn toward “post-industrial” destruction of commitment to that Classically humanistic, scientific and technological progress upon which the positive moral outlooks of the socialists had depended.

Admittedly, the leading socialist political organizations of Europe are often a different proposition than the simplistic, “psychotomimetic” babbling that we encounter among the nominal socialists inside the U.S.A. today; but, as I have also pointed out some common features above, there are certain similarities, certain lessons to be adduced, by political parties on both sides of the Atlantic today, from a study of the evidence of the comparison of socialist currents in the U.S.A. with those in western and central Europe.

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## 2. The Issue of The Human Soul

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To sum up the essence of the working point here: the crucial issue implicitly reflected in Hans Koschnick’s interview by *Die Welt*, is the conflict between Classical Humanism and materialism, which I summarized above. The issue of socialism is not the fraudulently alleged insistence that it is intrinsically subversive of constitutional republicanism in that way which right-wing demagogues often assert to be the case. Rather, the problem is, the dismal effects of the specific, populist kind of influence exerted by the anti-Classical hu-

utopianism typified, which has led the world into that presently ongoing world crisis which threatens, for the moment, to bring down Germany’s SPD as many of the leading parties of Europe and the Americas have discredited themselves similarly, under the influence of the ongoing cultural paradigm-shift which has led the leading political parties of those nations toward ruin, over the course of the recent forty years.

The cultivated functional stupidity of the U.S. socialist organizations and their leaderships, was appalling; much of that stupidity was cultivated within and by those associations, by a widespread commitment to the same anti-Classical-humanist, “materialist” philosophical standpoint respecting the nature of man, shared by Thomas Huxley and Frederick Engels, a doctrine reflecting the correlated, empiricist methods of those associations. Let me choose to say, as stating the point with the greatest permissible forbearance, that the characteristic problem of the nominally socialist and pro-socialist political associations, was the thick-headed, often brutishly simplistic varieties of populist sophistry, typified by the madness of “single-issuism.” These sophistries were characteristic of the opportunistic rhetoric and policy-shaping of not only those socialist and kindred associations, but the raw hedonism

manist, “materialist” philosophical standpoint expressed by advocacy of Adam Smith’s mystical, and actually fraudulent dogma of “free trade.” This conflict is rooted, axiomatically, in the materialist’s rejection of any physical-scientific basis, as distinct from any merely wishful, aprioristic, doctrinal tradition alone, for the existence of the immortal human soul.

That, for example, is the specific error of principle, which misled the SPD into electing, with fully conscious intent, to go for a while into a neo-Malthusian wilderness of official opposition, from about 1981-1982. No one who thought carefully about that turn of the SPD then, should have doubted that that decision, then, would come back to haunt the SPD, as it has jumped out to rudely confront Chancellor Schröder’s leadership today. That problem suffered by the SPD today, is an object so large that it can not be overlooked even from the other side of the Atlantic Ocean: The root of that problem is the loss, or simply the lack of a specifically Classical humanist standpoint in the role of leadership.

The loss of a viable government in Germany, even the loss of a viable SPD, would be a serious blow to the U.S.A. Whereas, a failure of the U.S.A. to change its ways, very soon, would be a catastrophe for the world at large. Without a turn back toward a commitment to a Classical humanist approach, there is very little hope that civilization as we have taken it too much for granted, would continue in its present forms of practice of relative individual freedom.

As I have been persuaded of this throughout my adult life, and also some time earlier, Classical humanism, which dates its best known origins in European civilization from such figures as Solon of Athens, Thales, Heraclitus, Plato, and the pre-Aristotelean and pre-Euclidean Pythagoreans, is characterized by a scientific quality of certainty respecting a scientifically demonstrable quality of the individual member of the human species which is not found in any lower form of animal life. *That quality is the power to discover an experimental proof of a type of universally efficient physical principle which is a kind of experimentally defined object which is not experienced directly as a phenomenon of sense-perception.* That quality depends upon the rejection, at least in fact of practice, of the typically materialist standpoint of the modern empiricist.

This quality of the individual member of the human species, is mankind’s only knowledge of the existence of an immortal quality of spiritual existence of the human being. This scientific notion of immortality of the individual human personality—a notion notably expressed by Moses’ *Genesis* 1, by the Gospel of John and Epistles of Paul, and by Moses Mendelssohn’s *Phaedon*—is the essential distinction of the Classical humanist from the reductionists, both in the times of Thales, Pythagoras, Solon, and Plato; and, today, a distinction from both the materialists and sundry varieties of religious lunatics such as the U.S. fundamentalist cults of both Prince-ton’s Jonathan Edwards’ time and today.

In the history of U.S. natural law, running through the notions of “to do good” by Cotton Mather and his heir Benjamin Franklin, and Franklin’s adoption of Gottfried Leibniz’s anti-Locke principle of “the pursuit of happiness,” we meet the specifically U.S. natural-law expression of the Classical humanism of Europe upon which the creation of our own constitutional republic, and its specific tradition of the Classical humanism of Franklin and both Abraham Lincoln’s Gettysburg Address and last public address, on reuniting the states as if they have never been separated, continues to depend to the present day.

Classical humanism signifies the immortality of the individual, through successive generations of a culture, as expressed through the transmission of those expressed qualities which distinguish the human individual from monkeys, worms, and goats. This transmission is merely typified, albeit in an essential way, by the discovery of those experimentally validated universal physical principles which are not themselves subjects of Charles Darwin’s monkey-like pursuit of sense-certainty. This includes not only such discoveries of the universal physical principles which are known only as objects of the supra-sensory complex domain, but also those Classical artistic principles of social processes, such as Classical artistic composition, which radiate only from man, rather than the beasts.

In the body of the true natural law expressed uniquely by the modern form of sovereign nation-state, as by the U.S. *Declaration of Independence* and the fundamental U.S. law presented in the Preamble of our Federal Constitution, the central expression of modern civilized society is the anti-Hobbesian principle of the general welfare: the moral obligation of sovereign nations to subordinate themselves to the intention to promote the general welfare of, and among, nations. Under such natural law, the notion of the dignity and rights of the human individual is associated with nothing but the distinction of the human individual from all lower forms of life; the notion of man and woman as made equally, unlike all other living species, in the willful image of the Creator of the universe, a species entrusted with responsibility for the nurture and development of that Creation.

This issue of principle was at the center of the founding of the U.S. republic, as in the incorporation of what I have already pointed to here, as Gottfried Leibniz’s universal principle of natural law, “the pursuit of happiness,” in the 1776 U.S. *Declaration of Independence*. This same principle of universal natural law is reflected in the Preamble of the U.S. Federal Constitution drafts of 1787-1789. That Preamble is an intention of universal natural law, the intention of Leibniz’s “pursuit of happiness,” to which every other feature of that Constitution, and of all Federal and common law, is properly subject for its interpretation for practice. That is the unique feature of the U.S. Constitution which has enabled it, despite all U.S. errors of practice since, to be the only national consti-



*Far from national sovereignty causing war, says LaRouche, “prior to modern times, and down to the present day, the cause for general warfare among the nations of globally extended European civilization has been imperial efforts to establish one empire at the expense of another, or to crush the sovereign nation-state republic out of existence.”*

tution to have survived over the course of the 1789-2004 interval to date. That is the notion of intention of U.S. constitutional law which enabled President Franklin Roosevelt to tip the balance in the way needed to save the world from the Synarchist International’s lurch toward doom which still gripped the political processes of western and central Europe during the 1922-1945 interval.

Leibniz’s notion of “the pursuit of happiness,” which the evil Voltaire hated so bitterly, was the feature which the North American patriots led by Benjamin Franklin adopted from their reading of a belated publication of Leibniz’s warning of the evils of John Locke’s doctrine, in Leibniz’s *New Essays on Human Understanding*. That is the key to solving the riddle implicitly posed by Koschnick’s observations to *Die Welt*. This notion of “pursuit of happiness” is inseparable from the notion of the immortality of the human soul, as set forth in the body of Plato’s dialogues taken as a whole, as by Moses Mendelssohn’s powerfully influential key work of the German Classical Renaissance, his *Phaedon*.<sup>2</sup>

Mendelssohn, together with his friend Gotthold Lessing, was a principal, founding figure, together with Lessing’s mentor, the great Eighteenth-Century mathematician Abraham Kästner, of the German Classical renaissance which exerted a great influence, significantly through one-time Benjamin Franklin host Kästner and his associates. The significance of

this set of historical facts, is to be recognized in Kästner’s avowed commitment to defend the great discoveries of two figures, Leibniz and J.S. Bach, against the evils of the Eighteenth-Century English and French empiricist “Enlightenment.”

The most efficient way of showing the axiomatic difference between the Classical approach and the leading expression of modern anti-humanist materialism—the empiricism of Locke, Hume, Adam Smith, Jeremy Bentham, Euler, Lagrange, Kant, et al.—is the quarrel which is expressed by Leibniz-haters Voltaire, Euler, and Lagrange, against the discovery of the underlying principle of an infinitesimal calculus, the Leibniz-Bernoulli development of the concept of a catenary-cued *universal physical principle of least action*. The defense of this discovery was taken up by Germany’s most influential teacher of mathematics, Kästner, as in Kästner’s insistence on casting aside Euclidean and Cartesian geometries as used by the empiricists, in favor of a pre-Euclidean (i.e., anti-Euclidean) geometry. Kästner’s principle was defended by his greatest student, Carl Gauss, in Gauss’s 1799 Latin treatise *The Fundamental Theorem of Algebra*, in which Gauss exposes the hoaxes of such empiricist ideologues as d’Alembert, Euler, and Lagrange in their denial of the existence of an infinitesimal calculus, and, hence, the efficient physical existence of what the legacy of the relevant work on curvature, of Gauss through Riemann, defines as the Riemannian expression of the physical actuality of what is represented by the complex domain.

The theological significance of the attacks on the frauds

2. See: Moses Mendelssohn, *Phédon, ou, entretiens sur l’immortalité de l’âme* (1767), Paris: Editions Alcuin, 2000; Preface by Lyndon H. LaRouche, Jr.

of the empiricists, and their logical positivist successors, by Gauss, Riemann, et al., is, succinctly, that all experimentally validated discoveries of universal physical principle express universal physical principles which can be known through the cognitive creative processes of the individual human mind; but are also principles which are objects which can not be directly observed in their nature as objects, by human sense-perception alone. That is, in brief, the ontological significance of the complex domain in physical science, and also of Classical principles of artistic composition, such as those traced as such from Greece, as distinct from the reductionist, or arbitrarily fantastic, Archaic, Romantic, modernist, etc. modes.

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*As in the U.S.A., the conditions of life of the lower eighty percentiles of family households, and in more and more communities, have become worse and worse, while the parties have bragged more and more of the successes produced by those reforms. . .*

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To make the essential working-point clear, I must be painstakingly concrete, as follows.

As we are each and all born, we shall surely die. When we shall have died, will we have lived as men, or as beasts? Shall we have developed, cultivated, and transmitted an improvement of knowledge of those universal physical principles which Plato and his Pythagorean predecessors defined as “powers” to transform the conditions of the planet, and of human life, in ways of which no beast is capable by its nature? Have we taken up and perpetuated the great discoveries of principles by our forebears; have we added to the store of those powers and their proper use; have we secured these benefits, while we were alive and able, to the endless generations of mankind to come after us? Have we, like Jeanne d’Arc, and also the Reverend Martin Luther King, found in ourselves, in the image of Jesus Christ, the source of courage, when needed, to put all personal life and comfort in peril, that we might not betray the benefit which must be delivered to future generations?

Have we, as political leaders, appealed to that true fundamental self-interest of the person which is lodged within that notion of the uniquely specific immortality of the mortal person’s individual human soul? This is not an assertion to be made as a bare appeal to merely the abstract name of that notion. It is a conception which must be expressed in the form

and substance of those appropriate forms of action which contribute to the realization of that self-interest. Here lies the guiding role of Classical humanist method.

### **Real Politics For Today**

That is real politics. That is the real statecraft of the true statesman, and of the political party which is worthy of being chosen to govern. There is nothing properly mysterious in any of this, and, therefore, there is no tolerable excuse for the bungling of governments and political parties which have lured us into the present systemic form of immediately threatened global catastrophe. There are known principles available to us on this account. The following are typical.

As I have stated in the immediately preceding paragraphs, this notion of knowable universal physical, and related artistic principles, as traced, in European civilization, chiefly from the Pythagoreans and Plato, provides the empirical basis for the notion of the individual human soul and its implicit immortality, as the notion so derivable is affirmed by such religious authorities as the Apostles John and Paul. Notable is Paul’s *I Corinthians* 13, in which the same principle of *agapē* presented from the mouth of Plato’s Socrates, is placed above all other notions of universal law.

This immortality is expressed in ordinary practice by the transmission of great discoveries of universal principle of that quality, from one generation to its successors, as within the context of a classroom organized in keeping with Friedrich Schiller follower Wilhelm von Humbolt’s design for Classical humanist education.

Accordingly, the central issue of constitutional principle of the 1776 U.S. *Declaration of Independence*, is the right of all persons to express their distinction from the mere beasts, by participation in the processes of transmitting and working to generate, and to apply the discoverable great principles of the universe. The denial of the right to practice that quality of activity, in education, and as an adult citizen, amounts to the degradation of the citizen to the condition of herded or hunted human cattle. The realization of participation in knowing, transmitting, and employing discovered universal principles of physical science and Classical artistic composition, is the pursuit of happiness; is the right, which denied, denies the victim his or her right to express humanity in an efficient way.

That is the same principle continued by the role of the Preamble of the U.S. Federal Constitution, as the authority which stands above, and judges all other law and related practice. There lies the crucial, specific element of exceptional great strength within the U.S. system. The American System of political-economy, as identified by Alexander Hamilton, Mathew Carey, Friedrich List, and the world’s greatest economist of the mid-Nineteenth Century, Henry C. Carey, is an outgrowth of that constitutional principle rooted in Leibniz’s argument for the right of pursuit of happiness.

This Classical humanist notion of the human species is



*What the German SPD and the U.S. Democratic Party now approaching its Boston national convention, both desperately need, LaRouche says, is a change away from "populist" mediocrity to "a Classical humanist policy of survival" of the nation—what the better half of the socialist movements so admired in FDR.*

directly opposed to such abominations as the existentialism of the Frankfurt School's Nazi existentialist philosopher and follower of the evil Friedrich Nietzsche, Martin Heidegger, with his notion of "thrownness." In modern European doctrine since the notorious, Venetian marriage counsellor of England's King Henry VIII, Francesco Zorzi (aka, Giorgi), and the neo-Aristotelean Venetian founder of empiricism, Paolo Sarpi, the chief enemy of Classical humanism in European civilization has been the outgrowth of the empiricism of Sarpi, and of such Sarpi followers as Galileo, Francis Bacon, Thomas Hobbes, Descartes, John Locke, Antonio Conti, David Hume, Voltaire, Adam Smith, Euler, Lagrange, Jeremy Bentham, and the former Hume apologist Immanuel Kant of his *Critiques*. That outgrowth of that, empiricism and positivism, was that enemy of the founding of the U.S. Federal republic known as the so-called French and English Seventeenth- and Eighteenth-Century Anglo-Dutch Liberal "Enlightenment." The existentialism of the Congress for Cultural Freedom's "Frankfurt School" legacy is typical of the most morally and intellectually degenerate extreme of "Enlightenment" empiricism.

The persistent crisis of the modern socialist movement, since its origins within the 1789-1814 French Revolution, has been its empiricist legacy, its prevalent hostility to the principles of Classical humanism. However, as in my own case during 1948-53 and 1964-73, the worst political evils of, especially, modern European civilization often compel Classical humanists to make an honest commitment to common cause with socialists and others of a predominantly em-

piricist philosophical outlook. The most frequent premise for that occasional unity of action, is the urgency of defense of the general welfare against the rapacity of what is called the "reactionary" threat of financier oligarchical interest and the latter's political instruments. It is collaboration; it should not be considered a marriage.

President Franklin Roosevelt was not a socialist; he was a fully witting follower of his ancestor, New York banker, and political ally of Alexander Hamilton, Isaac Roosevelt. Yet, he was indeed the rightly adopted hero of, among others, most of that U.S. socialist movement which flourished under the inspiration of his leadership. He was an efficient promoter of that principle of the general welfare which is otherwise known in U.S. constitutional law as the explicitly Leibnizian principle of "the pursuit of happiness." The admiration of the best among the mass-based socialist movements of the time, of Franklin Roosevelt's Presidency, was for his explicit and efficiently expressed defense of the natural-law principle of the promotion and defense of the general welfare. It is that intersection of Franklin Roosevelt and his socialist supporters, to which I refer in addressing Hans Koschnick's remarks.

### **Russia, Today, For Example**

Post-Soviet Russia today is not a Communist, nor otherwise a socialist society in the atheist or agnostic sense. It is a blend of Russian culture, including the heritage of the Russian church, with the experience of the Soviet system. As the point is aptly illustrated by a 1996 Moscow conference in which I played a key role, in concert with leading economic thinkers

and others of Russia then, Russia is a specifically Eurasian nation in culture, a nation now committed to defending and rebuilding its way out of the 1990-2001 reign of Anglo-American carpetbaggers, to become a principal, if not exclusive keystone and bridge of the relations between Europe and the nations of Asia.

Despite those delusions of the Synarchist and related Bilderberger traditions, the great evil which was at the root of the two so-called “World Wars” of the Twentieth Century, was an expression of the effects of the neo-Venetian, Anglo-Dutch Liberal tradition, and its system of control over monetary and financial affairs of and among nations, control by those consortia of private financier-oligarchical interest which are identified today as “independent central banking systems.” These latter types of systems, which seek to drive the rate of financial profiteering up to levels which collapse the rate of increase of physical output per capita, must lead lawfully to either more or less severe cyclical crises, or even general breakdown crises so severe that they threaten the onset of a generalized new dark age.

A study of the debt of the nations of Central and South America, since 1971-1982, shows that these nations have already overpaid every bit of net indebtedness they had actually incurred prior to the institution of an inherently rapacious “floating exchange-rate” monetary-financial system. Similarly, the change of the United States over the recent forty years, from the world’s leading producer nation, to a “post-industrial” parasite on, especially, the poorer “cheap labor” markets of the world, should have warned us, already, that the merely nominal economic success of the U.S. economy since October 1987, has been merely one more great swindle of the poor by the more powerful. As the subjugated poorer parts of the world collapse under the burden so created—as Argentina illustrates that result most clearly—the predator collapses through the ruin of his prey.

The great insanity commonplace among the self-deluded, dominant political and related circles in the U.S.A. today, is their impulse to brag about the financial successes of the United States during the 1990s, without taking into account both the collapse of the basic economic infrastructure and productive capacity of the United States itself, and the degree to which U.S. apparent prosperity depends upon increased rates of looting of foreign resources which are reaching the limit of their ability to sustain the 1990s popular U.S. official delusions. The collapse of both the U.S.A. and of Central and South America, under the impact of NAFTA, illustrates the delusory character of the alleged successes of U.S. economic policy over the course of the 1990s.

The modern sovereign nation-state republic was first established as a form of practice of an existing government by Louis XI’s France and then Henry VII’s England. For the first time, the principle of natural law, that men and women must not be degraded to the condition of human cattle, was enthroned as the same principle of the general welfare incorpo-

rated in the Preamble of the U.S. Federal Constitution. This accomplishment was immediately the fruit of the Fifteenth-Century, Italy-centered Renaissance. Unfortunately, the medieval, *ultramontane* alliance of Venetian financier-oligarchy and Norman chivalry struck back, determined to exterminate the modern nation-state by combining the feudal social tradition with the weapons of religious warfare deployed over the period from 1511-1648, when a civilized form of life in Europe was established by the 1648 Treaty of Westphalia.

After 1648, the Venetian tradition, now wearing the robes of the Anglo-Dutch financier oligarchy, struck back again, through a series of wars which that oligarchy variously provoked and launched over the period leading into the establishment of the British Empire, as the empire of the British East India Company, by the 1763 Treaty of Paris. Thus, prior to modern times, and down to the present day, the cause for general warfare among the nations of globally extended European civilization, has been imperial efforts to establish one empire at the expense of another, or to crush the sovereign nation-state republic out of existence.

The modern weapons of policy by which imperial forces such as the Anglo-Dutch Liberals’ imperial interest have sought to eradicate truly representative self-government from this planet, are two. First, to attempt to crush national sovereignty through introducing new forms of supranational government (e.g., “globalization,” NAFTA). Second, as typified by the brutish project of the Congress for Cultural Freedom (“freedom” from sanity), is to uproot the form of striving for improvement of Classical human culture upon which the healthy existence of peaceful relations within and among sovereign peoples depends.

The first explicit statement of the latter, cultural policy, was supplied by Galileo Galilei’s pupil, Thomas Hobbes. Hobbes, like Galileo’s master, the founder of empiricism, Paolo Sarpi, and John Locke, Hume, Adam Smith, Jeremy Bentham, and Bertrand Russell’s linguistics movement after him, demanded the eradication of those customs of Classical humanist artistic culture and use of language which are associated with the Classical concept of poetic irony.

Irony, so conceived, is fairly described as the characteristic expression, in any language’s use, of a difference between a computer-language and human qualities of thought. The principle of Classical irony, which is characteristic of the intelligent, actually human use of the language of any people, relies upon the vast heritage of the collective cultural experience of a people, over many successive generations. Thus, we are able to introduce new ideas of principle into communication, by using words in a way which is formally ambiguous, but which, when taken into the context of the culture of that people, coins the expression of a new concept, by reading that ambiguity generated by the composer against the context of the cultural experience and knowledge of the literate users of that language.

Thus, were we to attempt to homogenize the language of

the world, we would, in effect, degrade the people of the planet—lords, lackeys, and serfs alike—to the status of human cattle, incapable of expressing socially those ideas on which a people’s willful participation in a human form of self-government depends absolutely. On this account, only the existence of the sovereign nation-state republic, constituted with this consideration in view, provides a people the means by which it gains and maintains efficient sovereignty in self-government.

The kinships and contrasts between central European and Russian culture are exemplary. Russian is a Eurasian culture by acquired nature. So, in that case, as in all of the significant cultural distinctions throughout Europe, a system of sovereign self-governments premised upon the embedded heritage of a language-culture, is indispensable for the existence of those qualities of actual self-government which elevate relations among people above the sorts of relations better suited to human cattle.

The comprehension of these distinctions is specific to those principles of Classical humanism typified by the shared intention of Wilhelm von Humboldt and Friedrich Schiller.

The issue is, contrary to the efforts to uproot Classical Humanism, the road to equality is not the rule of society by populist standards of the greatest relative ignorance in modes of communication, but, directly the opposite. True equality among people who are not being degraded into the status of

human cattle, requires the practice of public deliberations in modes which reach toward the highest standards of Classical humanism.

In a time, when popular opinion has been degraded to the prevalence of dreadfully wrong opinion, only the rejection of continued reliance on a babble of popularized catch-phrases, can muster the majority of a people from the looming doom their currently fashionable choice of slogans and the like have nearly brought upon themselves today.

If, as some would insist, the kind of change I propose is impossible at this time; then, we would be surely at the present brink of a global descent into a new dark age, looking therefore hopefully, toward a better time, when the prevalent notions of today might have been weeded out of the human garden. If you dislike the presently looming near-term prospect of a plunge into a new dark age, the right and power to make the needed change in one’s own opinion and behavior, away from populist mediocrity, toward an orientation toward a Classical humanist policy of survival, is at hand for nearly all persons.

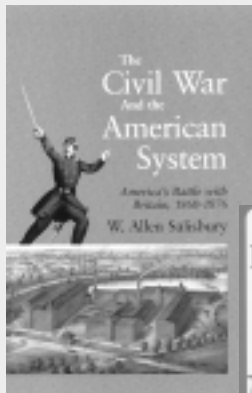
If the SPD is to have a future, that is the only real option available to it. The same must be said for that U.S. Democratic Party now approaching its Boston, Massachusetts nominating convention. What you might find among the proverbial tea-leaves of that convention, would probably show you what Dickens’ “Old Marley” tried to tell “Scrooge.”

# KNOW YOUR HISTORY!

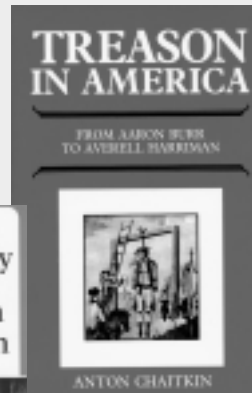
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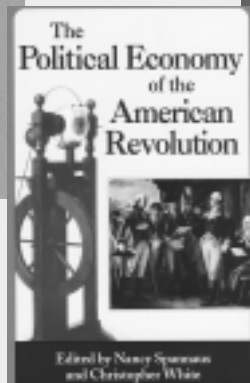
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## LaRouche: Build Up the U.S. Army Corps of Engineers

by Marcia Merry Baker

American Presidential candidate Lyndon LaRouche, in a recent conversation with a commander of the U.S. Army Corps of Engineers, said that among the first actions LaRouche would take as President, would be to build up the Corps, as part of the re-institution of national military service, to carry out the founding mission of the Corps for infrastructure construction. LaRouche cited the way the Corps functioned during Franklin Delano Roosevelt's Presidency. The Army Corps headed up the Civilian Conservation Corps, which built public works and fought the Depression, employing millions—especially youth, who were in dire need of both skills and hope.

This viewpoint was conveyed to Congress in testimony from *EIR* (below), for the record, to the House Subcommittee on Water Resources and the Environment, which held an oversight hearing on the Army Corps of Engineers on June 24.

The urgency of this viewpoint is shown today by two developments: the breakdown in the inland navigation system of the nation—one of the chief responsibilities of the Army Corps, which has been severely underfunded and undermanned; and by the particular opportunity to reverse this process, provided by the Corps' new proposal before Congress, for authorization to refurbish the 37 locks and dams on the Upper Mississippi River and Illinois Waterway system. This proposal—released as a 500-page report in May—should be approved as a matter of urgent national interest. Likewise, the general funding of the Corps should be upped to the level needed for all its ongoing responsibilities—12,000 miles of waterways, 240 commercially active locks and dams, coastal maintenance etc.—plus funding for the backlog of \$35 billion of already authorized, but never funded, Corps projects.

In the Summer of 2002, LaRouche made the U.S. transportation-system crisis the leading edge of a policy intervention, in which he called on President Bush to save Amtrak and the commercial airlines, and to act on all the infrastructure

needs of the nation. Since that time, the transportation situation has worsened: Today's United Airlines crisis reflects the general state of commercial aviation; Amtrak has been held together, month by month, only by its staff and Amtrak president David Gunn's ingenuity. Now the inland waterway system is disintegrating.

The result of 20 years of underfunding of the Army Corps has reached the stage where structures are worn out, and de-staffing means shutdown. Of the United States' 240 active inland waterway lock chambers, 113—or 47%—are 50 years old or more, which is past their engineering lifespan. Some are 70 years old or more. The operating hours have been cut back on the locks of the Ohio and Mississippi systems—the central part of the nation's inland navigation. Aged lock-chambers are unstable at many sites, and congestion from breakdowns and repairs is inevitable. For want of money, whole sets of locks and dams are threatened with shutdown altogether. Of the 37 locks and dams on the Upper Mississippi and Illinois waterway systems, very few of the 600 foot locks have been converted to the modern 1,200 foot length, so tows must be broken apart. The Army Corps' "Preferred Integrated Plan" calls for beginning with replacing seven of the old locks, and a decades-long timetable for the rest. In June, the Corps held eight public hearings on its plans, in five Midwest states and Washington, D.C.; an *EIR* interview with a Corps engineer appears below.

What is urgently required is for Congress not only to approve the Corps' plan, but to mandate a more rapid and sweeping overhaul. The bipartisan potentiality is shown by a June 23 approval vote of the Senate Environment and Public Works Committee, for a provision sponsored by Sen. Kit Bond (R-Mo.), a \$3 billion proposal which would authorize \$1.46 billion to go forward on designs for seven new lock replacements on the Upper Mississippi. Bond noted that this could create 48 million man-hours of construction work.



# Modernize Navigation on The Upper Mississippi

*EIR submitted testimony to the June 24 hearing of the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure, on the Upper Mississippi and Illinois Rivers. The Subcommittee's hearing was on recommendations for navigation improvements and ecosystem restoration.*

The merits of proceeding on the full-scale modernization of the 37 locks and dams on the 1200 river-miles of the Upper Mississippi/Illinois navigation system are twofold: Firstly, the modernization is long overdue, and the system is a central part of the nation's transportation grid. It is urgently required to proceed to the engineering design stage. There should be a full-steam-ahead approach to the project. Secondly, moving on this outstandingly overdue task is part of the shift in thinking needed for a political mobilization to resume infrastructure-building generally, as a key part of an urgently needed national economic recovery program. The Army Corps of Engineers itself, and its traditional mission, have a key role to play in that recovery process.

At present, there is a breakdown process underway in our economy and financial system, nationally, and internationally; that must be addressed, and the needed policy debate and remedies pursued. To ignore the breakdown, and to continue any kind of "fiscal austerity," anti-infrastructure ideology that has governed national policy in recent years, will be disastrous.

## 2002 Call for Infrastructure

Lyndon LaRouche, *EIR's* Founding Editor, and a candidate for the Democratic Party's nomination for President, said in an August 2002 white paper entitled *Special Report: Science and Infrastructure*: "What we are experiencing, is a form of global crisis far worse than that of 1929-1933. Nonetheless, it is a crisis which we could overcome. It must be conceded, that were we to do no more than repeat the measures of recovery used successfully by President Franklin Roosevelt et al., we would fail to meet the present challenge adequately. We must restore the Roosevelt reforms; but, to succeed, we must add new features, features made necessary by the great changes in political geography and physical economy over the course of the 1933-2002 interval as a whole.

"The most urgent of the immediate, specifically physical-economic U.S. reforms required by this crisis, involves imme-

diately adoption of policies for rebuilding the U.S.A.'s basic economic infrastructure. Sweeping measures for rebuilding the systems of power generation and distribution, water management, land reclamation, health-care, and education must be fully under way during the 2003-2004 interval."

LaRouche focussed in 2002, on the need for emergency action on rail and air transportation—during the Amtrak and airlines crises, which continue to the present day; and now we have the Army Corps' inland navigation crisis.

We call on your Committee, and Congress, to back the Army Corps' proposals in full. In particular, what is needed is the kind of bi-partisanship shown by lawmakers from the Mid-West, who are cooperatively backing infrastructure upgrading. The spirit was shown in the June 23, 2004 bi-partisan approval in Senate Subcommittee for Sen. Kit Bond's resolution backing the Upper Mississippi/Illinois projects.

To assist that policy direction, we here briefly elaborate some of the principal points involved in moving ahead on the Army Corps projects—as our own publications have covered them in depth in recent years; and from the current round of Army Corps' public briefing sessions.

We draw on two important initiatives by LaRouche on the crisis today, and on the national mission-orientation called for:

- First, a November 2002 *EIR* Special Report he commissioned, *Emergency Infrastructure Program for the United States*, containing sector studies including, "Our Waterways Are Aging and Neglected," which reviews the scale of what's required for navigation and water resources nationally. Over 1 million copies of a mass-circulation version of this 80-page documentation report have been circulated nationally in the past 18 months, in a public mobilization campaign for infrastructure, which is receiving very great bi-partisan support.
- Second, a recent policy document by LaRouche, "The Uniquely Needed Doctrine for U.S. Economic Survival Today: Why 'Fiscal Austerity' Is Insane" (issued April 25, 2004), reviewing the causes and scale of economic collapse now upon us, the degree of denial on the part of public and lawmakers alike, and what measures must be taken.

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## 1. Evident Merits of the Project

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The Upper Mississippi/Illinois navigation system is central to our national inland waterways network, and upgrading it is long overdue.

The necessity of getting on with the work, is well described in the "Purpose and Need for Action" section of the Army Corps' new May 2004 report; and also in the "Findings" section of the 8-page Senate Resolution S-2470, from which we just highlight these general points: "inaction on construction of new locks will lead to economic decline, and inaction on implementation of an enhanced ecosystem restoration program will lead to further environmental decline"; also, "the



*Lock and Dam 15 at Rock Island, Illinois on the Mississippi River, one of a system of 37 aging navigation infrastructures on the Upper Mississippi which need modernization with new technology, both for increased river freight traffic and to improve the ecology of the river's basin.*

inland waterway transportation system moves 16% of the freight of the United States for 2% of the cost, including more than 100,000,000 tons on the Upper Mississippi River System.”

Job creation is an additional feature of the project. The Senate Resolution estimates, “The construction of new 1,200-foot locks and lock extensions will provide more than 48,000,000 man-hours of employment over 10-15 years.”

In contrast to these self-evidently desirable points, certain of the motivations given by the Senate and the Corps should best be dropped, because the underlying axioms—reflecting popularized opinion, are wrong. There are two critical mistaken views: free trade ideology, and “point-in-time” pseudo-ecology.

*On the mistaken free trade matter*, the motivation is given for the Upper Mississippi project, as to how it will help the competitive position of the United States in the world market, in that agricultural commodities—corn and soybeans, as well as chemicals and fuels—can be moved more cheaply by barge. The Senate Resolution 2470 states that, “60% of the corn exports of the United States and 45% of the soybean exports of the United States” flow through the Upper Mississippi system. What is not stated, is that the Cargill Inc./ADM cartel in turn controls most of these and other commodities, not only in North America, but in the nations with whom we trade; and neither this degree of dominance, nor the rigged globalized market itself, is beneficial for any farmer, citizen, or nation—anywhere.

Therefore, yes—as far as logistics go, the Senate’s point is well-taken, namely that bulk freight is best transported by

barge and rail. But as for the world markets/“free trade” argument—it is a cover story. In fact, the United States has now become so import-dependent, and many nations so impoverished under globalism, that the whole wrongheaded free-trade era is at an end-phase in any case, either through a crash, or deliberate change.

The conceptualization required is to envision the vast quantities of freight that could and should be moved by a fully-modernized inland navigation system—interconnected barge and rail, for mutually-beneficial international trade. Upgrading our infrastructure base, along with pursuing a foreign policy of development projects—such as a “Super-TVA Great American Desert Development Program” for Mexico and the U.S. South-West, would mean vast new quantities of goods-hauling of all kinds from the renewed economic growth in the Mid-West.

*On the mistaken ecological matter*, it should not be assumed that there is some given “point in time” to which features of an eco-system should be returned. This is implied in the Army Corps’ May report, and in the Senate “Findings,” calling for restoration of certain riparian features (ox-bows, islands, etc.), and for maintenance of other arbitrary patterns.

The higher principle to be aware of regarding the eco-system, is that building ever more modern transportation and other infrastructure, especially waterways and railroads, enhances the environment. One obvious example, is how the landscape is improved by not having vast highway grids built for freight hauling and vehicular passenger traffic; large areas of nature are left alone. In effect, the “natural” resource base is man-made.

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## 2. Back the Army Corps Mission for Infrastructure Nationwide

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Our nation’s entire network of water traffic is experiencing difficulties that range from significant problems, to obsolescence, to breakdowns. The currently proposed Administration budget has only some \$4.12 billion for the Army Corps nationwide, which continues a 20-year pattern of underfunding, meaning that parts of the navigation system are impossible to operate. Some examples, outside of the Upper Mississippi area:

- Vicksburg District: The system of four locks and dam sites on the Ouachita and Black Rivers was slated by the Corps to be shut down in 2004, because Federal funding was going to be \$2 million a year, not the \$10 million minimum needed to keep the channel open. Under huge bipartisan pressure from Arkansas, the White House announced May 6 that it

would back restoration of \$8 million, to make the \$10-million total.

- St. Louis District: The lock and dam on the Kaskaskia River in Illinois may not be able to be kept operational, due to lack of funds.

- Pittsburgh District. The Corps has been forced to restrict the number of hours that locks are in operation at some sites on the Allegheny and Monongahela Rivers; the civilian staff has been cut from 709 down to 725. Moreover, staff might be cut by another 205! The present Administration budget proposal for the Pittsburgh District could be a low of \$20 million, when it needs at least \$63 million, and has been getting only in the range of \$35-37.5 million a year in recent years. In particular, this will stall out a long-overdue locks and dam replacement project on the Monongahela River, that already has demonstrated the successful use of a new “floating” dam construction which could be adapted in the Upper Mississippi.

On June 24 this year, a new-technology dam was dedicated on the Monongahela, in Western Pennsylvania, just upriver from Pittsburgh, at the Braddock Dam Lock No. 2, replacing a 99-year-old structure. At the ceremony, James McCarville, head of the Port of Pittsburgh Commission, said, “While we are here to celebrate a really striking development in the dedication of the Braddock Dam . . . , we have some problems because of the perilous condition of our locks and dams.”

What’s in order is an across-the-board Army Corps of Engineers nationwide effort, with full funding for priority projects. No case-by-case tinkering will work.

## What About the Funding?

How can the Federal budget afford this? That is the wrong question. The real question is, how can we afford not to take the right emergency measures to restore the economy? This is the focus of the LaRouche paper, “The Insanity of ‘Fiscal Austerity,’” in which he first reviews what led up to today’s economic crisis, pointing to the danger of the kind of crisis-thinking advocated by Hitler’s infamous finance minister, Hjalmar Schacht:

“We have now reached the point in the process, at which the only way to avoid the kind of collapse which leads into a new dark age for the planet, would be to use the powers implicit in sovereign governments, the kinds of Constitutional powers applied by President Franklin Roosevelt in March 1933, to put the present international monetary-financial system into receivership for reorganization, and operations in government-controlled bankruptcy. No other sane option presently exists.

“A transitional system must operate under such reconstruction proceedings, to eliminate, immediately, the existing, bankrupt, floating-exchange-rate system of the recent 32 years, to bring into being a new international monetary-financial system designed according to the principles expressed

by the successful precedent of the original Bretton Woods system: a fixed-exchange-rate system, designed to manage a process of two generations of the world’s recovery from the mess created by the follies of the recent 40 years.

“The object must be to uproot and prohibit the use of the methods of so-called “fiscal austerity,” associated with the unfortunate memory of the Bank of England’s protégé, Dr. Hjalmar Schacht. The system in reorganization must be based on the use of long-term state-created public credit, at rates of between 1%-2%, to bring levels of productive investment up to relatively full-scale employment, to levels of output sufficient to keep the current operating budgets of nations and their governments at above “break-even” levels of financial management, while promoting rapid, technological-progress-driven gains in physical-economic productive powers of labor.

“The reconstruction must be led by large-scale public works of this intention, by government, and with public credit to fund medium- to long-term extension of financing of private entrepreneurships, especially those whose intentions are efficiently aimed at promoting the common aims of the general recovery and increase of physical productivity per capita and per square kilometer.”

## Special Role for Army Corps of Engineers

In conclusion, there is a special character of the Army Corps and its work, to be appreciated: its potential role in training youth. On an international webcast, Oct. 22, 2003, LaRouche discussed this in answer to a question on restoring the draft: “Despite our healthy abhorrence of war, national military service is an integral part of citizenship in a functionally sound republic. The urgent need for building up the Army Corps of Engineers at this time is a relevant example.

“We have a social problem of first magnitude of importance among the generations of young Americans who have little or no qualification for the kind of productive employment in which they could expect to support a normal family household. In Franklin Roosevelt’s time, we attacked this kind of problem with the quasi-militarized Civilian Conservation Corps. . . .

“Our experience with World War II war-time selective service, when combined with the experience of the CCC’s, shows us the road to transforming presently marginally-employable young Americans into a quality of employable labor force needed for a successful national economy recovery effort overall. Since more than half of the economic recovery effort needed today will be in basic economic infrastructure at the Federal, state, and county/municipal level, the combined role of an Army Corps of Engineers with auxiliaries resembling the CCC’s is an obvious leading element of the national economic-recovery process.”

We need to unleash the Army Corps for its original mission, to build internal improvements—and to assist nations internationally in the same task.

## ‘Lean Times’ Harm Water Infrastructure

*Jeff Stamper, P.E., is a structural engineer with the St. Louis District of the U.S. Army Corps of Engineers. He was interviewed on June 17 by Marcia Merry Baker, at the Corps public briefing in Washington, D.C., on the newly proposed Corps plan for the “Integrated River Management for the Upper Mississippi River-Illinois Waterway System” (see Figure 1)—upgrading 37 locks on the combined 1,200 river-mile system, and doing ecosystem work. The Corps’ “UMR-IWW System Navigation Feasibility Study/Draft Integrated Feasibility Report” was released in May, and is before Congress for urgent consideration. Stamper, an author of parts of the report, has been with the Corps for 16 years, and currently serves as a structural engineering specialist for design and rehabilitation of locks and dams.*

**EIR:** The amount of authorized, but unfunded, Army Corps projects nationwide, is said to be in the range of \$35 billion—this is from the Corps’ press information site. What does this include?

**Stamper:** There is a little bit on the operations and maintenance side; but it’s also large projects that are on the books, that are just not funded. They’ve been sitting there stalled. Some of them are being de-authorized, because they are no longer needed. But what the exact figures are on that, I am not certain.

**EIR:** What is an example of one of those large projects?

**Stamper:** There’s one right now for coastal Louisiana. It’s a fairly new project, but they don’t have any funding right now. It’s for flood protection, and it’s related to saltwater intrusion too.

On the Upper Mississippi River Comprehensive Plan—that’s out of the St. Louis District—we don’t have any money for that either. So, we’re hoping for more money next year.

**EIR:** That’s in your District. What is the Comprehensive Plan for?

**Stamper:** It’s for flood control; it’s levees on the Mississippi and Illinois rivers.

**EIR:** Most of this \$35 billion then, might pertain to either navigation or flood control, or coastal maintenance?

**Stamper:** Yes, and some eco-system restoration. It runs the gamut of our major missions. Except emergency response—

FIGURE 1

### Locks and Dams on the Upper Mississippi River-Illinois Waterway Navigation System



Source: Army Corps of Engineers.

the purse strings open when there are emergencies. We never have any problem getting money then.

**EIR:** If the Corps was unleashed, with just getting to work on some of these authorized things, for which, I presume, you have off-the-shelf plans, do you have a ballpark figure for job creation?

**Stamper:** Oh my! All I can say, is, it would be large. Right now, we’re scaled back. The Pittsburgh District, for example, is going to lay off over 200 people, very, very soon. Within this year.

**EIR:** How many do they have in Pittsburgh District? (Figure 2)

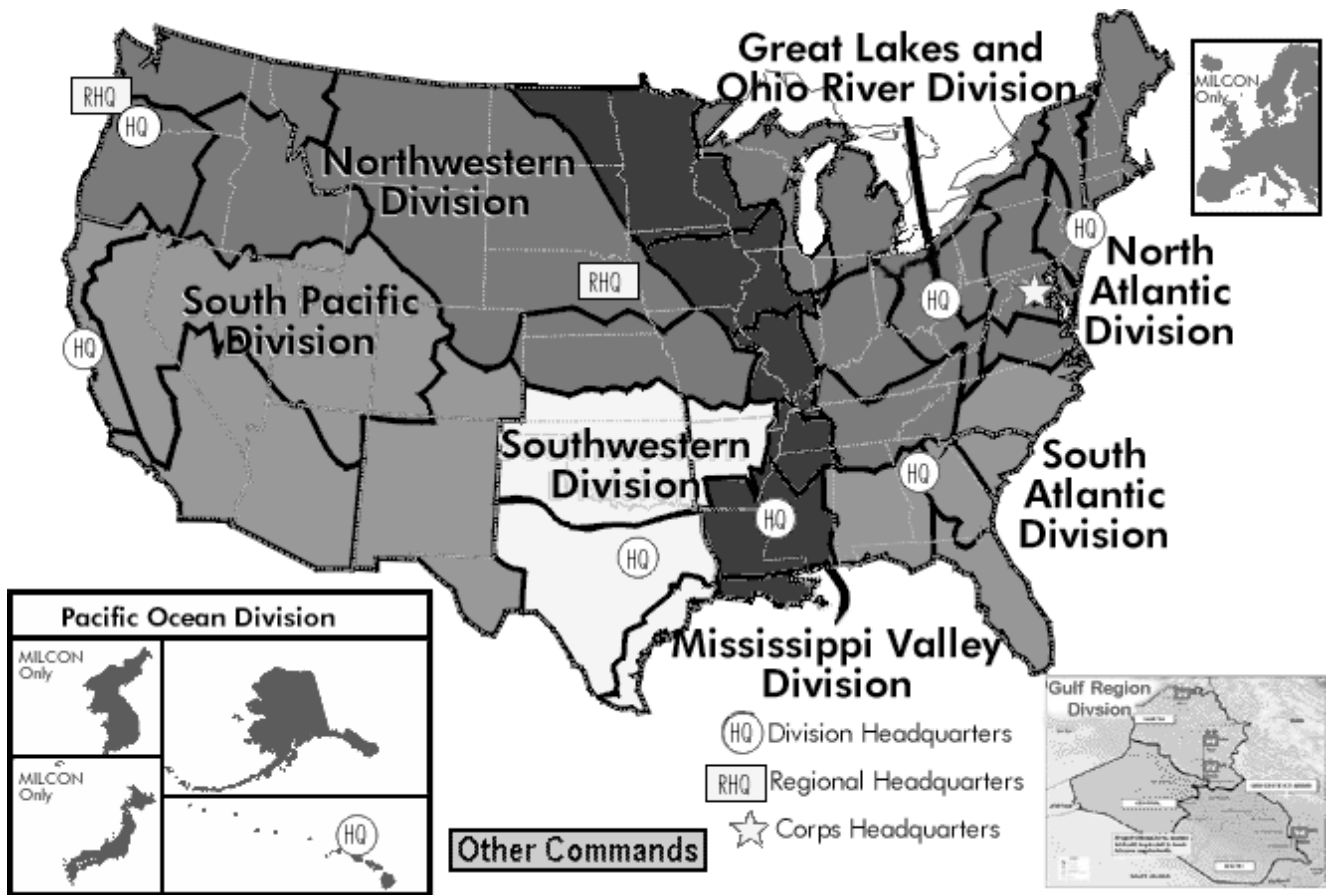
**Stamper:** I’m going to guess that their District is between 700 and 1,000.

**EIR:** The Pittsburgh District covers the Upper Ohio River? And the Louisville District is the Lower Ohio.

**Stamper:** They cover the Allegheny, the Monongahela, and the Point [at the confluence of these two rivers, at Pittsburgh, where the Ohio starts], on down. There have 24 locks and dams, so a lot of that is operations staff, to operate these locks. What they’re going to do to survive, I really don’t know, but

FIGURE 2

U.S. Army Corps of Engineers Divisions and Districts



Source: Army Corps of Engineers.

they're making some pretty hard cuts—some pretty hard decisions.

**EIR:** And this is representative?

**Stamper:** Some districts are very tight. Louisville is doing okay; Huntington is. They're all waiting for next year's appropriations to see how long they can survive. Some of the budget problems are due to the war; some of it's due to, I guess, opinions that the Administration and Congress have about what they can fund, what they can't fund.

But, to answer your question: If the Corps were to be unleashed, we would have to ramp up as an organization to get enough people—to either let contracts, to do this work in-house, or hire engineering firms; that type of thing.

**EIR:** So, you'd be burning the midnight oil, trying to figure out how to carry through your new proposal—

**Stamper:** Yes. For this job—the Upper Mississippi—we'd be burning the midnight oil, just to do this. This is a big job.

**EIR:** So, in a way, it's emblematic. If you could move on this job, it's moralizing—

**Stamper:** Yes, for the entire Mississippi Valley: We would have to gather all of our human resources from St. Paul, Rock Island, St. Louis, possibly the Pittsburgh District, New Orleans District, to get this job done—and hire outside help, such as engineering firms. So, there's an enormous amount of work.

**EIR:** It would be terrific to see. All the engineering colleges in the country would get a new lease on life!

**Stamper:** Yes, they would. In fact, just last night, at the St. Louis public meeting, one of the engineering firms that I'm familiar with was there, representing people in the area. Some of their folks are down to a 21-hour work week.

They do *all* kinds of work, throughout the country. And they even have some international work. But, they don't have enough to keep their staff working. So, instead of laying off, they scale numerous individuals back, roughly to 21 hours.

This is the third or fourth week; it's a fairly recent thing. But, to survive on half your pay for a month, is very difficult. They blamed it on transportation bills being held up. Same type of thing—infrastructure bills being held up.

**EIR:** So just the uncertainty is having a big impact. And not just for shippers, who can't take uncertainty about whether barges, rail, or trucks will be able to handle their goods. There's a wider impact now?

**Stamper:** Yes, especially on the engineering community. And, of course it will have an impact on the construction industry. And those people, as we've been told, when they get paid well, they go out and spend money in the community. They buy stuff at stores, they go buy cars, they go buy trucks. And so, there's a trickle-down effect.

If work isn't pumped into the Midwest—if some of the communities that are really being primed for this work don't get it—they see further economic collapse.

**EIR:** There was a figure given recently by people concerned with a different part of national water infrastructure, an urban water system expert, who said that for every billion dollars you spend, you might generate 47,500 jobs.

**Stamper:** That's interesting.

**EIR:** If you do the math, if you ramp up and try and spend \$35 billion on authorized, but unfunded Corps projects, you end up with 1,700,000 jobs! Naturally, it wouldn't happen, as you implied, overnight. But you would create a tremendous need for skills. And then there's the kind of materiel that you'd be needing for these projects. Could you describe what the bill of materials would involve, that the projects would need? Re-bar, cement?

**Stamper:** Yes, the suppliers. For this, you would have cement aggregates for concrete; you'd have reinforcing steel, like you mentioned; you'd have structural steel, paint suppliers, electrical wiring. It goes on and on and on.

And, you mentioned that such a project would generate advanced training in the area, for carpenters, laborers, electricians. One fellow quoted that they are upgrading their training program, in anticipation. He was from an electricians' union in Illinois, or maybe Missouri. (Today is our eighth meeting in two weeks, and some reports blend together in my mind.)

**EIR:** Throughout them, there were strong views on job-creation?

**Stamper:** Very strong expression. From the Federal and state government representatives—they all strongly support economic investment. And many also will support eco-system investment, some for the same reason: It creates jobs. All of these things end up in jobs. Generate contracts, and that puts construction workers to work. And when they spend their money, the cycle starts.

**EIR:** A bit more technically, is there anything that you would want to point out to people, in the way of new technologies you would use? *EIR* has covered the Corps' new technique for upgrading the locks and dam on the Monongahela, at Braddock. What's new and interesting for the Upper Mississippi engineering?

**Stamper:** One of the big challenges is shown here (**Figure 3**). We have the existing lock which still has to remain in service while we're putting in a new lock. The old ones are 600 feet, and the new one will be 1,200. So, while we construct this new one, we have to maintain access to this old lock, the whole time.

And during the Wintertime, we would come in and shut this lock down on occasion, that is, have intermittent shut-downs. But, basically, we're trying to keep it open, for the economic value of that lock. And the transportation savings, by using the river. So, if you were to go in there and shut that, for example, the numbers would get really large.

**EIR:** Is your proposal, shown in the diagram, entirely new?

**Stamper:** Like a technological leap? Yes. The end of the structure is a gate module. It's a fairly complicated structure, as far as the doors to the locks, machinery, machinery recesses. We're considering prefabricating it off-site, and floating it into place, and setting it on a prepared foundation. It would be very similar to the Braddock job. Not the same, but similar. Very big. It would be pre-cast concrete. A hollow, concrete shell, with walls that are anywhere from 8-12 inches thick. And essentially, when you're done with the shell, it's pushed into place, and lowered into the water, and then filled with concrete.

**EIR:** That's good. That's exciting. How does this compare, in your international world of engineering, with work associated with other projects, maybe locks for the famous mega-project—the Three Gorges Dam system?

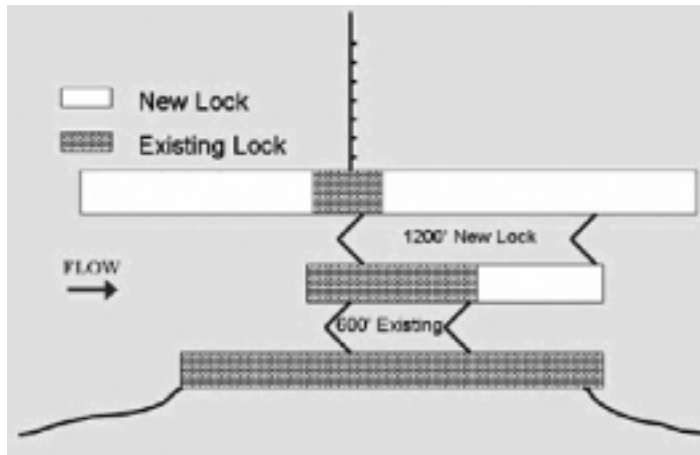
**Stamper:** This whole pre-cast technology, really comes in from the oil-well industry, for the oil-drilling rigs, and for docking facilities, like in Alaska. In Alaska, your window to construct is very, very small, say roughly three months. So, you prefabricate it somewhere else, and then you float it up there, and let's say it's 50% done, instead of being 2% done.

**EIR:** So, there's off-site construction, and then you have to get the modules in place and installed, and this all was spurred along from these adverse conditions?

**Stamper:** Weather conditions and the like; stormy seas. You can picture an oil well, way out in the middle of nowhere. You can see 150 feet of structure above, 700 feet below. So, they fabricate it, like in a ring fashion. And when that sinks down into the water a little bit, they fabricate another section, and that sinks down. So, they fabricate in fairly deep waters. And then, they'll go out and actually bring two pieces together—they have this enormous structure.

FIGURE 3

## New Locks To Be Built While Old Locks Are Still in Use



This engineering design shows how the existing 600-foot lock (cross-hatched) would remain in use for river traffic, while the walls of the new lock (toned) chamber, 1,200 feet long, could be constructed alongside. The dam is shown (ticked line).

On the “Discovery” show, there’s a great representation of this. They get push-boats out there, and put it in place; they lower it, sometimes on the seabed, sometimes they remain floating and they’re tied down. That’s where this technology comes from. It’s a proven technology, in other industries.

**EIR:** Is there one particular center for this technology? Decades ago, Westinghouse had a facility in Jacksonville, Florida, that was working on floating nuclear plants—to construct in the United States and install in Africa. It’s all shut now.

**Stamper:** There is some expertise in this country, a company based in San Francisco. And they’re working on international projects.

**EIR:** Your Upper Mississippi improvements program would actually be a launching platform for developing the technologies further?

**Stamper:** Oh, yes. We’re just going to study that. There’s an option to build it in a pre-fabricated nature, and bring it in, or build it in place. We’d build it nearby, very nearby. There’s a lot of land along the river. So, you could build a levee system, or you could pre-fabricate it on barges.

**EIR:** What else about the Upper Mississippi project?

**Stamper:** There are numerous things. I guess the big thing about this is a seven-lock plan. The way Congress has been treating the Corps, is that we ask for so much money, and they give us something less than that.

Now, you can imagine, when in the Wintertime, when you’re building most of this structure, and Congress doesn’t

give enough money, that can extend this project a very long time. Building one lock doesn’t provide much in economic benefit. *You really need to build a system.* So, if they keep with their current practice, of just doling out money in amounts less than what we need, this project will run a long time.

**EIR:** The timeline of the history of the Upper Mississippi locks and dams shows some outstanding things. Some improvements started in the 1800s, but then, from 1930 to 1939, you built 26 locks!

**Stamper:** The last one that went online was in ’40, Lock 24.

**EIR:** So, in nine years, the Corps built 20 locks at least!

**Stamper:** Nine to ten years. Lock 19 was built before that, it was built in 1916. Then it was upgraded in the ’50s, to a 1,200-foot lock.

**EIR:** So, from an engineering point of view, today, if we have the same mission-type push for it, you could build them within a few years, if you really revved up?

**Stamper:** I doubt it—I think they’re more complicated nowadays. There are just a lot more worries now.

And also, the structures they built back then—they did survive well, but we build them better nowadays, so it takes more engineering to accomplish that.

**EIR:** But, if you had the money to do the whole system, you could do it.

**Stamper:** We could do it faster. Our current plan now, is 30-some years, for the 12-lock plan. The first, I mentioned, is 7, and then after that, we have checkpoints for Congressional approval to go to the upper five locks, to 14 through 18 on the Mississippi.

Yes, we could always go faster. But, if you plan for that, and ramp up for it, and hire people, and then Congress cuts back, then what do you do with those individuals? So, it’s a risk for the Corps, too. They’ve already demonstrated that they’re not going to fully fund the Corps of Engineers.

**EIR:** In the last 20 years, you’ve had, what you would say, only “level” funding?

**Stamper:** On the “Operations and Maintenance” [O&M]—that’s what I like to call it—it’s level funding. It’s barely keeping up with inflation. As structures age, they have more demands. Things break, and we have to work on the items that are of utmost importance, and those are usually related to keeping navigation open.

So, for example: The gates need painting out here? You can imagine how much work that is to do. We forgo it; we just let ’em go. They rust like crazy. But, it costs several million dollars to paint those gates. So that money is used to keep the lock open, keep it operating, keep people paid to

operate the place. And we forgo things like this.

**EIR:** So, when it comes to upkeep for what they call our “National Inventory of Dams,” the Corps is responsible for a great number of the important dam sites—whether there’re locks or not—and the Corps doesn’t have the money it needs?

**Stamper:** The Corps has—I’ve forgotten how many locks and dams; I think it’s around 400. But, as far as the National Inventory and our responsibility, we’re responsible for those 400 locks and dams. And also, lakes, the rivers themselves, and all that. Much of it comes out of the O&M budget. Except when there’s capital improvements, and then we get a different type of appropriation, construction generally. And some of that is cost-shared with the towing industry.

There’s an enormous demand out there, on that O&M budget. And that includes any of our environmental programs, that are funded out of that, too. Those are relatively small, but nevertheless, it’s another demand.

**EIR:** What’s it like from district to district?

**Stamper:** I’ve worked for 12 other districts in the Corps of Engineers; while still staying in St. Louis, I do work with them, either in a review capacity, or some design, writing guidance for headquarters. Which is a good thing: You get to see the way other people think; learn a little bit more.

But, if projects like this don’t go through—we have people who don’t have such a global view of things, and jobs will be at risk—just like in the Pittsburgh District. I believe their Monongahela job got cut back—not Braddock, but the rest of that. That’s a three-lock project. I think they call it, “three for two.” They’re actually going to eliminate a project, but I believe that whole thing got scaled back, so they’re going to have to let people go.

And the Midwest may be no different, with the Mississippi Valley—the St. Louis District, the Rock Island District, the St. Paul District. It’s going to be lean times, if something like this were not to go through.

**EIR:** We’re facing shutdown of locks and dams. There’s the example in the Vicksburg District, where the four-site system on the Ouachita and Black rivers was to be shut this year, for lack of funds.

**Stamper:** Yes, that’s just the tip of the iceberg.

**EIR:** The consequence of 20-some years of not having enough funding for upkeep, not just for painting, but for all the real maintenance—

**Stamper:** Greasing, everything.

**EIR:** At some stage, you have to do something to the dam and the lock works.

**Stamper:** You’d have to rehabilitate it, rather than rebuild. The structure itself could be fine. The machinery itself is much more exposed, so if you don’t grease it and protect it, and

monitor all this, and exercise it, it sits; basically, the elements will destroy it.

For Kaskaskia [Illinois], the tentative plan would be to operate the dam to maintain the water level, and to shut down the lock; basically, to mothball it. We wouldn’t decommission it, by any means. You know, some day, we may have to run it again. But we would try and operate the lock and dam—trying to do that with the dam, trying to do that from a remote location. Whether or not that can be feasibly done—

**EIR:** So, you wouldn’t keep people on the site. You’d send them in once in a while?

**Stamper:** That’s a possibility. Or, electronically, by satellite. So you’d actually set up cameras, with a guy in our office 80 miles away or whatever it is; he would actually operate the gates, to let the water through or hold the water back, depending on what the flows are in the river.

Some people think there’s some risk associated with that. You can’t hear the machinery, you don’t know if it’s making a sound, like, “We need to shut this down because it’s having a problem.” It’s like driving a car. “Something’s wrong.” Same type of thing.

**EIR:** Is that being done elsewhere, anywhere in the districts?

**Stamper:** As far as the locks and dams, very little. But, there are hydropower plants that are remotely operated; there’s nobody there. That technology is in a lot of industries. And we’re just adapting that technology to locks and dams. The ultimate goal would be to have unmanned—

**EIR:** I’d like to see us approve the Upper Mississippi/Illinois program, and *overman* it!

**Stamper:** A lot of people feel the same way. It’s frustrating. You know, in ’99, we ramped up for our PED phase—and that’s what we’re all for, to get out of this business [public and Congressional discussions]—the “Planning, Engineering, and Design” phase, where we start our initial detailed studies. Right now, it’s a little less engineering and a lot of economics.

We’ll begin to conduct PED as soon as we get the funding, which we’re hoping is by Oct. 1. That would be our desire. If it’s not going to go, tell us as soon as possible, so the districts can start making other plans. I don’t know what those other plans will be. There are lean times coming up.

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Paid for by LaRouche in 2004.



# The Lesson of the 1993 Flood: Restore the Army Corps Tradition

by Richard Freeman

*This article highlighting the neglected infrastructure of the Upper Mississippi region and its relation to the devastating 1993 flood, was first published in 21st Century Science and Technology, Winter 1993-94.*

The U.S. Army Corps of Engineers is one of a handful of the most important institutions in the history of America's development over the last 200 years. Its name is synonymous with dirigistic economics, infrastructure development, and the spawning and transmission of science and engineering. . . . The Corps participated in well over 2,500 infrastructure projects in the 20th Century. It built nearly every lock and canal system in America, including the ground-breaking Chesapeake and Ohio, Erie and Pennsylvania Canals and the St. Lawrence Seaway; and it operates every major lock and canal today. It deepened, dredged, or built all the nation's 250 deep-draft and more shallow ports, and all its harbors; and it manages all of them today. It supervised nearly every major river improvement project, including those for the Mississippi, Missouri, and Ohio River system, which constitutes the third-longest integrated river and tributary system in the world, at 1.2 million miles. It also performed similar operations for numerous other river systems, such as the Tennessee and the Sacramento Rivers.

In the 1930s, the Army Corps of Engineers built most of the nation's major dams, including the majestic Bonneville and McNary dams in the Pacific Northwest; it built and operates more than 400 dams. It supervised and built the Tennessee Valley Authority flood control/reclamation/hydro-electrification program, one of the wonders of the world. It engineered, graded, and built scores of the country's railroads, including the Baltimore and Ohio and the Western Railroad of Massachusetts. It conducted almost every major geographical survey in America. And, finally, the Army Corps built the nation's network of highways, starting with the original Cumberland, or National Road, from Cumberland, Maryland to Vandalia, Illinois. (This road never quite reached the Mississippi River, the original goal.)

These are the projects that enabled America to become a prosperous industrial giant—and that are under attack today by those who want to return to a preindustrial era. In fact,

today, under pressure from the Congress and environmentalists, a portion of the Corps, along with its mission, is becoming "green," with projects to "restore" the Everglades, move spawning salmon upstream by boat on the Columbia River past the many hydroelectric dams, and reflood previously drained swamps to create "wetlands," under Environmental Protection Agency orders.

## The Infrastructure Lesson

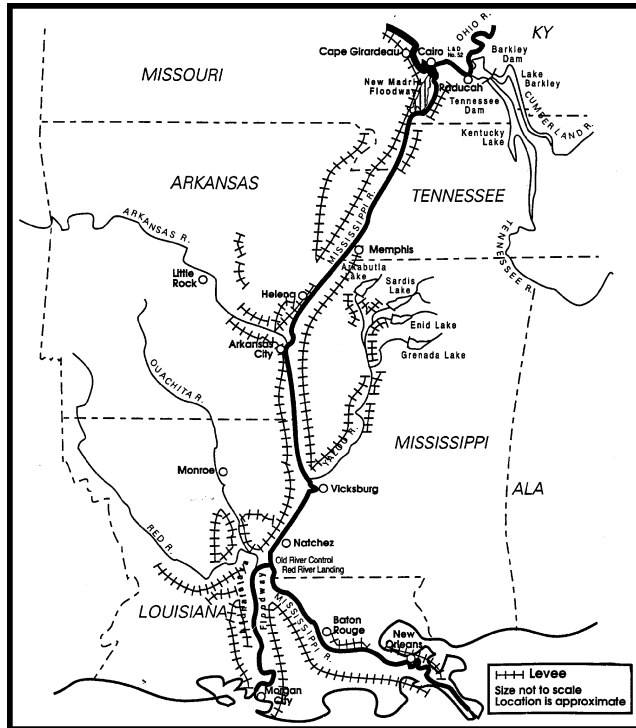
After basic scientific and technological discovery, investment in infrastructure is the most essential element required for the functioning of an economy. Infrastructure makes the alterations of nature—with respect to water management, energy generation, transportation—that drive forward the development of an educated work force and make possible manufacturing, agriculture, mining, and construction. The development of infrastructure sharply refutes the insanity of the Adam Smith school of "free enterprise," which paints infrastructure as a wasteful "pork-barrel."

The followers of this school of so-called free enterprise have no idea how an economy works. Yes, infrastructure requires large capital outlays that are financed more than half—and sometimes entirely—by Federal or state and local governments. The individual infrastructure project, in and of itself, often yields zero profit. Then why is it beneficial?

Alexander Hamilton, one of the founders of the American System of national dirigistic economics and this nation's first treasury secretary, correctly emphasized in the historic *Federalist* papers and in his 1791 "Report on Manufactures" that infrastructure's "profitability" derives from its capacity as the precondition enabling manufacturing and agriculture to operate and exist. A business without water, electricity, and a transport system to move its goods, will wither and die. By improving infrastructure, an economy increases its productivity and real wealth-generation, and thus enlarges the resulting tax base many times greater than the initial cost of infrastructure capital outlay.

However, if the expenditures for maintenance and improvement of infrastructure are not made, or are sacrificed to shortsighted budget-cutting, the productivity of the physical economy plummets, its output contracts, and the overall loss

## Lower Mississippi River



Source: U.S. Army Corps of Engineers

## Missouri-Upper Mississippi Rivers



*The U.S. Army Corps of Engineers flood-control levee system is extensive for the Lower Mississippi (left), and completely prevented flooding and damage in that region in the huge Flood of 1993. But on the Upper Mississippi (right), such Army Corps infrastructure was never funded and remains to be built; it is there that the 1993 flood caused casualties and devastated towns, industry, and farmlands.*

is enormously greater than any momentary gain from the budget cuts.

The Mississippi-Missouri flood of 1993 demonstrates this principle with a vengeance. The record flooding in the Mississippi River system in the Summer of 1993 caused between \$15 billion and \$25 billion of damage. This damage was not evenly distributed along the Mississippi River and its tributaries but was overwhelmingly concentrated in the Upper Mississippi system, north of Cairo, Illinois. The reason for this inequality of damages is related entirely to infrastructure: The majority of construction funds for flood-control projects over the past 60 years was expended on the Lower Mississippi, which suffered almost no damage. The U.S. Army Corps of Engineers spent \$8 billion in flood control on the Mississippi River system, 69% of it on well-conceived projects on the Lower Mississippi.

The Upper Mississippi went relatively unprotected because of restrictions imposed by financiers and environmentalists from the outside, which prevented the Army Corps of Engineers from implementing water control plans for the Upper Mississippi system. For this reason, 97% or more of

all the damage from the flood of 1993 occurred on the Upper Mississippi. It was not a question of an act of nature; it was a question of man's deliberate decision not to build infrastructure.

All told, during the past 60 years, the U.S. Army Corps of Engineers has spent \$8 billion constructing flood control projects on the Mississippi River system, including its tributaries, the Missouri, Ohio, Illinois, Arkansas, Des Moines, Raccoon, and other rivers; and another \$3.25 billion on operations and maintenance of the projects. Of the \$8 billion spent on construction, \$5.5 billion, or 69%, of the funds were spent on the Lower Mississippi, and only \$2.5 billion, or 31%, on the Upper Mississippi.

The importance of investment in and maintenance of economic infrastructure was recognized early on in the country's history with regard to the development of the Mississippi and all water management. On Jan. 14, 1819, U.S. Secretary of War John C. Calhoun wrote in his "Report on Roads and Canals to the Congress of the United States": "A judicious system of roads and canals, constructed for the convenience of commerce and the transportation of the mail only, without

any reference to military operations, is itself among the most efficient means for the more complete defense of the United States.”

On Feb. 6, 1816, the Roads and Canals Committee in the Senate, appointed by the President, issued a report that included this formulation: “That a view of the extent of territory, the number and magnitude of navigable lakes, rivers, and bays; the variety of climate, and consequent diversity of productions embraced by the United States, cannot fail to impose the conviction, that a capacity exists in this country to maintain an internal commerce. The variety of productions peculiar to the several parts, invites to the prosecution of a most interesting kind. . . . Any practicable scheme, therefore, for the improvement of roads and inland navigation . . . has strong claims to the . . . aid of a government constituted to promote the general welfare.”

Granted, not all damage from a catastrophe can be prevented. But frequently, much of it can be. The Mississippi River itself, its ports and harbors, the river’s depth, its floodplain, its system of diversionary escarpments, and their development and improvement over the last 175 years at the hands of the best infrastructure-building agency in America, the Army Corps of Engineers, is proof positive that much damage from such catastrophes can be prevented or minimized.

Had the extraordinary flood of 1993 occurred 50 years ago, before the Corps had instituted certain improvements, the level of the damage and loss of life could have been 30-50 times greater. On the other hand, if over the last 10 years, in the clutches of “budget-balancing ideology,” the Congress had not nickel-and-dimed the Army Corps and the Mississippi River Commission to death, one-third to four-fifths of the current damage could have been prevented. To achieve this savings, the Corps would have had to spend perhaps \$3-5 billion more than it did on further improvements on the Upper Mississippi River System flood control and navigation plan, and on such projects as expanded water diversion programs and a mandatory standardized levee system.

The Army Corps of Engineers documents from its records that it has spent \$8 billion on flood control on the Mississippi, of which the lion’s share, \$5.5 billion, was spent on a brilliantly designed, unified flood control plan for the Lower Mississippi below Cairo, Illinois. That plan prevented \$125 billion in damages on the Lower Mississippi in the last 40 years. That is, every \$1 spent on flood control infrastructure saved \$23 in preventable damages.

### **The Military’s Role in Infrastructure**

In 1802, the Army Corps of Engineers was established by the same Act of Congress that established the U.S. Military Academy at West Point, part of a project of founding father and nation-builder Alexander Hamilton and others. The Corps of Engineers and the Military Academy were in fact the same institution: The Military Academy was the nation’s first engineering school and remained under the direction of

the Corps of Engineers until 1866. Before 1875, nearly every engineering college founded in America attempted to obtain members of its faculty from, and base its curriculum upon, that of the Army Corps of Engineers and West Point.

The history of the Corps goes back to the Army Engineers of the American Revolution, established in 1775. Richard Gridley, the ranking engineer at the Battle of Bunker Hill in Massachusetts, became the Continental Army’s first chief engineer in April 1775. The Corps of Engineers was formally established in May 1779, and the first head of the Corps was Louis Duportail, a Frenchman. The French scientific tradition is prominent throughout the history of America’s Corps of Engineers. Duportail had been recruited in France and sent to America in 1777, with other engineers, by France’s minister of war, Comte de St. Germain, and France’s Foreign Minister M. Vergennes. The arrangement was secretly organized under the direction of Benjamin Franklin, the American ambassador to France and the intellectual author of the Revolution.

A key person in the U.S. Army’s Revolutionary War engineer corps was the Polish republican freedom-fighter Thaddeus Kosciusko, who was the favorite of Commander-in-chief George Washington, and later, during the southern campaign, of Gen. Nathanael Greene. Kosciusko built the fortifications at West Point, and the huge chain across the Hudson River there that prevented the British from linking up their forces and supplies in New York City with those in northeastern Canada. After the Revolutionary War, Kosciusko went back to fight for his native Poland’s freedom from Russia.

Kosciusko, along with every French engineer and many other foreign engineers in America, had studied at the Ecole Militaire in Mézières, France. The Ecole had been founded in 1749 based on the teachings of the formidable engineer and master of siegecraft, Sébastien le Prestre de Vauban (1633-1707). The Ecole Militaire was later transmuted into the celebrated Ecole Polytechnique, which is associated with the great geniuses of constructive geometry and warfare, Gaspard Monge and Lazare Carnot. Carnot saved the nation of France through his scientific projects, but his science had a still greater influence on the U.S. Corps of Engineers. . . .

### **Transforming the Mississippi River**

Flood control projects were a major mission of the Army Corps of Engineers. The 1993 flooding of the Mississippi was not the only major flood in this country’s history. In 1692, a flood occurred on the Delaware River in Trenton, New Jersey, which, if repeated today in the same unprotected circumstances, would be disastrous. In 1763, the “Point” at Pittsburgh, Pennsylvania was submerged by a flood. In 1861, some 700 people died in a deluge on the Sacramento River in California. In 1869, at Johnstown, Pennsylvania, uncontrolled waters killed 2,209 persons and destroyed more than \$10 million in property. Floods on the unruly Colorado River in 1905 broke into the Imperial Valley in California. The uncontrolled flow into the valley for over a year created the

Salton Sea. The nation's previous most devastating flood occurred on the Mississippi in 1927; and in 1937, the Ohio River Valley suffered its worst flood in history, in which 500,000 people were driven from their homes, with damage estimated at \$400 million.

The first works for the control of floodwaters developed on the Mississippi in 1712, at the lower end of the river. The young engineer Blond de la Tour was given the task of planning a levee (from the French word, *lever*, to rise) system so that the town that was to become New Orleans could be built. By 1727, the French had built a levee over one mile long and 3-4 feet high, along with a system of drainage ditches. This was part of a series of piecemeal, largely ineffective efforts for the next 120 years.

In 1824, provisions of the U.S. Constitution were interpreted to permit and affirm improvements for navigation of America's river systems. But the Federal government remained hamstrung in assisting localities and states in reducing flood damage. According to the "free enterprise users' fee" argument used against Federal intervention, because the people who lived near or on the riparian plain were the ones who needed flood control, they alone should pay for it. Starting in 1819, the state of Mississippi authorized construction of levees and provided for collection of taxes from riparian plain settlers. In 1846, the state began to tax the backlands, to help the landowners on the river. Louisiana did essentially the same. The problem with this system was that it often bankrupted farmers and those living on the plains, but had little serious effect in preventing floods. The flooding of the Mississippi in 1849 and again in 1850 was devastating.

In 1866, the Senate directed the chief engineers in the Corps of Engineers to investigate repairs necessary to prevent extensive damage to agriculture along the river. The resulting report recommended Federal intervention to build flood protection. Although the report was favorably received, the "free enterprisers" blocked action. Finally, in 1879, Congress created the Mississippi River Commission. After a giant Mississippi flood wrecked a levee line along the Mississippi in 1882, nearly wiping out the financial credit of the impoverished districts, Congress enacted the Rivers and Harbors Act of that year, which placed responsibility for building levees and maintaining them into the hands of the Army Corps of Engineers. This authority was not given in the name of flood protection directly, but for providing ease and safety of river navigation.

The bankruptcy of halfway measures was again demonstrated in 1927, when the most disastrous flood in American history struck, as the Mississippi surged and swelled. Just to give one example of its dimensions: On the night of April 15, New Orleans had a deluge of almost biblical dimensions—14.01 inches. By the time the waters receded, 200 people were dead and 700,000 had been driven from their homes, while property losses alone totaled \$200 million.

The 1928 Rivers and Harbors Act, sometimes called the

"Flood Emancipation Act," finally authorized the Army Corps of Engineers to develop a flood control system in its own name. The Act dealt a devastating setback—that could have been permanent—to the "free-enterprise budget balancers" in the Congress and Wall Street. However, the openings represented by the new Act were applied only to the lower half of the Mississippi—a major mistake.

The Mississippi has two distinct flood control systems, divided at Cairo, Illinois, located at the latitude of 37.5 north. The Mississippi arises about 150 miles north of Minneapolis-St. Paul, Minnesota, at approximately the 46th parallel, and runs down to New Orleans, where the river empties into the Gulf of Mexico at approximately the 30th parallel.

Working from the "Comprehensive Flood Control Plan" during the 1930s, the Army Corps of Engineers and the Mississippi River Commission developed methods for flood control that are generally used in combination: levees; floodways, diversion channels, and other outlets; dams and reservoirs; bank and channel stabilization; cutoffs; and contour plowing and reforestation. This approach was not systematically applied to the Upper Mississippi, however, because of so-called conservationists, the Morgan-bank-controlled railroads and utilities that were powerful in the first half of this century, as well as the budget balancers on Wall Street and in the Congress.

## Developing the Lower Mississippi

But a magnificent engineering feat was achieved for the Lower Mississippi, as the Corps of Engineers built a unified, system-wide flood control plan. It shows that infrastructure-building, not nature as such, determines why calamities occur. The development of the Mississippi is an example of the Army Corps' skill and tradition at its best.

During the 1930s, the Army Corps of Engineers first built a working hydraulic scale model of the Lower Mississippi, covering several acres at its Water Experiment Station at Vicksburg, Mississippi. It was calculated how the Mississippi River would handle "a 100-year projected flood"—a hypothetical flood that would be the greatest in 100 years. Hydraulic pressure, sediment flow, and other readings were taken on each part of the Lower Mississippi. The hydrodynamic effect of each part of the river upon the whole, and of the whole upon each part, was carefully measured and projected.

Next, the Corps applied various methods for flood control developed in the "Comprehensive Flood Control Plan." These included:

**Levees.** These are earthen embankments or ramparts, frequently composed of sand and clay, placed on either or both banks of a river to prevent it from overflowing. They can be 10-15 feet high, or in some cases, they can be as high as 60 feet. The Lower Mississippi has 1,608 contiguous miles of levees on the main stem of the river from Cairo to the Gulf of Mexico. When the tributaries are included, there are 2,700 largely contiguous miles of levees. This includes levees on the Arkansas River, the Red River, the Yazoo River, the Ouachita

River—any place where there could be trouble.

Levees were only partially developed on the Upper Mississippi. Starting at the head of the Mississippi, north-northwest of Minneapolis-St. Paul, and following its flow southward, *there are no significant levee systems for 260 miles, until Dubuque, Iowa.* Levees were not built on the tributaries of the Upper Mississippi: the Missouri, Illinois, Raccoon, Des Moines, and Iowa rivers. In fact, of the 1,576 levees built on the Upper Mississippi, 85 percent of them were built on a “free enterprise” first-come, first-serve basis—not by the Corps. Some are well constructed; most are small and inadequate. They are not standardized as they are on the Lower Mississippi. During the flood of 1993, only two Corps of Engineers levees were breached or disintegrated, whereas hundreds of others gave way.

**Floodways and spillways.** These are diversion channels or outlets that relieve the Mississippi’s alluvial region of excess water. An opening called a spillway is created, and then the water is diverted through the channel, called a floodway. The floodway can be short or long and will usually lead into another body of water that either already exists, like Lake Pontchartrain in Louisiana, or is man-made. In the case of the Atchafalaya River, into which a floodway from the Mississippi pours excess water, the floodway system takes that excess water more than 100 miles to the south and dumps it safely into the Gulf of Mexico.

The Lower Mississippi is lined with a series of continuous major floodways—the Bonnet Carré, Birds Point-New Madrid, Boeuf, Eudora, and Atchafalaya—for constantly relieving pressure and overconcentration of water. The floodways can take water flow that is traveling at 3 million acre-feet per second and divide it in two; the result is that only 1.5 million acre-feet per second would then flow on the main-stem Mississippi, and the remainder would flow through the floodway into the alternative channel—much like the functioning of an electrical parallel circuit.

One of the most famous achievements by the Corps of Engineers is the Bonnet Carré Floodway and Spillway, which, when necessary, can carry 1.5 million cubic feet of water per second out of the river and through Lake Pontchartrain to the sea, sidestepping New Orleans and saving it from flooding. The Bonnet Carré Spillway and Floodway was built as part of the great flood control infrastructure-building project of the 1930s. An author described its test under fire in the great flood of 1937:

In 1937 . . . the largest flood of historical times poured down the Mississippi. The Army was ready to evacuate a million people if the levees broke. . . . The river was three miles wide at Memphis and climbing into the town [of New Orleans]. The Bonnet Carré Spillway, completed only two years before, was opened, a gate at a time. . . . It was a near thing. In many places, the water was levee-high. . . . But the levees held, and through the Bonnet Carré enough water was drawn off to cover

1,250,000 acres 10 feet deep. *This lowered the river level for more than a hundred miles, and New Orleans was safe.*

By contrast, the Upper Mississippi does not have a single major spillway to divert water.

The results are startling. The Lower Mississippi, for its entire expanse, can now handle floodwaters traveling at the stupendous flow levels of 2.5-3 million cubic feet per second. The upper limit that most of the Upper Mississippi can handle is floodwater speeds of 250,000 cubic feet per second, and many stretches cannot handle maximum flows of more than 100,000. Yet the floodwaters in 1993 flowed at 500,000-800,000 cubic feet per second. For the Upper Mississippi, this spelled disaster: \$15-25 billion of damage.

If the correct projects had been built on the Upper Mississippi, *at least one-third, and most likely, four-fifths or more of the damage would have been prevented.* . . . It was not a question of an act of nature; this was a question of man’s deliberate decision not to build infrastructure.

### **River Navigation, Harbors, and Reservoirs**

Over the years, on all the major rivers of the United States, the Army Corps of Engineers was put in charge of flood control, along with navigation, port and harbor development, dam construction, and so on. Since the 1928 Rivers and Harbors Act, the Corps of Engineers has completed about 3,400 projects with flood control benefits. This includes more than 400 dams and reservoirs in 42 states. The reservoirs created by the Corps of Engineers store hundreds of millions of acre-feet of water. The man-made lakes created by Corps of Engineers’ flood control dams have become such popular recreational spots that twice as many vacationers visit them, than visit our national parks. The Corps today operates 460 hydroelectric installations, most of which it built, and these produce one-third of the nation’s hydro-generated electric energy. . . .

Over the last decade, the Congress, in particular, has put a straitjacket on the Army Corps with concepts of budget-cutting and balancing and with retrogressive environmental regulations. Many upgrades and improvements on the Mississippi River and other river systems, as well as other infrastructure projects, were not done, with the catastrophic results we now see.

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# Business Briefs

## Stocks

### How 'Invisible Hand' Manipulates the Markets

An Italian online newspaper, *Wall Street Italia*, on June 23 published an interview with a trader at the Chicago Mercantile Exchange, exposing how the Standard and Poor's 500 Futures Index is entirely manipulated by a single operator, whose identity is unknown. "Everybody here hates those people," says the trader. "Their clearing number (they do it through Gerber Trading) is 990N. That account is entirely responsible for the current S&P level. They keep up the futures even during the night (Globex). They stay on the offer price for the whole session.

"All those traders I spoke to, believe that the market is being manipulated. They wait for the prices to go down, but this never occurs. Traders are astonished about the absence of volatility. They are furious. Each time, every time, the gentlemen of account 990N are there, waiting, they never leave. They absorb the entire operativity of the market and push the future price to the level they want. Incredible. I would really like to know who they are, these gentlemen of account 990N. All traders are terrified, nobody wants to take short positions, because each time somebody does it, he ends on the wrong side of the market."

The newspaper comments that if what the trader reports is true, than the aim of the manipulation can only be to keep things under control through the Nov. 2 U.S. Presidential elections.

## Germany

### Capital Investment Is Falling Dramatically

In its June monthly report, the Bundesbank has presented its "flow of funds" figures for the German economy during 2003. The report revealed a continuing slump in capital investments in all sectors: private households, corporations, and the government. Net investments—that is, investments mi-

nus depreciation—are actually shrinking at an unprecedented rate. Net capital investments by private households, in particular reflecting housing construction, plunged from 72.5 billion euro in 1999 to just 41.1 billion in 2003. Net capital investments by non-financial corporations, from 80.4 billion euro in 1991, fell to 56.0 billion euro in 1999, and since then have crashed to 20.8 billion euro in 2003. Once inventory changes are subtracted, net investments in buildings and equipment by German non-financial corporations are down to 18.3 billion euro in 2003, that is, to only one-quarter of the level in 1991 (73.8 billion euro).

While public net investments (basically into infrastructure) amounted to 13.9 billion euro in 1991, they fell to 4.8 billion euro in 1999. Now, for the first time at least in the post-reunification period, they have plunged into negative territory, to *minus* 3.2 billion euro in 2003! This means that public infrastructure investments in Germany are lower than needed just to maintain the present level, even according to the conservative depreciation rates used for the calculations (about 60-year life-spans for roads, railways, and bridges).

Total net capital investments by all German sectors have crashed to 61.0 billion euro last year, compared to 137.0 billion euro in 1999 and 154.6 billion in 1991. According to various estimates, as for example by the association of German municipalities, the back-log in German infrastructure investments already comes close to the level of a trillion euro.

## South Africa

### Paper Says Mbeki Has Abandoned 'Free Market'

President Thabo Mbeki has dropped free-market economics in favor of the "Malaysia model," said coverage in *Business Day—South Africa* and other press June 24-25. It reports that Mbeki, in his speech in the National Assembly June 23, "set the seal on a decisive broad policy shift to the left for this final term in office, lashing out at what he called the 'new conservatism' sweeping the

world, which enshrined the individual and denigrated the state.

"The President's comments, which might prove to be a watershed in South African politics, came as he introduced his budget vote in the National Assembly. They signal not so much a return to the old socialism of the exiled African National Congress [ANC], but a retreat from the ruling party's wholesale conversion to free-market economics just before it came to power. Mbeki devoted the last half of his speech in the National Assembly to an attack on those who supported the liberal and so-called neoliberal values that characterized American conservatives."

The news articles make the connection with the recent Group of Eight meeting. "Mbeki's remarks follow a visit earlier this month to the home of the 'new conservatism,' the U.S., as a senior member of an African delegation to the Group of Eight conference. The delegation came home empty-handed."

The *Business Day* column by Peter Bruce continues by pointing to the importance of the Malaysian experience for Mbeki: "Will it work? Mbeki has looked enviously upon the successes of countries such as Malaysia, which seem to have defied free market conventions to record mouth-watering economic success."

## Britain

### BoE Governor Repeats His Housing Warning

On June 25, Bank of England Governor Mervyn King repeated his warning about house prices being set to fall. King told the House of Commons Treasury Select Committee: "I reflected very carefully. What I said is what I wanted to say. It would be unfortunate if people were encouraged to make decisions on a very risky assumption that house prices could only go ever upwards."

While King played down the danger of house owners falling into negative equity (when the amount of the mortgage is greater than the resale value of the house), he was clear about the problems of rising house

**BONDS** of U.S. corporations lost 3.7% on average during the second quarter as a result of rising interest rates, the worst quarterly performance since third-quarter 1981, Merrill Lynch reported on June 30. Investment-grade corporations sharply contracted the volume of new bonds issued: \$121 billion, a 34% drop from the first quarter.

**THE U.S. HOUSING** bubble could jeopardize the economy, wrote Ian Morris, chief economist at HSBC (formerly HongKong Shanghai Bank) on June 25. In a report issued by the bank, Morris presented the case that America has a housing bubble that will burst in mid-2005. Morris' report demonstrates that U.S. home prices are at or near record highs relative to income, rent, replacement cost, and home equity.

**BANKRUPTCIES** forcing auctions of homes are at a record high in Germany, 47,000 in the first half of 2004. Compared to one year ago, such auctions were rising fastest in Hamburg/Schleswig-Holstein (+26.7%), Berlin/Brandenburg (+7.9%), and Saxony/Thuringia (+9.6%). The number of forced auctions had more than doubled in Frankfurt/Main compared to one year ago (+116%). But in absolute numbers, Leipzig (2492 cases) is the depression leader.

**FREDDIE MAC** reported on June 30 that its 2003 profits plunged by 52%, due to losses on derivatives which it uses to "hedge" against interest-rate swings; it warned of more drops in the future. The government-sponsored mortgage-finance giant said it earned \$4.9 billion last year, down from \$10.1 billion in 2002.

**AUTO** sales fell sharply in the United States in June. General Motors said its U.S. sales of cars and trucks in June fell 15%—down nearly 50,000 vehicles—compared to last year's level. Ford's U.S. sales fell 11%, the 12th drop in 14 months. Chrysler's sales rose a scant 1%.

prices. "One of the main sources of [economic] uncertainties is the behavior of asset prices: the exchange rate, equity prices and, of course, house prices. We think it is likely that they are above a sustainable level."

HBOS, Britain's fourth-largest bank and owner of Halifax, the biggest mortgage lender, has tightened its lending. HBOS said its share of mortgage lending would go from 25% in 2003, to 20% of the market. Economics head Shane O'Riordain stated that "We are still comfortable with the housing market, but we see signs of slowing activity. As rates go up, we will naturally tighten our lending criteria." HBOS will also not hit its "target" of 20% return on equity this year. It has tightened lending due to concern that customers, facing higher interest rates, might default on debts.

## Inflation

### Steel Pushing Auto Suppliers To the Edge

Auto industry experts warned in late June that steel price hyperinflation could force "multiple" bankruptcies of U.S. auto parts suppliers "within the next 90 days." Surging steel prices are taking a mammoth financial toll on auto parts makers, and could soon disrupt production at some auto assembly plants, according to a study released in June by accounting and management consulting firm Plante Moran. The price of rolled steel, for example, jumped 57% to \$617 per ton in June, from \$350 per ton in January. Suppliers, already losing profits and forced to cut jobs, are now under pressure from automakers to provide parts at lower prices, thereby putting them on the verge of extinction.

Industry executives also painted a bleak picture. "How do we cooperate, or somebody is going to die in this thing?" lamented John Knappenberger, a vice president at Dura Automotive Systems. Auto parts makers are slashing capital spending, raising parts prices, and cutting other operating costs to offset the rising steel costs. "It's been hell," declared Jim Zawacki, owner of an automotive stamping business in Grand Rapids, Michigan, who has had to cut jobs. The

spot price of hot-rolled steel, one of the most common types of steel used in auto production, shot up 120% in June from a year ago, according to the trade publication *Purchasing*, while cold-rolled steel is up 74%, and steel scrap is up 90%.

"The worst is going to be here in the third quarter," agreed David Andrea, head of business development for the Original Equipment Suppliers Association, which represents 60% of North American auto suppliers. "A supplier with [annual revenues] in the \$25 million to \$75 million range is very much at risk," said Jim Gillette, an analyst with automotive consultancy CSM Worldwide.

## Employment

### New U.S. Jobs Have Lower Wages, Benefits

The U.S. Conference of Mayors, during its annual meeting in Boston on June 28, released a new Metro Economies and Jobs report, analyzing the employment wage gap as well as the impact of job gains and losses on health benefits. The study, conducted by Global Insight, estimated that all new jobs created, or that it assumed will be created, between 2004-06 will have an average wage of 12% less than jobs lost between 2000-03. In addition, new jobs created in the top ten job-creation sectors of the U.S. economy, will have a 15% lower average wage than the ten sectors that lost the most jobs during the previous three years.

Moreover, there is a 14.5% "health benefits gap" for new jobs, meaning that 14.5% fewer people with new jobs will have health-care coverage, compared to those who lost their jobs between 2000-03. The report attributed the health-care benefits gap to a structural shift in the types of jobs, from well-paying (and physically productive) manufacturing jobs with strong health benefits, to jobs predominantly in the service sector, many of which are lower-paying with no health benefits.

Detroit Mayor Kwame M. Kilpatrick warned, "Lower-wage jobs with no health benefits severely impact the overall economic and physical health of our nation."

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## Unlocking the Secrets Of Mysterious Saturn

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*When the Voyager spacecraft flew by Saturn in the early 1980s, they revealed a complex of rings and moons that scientists could not explain. Marsha Freeman reports on the Cassini mission now observing the ringed planet.*

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The long wait is over. After almost seven years of travel, the *Cassini* spacecraft, carrying along with it the Huygens probe for the Saturnian moon Titan, fired its onboard engine, slowed down from its interplanetary trek, and was captured by the gravity of Saturn.

At 10:36 p.m. Eastern Daylight Time on June 30, the spacecraft executed a 96-minute burn to reduce its speed, bringing it to its closest approach to Saturn throughout its upcoming four-year mission. (The times are Earth-received time. It takes an hour and 24 minutes for the signals from the spacecraft to reach the Earth.) NASA engineers have taken measures to increase the likelihood of success of the mission, by providing a second, redundant engine for this critical maneuver. During its orbit insertion, *Cassini* will sail a mere 12,000 miles above the planet's cloud tops.

*Cassini* will pass through the plane of Saturn's rings from below during insertion into its orbit of the planet, traveling between the outer tenuous F and G rings, through a gap of about 18,600 miles. It will fly above the plane of the rings, and then cross, descending between the same two rings on the other side of Saturn. To protect itself from any dust or debris, the spacecraft's high-gain antenna will be turned to face forward into the direction of travel and away from the Earth, so it functions as a protective shield.

After the engine firing, the antenna was pointed toward the Earth for a quick, one-minute transmission to report its status to mission control, and then for 75 minutes the spacecraft turned back toward Saturn, in order to observe the majestic rings below. "We want to look at the rings; we'll never be

that close again," said Dr. Charles Elachi, director of NASA's Jet Propulsion Laboratory, before the maneuver.

Two days later, *Cassini* will encounter the planet-sized and cloud-shrouded moon Titan, for a flyby at an altitude of 210,000 miles; first of 45 planned Titan encounters. On July 4, the spacecraft enters Solar Conjunction, where *Cassini* is behind the Sun, as seen from Earth. For the following eight days, its communication with Earth will be limited. But it should have safely begun its mission of discovery through Saturn's miniature "solar system," and its magnificent rings.

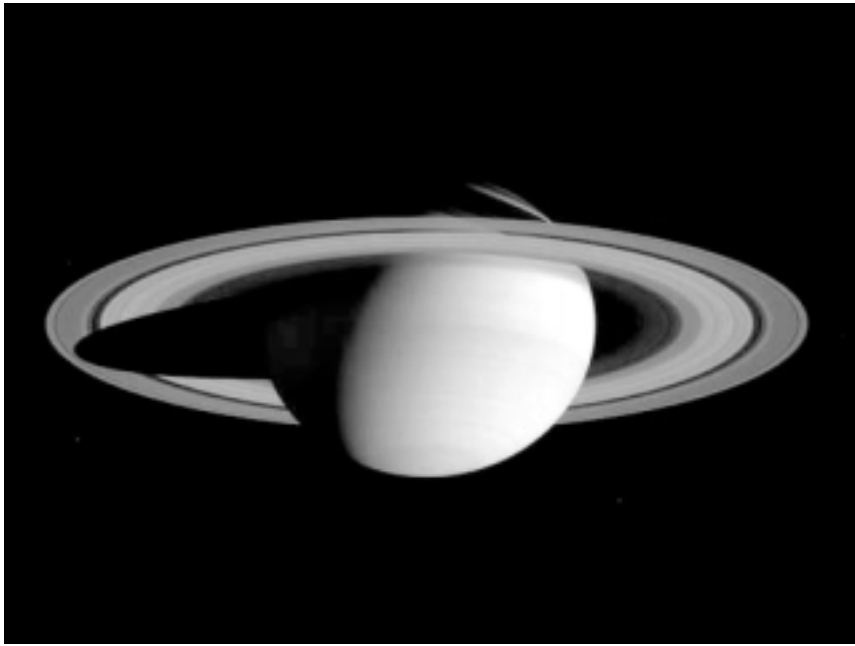
The last time astronomers had a close-up look at this gas giant was when the two *Voyager* spacecraft briefly flew by in 1980 and 1981. The small ice worlds that accompany Saturn on its journey around the Sun were seen up close for the first time. Structures in the rings became apparent, and preliminary data was collected about Titan.

The *Voyager* encounters produced more questions than they answered, so in 1982, scientists began to plan a mission that would not just fly by Saturn, but go into orbit and follow the changes in the planet's atmosphere, magnetic field, moons, and rings, over time.

*Cassini* was launched on Oct. 15, 1997 on a roundabout route. The launch vehicle could not send *Cassini* on a direct trajectory to Saturn, so over the past seven years—and more than 2 billion miles—the spacecraft has picked up gravity assists from two flybys of Venus and one past Earth. It also made an energy-boosting swing by Jupiter in December 2000.

This Christmas Eve, the European-built Huygens probe will be released from the *Cassini* spacecraft, glide toward the





On May 7, at a distance of 17.6 million miles, the *Cassini* spacecraft took two pictures of Saturn, which were combined to produce this image. Some of Saturn's 31 moons are just barely visible.

moon Titan for two weeks, and then descend on parachutes slowly through its dense atmosphere. This will be the first *in situ* study of a planetary moon (other than the Earth's), and attempted landing. Scientists expect that during its more than two-hour journey down to the surface of Titan, Huygens will lay bare the data to help explain why this Saturnian moon has an atmosphere, where it came from, how it developed, and if there are any analogues to the early Earth.

Throughout *Cassini*'s four-year intensive study of the Saturnian system, it will travel another 3 million miles. It will make 45 encounters with Titan from orbit, and pass seven other of Saturn's icy moons. It will measure and characterize Saturn's turbulent atmosphere and lopsided magnetosphere.

The scientists can only expect the unexpected.

## New Questions To Answer

Even before *Cassini* reached its orbit of Saturn, the information it was sending back was puzzling planetary scientists. When it was still three months and millions of miles from Saturn, cameras aboard the spacecraft sent back photographs of developing storm systems in the atmosphere. Two storms were in the process of merging into one larger one. On Earth, storms last for a week or so and usually fade away, explained Dr. Andy Ingersoll from the *Cassini* imaging team, "but many storms on the giant planets end their lives by merging. How they form, however, is still uncertain."

The storms were traveling at different speeds in the southern hemisphere, and spun around each other in a counterclockwise direction as they approached each other, which is the

opposite of how hurricanes spin in the southern hemisphere on Earth. Storms at Saturn's equator move east at speeds up to 1,000 miles per hour, which is 10 times the Earth's jet streams, and three times greater than the equatorial winds at Jupiter. "Saturn is the windiest planet in the Solar System," Ingersoll said. But no one knows why.

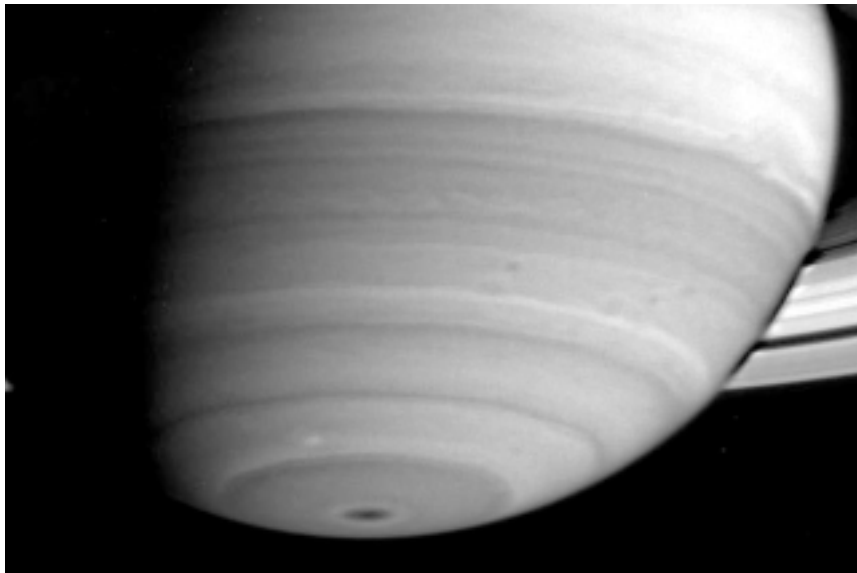
Compared to the Earth, Saturn is 9.5 times farther away from the Sun. Any area on Earth receives 90 times more sunlight than an equivalent area on Saturn. This means that the same light-driven chemical processes in Saturn's atmosphere take 90 times longer than they would on Earth. Unlike the Earth's near-circular orbit around the Sun, Saturn's is slightly elliptical, which means that the amount of sunlight reaching the gaseous planet varies throughout its year, equal to 29.46 Earth years. This may affect the upper atmospheric composition of the planet.

On April 16, from a distance of more than 23 million miles, *Cassini*'s narrow-angle camera took a remarkable photograph of Saturn, revealing another atmospheric feature—a dark spot at the South Pole, which is quite small, and centered. Space scientists believe it is possible that this spot is affected by Saturn's magnetic field.

Scientists have been faced with a conundrum concerning the length of Saturn's day, or its period of rotation on its axis. Studies of Saturn's atmosphere show that the period of rotation can depend upon how it is measured. Using the visible features of the planet, scientists know that the cloud tops show a rotation period of 10 hours, 15 minutes at the equator, but it is 23 minutes longer at higher latitudes. The high rotation rate (the Earth's is 24 hours), creates a strong centrifugal force that causes a bulge at the equator, and flattens Saturn's North and South Poles, undoubtedly affecting its climate and weather.

As the gas giants have no solid core, and are covered with clouds that move at variable speeds, the movement of surface features cannot be used to accurately measure their rate of rotation. The same is true for the Sun. Therefore, scientists are attempting to obtain a more precise measure for the length of Saturn's day by studying the rhythm of radio signals emitted from the planet, that were collected by *Cassini* between April 29, 2003 and June 10, 2004. The radio signals are produced by the action of the planet's magnetic field, created deep in its interior, on surrounding charged particles.

*Cassini*'s measurements of the radio pulse lead to a computation of the rotational period of the planet on its axis of 10 hours, 45 minutes, and some seconds. However, that is about



Looking more like Jupiter than Saturn, this image shows the delicate banded nature of Saturn's atmosphere. Note the dark spot at the South Pole, and the white clouds just north of the pole.

six minutes—or 1%—longer than the radio rotational period measured by the two *Voyager* spacecraft, more than 20 years ago. Is Saturn slowing down? Scientists do not think so.

There is most likely some variability in how the rotation deep inside Saturn drives the radio pulse. One explanation, proposed by Dr. Don Gurnett, may be tied to the fact that Saturn's rotational axis is nearly identical to its magnetic axis. This is not true of the other planets with notable magnetic fields—Mercury, Earth, Jupiter, Uranus, and Neptune—which have more of a difference between the two, and show no comparable irregularities in their radio rotation periods.

Scientists do not understand this alignment of Saturn's strong magnetic field and its rotational axis. They believe the planet's core to be a molten rocky material, covered with a thick layer of very hot metallic liquid hydrogen; and that turbulence or convective motion in this layer of Saturn's interior may create its magnetic field.

This finding of a change in Saturn's radio rotation period "is very significant," says Dr. Alex Dessler, a research scientist at the University of Arizona. "It demonstrates that the idea of a rigidly rotating magnetic field is wrong." He suggests that analyzing the gas giant planets is akin to studying the Sun, whose magnetic field also does not rotate uniformly.

Intensive studies will be done, over the course of the mission, of Saturn's magnetic field, through studies of its interaction with the solar wind. That interaction creates its magnetosphere, and inside the bubble of the magnetosphere reside charged particles separated from the solar wind by Saturn's magnetic field. The magnetosphere acts as an intermediary between the solar wind and Saturn's atmosphere, and gives rise to aurora.

At a briefing just before orbit insertion, on June 29, navi-

gation team member Dr. Jeremy Jones explained that there will be a seven-month study of Saturn's magnetotail, (the side of the magnetosphere facing away from the Sun), followed by a study of the magnetic structures on the Sun-facing side.

Over the period of its four-year primary Saturn mission, *Cassini* will have the opportunity to monitor long-term variations in the radio period, and use other techniques to investigate Saturn's rotational period.

### A Captured Comet?

Two weeks before orbit insertion, on its way in toward Saturn, *Cassini* made a close approach to one of Saturn's outermost moons, Phoebe, a small body not visible from Earth. *Cassini* mission planner Dave Seal reported on June 10 that the arrival date and trajectory to Saturn "were specifically se-

lected to accommodate this flyby, which will be the only opportunity during the mission to study Phoebe at close range." He explained that "Phoebe's orbit is simply too far from Saturn, at about 8 million miles, nearly four times as far as the next closest major satellite, Iapetus, [so] a late encounter is not feasible."

In 1982, cameras aboard *Voyager 2* photographed Phoebe from 1.4 million miles. At that distance, all that was visible was a fuzzy image of black and white dots. Scientists were able to discern that Phoebe has a diameter of about 136 miles, rotating on its axis every nine hours, while completing an orbit around Saturn in about 18 months.

Phoebe's irregular elliptical orbit is inclined about 30° relative to Saturn's equator, and is also retrograde, going around Saturn in the opposite direction of most of the other moons. Unlike Saturn's icy moons, Phoebe is very dark, reflecting only about 6% of the sunlight it receives. All of these characteristics suggested that Phoebe is a body that was gravitationally captured by the giant planet, and is not a moon that was created along with most of the others. Scientists believe that the majority of Saturn's moons were created from a disc of pre-planetary material in Saturn's neighborhood, which formed into moons through a similar process as the formation of the planets from the rotating disc of material around the young Sun.

On June 11, the *Cassini* spacecraft passed within 1,285 miles of the dark moon, as astronomers debated whether this body was a captured comet, asteroid, or Kuiper Belt object—which would mean it resided, initially, outside the orbit of Pluto. If it were an asteroid, it would be a piece of a larger body, mainly made of rocks and metals, such as an exploded planet, that once orbited the Sun between Mars and Jupiter.

If Phoebe spent most of its existence in the Kuiper Belt, it probably is fairly pristine, has suffered few collisions, and is largely made of ice.

The first images revealed Phoebe to be a scarred, heavily cratered body with a very old surface, and variations in brightness. It appears that Phoebe is an ice-rich body, covered with a layer of darker material, perhaps up to 1,600 feet thick. The camera captured craters containing layers of alternating bright and dark regions.

As *Cassini*'s data about Phoebe was transmitted back to Earth, more was learned from its ultraviolet and infrared measurements, radar data, and Phoebe's gravitational effect on the spacecraft itself.

Having reviewed all of the data, scientists reported on June 23 that they had concluded Phoebe is a primordial mixture of ice, rock, and carbon-containing compounds, water-bearing minerals, possibly containing clays and primitive organic chemicals. These are similar to the material seen in Pluto and Neptune's moon, Triton, which are also believed to have resided originally in the Kuiper Belt.

During the formation of the giant planets, many of these ice *planetesimals*, or small bodies, were incorporated into Jupiter, Saturn, Uranus, and Neptune. Some of the material was ejected to distant orbits, joining other, similar bodies, forming the Kuiper Belt. "Phoebe apparently stayed behind, trapped in orbit about the young Saturn, waiting for eons for its secrets to be revealed," said Dr. Torrence Johnson, *Cassini* imaging team member.

Dr. Roger Clark, from the U.S. Geological Survey in Denver, reported that the scientists also "see spectral signatures of materials we have not yet identified." Using precise tracking data of the spacecraft and optical navigation, combined with accurate estimates from images, the scientists have determined that Phoebe's density is about 100 pounds per cubic foot, much lighter than most rocks, but heavier than pure ice, suggesting a combination of both. There are chemical similarities between the materials on Phoebe and those seen on comets, as well. *Cassini*'s Composite Infrared Spectrometer transmitted measurements that show this very cold moon to be only about 100° above absolute zero, or -261° Fahrenheit.

"In two short weeks, we have added more to what we know about Phoebe than we had learned about it since it was discovered 100 years ago," commented Dr. Dennis Matson, project scientist.



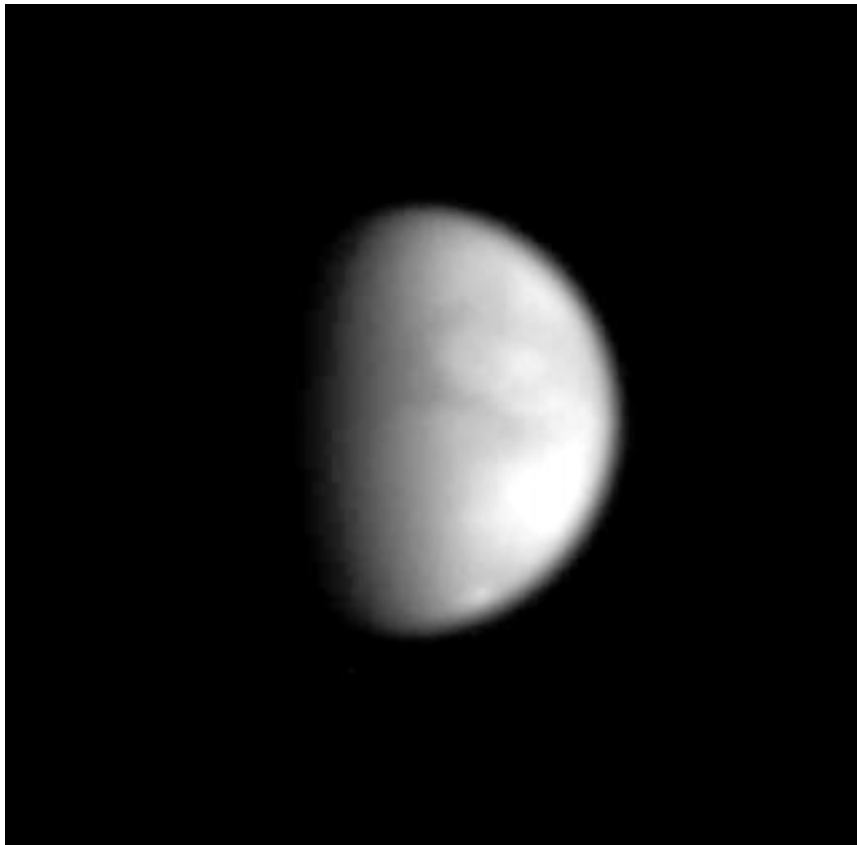
NASA titles this image, "Phoebe's Surprise." The small moon is shown to be a pock-marked body with layers of bright and dark material, and is believed to have been captured when it wandered near Saturn from the outer reaches of the Solar System.

## Unveiling Titan

Saturn and Jupiter are often described as miniature solar systems, due to their families of moons. During *Cassini*'s seven-year journey, 13 new moons of the planet were discovered using ground-based telescopes, bringing the total to 31 known moons. Most of the larger companions of Saturn are icy worlds, each with interesting features, and some will be studied up close during this mission.

Saturn's moon Titan is the second largest moon in the Solar System after Jupiter's Ganymede. Titan is about the size of Mercury, and the only moon besides Neptune's Triton to have an atmosphere. Christian Huygens (1629-1695), a Dutch astronomer who pioneered the development of improved lenses for telescopes, made extensive studies of Saturn, and solved a puzzle that had vexed astronomers before him. What looked from Earth like handles of a cup, protruding on either side of the planet, were actually rings, Huygens proposed.

In 1659, he stated that the planet "is surrounded by a thin, flat ring, which nowhere touches the body." His observations were later confirmed by Italian-French astronomer Jean Dominique Cassini who, in 1675, discovered that the rings were split in two by a narrow gap, which now bears his name.



*Shrouded Titan shows variations of light and dark features in this Cassini image, taken during in early June. Cassini's Huygens probe will plunge through Titan's thick atmosphere, providing an in situ study of the planet-sized moon.*

During his extensive study of the ringed planet, Huygens also discovered Saturn's moon Titan in 1655.

Astronomers discovered an atmosphere around Titan in 1943, using ground-based telescopes. In 1980, *Voyager 1* discovered that nitrogen is the most abundant gas in its dense atmosphere, and that the second-most abundant is methane. It also took atmospheric temperature and pressure measurements, finding that Titan's atmosphere is about one and a half the pressure of the Earth's.

On Titan, *Cassini* mission scientist Jonathan Lunine explained, methane plays the same meteorological role that water does on Earth. It is too cold for water to be present on Titan, but methane could exist in liquid form there. Dr. Lunine explained that the breakup of methane molecules by ultraviolet radiation from the Sun could produce organic chemicals (not meaning living, but containing carbon), which may rain down on the surface of the moon in liquid form. These include ethane, propane, acetylene, and other others.

It is also possible that heat from the moon's interior, or from intermittent comet impacts, alters the chemistry of its atmosphere and its surface. But if the methane is constantly being depleted through photochemical reactions, how is it

replenished? Where did the nitrogen and methane come from to begin with, and why is this moon unique in the Solar System?

Titan's orbit around Saturn takes it both inside and outside the magnetosphere of the planet. When outside Saturn's magnetic protection, Titan is exposed to the solar wind. Interactions with the solar wind may account for some of the unique features found on the large moon. Titan also interacts with Saturn's magnetosphere, providing a way for charged particles trapped within the magnetosphere to enter Titan's atmosphere, and for atmospheric particles to escape from Titan.

Based on what they know so far, scientists expect they might find a rich soil on the surface of Titan, filled with frozen carbon-based molecules, resembling a tar-like permafrost. Ground-based studies do not indicate a global liquid ocean on Titan, but there could be lakes and seas.

Photographs of Titan taken by the Hubble Space Telescope indicate areas of brightness, which may be partly due to differences in chemical composition and/or roughness of material. Although there are weak spectral indications that there is water ice on Titan's surface, sci-

entists conclude that other material is masking the ice.

Out of *Cassini's* total of 77 orbits of Saturn, 44 will include passes by Titan. But the real opportunity to unmask the hazy moon will come at the beginning of next year.

On the evening of Dec. 25 (Eastern Time), the 770-pound Huygens probe will be released from the *Cassini* mother craft. It will coast toward Titan for three weeks, and on Jan. 14, enter the moon's atmosphere. On the way down, the composition of the atmosphere will be analyzed by its Gas Chromatograph. Solid particles will be collected and vaporized into gaseous form and analyzed.

Huygens' Descent Imager and Spectral Radiometer will take photographs of the methane clouds, allowing scientists to determine their size and shape. When Huygens is about 30 miles above the surface, it will start to take panoramic views of the landscape, with a resolution of about three feet. Nearer to landing, a lamp will illuminate the surface, which Dr. Lunine explains is a muddy red color, because the nitrogen/methane atmosphere absorbs the blue frequencies of light.

The Descent Imager is to carry out a spectral analysis of the composition of the surface, which scientists believe could be in a liquid or solid state. During the final stages of descent,

the probe will emit sound waves and use its radar to describe the roughness of the moon's surface.

It is possible that Huygens will be able to collect up to half an hour's data from the probe if it survives its landing. After that, the *Cassini* mother spacecraft orbiting overhead disappears over Titan's horizon, preventing the relay of any further data to *Cassini*, and then to Earth.

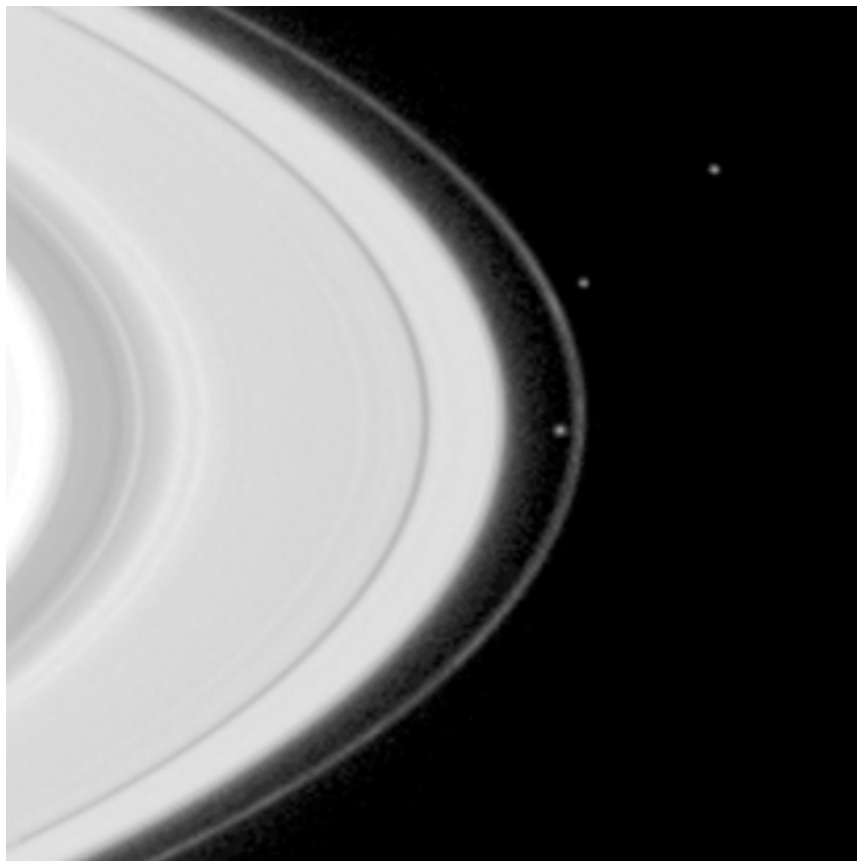
## Mystery of the Rings

Certainly the most distinctive feature of Saturn is its intricate complex of rings, the expanse of which would fit in the space between the Earth and the Moon. Jean Domenic Cassini, after whom this mission was named, was born on June 8, 1625. He studied the planet Saturn and its system of rings and moons until becoming blind in 1710, dying two years later. Cassini discovered four of Saturn's moons—Iapetus, Rhea, Tethys, and Dione—and the separation between the two largest rings of Saturn, subsequently called the A and B Rings. (The rings have been named alphabetically in the order in which they were discovered, not in the order of their distance from the planet or their size.) That space between the rings is called the Cassini Division.

The *Voyager* spacecraft found ring particles ranging in size from the nearly invisible, to icebergs the size of a house. They also confirmed a finding from the ground, that the rings contain water ice, which may cover rocky particles.

During its flyby in 1979, the *Pioneer 11* spacecraft detected Saturn's faint outermost F ring. When the *Voyager* spacecraft arrived there soon after, the F ring was shown to be braided in places, to have clumps or knots of material, and variations in brightness. From a distance of less than half a million miles above the rings, the *Voyagers* sent back data that indicated the F ring is about 50 miles in diameter. Some of the particles in the Saturnian ring system carry an electrical charge, it was also discovered.

Small moons on either sides of the F ring, found by the *Voyagers*, were described by planetary scientists as "shepherding moons" which, they proposed, kept the particles within the structure of the ring. But no matter how many times Newtonian mathematics was applied to the problem, treating the ring particles as billiard balls, it was never possible to explain how tiny moons could account for the stunning complexity of the ring system.



*When the Voyager spacecraft found two moons, Pandora and Prometheus, seen in this Cassini image, scientists believed they were "shepherding" Saturn's outer F ring. It is more likely that the rings are the product of collective electromagnetic effects in the Saturnian system.*

Since then, scientists have proposed that the vast magnetic field of Saturn, and the complex of moons, interact with the charged ring particles, producing collective electromagnetic effects that result in the system that is observed. This is a more fruitful line of inquiry into the history and development of the Saturnian rings.

*Voyager* also photographed dark or opaque patches, appearing as radial spokes, in Saturn's B ring. Scientists have concluded that they are apparently the result of the electromagnetic levitation of dust particles above the ring plane. The Saturnian system includes many narrow ringlets with slightly eccentric shapes and orbits, generally lying in gaps in the mass of the more circular, major set of the planet's rings.

During its traverse to enter its orbit of Saturn, and over its four-year mission, *Cassini* is getting the closest-ever look at the rings, moons, atmosphere, and magnetic field of Saturn. The 12 scientific instruments on the orbiter, and six on the Huygens Titan probe, will present the 250 scientists from the United States and 17 European nations, who are anxiously awaiting the data, an unprecedented picture of Saturn.

## The Friends of Blas Piñar Send the Andes Up in Flames

by Luis Vásquez Medina

See hordes of unemployed, primarily former soldiers, beaten down by a horrific economic crisis, wearing black shirts in imitation of a military uniform, boasting on the street that if they get to power, “there won’t be enough bullets for all the corrupt ones,” threatening retaliation against a neighboring country for a war that occurred more than a century ago, and speaking of the superior race that will rule the country.

Although the similarities are great, we are not talking about Weimar Germany, or of the nascent Nazi Party in the early 1930s; this is Peru today.

These Andean Nazis are part of a group which calls itself “ethno-nationalist” or “ethno-*cacerist*,” led in the countryside by the Humala clan. Backed by the Alejandro Toledo government and financed by the drug cartels, this grouping has become the political “phenomenon” of Peru today, says a recent Gallup poll.

Nor are the similarities to the Nazi movement only formal ones. The Humalas’ ethno-nationalist movement is an intelligence operation which, from its inception was shaped and led by French and Spanish synarchist networks. It was given birth at the Sorbonne University in Paris, where Nazi theories of “ethno-history” are cooked up and disseminated by the heirs of the Vichy tradition in France<sup>1</sup>. Today, the operation is run inside Peru by people belonging to the Synarchist International of the Spaniard Blas Piñar, a group of ultramontanes grouped around the newspaper *La Razón*. These Peruvian synarchists, followers of Count Joseph de Maistre<sup>2</sup> embrace

the concept that terror is the only way to rule a country; and now, in alliance with the Humala Jacobins and the drug cartels, they have inaugurated the era of “narco-synarchism,” through which they intend to set the entire region aflame.

This has already begun in the Peruvian-Bolivian highlands—the *altiplano*—with the bestial murders of public officials in Ilave, Peru and in Ayo Ayo, Bolivia, where the strategic objective is to destroy the nation-state and to facilitate the application, in regions which the synarchists themselves will have made “ungovernable,” of the “Rumsfeld Corollary” of the imperialist global doctrine of U.S. Vice President and neo-conservative Dick Cheney. Like Cheney, these ethno-nationalists are true “beastmen,” in the style of the Great Inquisitor Tomás de Torquemada.

The sympathies of the Peruvian synarchists with the strategic objectives of Dick Cheney’s gang are overt. *La Razón* is one of the few media in Peru which supported the U.S. invasion of Iraq. In his demented support for the barbarity perpetrated by world Synarchism, Franco-ite Fernán Altuve, one of the commentators who contributes regularly to *La Razón*, and about whom we will have more to say below, has even gone so far as to call the Auschwitz-type wall that Israeli Prime Minister Ariel Sharon is building in Palestine, “the wall of peace.”

The Peruvian ethno-nationalists are a typical pro-terrorist synarchist movement. They were the only ones in Peru to publicly praise the Sept. 11, 2001 terrorist attacks in the United States, describing them as “genuine anti-imperialist actions.” Their message is a mixture of revanchist chauvinism

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1. Luis Vásquez Medina, “Proyecto senderista dentro del Ejército peruano: el extraño caso del levantamiento del coronel Humala,” *Resumen Ejecutivo de EIR*, first half of December 2000.

2. Nineteenth-Century French synarchist, one of the preferred philosophers of the U.S. neo-conservative movement, promoter of torture and murder on

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the model of the Spanish Inquisition. Jeffrey Steinberg, “The Return of the Beasts,” *EIR*, May 21, 2004, Vol. 31, No. 20.



*The reactionary and even ultramontane ideology of hispanidad strangely links Spain's Falangist fascist leader Blas Piñar (left) to the black-shirt "rebellion" in Peru of the Humala brothers (right), Antauro and Ollanta, which is supposedly indigenous in character. The Humalas' movement supports Venezuela's Hugo Chávez, and at the same time Dick Cheney's Iraq war.*

and Inca millenarianism.<sup>3</sup> Their primary platform proposal is for legalizing cultivation of the coca leaf, the old dream of the drug cartels who seek the unrestricted production of this raw material for cocaine. The ethno-nationalists never get tired of pointing out that, should they gain power, they would make the coca leaf the national symbol, and would declare the coca-growers "heroes of the Fatherland."

Since 2002, the ethno-cacerist Humala gang has dedicated itself to seizing control over the Peruvian coca-growers' movement, acting as shock troops of the drug mafias in the coca growing zones. And they have been the main organizers of the coca-growers' marches into the country's leading cities, including Lima. On Sept. 5, 2003, the newspaper *Ollanta* held a forum entitled "Agro, Coca and Nationalism," which was attended by two figures closely associated with George Soros, the world's leading drug-legalization lobbyist: Roger Rumrill, the pro-legalization journalist linked to the magazine *NarcoNews*; and Hugo Cabieses, Soros' drug-legalization frontman in the Andean region.

Referring to the ethno-nationalists, Rumrill commented: "Apparently, the reaction to the multinationals, to globalization, and to the U.S. Empire does not come from the middle classes, from the urban political groups, but rather is beginning to emerge from the peasantry. . . . We are seeing the birth of one of the most important political movements of this decade in Latin America."

For his part, Cabieses, who was presented as the "standard-bearer for the campaign against eradication" of coca,

3. In the Nov. 12, 2003 edition of their *Ollanta* newspaper, the ethno-nationalists promote an Inca "renaissance" in opposition to the classical Renaissance. "After a thousand years of obscurantism, plagues, famines and invasions, certain patriotic European intellectuals revived the Greeks' *modus operandi*. Here, we "ethno-cacerists" wish to revive the *modus operandi* of the Incas."

commented on the masthead slogan of the Humala newspaper *Ollanta*—"Peruvian, Be Patriotic: Sow More Coca"—Cabieses suggested that the term "sow" be replaced by "consume more coca," which suggestion was elaborated upon and incorporated into later issues of the newspaper. That slogan now reads: "Peruvian, Continue Being Patriotic: Sow and Consume Much More Coca." In the March 2004 march of the coca-growers, when 7,000 descended on Lima to demand the Toledo government fulfill its promise to legalize coca cultivation, *La Razón* proclaimed on the front page of its March 22 edition: "Autaro Humala is the main organizer of the march." And its centerfold boasted: "Keeping watch, *cocaleros* and ethno-caceristas demand legalization of the coca leaf."

### Continent-Wide Synarchist Operations

Since the Humala operation was publicly launched with the uprising led by Lt. Col. Ollanta Humala in October 2000, it has counted on the de facto support of the Toledo government. At that time, the leader of the Humala clan, along with his brother Antauro Humala—an army major who had been discharged from the Peruvian military for disciplinary reasons—seized control of an Army barracks in the border region with Chile. The rebellion was supposedly a protest against the corruption of the Peruvian Army command, and the Alberto Fujimori government.

The rebellion dissolved with a whimper: the soldiers, who had been tricked by the Humalas into joining them, simply abandoned them after the first few days. The Humala brothers were arrested and tried by the Army. However, months later, they were granted amnesty by the government imposed on Peru by the Organization of American States (OAS), led briefly by Valentín Paniagua. Lt. Col. Ollanta Humala's status and rank within the army were returned to him.



Front page of *Ollanta*, the newspaper of the Peruvian “ethno-nationalists,” whom tabloid press and even the desperate Toledo government have built up to 25% public support, according to polls. The masthead slogan is: Peruvian, Continue Being Patriotic: Sow and Consume Much More Coca.”

Given the rancor that decision triggered within the Army, President Toledo decided several months later to kick Ollanta Humala upstairs, sending him as Peru’s military attaché to France, where the head of the ethno-nationalists rushed to sign up for a doctorate program in political science at the Sorbonne, the historic center of “action anthropology” and imperial “indigenism.” In May 2004, the Toledo government deployed Humala as military attaché to South Korea, a key place for his political plans, if one considers the sympathies the Humala movement has publicly expressed for the Communist leaders of North Korea.

The Toledo government’s continued support for the ethno-nationalist movement has never been hidden: In April 2004, when public opinion was pressuring the government to repress the ethno-nationalists, then Interior Minister Fernando Rospigliosi refused to do so, concluding that “if we investigate the Humala, they will accuse us of political persecution.”

In its organizing work, the Humala movement has also had the support of many “former” Shining Path terrorist cadre. For example, Máximo Grillo, a known Shining Path ideologue at San Marcos University, regularly addresses that movement’s cadre school; Maluëncha Prado, a folklore expert from Ayacucho who served for several years as Shining Path’s ambassador to Europe, is today its leading promoter in the art world; and the Peruvian press has exposed many other cases of Shining Path cadre who have joined the Humala movement, particularly in the country’s interior.

The mysteriously financed *Ollanta* newspaper has been extended throughout the country and into parts of Bolivia. In fact, the Nazi Humala movement is just one part of a vast continental ethno-nationalist operation based in the South American Andes. The bi-weekly newspaper announced on Oct. 15, 2003 that ethno-cacérist reservists had crossed the border into Bolivia, to support the peasants who overthrew the

government of Gonzalo Sánchez de Lozada. More recently, in the midst of the strikes and marches which currently have the Toledo government in check, Antauro Humala has declared that “the solution to nationalist problems is a *boliviano* (a Bolivian-style coup).”

In Bolivia, the Humala movement has established strong ties to the coca-growers’ movement, especially with Evo Morales’ Movement Toward Socialism (MAS) party, and the Pachacutec Movement run by guerilla Felipe “el Mallku” Quispe. The Feb. 20, 2003 edition of *Ollanta* announced: “The rise of the ethno-nationalist movements in Ecuador, Bolivia, and Peru have many similarities,” and denounced an attack against the president of the Federation of Indigenous Nationalities of Ecuador (CONAIE), Leonardo Ite, who, together with the Federation of Peoples of Quechua Nationality of Ecuador (ECUARUNARI), are, according to the same newspaper, the base of ethno-nationalism in Ecuador.

Relations between the Peruvian Humala movement and the Bolivarian Movement of Venezuela’s Hugo Chávez, go far beyond simple ideological affinity. According to Antauro Humala’s lover Nora Bruce, Hugo Chávez is one of the leading financiers of the ethno-nationalists. The newspaper *Ollanta* regularly proclaims the achievements of the “Bolivarian revolution in Venezuela,” and serves as the distributor inside Peru and Bolivia for books by Hugo Chávez. According to Bruce, whose assertions have yet to be repudiated, one of the important links between Chávez and the Humalas is retired Venezuelan Air Force Gen. Francisco Visconti. During the early 1990s, when he lived in exile in Lima—to which he fled after participating in a coup attempt against President Carlos Andres Pérez—Visconti was supported by Fernando Quijano, Blas Piñar’s agent who was embedded in the Lyndon LaRouche movement for many years. Visconti has since then secretly travelled to Lima a number of times.

In an article entitled, “Hugo Chávez: If Only We Had a



‘Dictator’ Like Him in Peru,” *Ollanta* denounced the supposed CIA operations against the government of Chávez, who was described as “a troop commander, of humble coloring (the first non-white ruler of Venezuela in five centuries) who is restoring popular democracy in Latin America.”

Another article published late last year was penned by Eloy Villacrez Riquelme, a former Peruvian army captain who was discharged for heading a communist rebellion in 1976, and who spent several years living in exile in Caracas. He argued that with Hugo Chávez’s appearance on the scene, “the Peruvian case, with its ethnic addition, allows us to visualize a great and united fatherland, made up (in addition to Venezuela) of Peru, Ecuador, and Bolivia.” Eloy Villacrez is the Peruvian link to the Chavista movement. He travelled together with Antauro Humala in early 2004 to a meeting of the Bolivarian Movement in Caracas, on Chávez’s personal invitation.

For the ethno-nationalists, political unity of the Andean countries is based on the shared indigenous makeup of those nations.<sup>4</sup> This idea is very similar to the proposal of the ultramontane hispanists who seek to revive “Greater Peru,” returning to the borders that existed before the Bourbon restoration in the 18th Century, those of the Hapsburg Viceroyalty of Peru, and which embraces what today is Ecuador, Peru and Bolivia.

## Beastman Philosophy in the Andes

Precisely as argued by the Nazi doctrine of French ethno-history, the Humala movement maintains that history should be seen as the struggle of ethnic groups for survival. In this struggle, the strongest ethnic group will survive. Antauro Humala presents this Social Darwinism quite clearly: “The world is for the fittest: he who does not win or does not adapt, is destined for extinction, oblivion. This applies to the atom, the molecule, and the cell, as much as it does to the intergalactic battle. The dinosaur, the Tasmanian tiger, the dodo bird, the neanderthal, and a large number of black and brown ethnic groups ‘lost,’ I imagine, in the fight against the weather, hunger, wild beasts and (in the case of *homo sapiens*), also against other competing ethnic groups.

“Focusing on the ‘human’ cultural field,” he continues, “the Law of Supreme Selection also rules. The clash of civilizations refers to this: the ‘barbarian’ invasions of the impe-

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4. *Ollanta*, Jan. 5, 2003: “While it is true that both ethnic and classist factors are currently juxtaposed to each other, we should note that the ethnic factor has been the standard used under heroic conditions, for the last five centuries. It would be difficult to enumerate the number of ‘indian’ rebellions, uprisings and revolts that have occurred, from Tierra del Fuego to Alaska. Because of their demographic density and cultural pre-eminence, it is Peru, Bolivia and Ecuador which make up the original ethno-cultural bastion of these groups—precisely where ethno-nationalists are the ones contending for power: Felipe Quispe’s (el Malku) Pachacutec Movement in Bolivia, Ecuador’s National Indigenous Confederation (CONAIE), and the ethno-*cacerists* of Peru.”

rium, the slave trade, the ‘colonization’ of America, the depopulating of the Indies, the conquest of the Far West, the conquest of Peru itself, etc.”<sup>5</sup>

The newspaper *Ollanta* has published the famous Túpac Amaru decree of racial war more than once. At the end of the 18th Century, Túpac Amaru headed a huge “millenarian” rebellion, which embraced all of South America. The rebellion by Túpac Amaru, who proclaimed himself the Inca King of Peru—with the surprising Spanish name of José I—was the Jesuit order’s response to their expulsion from South America in the 1700s. The famous “Tiquina” decree of 1780 read: “The sovereign Inka (Túpac Amaru) orders the killing of all mayors, their ministers, tax collectors, and other dependents, as well as all newcomers, creoles, or anyone who is, or looks like, a European.”

Inca “millenarianism,” which calls for the return of the Incan Tahuantinsuyo, was elaborated on the basis of a series of myths and legends “rescued” by French and U.S. anthropologists, in studies begun by French “ethnologist” Paul Rivet at the end of the 1940s. A series of “magical” predictions, called “Pachacutec” or “Inkari,”<sup>6</sup> assert that after 500 years, the moment for the resurrection of the ancient Incan empire has arrived.

At the same time, as *EIR* has warned since 2000, this Synarchist operation seeks the destruction of the Armed Forces, introducing a subversive “ethnic” element into the ranks of recruits, above all those of peasant background.

The Humala and company are based on a small fascist tradition that was introduced into the Peruvian Armed Forces with the deployment of Gen. Wilhelm Von Faupel, who led the German military mission in Peru between 1927 and 1930, and came to be appointed Inspector General of the Army, as part of the Nazi deployment to Spain and Ibero-America. Today, various high-level retired Army officers are linked to the ethno-nationalist movement. Among these are retired generals Ludwig Essenwanger Sánchez, Eleazar Gutarra, Chávez Valenzuela and Gustavo Bobbio Rosas.

Gen. Essenwanger Sánchez is a case in point. He was

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5. In Major Antauro Humala’s book *Ejército Peruano: Milenarismo, Nacionalismo y Etnocacerismo* (Peruvian Army: Millenarianism, Nationalism and Ethno-Cacerism), he asserts: “Given that it fuses the culture’s biological roots—as in the case of race—the ethnic focus is more profound than such ‘strictly cultural’ economic or political foci. We’re dealing with a factor whose potential has shaken humanity from the times of ancient tribal conflicts, far earlier, and with greater repercussions, than the classist factor.” In this book, Antauro Humala reveals his intellectual ties to the pro-Vichy French historian, Camille Julian, from whom he takes the following statement: “The race problem, regardless of how it is resolved, is the most important one in the history of nations. We can say that if we study history, it is to resolve the racial question.”

6. The myth of the “Inkari” affirms that, after a thousand years, the remains of the Inka, who was drawn and quartered and buried in far-off lands, will reunite beneath the Earth and the Inka will be reborn, and the Inca Empire will arise again. This myth has been promoted by certain “Marxist” intellectuals, such as Alberto Flores Galindo.



*The Humalas' "rebellion" has been tirelessly promoted by the tabloid newspaper La Razón, owned by the Wolfenson brothers who were close allies of Vladimir Montesinos, the "Rasputin" of Alberto Fujimori's government who helped bring Fujimori down. "The Untold History of the Humala," promises this headline.*

director of the Peruvian intelligence service during the Fernando Belaúnde Terry government (1984-1985); today he goes around on a motorcycle wearing a black leather jacket, and is one of the main "instructors" of the ethno-nationalist movement. His brother Juan Essenwanger was a renowned Shining Path leader who died in the revolt of the Shining Path prisoners at Frontón Prison in 1988.<sup>7</sup>

### La Razón: Nest of Peruvian Synarchism

The Synarchist newspaper *La Razón* is not only the mouthpiece of the ultramontane hispanists, and propaganda outlet for the theories of the synarchists' leading philosopher, Leo Strauss, but is also the main promoter of the Humala ethno-nationalist movement. This newspaper first appeared in 2000, for the purpose of bringing together all the opposition to the Toledo government. Its owners, a family of Jewish origin named Wolfenson, closely collaborated with the "Rasputin" behind Alberto Fujimori, Vladimiro Montesinos, in setting up a media empire with a series of low-priced newspapers, known in Peru as *diarios chicha*. These are your typical yellow journals, filled with pornography and scandal, which served to demolish the government's political opponents at that time. They were one of the dirtiest operations of "social engineering" ever run in the country.

The owners of *La Razón*, who in private repeat the slander that Lyndon LaRouche is "anti-Semitic," nonetheless have allied with the dirtiest neo-fascists in Peru. The lawyer and

main political advisor to the family is none other than the synarchist Fernán Altuve Febres-Lores. This individual, who is linked to Blas Piñar, and is a member of the editorial board of the synarchist Argentine magazine *Maritornes*, had a great deal to do with creating the newspaper *La Razón*, which took its name from its Spanish counterpart, *La Razón Española*.

Altuve is part of a circle of synarchists, some of them ultramontane advocates of *hispanidad* and the Spanish monarchy, like Víctor Samuel Rivera and Martín Santibáñez, who conclude their articles with the slogan, "Long Live Christ the King!" (*Vivo Cristo Rey!*) Another key figure in this circle is the veteran Peruvian synarchist Juan Vicente Ugarte del Pino, a lawyer who was president of the Peruvian Supreme Court, who is self-dubbed "Blas Piñar's best friend in Peru," and who boasts of being one of the main historians of revanchism against Chile. Ugarte del Pino, who publicly defends Hitler,<sup>8</sup> is also legal advisor to the Wolfenson family, and a permanent editorial writer for *La Razón*.

The openly Franco-ite propaganda line of *La Razón* is as evident in editorial commentaries which cite José Antonio Primo de Rivera, as in its proclamations which announce that the time for Carlism has arrived for Ibero-America<sup>9</sup>. Together

8. In an article in *La Razón Española* No. 115, entitled "La Imagen de España en el Perú," ("Spain's Image in Peru,") Ugarte del Pino absolves Hitler of responsibility for having started the Second World War: "Six months later, on September 3 of that year, England began the 1939-1945 Second World War, using as an excuse Germany's recovery of the so-called Danzig Corridor."

9. On March 9, 2004, *La Razón* published a scandalous editorial written by former Uruguayan President Juan María Bordaberry, in which he declared that the moment of Carlist traditionalism has arrived in Hispano-America: "The traditional Spanish monarchy was never parliamentary like the British one, nor absolutist like the French. The black legends circulated by the revolution have led to the monarchy being associated with absolutism, and this, of

7. In the prologue he wrote to Antauro Humala's book (see Note 5, above), General Essenwanger stated: "By accepting this reality [Peru's racial condition], we shall achieve, in a singular ascendancy and a plural descendancy, the yearned-for national identity, which, by overcoming the natural tendency toward ethnic conflict due to natural and cultural selection, will allow us to finally develop our country."

with these blatant Franco-ite messages, *La Razón*—as we will show below—has also set out to propagandize and popularize the Nazi theories of Leo Strauss, through its star columnist Eduardo Hernando Nieto.

What has most characterized *La Razón* is its propaganda in favor of liberalizing the cultivation of coca. It has in fact turned itself into the leading mouthpiece of the legalizers and of the coca-growers movement in Peru. This is the central aspect of its alliance with the Nazi Humala grouping, with the result that *la Razón* has become, as the ethno-nationalist leaders themselves admit, the daily voice of this group. There is hardly a day goes by that *La Razón* doesn't publish some interview with an ethno-nationalist figure. And, in late 2003, with an unusual front-page propaganda display, the newspaper published a series of biographical reports on the Humala family itself.<sup>10</sup>

The editorial line of *La Razón* is also clearly at the service of the ethno-nationalists' political platform. Thus, the massive coverage it gives to denouncing the supposedly imminent threat from Chile, and the danger of a new War of the Pacific (a campaign in which Fernán Altuve and Ugarte del Pino are especially prominent), which has only benefitted the anti-Chilean revanchist campaign of the Humalas.

The relationship between *La Razón* and the Humalas seems strange to many analysts. For them, it is weird to see the Wolfensons, a family which made its money with Montesinos and is the prototype of corruption in Peru, hand in hand with the Humalas, the supposed anti-corruption champions. On more than one occasion, this strange marriage has been questioned, even by activists within the ethno-nationalist ranks. In response to this criticism, Antauro Humala has said that the relationship is beneficial and necessary for both families: "Through us, *La Razón* increases its declining readership and in addition, in its confrontation with the other mafia, under the slogan that 'the enemy of my enemy is my friend,' it uses

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course, with arbitrariness. The Spanish monarchy cannot separate itself from the legitimacy of its functioning; that is, the defense of the faith, respect for privileges, the unity of the Fatherland, and existence of God's justice, with the integral restoration of the faith; Fatherland, with the reunification, first in the consciences, and then in the fact of Hispano-America and the King, as a return to the natural institutions of government. The march to our beginnings is a long and difficult one, but we have a good map: traditional Carlism, which, while arising out of something that was dynastic in appearance, took almost two centuries to become the conscience of Spain, and has earned our respect and confidence for the task."

10. Through this series, we discovered that Antauro Humala was educated at Lima's French School, and that in his youth, he was a "fanatic fan of Pink Floyd," and that the song "Another Brick in the Wall" by this drug-addicted rock star "still affects him." It is also reported that reading of *The Wretched of the Earth* by synarchist Franz Fanon, produced "a catharsis" in him. "Although it appears contradictory," rock music "holds a great fascination inside the humalista movement." *Ollanta* regularly publishes articles in defense of the counterculture. One of them, "Rock Peruano: Vitalidad Nacionalista," ("Peruvian Rock: Nationalist Vitality"), dated Nov. 26, 2003, states: "As to whether rock generates alienation among youth, well, not exactly. Let's say it generates passion. Rock is rebellion, protest, opposing the accepted and the culture imposed on us. Thus, it tends toward the revolutionary."

us. And we them: through instant and daily promotion and response (since *Ollanta* is bi-weekly) to the attacks of the rest of the stinking local media."<sup>11</sup>

### ***La Razón* Promotes Leo Strauss**

*La Razón*, the only written media in Peru which defends the invasion of Iraq, has become the primary transmission belt for the ideas of Nazi philosopher Leo Strauss. The blurb "Read Straussian philosopher Eduardo Hernando Nieto every Wednesday," has adorned its pages for a long time. This campaign by *La Razón* began at the same time that Lyndon LaRouche's denunciations of the neo-conservative disciples of Leo Strauss in the United States and of his dreams of imposing world fascism, began to circulate inside Peru.

Eduardo Hernando Nieto, self-proclaimed follower of the Jewish Nazi philosopher Strauss, was until that time an obscure professor at Lima's Catholic University. At the same time that *La Razón* began to publish his articles, he began to give presentations at the cadre school of the Humalas' ethno-nationalist movement. Hernando Nieto is a member of the synarchist Kalki information network, which in Argentina is headed by Alejandro Biondini, whose Nazi party (New Triumph Party) has the swastika as its symbol.

In Uruguay, the Kalki network includes the Revolutionary National Front, Skinhead Pride, and Anti-Capitalist Uruguay; in Chile, Al Sur del Mundo; in Spain, Revolutionary National Youth, New Era, and the National Workers' Party; in Italy, National Alliance, New Force, Fascism and Liberty Movement, and the Italian Social Movement. The word Kalki in Hindu means "the last reincarnation of God," the one who comes to put an end to "the dark age," and to impose "the era of uprightness in the law." Catholic fundamentalists identify Kalki with the archangel Michael, the victory in the final battle against the dragon and his allies.

Hernando Nieto has his connections to Argentine synarchist networks through philosopher Alberto Buela—a specialist in Heidegger, Hegel, and Aristotle—who also draws on the influence of Nazi jurist Carl Schmitt. He is a collaborator of the magazine run by Buela, *Disenso*, the first Ibero-American magazine of "metapolitics." Another of his synarchist connections is through Chilean philosopher Francisco Widow, of the Pinochet Foundation, who is very close to Blas Piñar. Widow currently is on the editorial council of the magazine *Maritornes, Cuadernos de la Hispanidad*. Hernando Nieto's works also nurture national socialism in Chile, where they are very widely circulated, such as in the magazine *La Ciudad de los Cesares, Philosophica* (The City of the Caesars, Philosophica).

Hernando Nieto has written: "Without the notoriety and political correctness of Hannah Arendt, the notable German-born Jewish philosopher Leo Strauss is paradoxically quite well known today by the international media, through his

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11. *Ollanta*, Dec. 17, 2003.



*The Humala rebellion has become the center of a destabilization which may very rapidly break up Bolivia, Peru, and Ecuador as nations, and also threatens an near-term Third War of the Pacific involving Chile and Bolivia.*

supposed influence on the political thought of many of President Bush’s advisors and analysts, such as Wolfowitz, Fukuyama, or Kristol, and, of course, on so-called neo-conservatism.”<sup>12</sup>

Hernando Nieto, who begins his articles with the slogan “Vetus Ordo,” is a good disciple of the Satanist Joseph de Maistre—like Maistre, arguing that violence and terror are the most certain source of power, because man is fundamentally an animal: “The true ethic of open struggle is that which considers man to be a rational animal and therefore, that war is natural. That is, we are not dealing with pure animalism, as is apparently believed by those who control technology and bombard us with it wherever they please, nor with pure rationality, as preached by the epigones of the enlightened ones, who cross themselves every time the word *war* is mentioned.

12. Hernando Nieto, “Democracia de Élités,” (“Democracy of Elites”), *La Razón*, March 19, 2003.

Rather, as we have said, they would be prepared to use weapons to do away with those who still believe war to be valuable, like the Armed Forces, for example. Demystify war and enter deeper into its metaphysics is also a pending task.”<sup>13</sup>

The first purpose of politics, according to this Strauss follower, is re-establishing the social order, returning each to his pre-established “category” in “a natural way.”<sup>14</sup> Nieto’s proposal, as he himself says, is that Strauss’s thesis be applied in Peru, beginning with his proposal for a Straussian “liberal” education: “The chaotic situation of our country, in which the culture of the masses dominates everywhere, makes it practically imperative to resort to the Straussian body of work and to the conclusiveness of its thinking. Only then would we be in a position to begin serious political activity that would allow us to reverse this anomie.”<sup>15</sup>

A Nazi dogma in favor of an elitist education, and hatred for the Golden Renaissance, is clear, and obviates any further commentary on this Nazi philosopher who is very influential inside the ethno-cacérist movement, especially with Gen. Edwin Essenwanger.

In his book *Pensamiento reaccionario (Reactionary Thought)*,<sup>16</sup> Hernando Nieto comments on Hobbes, Maistre, Donoso Cortés, Schmitt, Mills, Rawls, and Habermas, as well

13. Hernando Nieto, “Sobre la Guerra,” (“On War”), *La Razón*, Aug. 6, 2003.

14. *La Razón*, June 18, 2003: “Thus, serious politics and real political knowledge always involves delimiting spaces, establishing functions and defining identities. In a transcendent sense, we call this ‘drawing the line,’ and the art of politics has rested precisely on this, in an act of will, or in a decision that draws the line and establishes borders. For example: here is the good, there is the bad, here the State, and there the community, without mentioning many other things such as citizen/delinquent, sacred/profane, man/woman, etc. This line, which Junger [sic] and Heidegger discussed in the 20th century, or this Nomos, as Carl Schmitt called it, or, up to a certain point, this will of power which Nietzsche discussed, was then the evoking of an absolutely necessary order to restore the civilization lost by those who, intentionally, or without really consciously intending to do so, tried to erase the line, and in doing so, generated confusion and chaos.”

15. *La Razón*, July 30, 2003. Nieto adds: “Specifically, liberal education would be one in, and toward, Western culture, and whose purpose would be to contribute to the creation and consolidation of a democracy characterized by the virtue of men—in direct opposition to the democracy of the masses characteristic of decadent contemporary societies, evidently among them, the Peruvian. In this sense, we could assert—following Strauss and performing a simple examination of reality—[this is] due to electoral apathy, lack of a public spirit, and the exasperating mediocrity of politicians and consumerism. As we can see, access to a culture of the masses doesn’t require greater intellectual or moral effort and, it can be stated, it has a relatively insignificant price, so that its growth shouldn’t be surprising.

“From this standpoint, liberal education would be—in the words of Strauss—a staircase that would allow us to move up from the democracy of the masses to a regime of virtue, in which the hierarchies and the pluralism characteristic of the world of nature, to which man certainly belongs, would be maintained, despite the fact that, from the time of the Renaissance forward, an attempt was made to impose an image on us totally apart from nature and the animal kingdom.”

16. Eduardo Hernando Nieto, *Pensando Peligrosamente: El Pensamiento Reaccionario (Thinking Dangerously: Reactionary Thought)*, Lima: Editorial Universidad Católica, 2000.

as other doctrinaire connections. According to Nieto, these reactionary philosophers are right, since liberalism has failed. According to *La Razón Española*—the newspaper that promotes Hernando Nieto—his book is extraordinarily erudite; they shares the vision that “reactionary thought is superior to any other political thought.”

## The Philosophers of Peruvian Synarchism

The Pontifical Catholic University of Lima (PUC), where the Peruvian oligarchy sends its children to study, and whose principal benefactor in the 1940s was reactionary politician and thinker José de la Riva Aguero y Osma (who ended his days supporting Mussolini and Franco), has been the center of synarchism in Peru, both of the left and the right. There is where the theology of liberation of priest Gustavo Gutiérrez was developed as well as hispanist ultramontanism. Today, the heirs of that oligarchical dream of finding a standard bearer who can return their ancient privileges to them. They look at Ollanta Humala, leader of the ethno-nationalist clan, as the “new Sánchez Cerro.”

Luis M. Sánchez Cerro was a *mestizo* who, also a lieutenant colonel in the Peruvian Army, headed up a military rebellion that overthrew President Leguía in 1930. Sánchez Cerro, who was assassinated in 1933, was a fervent Catholic and dyed-in-the-wool Hispanophile, and he had fought in the colonial wars in the ranks of the Spanish Army in Africa. The Peruvian oligarchy used him with great efficiency and extreme cruelty to stop the onrush of the communist and popular movements which, as a result of the 1929 crisis, threatened the Peruvian state.<sup>17</sup> That oligarchy, which in its time was dazzled by Franco and Mussolini, is today, from the pages of *La Razón*, continuing to clamor for the application of Primo de Rivera’s doctrines.<sup>18</sup>

Sánchez Cerro’s patriarch was the 19th Century priest Bartolomé Herrera, who was a follower of Maistre and who,

17. The Peruvian oligarchy, which lost economic power with the 1968 revolution of General Velásco Alvarado, has always been pro-Hispanic. In 1910, one oligarchical President changed the words of the national anthem because he said they were too anti-Hispanic. In 1913, another representative of this faction, President Billinghurst, asked Hispanophile poet, José Santos Chocano, to write new, less “subversive” words.

18. On April 28, 2004, *La Razón* published an opinion piece by another of its frequent contributors, Pedro Saldaña Ludeña, in which he says the time has come to impose the ideas of José Antonio Primo de Rivera. “Therefore, it’s good to remember the words of José Antonio Primo de Rivera, that great Spanish ideologue, who gave his life for his ideals—he was shot—when the Second Republic was tottering.” Saldaña Ludeña goes on to quote Primo de Rivera himself: “The Army, is above all, the guardian of permanence; thus it shouldn’t get involved in accidental battles. But, when permanence itself is in danger, when the existence of the Fatherland itself is at risk—which could happen, for example, if things go in a certain direction, and even unity is lost—the Army has no other option but to deliberate and choose. If it abstains, because of a purely external interpretation of its duty, it risks finding itself, from one day to the next, with nothing to serve. In the face of decisive events, the Army can only serve permanence in one way: rescuing it with its own force of arms. It has happened this way since the beginning of the world. Once more, it will be up to the Army to replace the non-existent State.”

among other things, opposed giving the vote to citizens who could not read. He was an ardent defender of the death penalty and of returning the Jesuits to Peru. In 1844, Herrera set about training a generation of “authoritarians.”

Today, the argument of the narcoterrorist Humala group that “the firing squad is the only way to resolve national problems,” has revived the polemic in favor of the death penalty which Herrera so vehemently defended. The *Ollanta* newspaper has repeatedly published and propagandized Simón Bolívar’s January 1825 decree, issued in Lima, which imposed the death penalty for all officials who “embezzled” more than 10 pesos. *La Razón* has also propagandized on this theme, including interviewing Congressman Rafael Rey, a member of Opus Dei and a great friend of Venezuelan synarchist Alejandro Peña, the visible head of that country’s most radical opposition. Rey says that approving the death penalty would “moralize the country,” and Barba Caballero, another congressman and political associate of Rey’s, has told *La Razón* that “Humala’s thinking doesn’t seem subversive to me; the polls show that 21% are in favor of executing rapists of children, the corrupt. So, count me also among that population. . . . Truly, in this sense, I add my voice to that clamor for profound changes in legislation to be able to achieve a more just order in Peru.”<sup>19</sup>

Fernán Altuve Febres-Lores, the son of a Venezuelan diplomat in Peru and also at the Vatican, and another key figure of Peruvian synarchism, has become the voice of the “authoritarian option.” He has just had an exchange with Hernando Nieto on the characteristics of the “new right” in Peru. According to Altuve, the new right should base itself on traditionalism and conservatism, that is, on the ultramontane concept of the “altar and politics.” Altuve attacks Straussian Nieto for being a “layman” devoted to “metapolitics”; that is, for falling for the “mundane” concept that culture, not religion, should guide politics.<sup>20</sup> For these ideas, Altuve has written that he prefers Franco over Hitler and Mussolini.<sup>21</sup> Only

19. *La Razón*, Dec. 2, 2003.

20. In an article entitled “Legalidad y Legitimidad,” (“Legality and Legitimacy”), published in the June 6, 2003 edition of *La Razón*, Altuve says: “That’s why the statement by Spanish (Franco-ite) jurist Alvaro D’ors is correct, in affirming that democracy only knows legality but not legitimacy.” This legitimacy, Altuve asserts, comes only from God and “traditionalism, based on the principle of ‘Throne and Altar,’ and evokes the agrarian paradigm of the Ancient Regime, with its paternalistic protection of Faith and community.” This type of government, Altuve explains, “is represented in France by the legitimists who defend the House of Bourbon, in Spain by the Carlists; in England they are the so-called Jacobites; in Italy they were the ultramontanes of Pius IX and Pius X, and in Germany they were the supporters of Prince Metternich.”

He adds that this type of government, “given its preference,” has as its “most conspicuous” writers, Count de Maistre, Meléndez y Pelayo, Juan Vázquez de Mella and Juan Donoso Cortés. In Peru, according to Altuve himself, these ideas were embraced by Bartolomé Herrera (1808-1864), José Ignacio Moreno (1767-1841) and José de la Riva Aguero (1885-1944), the latter an ardent defender of fascism and Francoism.

21. *La Razón*, July 1, 2003, “¿A qué llaman derecha clásica?” (“What Do you Call the Classic Right?”). For Altuve, Hitler’s and Mussolini’s problem—but

the divine origin of power, according to this friend of Blas Piñar, can legitimize a State; democracy suffers from this birth defect: "If it can be legal, it is doomed to failure, because it is not legitimate."

This last argument, by the way, is Antauro Humala's favorite.

Joining Altuve among the ranks of Peruvian synarchism is *La Razón* editorial commentator Juan Vicente Ugarte del Pino, self-described as "Blas Piñar's best friend in Peru." Ugarte del Pino is an old Peruvian Falangist who got to be president of the Peruvian Supreme Court and proclaims himself the leading historian of the 1879-1881 War of the Pacific. However, his nationalism does not stop him from dreaming about the return of Spanish domination to the continent.<sup>22</sup> Ugarte del Pino has just published an article in *La Razón* which defends coca, for its "geriatric and therapeutic" qualities.<sup>23</sup> The article was published just when the coca-growers were demonstrating in the streets of Lima to demand legalization of "the tree of life," as Ugarte del Pino calls it.

Ugarte del Pino frequently travels to Spain, and currently serves as the liaison between the Peruvian synarchists and Blas Piñar's Frente Español. It is noteworthy that Blas Piñar's current private secretary is Peruvian Gianfranco Sangali, a graduate of the Catholic University of Lima, a fanatic Lefevrist, and Ugarte's disciple.

The list of Peruvian neo-conservatism comes straight from the synarchist pits of Lima's Catholic University, and includes:

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not Franco's—was that their revolutionary nationalism became contaminated by leftism, and they adopted a narrow, layman's vision of the world, contaminating themselves with intellectual leftism and petit-bourgeois racism.

22. Referring to the fact that Spain separated itself from Ibero-America after 1898, when it left Puerto Rico, Ugarte del Pino says: "The ties that united Spain with America began to weaken. . . . There were no investments, and except for migratory movements and the one attempt by Cambó to create the Hispano-American Electricity Company (CHADE) in Argentina, nothing else was done. Economic studies done up to the decade of the 1970s dealt with the era of the Viceroyalty.

"Then, suddenly everything changed. We should remember Ullastres. After Spain joined the EEC in 1985, the peseta became part of the European Monetary System in 1989. On May 2, 1998, Spain became a member of the Monetary Union and since then, it again turned its eye toward Ibero-America, whose securities are now traded on the Madrid stock market, while Spain is the largest investor in the Mercosur and the Andean Community. All at once, as Velarde Fuertes says, what disaster undid a century earlier in 1898, has been more than re-established a century later. Spain believed itself exiled from America, in which the British, Dutch and French continued in British Honduras, in Jamaica, in Puerto España, in Aruba, in the Guyanas, in Martinique, or in Guadalupe, with their flags flying high. 'No, Spain couldn't even consider the tiniest piece of that continent that she one day discovered, to be hers.' But I think that she didn't need it, because she was always present through the umbilical cord of language, and in the hearts of everyone." For Ugarte del Pino, it didn't matter that that Spanish capital was really British; the only thing that mattered was the return of the Spanish Empire. (The Spanish *La Razón*, No. 115, "La Imagen de España en Perú" ("The Image of Spain in Peru").

23. *La Razón*, May 15, 2004.

• Víctor Samuel Rivera,<sup>24</sup> who is promoted by *La Razón* as its Sunday philosopher columnist, and who ends all his articles with *Long Live Christ the King*—a religious fundamentalism that doesn't prevent him from agreeing with Satanic thinker Friedrich Nietzsche.

• Martín Santibáñez Vivanco, currently working on his doctorate in political science at Spain's University of Salamanca, and who also writes for *La Razón* and gives conferences for Blas Piñar's Fuerza Nueva in Spain.

• Pedro Saldaña Ludeña, who writes for *La Razón* and quotes Prime de Rivera demanding an authoritarian coup in Peru.

• Antonio Peña Cabrera, associated with Chilean Synarchist Juan Antonio Widow, and who belongs to the board of directors of *Maritornes*.

• Manuel Migoñe, a professor who promotes the thinking of Maistre at the PUC and at the Superior Naval School.

• Alberto Wagner Reyna, the main translator of Heidegger in Ibero-America.

• Ricardo Vásquez Kunes, a *La Razón* commentator and frequent speaker at the Humalas' cadre school.

In addition to their Humala project, these synarchists have deployed to surround and try to capture former Peruvian President Fujimori. A December 2002 article in the *New York Times* announced that Fujimori had just finished writing his political memoirs, in which he reveals all the details of his fall from power in 2000. That announcement also signalled the beginning of his political campaign to return to power in Peru, a campaign which has now taken off with the creation of a new political party, "Fujimori Keeps His Promises," which, according to the polls, already has a 25% acceptance rate among the population. The *Times* article also insists on the "great friendship" that unites Fujimori with the Bush family, a friendship which would presumably make his return to Peru possible.

Will Fujimori allow himself to be pulled in by these siren songs, and by the advice of the Peruvian synarchists who surround and advise him to make a pact with U.S. neo-conservatives?

One group of Peruvian synarchists, who one year ago called themselves "The Patriots," are jockeying for position to seize control of Fujimori's new political party. Carlos Raffo, the party's secretary, rubs elbows with the synarchists of *La Razón*. Víctor Samuel Rivera and Fernán Altuve regularly write for the new party's newsletter.

In this project, the purpose of these synarchists is to carve out political space and posts in the Congress, using the political figure of Fujimori. But their main strategy is to set the whole region aflame with a series of ethnic and narcoterrorist wars.

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24. Rivera, who is reportedly former President Fujimori's preferred philosopher, notes that "Professor Manuel Migoñe (of the PUC) introduced me to Donoso Cortés, and to de Maistre, the teachers to whom I owe my deepest convictions."

# Bolivia Is Targetted To Redraw S. America Map

by Gretchen Small

The arrogant neo-conservatives at the American Enterprise Institute (AEI) have taken upon themselves to trumpet the imminent extinction of Bolivia, the nation which lies in the heart of the South American continent. More than Bolivia's disintegration is on the agenda here. The groundwork is being laid for a regionwide war, in which the region as a whole may be destroyed.

Under the title, "The Last Days of Bolivia?", AEI's June 2004 *Latin American Outlook* pronounces, "If current trends continue, we may witness the first major alteration of the South American political map in more than a hundred years." Author Mark Falcoff, AEI's resident scholar on Ibero-America, forecasts that Bolivia will soon break apart, divided along its "perhaps irreconcilable" racial and geographical fault lines into two countries, each defined by their principal export product: the coca-exporting highlands, and the natural gas-producing lowlands, the latter led by the department of Santa Cruz. In AEI's twisted view, the coca nation will be largely Indian-dominated; the lowlands, of more "European" stock. This was the second AEI *Outlook* in six months which argued the imminence of Bolivia's demise, an event for which Falcoff claims Bolivia's suicidal elites are responsible.

This time, Falcoff escalated, promoting his thesis in wildly provocative interviews to none other than the Chilean press. With this, Falcoff played into the historic conflict between Bolivia and Chile which has festered since the 1879-1881 War of the Pacific. Bolivia lost its Pacific coastline to Chile in that war, which began when Chile, at the instigation of British interests, invaded both Peru and Bolivia, seizing territory from both of its neighbors. Left landlocked, Bolivia has never given up its claim to access to the sea.

Whenever this most explosive of the regional border fault lines in the region has been reactivated during the past three decades, behind the operation there has lurked that crazy "gringo" geopolitician and self-declared Kissinger lackey, Luigi Einaudi. Einaudi spent his two decades in the State Department attempting to foment a new War of Pacific, and now, as Deputy Secretary General of the Organization of American States, he has been running various other border negotiations in the region.

The AEI operation is tailored to foment the conditions for a regional war. At this point, war could result from a fight over resources, or, as some U.S. idiots are already mooted, if Chilean troops enter Bolivia as part of a regional intervention force mounted on the pretext of "restoring order in a failed

state." The timing of the operation could not be more explosive. As we identify in our preceding article, "The Friends of Blas Piñar Set Fire to the Andes," AEI has struck precisely at the point that the fascist-led operation to trigger race war in Peru, Ecuador, and Bolivia has moved into an overtly separatist phase, in the wake of the horrific twin murders in Ilave, Peru and Ayo Ayo, Bolivia. To foment potential border wars on top of race war, is a recipe for genocide. Someone is trying to unleash a perpetual war in the region, warned U.S. Presidential candidate Lyndon LaRouche on June 28—a war which, once it starts, cannot be stopped.

## Murder of a Potential Economic Powerhouse

AEI, which joins such neo-conservative war-hawks as Samuel Huntington, Richard Perle, Michael Ledeen, and Dick Cheney's wife Lynne, is well-known in the region as one of the principal thinktanks from which emerged Dick Cheney's imperial pre-emptive war doctrine.

Even as Falcoff's forecast reverberated across the region, Bolivia was hit from another side. On June 8, the "Commission on Weak States and U.S. National Security" of Washington, D.C.'s Center for Global Development, released its final report. The commission, a mix of 30 top Project Democracy ideologues, foundation hacks, and financier operatives (George Soros was well-represented and JP Morgan Managing Director Daniel Zelikow personally participated), made recommendations on the "carrots and sticks" required to deal with the "weak and failed states" spreading across the developing world—which, they assert, pose the major threat to Great Powers in the 21st Century. They, too, singled out Bolivia as an example of how a failing, weak state threatens an entire region.

The targetting of Bolivia is not new. In 1990, in an interview with Brazil's *Veja* magazine, John Reed, then president of Citibank, cited the collapse of the Soviet Union as an example of how "countries have disappeared from the face of the Earth." He then declared that "Peru and Bolivia will disappear."

Bolivia has all the potential to become a great industrial and agricultural powerhouse. Situated in the center of South America—it borders on five countries: Brazil, Paraguay, Argentina, Chile, and Peru—Bolivia's more than million square kilometers in territory make it twice the size of Spain. It is rich in natural resources, from the minerals found largely in its mountainous region (tin, zinc, lead, iron, silver, and others, such as antimony, of which Bolivia has been traditionally the world's second-largest producer), to the enormous natural gas deposits in its lowlands. Bolivia is now estimated to have 54 trillion cubic feet of gas reserves, the largest in South America after Venezuela. It has great agricultural potential, as well, as the soy farms of the East demonstrate. Another area, the Yungas Valley, contains some of the most fertile lands in the country, never developed because of lack of infrastructure.

Bolivia's primary problem is that it is vastly underpopulated, yet lacks even the minimum infrastructure required to

sustain and develop its current population of just over 8 million people. Only 64% of the country was electrified as of 2001, with that figure dropping to 25% in the rural areas. As late as 1994, only 4% of the country's roads were asphalted; a national rail grid is non-existent. Invest in adequate technology, infrastructure, and education, as part of a greater regional project to develop the interior of South America, and Bolivia will take off.

For Americans of a previous day, nothing would be more welcome than to see such development underway. Plans to cooperate in the industrialization of South America was, after all, one of the great projects which Franklin Delano Roosevelt's team had been working on, before FDR's synarchist financier opponents seized control of U.S. policy in the wake of his death. For the oligarchs and their financiers, the raw materials of Bolivia and its neighbors exist solely to be looted at their pleasure. As their global financial system disintegrates today, these interests are determined to use the crisis to grab control of the world's resources for themselves, and to eliminate not just specific nations, but the sovereign nation-state itself. These interests care nothing about Bolivia or Peru, *per se*—nor about their supposed “success story,” Chile, for that matter. The “thinking,” if it can be called such, is simple: Bolivia, because of the lack of development, is vulnerable. Blow Bolivia apart, and you can shatter its neighbors, too, Chile included.

## The Trap Laid for Bolivia

Along with its neighbor, Peru, Bolivia was chosen in the late 1960s by the financier interests who run the international dope trade, to be transformed into a leading producer of coca, the principal ingredient from which cocaine is made. The drug trade's grip upon the country tightened in the late 1980s, when the state-owned mining company was largely shut down—an operation run by Harvard's Jeffrey Sachs—which left thousands of miners with no livelihood but coca-growing.

In the 1990's, under the first Presidency (1993-1997) of Rio Tinto Zinc's representative, the millionaire mining baron Gonzalo Sánchez de Lozada, majority control over Bolivia's state companies was sold off to foreign multinationals for a song. These multinationals promptly shut down more of what were already far too few decent jobs available in the nation. (The operation was shameless: The first purchaser of the state mining concessions was a company jointly owned by Rio Tinto Zinc and the Sánchez de Lozada family.) Under Sánchez de Lozada's Presidency, the idea was cooked up that Bolivia's major economic focus (besides exporting coca) should be to become an export platform for natural gas: not as part of a regional development effort from which Bolivia's domestic economy would benefit, but for foreign multinationals who viewed the gas merely as another way to make money. Investment in the domestic market was explicitly ruled out, because it was deemed too small to be worth it.

Some lunatics even mooted that Bolivia should become an *exporter* of electricity, while its own people lived in the dark!

Over the years, the export platform scheme was concretized in one project, which has been billed as the savior of the Bolivian economy. The project involved natural gas: Bolivia would pipe gas to either a Peruvian or Chilean port, where it would be liquefied in a new plant yet to be built, so that Bolivia's gas, now in the form of liquefied natural gas (LNG), could be shipped out of South America to Mexico—and then to the United States. This is a raw-materials-looting scheme of absolutely stunning insanity in physical-economic terms, given South America's development needs.

Hugo Banzer, at his inauguration as President in 1997, pointed out to Chilean President Ricardo Lagos, that the deal meant that Bolivia would get \$400 million for its raw material, while the country with the port, whether it be Peru or Chile, would get \$1.5 billion for the deal, by liquefying the gas. How can I explain that to my people? Banzer asked.

With Sánchez de Lozada back in the Presidency in 2002, however, a lucrative deal was sealed with Chile and a consortium of foreign multinationals, led by British Petroleum and the Spanish oil company, Repsol, under which Chile would get the LNG concession, rather than Peru.

There was across-the-board opposition to the decision to grant the deal to Chile (except for the immediately interested parties). But those who took the lead against the project were the financier-run *cocalero* apparatus identified in the “Blas Piñar's Friends” article: Evo Morales, Felipe Quispe, et al.

With few jobs and little hope for improvement in the situation, the *cocaleros* held up this despised Chile-United States gas deal as one of their principal banners, in the mass strikes and protests which finally forced Sánchez de Lozada to resign from the Presidency in October 2003.

Assuming the Presidency in the midst of this highly charged situation, in which the *cocalero* forces had just shown their growing power, was Vice President Carlos Mesa, a former television reporter and political analyst, who had no political base of his own. With the Bush government and the International Monetary Fund insisting the government hold to fiscal austerity, Mesa had little to offer the population, other than a more sympathetic attitude than the English-accented would-be oligarch, Sánchez de Lozada.

Playing for support from the *cocalero* crowd—which escalated their initial opposition to the gas deal with Chile, raising it to opposition to *any* export of gas from Bolivia at all, until the hydrocarbon industry was entirely renationalized, 250,000 homes delivered free natural gas, and an industry created—Mesa walked into the trap laid for Bolivia. Bolivia's longstanding demand for access to the sea is now mixed with the issue of gas exports, and the Mesa government has declared that “not one molecule of gas” will be exported to Chile, until both issues are settled.

## Regional Development Is Needed, Now!

With that picture in mind, look again at how the AEI's Falcoff intervened. He argued that the Mesa government is committing “suicide” by denying natural gas to Chile; by



“threatening to overturn longstanding contracts with international energy companies”; and by allegedly preparing to “take the country . . . outside the world economy.” He cited even the fact that Mesa is attempting “to govern without political parties,” as virtually a heinous crime. Only if Bolivia agrees to decentralize authority and resources, can the country avoid partition, Falcoff declared. In other words, only if the government hands control of the gas and other natural resources over to departments which are more easily controlled by foreign financial vultures.

Falcoff, long a vociferous promoter of Chile as the model country of South America, then turned around to the Chilean press, and promised that “the Republic of Santa Cruz [should it be created] would have absolutely normal relations with Chile.” As if he spoke for the Chilean government!

Emboldened by promises of foreign support from such purportedly powerful interests as Dick Cheney’s AEI, between 50,000 and 100,000 people took to the streets of Santa Cruz on June 22, to demand autonomy, and the right to control the sale of “their” natural resources, as opposed to the national government. Echoing Falcoff, Rubén Costas, head of the Pro-Santa Cruz Committee which organized the demonstration, told the crowd: “We don’t want to be part of the suicide. We have been patient, but no longer. We say ‘Enough!’ to centralism and corruption.”

Yet the “Santa Cruz Republic” is not the only side of the Bolivian divide being fostered by foreign financier interests. The *cocalero* movement has also found itself a new lobbyist in Washington: Kissinger-McLarty Associates. This operation went public on May 7, when Kissinger-McLarty Associates’ managing director, former retired U.S. Army Colonel Stephen Donehoo, told a forum at the Center for Strategic and International Studies (CSIS) in Washington that the United States needed a new policy towards the *cocaleros*.

Washington sources report that Donehoo is working on bringing Morales up to the United States, which would require lifting the State Department ban on giving him a visa, which results from his ties to drug-trafficking and to the largest narco-terrorist force on the continent, the Armed Revolutionary Forces of Colombia (FARC).

Pressure is building to declare Bolivia a “failed state” which threatens the national security of its neighbors, and thus requires the creation of the Western Hemispheric regional intervention force first proposed by Defense Secretary Donald Rumsfeld in November 2002. On June 25, Argentine Defense Minister José Pampuró declared that the countries of the region, and particularly its neighbor, Chile, are concerned about the instability and “Lebanonization” which are overtaking Bolivia; and that Bolivia’s situation would be discussed at an upcoming meeting of regional Defense Ministers. After the Bolivian government filed a formal protest with the Argentine government over these remarks, the Defense Minister issued an official apology—undoubtedly under pressure from the Argentine Presidency and Foreign Ministry.

More important than the apology, the Argentine Defense

Ministry issued a communiqué stating that the social situation in Bolivia was not a subject for the agenda of the Defense Ministry of another nation, Argentina, nor would it be taken up by the Mercosur Defense Ministers in upcoming meetings.

Defense Secretary Donald Rumsfeld first publicly demanded the formation of such a force in November 2002, under the pretext that the existence of “ungoverned areas” breeds terrorism and “bad people,” and that justifies intervention. For over six months, U.S. Army War College sources have insisted that Rumsfeld’s regional intervention force proposal is very live, and that it is to be initially formed by Argentine and Chilean forces.

## Bush Sets Up New Government in Iraq

by Muriel Mirak-Weissbach

June 30, the long-awaited date for the transfer of power from the US-led occupying forces to an Iraqi interim government, had become a symbol, at least in U.S. political iconography, for the restoration of sovereignty to Iraq and the advent of an era of peace, democracy, and freedom. But the harsh reality of a widening asymmetric guerrilla war against the occupation forced even the publicity-hungry Paul Bremer, outgoing head of the Coalition Provisional Authority, to abruptly alter plans, and effect the handover almost in secret, two days earlier than scheduled. After a short ceremony with about 30 people present, Bremer was whisked off to the airport. The fear had been that a high-profile ceremony could have been annihilated by a massive military attack, which could have killed more than the public relations effort.

As Bremer left, John Negroponte, the new U.S. ambassador to Iraq arrived, to take up his post at the U.S. embassy, which is slated to be the largest in the world. In the view expressed by Germany’s leading Iraq expert, Aziz Alkazar, (who gave an interview to *EIR* on June 29, to be published next week), this changing of the guard captured the essence of the matter. Sovereignty, he said, is nothing someone “gives” or “takes;” but it resides with the people. What occurred during the Baghdad ceremony was not a transfer of sovereignty, but rather, of certain authorities. So long as foreign troops remain on Iraqi soil, and are allowed to intervene militarily, even without the agreement of the interim government, “then one cannot speak of a real transfer of power,” he said.

### Independence and Military Power

The most important thing for the majority of the Iraqi people is not the cosmetic appearance of democracy, free elections, etc., but national independence and true sovereignty. Thus, if there is to be peace in Iraq and the region,

there must be a real (not cosmetic) change in U.S. policy. This means the United States must—as Lyndon LaRouche outlined in his LaRouche Doctrine—show a clear intention to end the occupation, and “build a completely different basis for a friendship and . . . possibly, later, even an equal partnership,” said Alkazaz.

The new interim government installed by the occupying powers in Baghdad faces a tremendous challenge. The fact that its members collaborated with the occupation, even prior to the war, as exiles abroad, has discredited them in the eyes of the population. They have almost replaced the occupying forces as the primary targets of the resistance. Had the United States given them any actual power during the occupation, then perhaps, in Alkazaz’s view, they could have built up some popular support. But that was not the case. The real question to be answered now is: will they be allowed to wield that power, not symbolically, but in fact?

The decisive factor in Iraq, determining who has power, is not what is written on paper but what exists “on the ground” i.e., who retains military power. As matters now stand, the United States will remain, with its 135,000 troops (and more on the way) in addition to the 20,000 other foreign troops. Officially, the Iraqis have the right to ask the occupiers to leave, but, given the strength of the resistance, and the strong political ties of the interim government to the United States and U.K. (many of them carry American and British passports!), this is not likely.

Therefore, if there is to be hope for a “new” Iraq, it means that policy has to change radically, first in Washington, D.C. A complete “reversal” of the U.S. policy approach has to occur, in the view of Alkazaz, along the lines of LaRouche’s vision of a regional strategic approach, which must include an American commitment to a two-state solution to overcome the Israeli-Palestinian conflict. There is no way one can talk of democracy, freedom, and market economy in Iraq, if Washington continues its blind support of Ariel Sharon.

This turnaround will entail not only the end of the occupation, in fact, and the withdrawal of troops, but the true transfer of decision-making powers to an Iraqi government. Questions regarding the role that religion should play in society, as in the constitution, must be left up to the Iraqis to determine. There can be no outside interference in matters pertaining to the culture and religion of the people, Alkazaz stressed. This is particularly the case, considering the abysmal lack of knowledge or understanding of these cultural and historical factors, on the part of the U.S. establishment and its plethora of thinktanks. If there is to be, some time in the future, a true peace between Iraq and the United States, then American political leaders must grasp the need to enter into the cultural mindset of the Iraqis, and Arabs more broadly.

## Reversing De-Ba’athification

Alkazaz believes that the problems facing Iraq can and must be solved by the Iraqis, without outside interference. One major step is reversal of the de-Ba’athification policy of

Bremer, which had deprived hundreds of thousands of Iraqis of their jobs, dismantled the security and military, and destroyed the civil service structures. Bremer had ordered an estimated 30,000 top Ba’ath members to be fired, and had disbanded the security apparatus and army, which numbered together 750,000. Twenty-two of the oil ministry’s 25 directors-general were replaced. “The country and the people,” Alkazaz points out, “always identified with the army, on a basis of trust, due to the way the army related to them, and built up a political capital in the population. The army never betrayed the people, not under the monarchy, nor under the Republic. Why did they simply disband this capital?” he asks.

Re-establishing a truly national military force, under professional, patriotic leadership, is a must. Interim Prime Minister Iyad Allawi appears to have grasped this fact, and has announced his intention of reversing de-Ba’athification. In an interview with the Lebanese television channel, LBC, Allawi spoke of his own Ba’ath credentials. Recalling his participation in the 1968 Ba’athist coup, he presented himself as leading the true path of the party, while Saddam Hussein and “a handful” of followers were “a deviation.” “A handful of straying and criminal people, led by Saddam, assumed power in Iraq, harmed the party and Iraq, and exploited the party, unfortunately, as a tool for repression,” he said. “And this is why I forcefully confronted this deviation since that time and while I was still in Baghdad. I am honored to have confronted this deviation.” He added that his “affiliation with the Ba’ath party” had given him important political experience.

At the swearing-in ceremony on June 29, Allawi, appearing against a backdrop of the old Iraqi flag, spoke of national reconciliation, and promised to halt the persecution and exclusion of Ba’athists. He argued that de-Ba’athification had “deprived government departments of their best technocrats, and triggered the collapse of an Iraqi state,” according to remarks reported by the *Financial Times* on June 30. Five ministers in his interim government were middle-ranking Ba’athists before the war. Allawi promised to accelerate the re-integration of some 15,000 civil servants, give pensions to employees of the disbanded security forces and the disbanded information ministry. He is said to be considering an amnesty for Iraqis involved in the resistance.

## Revenge or Reconciliation?

If reversing de-Ba’athification is a precondition for restoring social harmony, and establishing a viable military for defense, meting out justice is as important. Here, the obvious case in point is the treatment of the “prisoners of war” whom the U.S. forces captured and have been holding. On June 30, former Iraqi president Saddam Hussein, along with eleven other former leading members of the regime, including Deputy Prime Minister Tariq Aziz, were formally handed over to Iraqi custody. Like the transfer of power, this too was a cosmetic move: The Iraqis were given “legal” jurisdiction, but the U.S. armed forces would maintain physical control over the prisoners, in a U.S. military prison, for the obvious reason

that the Iraqi interim government has no control over security.

Formal charges were read out to the detainees on July 1. Saddam Hussein was charged with killing religious figures in 1974; gassing Kurds in Halabja in 1988; killing the Kurdish Barzani clan in 1983; killing various political party members over three decades; displacing Kurds in the 1986-88 "Anfal" campaign; invading Kuwait in 1990; and, suppressing Kurdish and Shi'ite uprisings in 1991.

Both Allawi and the National Security advisor Mowaffak al-Rubaie spoke out in favor of restoring the death penalty, (which Bremer had suspended), and the prime minister also proposed declaring a state of martial law to deal with the resistance. Designated President Ghazi al-Yawer announced that the new government had decided to reinstate the death penalty. Although George Bush, while at the NATO summit in Turkey, said he understood the need for martial law—and his support of the death penalty in Texas is legion—others immediately reacted with horror, not only that practices abhorred in the old regime were being revived, but that, in so doing, the new regime would effectively kill any chance for true justice to be served.

Aziz Alkazaz characterized the proposed restoration of the death penalty and martial law as "the greatest stupidity." This would deal the final death blow to what remains of the moral justification which the United States claimed to have for its war. What is required is true justice, and, above all, a commitment to truth. His proposal is that the Iraqis follow the successful model of the Truth and Reconciliation Commission installed in post-apartheid South Africa. Bringing criminals to justice before a legitimate court, with full guarantees of a fair trial, is important; but to achieve justice, the entire truth must be heard.

As the situation now stands, no such guarantees are there.

The case of Saddam Hussein and the other prisoners is a case in point; during their captivity, they have had no access to lawyers or family, in violation of the Geneva Convention. A team of 20 lawyers, many from Jordan, which has been put together to defend Saddam Hussein, has not had access to the accused. The new Iraqi Special Tribunal which is to try them, was set up under the occupation last December, and is, therefore, utterly in violation of international law, which forbids an occupying force from establishing institutions. (By the same token, the current interim government is also illegal.) The "law" to be adopted by this tribunal, which is to be led by Salem Chalabi, a relative of the notorious neo-con puppet Ahmed Chalabi, is said to be a "combination" of Iraqi pre-war law, international law, and the procedures adopted at the Rwanda trials. These facts have already been challenged by defense lawyers, who charge that the changes made in the law were illegal, since no parliament or council was involved. They add that the appointment of judges has been politically motivated, and that all decisions pertaining to the justice apparatus were made under occupation.

Ziad al-Khasawneh, one of Saddam's would-be defense attorneys, said in Amman, Jordan, that the defense team

planned to go to Iraq but that Allawi's government had not said whether it would provide security. "How can the defense team go to a country where it doesn't enjoy any protection? They will kill us there," he said. Another lawyer, Muhammad Rashdan, told BBC that he had received death threats, and was asking for international protection to be able to visit his client. Furthermore, the Iraqi Bar Association has to rule on whether to let the Jordanians in.

## The Truth Must Be Told

National security advisor al-Rubaie, stated confidently that the tribunal would be able to impose the death penalty. Statements by him and other government member, point in the direction of a death sentence, long before any trial has been called. As for unearthing the truth, it appears from Al-Rubaie's remarks that efforts will be exerted to prevent the truth from coming out. Al-Rubaie stated that Saddam Hussein would not be allowed to do what Slobodan Milosevic did, that is, to turn the trial into a political process. He specifically ruled out having high-level political witnesses called to testify, like President Bush or British Prime Minister Tony Blair.

In the case of the crimes of which Saddam Hussein is accused, be it the war against Iran, the invasion of Kuwait, or the use of chemical weapons, the role of high-level U.S. government officials at the time is crucial. The Iran-Iraq war was a population war organized by the likes of Henry Kissinger, with the aim of letting two oil-producing giants of the region destroy each other. The use of chemical weapons, if part of the accusations at trial, must open the question of where the weapons came from. It is documented that Defense Secretary Donald Rumsfeld was directly involved in arranging deliveries of weapons for use against Iran. As for the 1990 events, it was then-U.S. Ambassador April Glaspie who informed Saddam Hussein that her government considered the Iraq-Kuwait tensions as an internal affair of the two countries to deal with, thus giving the green light for the 1990 invasion.

If there is to be justice and national reconciliation; if there is to be a perspective for normal relations to be restored between Iraq and the West—even the United States—then the truth must be told and the consequences faced. Justice can only be justice for *all* those guilty of crimes.

Within Iraq itself, as Alkazaz has explained, the process of reconciliation can unfold, according to traditions and institutions which are part of the national heritage. Alkazaz speaks of a "Mithaq," a "union of trust," which the various groups in Iraq,—Shi'ites, Sunnis, Kurds, and Turkomen—will seal, a pact whereby they all swear never to fight one another, and to take all measures necessary to prevent civil war. Such a union of trust will also be built on the commitment to consider the resources of the country, its raw materials, in particular, as not belonging to any one group, or foreign interests, but as the property of the nation, to be used to generate revenues, in order to rebuild the industrial and human infrastructure, which has been destroyed in so many wars.

WHAT IT MEANS FOR TODAY

## The Nazi-Instigated National Synarchist Union of Mexico

Part 1, by William F. Wertz, Jr.

When in July 2003, the leaders of the Ibero-American Solidarity Movement (MSIA)—founded in 1992 as a Trojan horse within the LaRouche movement—resigned from association with LaRouche over the issue of synarchism. Lyndon LaRouche warned that the MSIA's controllers centered around Spain's leading Francoist, Blas Piñar, represent an Hispanic terrorist threat against the United States in behalf of the circles of Vice President Dick Cheney. The fact that Samuel Huntington, who promoted the Clash of Civilizations which has been the operative principle behind Cheney's war in Iraq, has since authored a book, *Who Are We?*, which promotes a clash of civilizations between what he describes as the "Anglo-Protestant" culture of the United States and the primarily Mexican Hispanization of the U.S. Southwest, underscores the danger of another Sept. 11, under Hispanic cover. The March 11, 2004 train bombings in Madrid, and former Spanish Prime Minister José María Aznar's warning that he is certain that there will be a terrorist incident in the United States before the U.S. elections, further point to the danger LaRouche identified last year, of a Reichstag Fire-type terrorist attack under Hispanic cover, as part of a desperate effort to keep the besieged Cheney-centered neons in power.

The purpose of this article is to document the precedent for such a danger in the history of the Unión Nacional Sinarquista (UNS—National Synarchist Union) in Mexico, an organization created in 1937 by the Nazis, operating through the Spanish Falange and in conjunction with the Japanese. Although vastly diminished in numbers today compared to then, this same organization continues to actively organize in Mexico and in the United States. Moreover, although initially created by the Nazis as a fifth column in Mexico directed at the United States, after Pearl Harbor and after the Nazi defeat at Stalingrad, the UNS was taken over by the same anti-Roosevelt, Anglo-American imperialist faction that is behind Dick Cheney



Harvard's Samuel Huntington (right) promotes the same Clash of Civilizations propaganda as the Nazis and Synarchists did during World War II: that Hispanic "Catholic" culture is inimicable to the "Anglo-Protestant" culture of the United States, and that the U.S. will be overwhelmed by Mexican immigration. Left: The National Synarchist Union (UNS) was created by Nazi agents in Mexico, one of whom, Hans Trotter (shown here at C, at a Nazi meeting in Mexico), was the personal secretary of UNS Chief Salvador Abascal, working under a Mexican pseudonym.

and his allies in the Democratic National Committee today. This is the same faction, associated with the Dulles brothers, which after World War II protected the Nazi apparatus, with which they had worked before and, in some cases, during the war.

Especially in light of the defeat of the Nazis, the Italian Fascists, and Axis-allied Imperial Japan in World War II, the Synarchists and their apologists vociferously lie about their connection to the Axis powers and attempt to portray themselves as a militant Mexican Christian movement based on the social teaching of the Catholic Church, which they misconstrue in such a way as to continue to identify with the fascist Falange of Franco's Spain and the Romanian Legionnaires of Corneliu Codreanu.

The thesis of Samuel Huntington's sophomoric book is warmed-over Nazi propaganda. Huntington argues that Mexican immigration into the U.S. Southwest is in effect *la Reconquista*, the reconquest of territory taken from Mexico by military aggression in the 1840s, and that Mexican Catholic Hispanic culture is in a fundamental clash with the underlying Anglo-American Protestant culture which he claims is the basis for the national identity of the United States. As we shall see, this is precisely the ideology of *Hispanidad* developed by the Nazis at the Ibero-American Institute in Berlin under Gen. Wilhelm von Faupel, to try to sabotage Roosevelt's Good Neighbor Policy and to drive a wedge between all of Ibero-America and the United States in the period leading up

to the outbreak of World War II.

Nazi and Japanese propaganda circulated by the UNS at the time, also suggested that an Axis victory over the United States would lead to the return of the U.S. Southwest to the Mexicans. For example, one declassified U.S. intelligence report dated Oct. 31, 1941 states that "Mexicans are told that their country, under Sinarquismo, will be the great nation of the Northern Hemisphere. The United States is doomed, say the organizers, and members are told that as soon as the United States gets into the war, the American nation will crack open due to isolationist antagonism, and Mexico, under Union dominance, will take over vast sections of the United States, such as the Pacific Coast, the Southwest and Central South." On this basis, the UNS organized "cells" throughout California, Arizona, New Mexico, Texas, Colorado, Indiana, and even Chicago during the 1930s and '40s.

In his book *Who Are We?*, Samuel Huntington promotes the same Nazi-concocted, Synarchist-disseminated idea, in reporting that the time for *la Reconquista* has arrived. Although he says that the reunification of U.S. territory with Mexico seems unlikely, he goes on to report the prediction of a professor that the southwestern states of the United States and the northern states of Mexico will come together to form a new country, "La República del Norte."

Fueling the Huntington scenario, Marivilia Carrasco, the pathetic nominal leader of the MSIA, claims that the MSIA is being slandered when it is described as Synarchist—yet, in



*Blas Piñar, Spain's leading fascist figure today, is actively organizing a synarchist international in Europe and Ibero-America, which includes Fernando Quijano and Marivilia Carrasco's MSIA and the National Synarchist Union in Mexico.*

*Former Spanish Prime Minister José María Aznar warned of a major terrorist incident in the United States before the November elections. His statement bears out Lyndon LaRouche's warning last year, of a likely terrorist assault under Hispanic cover, but steered from the top by Anglo-American imperialist circles.*

a recent press release, the MSIA attacks "Pan-Americanism" and the United States as an imperialist Anglo-Saxon Protestant nation, the precise propaganda line developed by the Nazi Ibero-American Institute of Berlin for dissemination by the National Synarchist Union and other Nazi-Falange fronts throughout Ibero-America.

When one realizes that the UNS and Acción Nacional (National Action), which became the PAN party of current Mexican President Vicente Fox, were interlocked groups opposed to the movement which had established Mexican independence from Spain in 1810, and committed to reversing the republican Mexican Revolution of 1910 and the Mexican Constitution of 1917, then the fact that the PAN currently controls the Presidency of the Republic of Mexico; that Carlos Abascal Carranza, one of two politically active sons of the most militant Chief of the UNS in the 1940s, Salvador Abascal, is Minister of Labor in the current government; and that a second son, Salvador Abascal Carranza, is a PAN Congressman from Mexico City, should make it clear that the forces that controlled the UNS and the PAN at their inception, are now in power in Mexico. The relationship between the UNS and the PAN historically is reflected in the comment of one UNS leader cited in a now declassified Oct. 31, 1941 report prepared by U.S. Naval Intelligence in Mexico City: "We shall be the soldiers of the coming struggle, and the Acción Nacional will supply the officers."

In 1955, the Base, the secret organization which con-

trolled the UNS and the PAN, was reconstituted as the Organización Nacional del Yunque (ONY, National Organization of the Anvil). Today there are two factions of the UNS as a result of a split which occurred in 1945. The chief of the faction controlled by the Anvil, Clemente Gutiérrez Pérez, admitted in an interview given to the Spanish *FalangeHoy* on June 27, 2002, that his faction works closely with groups of radical Mexicans throughout the United States and with a group of exiled Cubans in Florida, in addition to the Falange and the Fuerza Nueva in Spain, Patria Argentina in Argentina, and the International Third Position in England. The Fuerza Nueva is the fascist party of Blas Piñar. The Third Position is the organization in London of Roberto Fiore, which was disbanded in Italy in the aftermath of the Aug. 2, 1980 bombing of the Bologna, Italy train station. Fiore has since founded a new organization in Italy, run from London, called Forza Nuova, which is close to Blas Piñar's Fuerza Nueva.<sup>1</sup>

Whether or not the official UNS itself would be employed in carrying out a terrorist incident, it should be recognized that historically, the UNS, despite a tactical commitment to non-violent action, was militarily trained and implicated in a number of coup d'état and assassination attempts in Mexico. Moreover, as one declassified U.S. Intelligence Report from Oct. 31, 1941 states: "With the German backing as an impetus, the Unión got going quickly. In 1938 it organized a secret military group within the Unión, to drill members and teach them to use arms in Nazi military fashion. It is today a powerful group but how well armed the members are cannot defi-

1. Celani, Claudio, "Strategy of Tension: The Case of Italy" Parts 1-4, *EIR*, March 26, 2004, April 2, 2004, April 9, 2004, April 30, 2004.

nately be established. Members claim 150,000 rifles and from 2,000 to 3,000 machine guns. One of the most dangerous factors is that in the Mexican Army itself, several of these Unión military groups are reliably reported to exist.

“Immediate program includes planning for sabotage in Mexico and U.S. . . . The real danger of the moment is in the military units of the Unión. These units have ‘hunting clubs’ and marching clubs. They go on extensive cross-country hikes under supervision of persons with military experience.

“The Unión, as ordered by the Falange, wants to use Mexico as the nearest center of espionage against the United States. It seeks to organize efficient cells expressly for sabotage in Mexico and the U.S. It wants to build up Mexico as a convenient munitions center for totalitarian revolts whenever the United States might get involved in a war. It seeks constantly to irritate the U.S. and provoke undercover trouble in an effort to focus main American attention on South America in general and Mexico in particular, drawing attention away from Britain and Russia. It wants to cause disturbances in Mexico so that restrictive measures can be exploited to its advantage among the masses.”

In the report that follows, we trace the origins and evolution of this fascist plot against the Americas.

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## 1. Hitler’s Assault on Ibero-America

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As early as 1934, Hitler began to focus on Mexico as the key to his strategy for Ibero-America. According to Hermann Rauschning, a Nazi politician who became disillusioned with Hitler and fled in 1936 to Switzerland, Hitler was convinced that Mexico was “the best and richest country in the world with the laziest and most dissipated population under the sun. . . . Mexico is a country that cries for a capable master. It is being ruined by its government. With the treasure of Mexican soil, Germany could be rich and great! Why do we not tackle this task? . . . You could get this Mexico for a couple of hundred million.”

Hitler believed that Ibero-America could be taken over, not by invading armies, but rather through subversion. “We shall create a new Germany there [in South America]. We shall find everything we need there. . . . We shall not land troops like William the Conqueror and gain Brazil by force of arms. Our weapons are invisible ones.”

There were significant German colonies in a number of Ibero-American nations and these were organized by the Nazis. However, as important as these colonies would be for Hitler’s aims, he and Reichsmarschall Hermann Göring recognized early on that given the language and other cultural differences between Nazi Germany and Ibero-America, the Nazis could only be successful if they worked through Spain. As Göring wrote in his newspaper, the *National-Zeitung* of



*Adolf Hitler with Francisco Franco (right), during World War II. The Nazis put Franco in power and utilized the Spanish Falange to subvert Ibero-America utilizing the fascist ideology of “Hispanidad.”*

Essen: “Spain is the key of the two continents. Only Spain’s final victory can preserve for the Spanish-American countries true Spanish culture and tradition.”

In 1934, Hitler summoned Gen. Wilhelm von Faupel to the Chancellery in Berlin and appointed him as chief of the Ibero-American Institute of Berlin. Von Faupel was known as the “I.G. General,” referring to the fact that he counted as his patrons, Georg von Schnitzler, member of the board of directors of the German chemical company I.G. Farben; Fritz Thyssen, the German industrialist who became the major financial supporter of Adolf Hitler and the Nazi Party; the pro-Hitler banker Baron Kurt von Schröder, and Franz von Papen. As ex-Reich’s Chancellor, von Papen promoted Hitler’s accession to power after a meeting between himself and Hitler at the home of von Schröder in Cologne.

Von Faupel already had significant experience in Ibero-America. In 1911, he joined the staff of the Argentine War College in Buenos Aires; in 1921, after World War I, he was the military counselor to the Inspector General of the Argentine Army; in 1926, he had a high military post in the Brazilian Army, and later in 1926 became Inspector General of the Peruvian Army.

The Nazis realized that in order to dominate Ibero-America through Spain, they had to crush the Spanish Republic. Therefore, the Third Reich conspired with officers of the Spanish Army to bring Gen. Francisco Franco to power in

1936, using the Falange of José Antonio Primo de Rivera as their base of operations in Spain, and as the vehicle for penetrating Ibero-America. The Falange Exterior—a Spanish-speaking division of the Foreign Organization of the German Nazi Party—was created for this purpose.

Under Nazi supervision, the Falange was created in Mexico, within weeks of the start of the Spanish Civil War. The official Falange in Mexico had 50,000 members. In July 1941, Eulogio Celorio Sordo was sent from Spain to become provincial Chief of the uniformed Falange in Mexico. Spanish military leaders of the Falange in Mexico were Maj. Carril Ontano, who was sent to Mexico by von Faupel nearly a year before Pearl Harbor; Maj. Francisco Garay Unzueta; and Capt. Carlos Aravilla. Orders came from Gen. Mora Figueroa, chief of the Spanish Falange and Minister in the Spanish Cabinet.

According to a declassified U.S. Intelligence report dated March 9, 1942, the person who functioned as the military leader of the Falange prior to Ontano was Hans Hellerman. This report is significant because it concretely identifies the role of von Faupel, his Ibero-American Institute in Berlin, the way in which the Nazis and the Falange worked together in Mexico, as well as the military training given to Mexicans. According to the report, Hellerman “has been reliably reported to be a director of the Gestapo in Mexico. His specialty is the training of assault troops and it is reported that he has been engaged in training shock troops for the Spanish Falange in Mexico.

“It has been reported that Hans Hellerman is employed not only as a Nazi espionage agent but also as a military instructor to Falangist youth, attends their meetings and lectures on subjects of political nature. It is stated that the possibility exists that Hellerman receives his orders from the Ibero-American Institute in Berlin, which is directed by D. von Faupel. This organization was created for the express purpose of penetrating into Latin America.

“Prior to his arrival in the western hemisphere, it is reported that Hellerman was a chief of the Nazi party in Spain.”

“A confidential informant has stated that Hellerman was head of the NSDAP [Nazi Party] in Spain in 1936 and prior to that time was head of the local Nazi group in Barcelona. His entry into the Nazi party in Spain was made in 1933. . . .”

### **Cárdenas Fights Back: The Battle for Mexico’s Oil Patrimony**

The crucial period in Mexican history during which the UNS flourished was during the Presidency of Gen. Lázaro Cárdenas (Nov. 30, 1934 until 1940). This was the period in which Hitler consolidated his power in Nazi Germany and then backed General Franco in the Spanish Civil war, with the objective of using the Spanish Falange to take over Ibero-America and the Philippines. Mexico under Cárdenas was the only nation in the Americas which supported the Spanish Republic against Franco’s insurgency in Spain.

Cárdenas was committed to fulfilling the objectives of the Mexican Revolution of 1910 and the Mexican Constitution of 1917, which were to establish Mexico as a sovereign nation-state in control of its own resources, including its oil, and free of domination by the feudal, ultramontane faction of the Catholic Church. During his regime he therefore continued the 20-year-long fight that had been going on with the foreign oil companies, based upon the principle embedded in the Mexican Constitution that the subsoil wealth of Mexico belonged to the Mexican people. Cárdenas also was committed to land reform. He therefore took over many large feudal estates (*haciendas*), divided the land, and gave it to the landless peasants. He was also thoroughly committed to providing public education to Mexico’s rural poor.

Because of these policies, Cárdenas was falsely accused of being a communist, and anti-communist fascists began to organize against his regime.

On Nov. 18, 1936, an expropriation law was passed in Mexico “for reasons of national welfare.” It was first applied to the National Railways; but then in 1937, Cárdenas created the General Administration of National Petroleum, to manage government properties. This was clearly a first step in the direction of the eventual expropriation of foreign oil holdings.

In early November 1937, a spokesman for foreign oil companies said that the decision by a government Arbitration Board, that the oil companies should pay 26 million pesos in wage increases to Mexican oil workers, would force them to suspend operations.

Cárdenas was not yet prepared to move, and perhaps still hoped that the foreign oil companies would abide by the decision, so on Nov. 14, Mexico gave Britain a major concession in the oil-rich Poza Rica zone. Before this, Britain already controlled 59% of Mexican oil.

Then on March 1, 1938 the Mexican Supreme Court upheld the Arbitration Board’s findings. When the foreign oil companies balked at implementing the decision, the oil expropriation occurred on March 18, 1938. The old Spanish law, which held that all subsoil wealth belongs to the nation, had been in effect in Mexico until 1884. But then the Porfirio Díaz government passed laws linking subsoil and surface ownership, which allowed foreign oil companies to gain control over Mexican oil. The majority of oil concessions to foreigners in Mexico were granted between 1905 and 1917. But then the 1917 Constitution returned to the original Spanish concept. However, the Constitution of 1917 could not be enforced immediately, because of the power of the foreign oil companies, which worked in alliance with the reactionary element of the Mexican Catholic Church to incite the Cristero Rebellion in 1926-29, for the purpose of overthrowing the Mexican government.

Reaction to the oil expropriation was swift: Royal Dutch Shell and Standard Oil Company imposed a boycott on Mexico, and Gen. Saturnino Cedillo launched a military revolt against Cárdenas, which was backed by the foreign com-



## FDR's Good Neighbor Policy

In his First Inaugural Address, President Franklin D. Roosevelt declared: "In the field of world policy, I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

Speaking on Pan-American Day on April 12, 1933, Roosevelt applied this policy to the nations of the Western Hemisphere, stating: "Never before has the significance of the words 'good neighbor' been so manifest in international relations."

With this policy, Roosevelt returned to the original intention of the Monroe Doctrine, as formulated by Secretary of State John Quincy Adams, which called for a community of principle among the sovereign nation-states of the Americas based on the commitment to fostering the General Welfare of the populations of each nation. This policy itself was a reflection of the policy of the Treaty of Westphalia, which ended the 30 Years War in Europe in 1648. This treaty stipulated that the basis for enduring peace was for each nation to act "to the advantage



*President Franklin D. Roosevelt (left) and Mexican President Lázaro Cárdenas, who welcomed FDR's Good Neighbor Policy. The Good Neighbor Agreement was signed in 1941, after Cárdenas left office.*

of the other."

Roosevelt's Good Neighbor Policy was thus a rejection of the imperialist interpretation of the Monroe Doctrine as expressed by President Theodore Roosevelt. Franklin Roosevelt rejected unilateral action and intervention into the affairs of the sovereign nation-states of the Western Hemisphere. Instead, he emphasized mutual security against aggressors and the promotion of economic development to raise living standards.

In the case of Mexico, Roosevelt did not intervene to reverse the 1938 expropriation of foreign oil holdings by the government of President Cárdenas. Rather in 1941, the United States

signed a Good Neighbor Agreement with Mexico, recognizing Mexico's sovereign right to control its oil. The agreement also included the extension of credit by the U.S. Export-Import Bank, to Mexico, for the purpose of infrastructure development.

Roosevelt's intent was to make this policy, initially implemented in the Western Hemisphere, the basis for American foreign policy globally, following World War II. In September 1943, he reported to the U.S. Congress: "The policy of the Good Neighbor has shown such success in the hemisphere of the Americas that its extension to the whole world seems to be the logical next step."

panies.

On May 13, 1938, Mexico broke relations with Britain and only resumed them in January 1942.

During his administration, which coincided with that of Franklin D. Roosevelt in the United States, Cárdenas was inspired by Roosevelt's New Deal and counted upon Roosevelt adhering to his Good Neighbor Policy (see box), which Roosevelt enunciated as early as December 1932. And although Roosevelt was not able to prevent certain measures taken under pressure from the oil companies against Mexico, nonetheless, there was no U.S. intervention. And as we shall see, in November 1941, after Cárdenas left office, Roosevelt

delivered on his promise of a Good Neighbor Policy, when the United States and Mexico signed the Good Neighbor Agreement, which recognized Mexico's sovereignty over its subsoil wealth.

However, before this was achieved, one of the most dire consequences of the Royal Dutch Shell/Standard Oil Company boycott was that it forced Mexico to sell its oil to the Axis powers, including Nazi Germany, Fascist Italy, and Japan, and thus exposed Mexico to an acceleration of Axis subversive activity. As Betty Kirk, an American journalist with close ties to the government of Lázaro Cárdenas, reported: "The biggest consumer of Mexican oil from the time



*Democratic Presidential candidate Lyndon H. LaRouche, Jr. today is carrying out the tradition of Franklin D. Roosevelt's Good Neighbor Policy toward Mexico. Here, two of LaRouche's campaign pamphlets: "The Sovereign States of the Americas: LaRouche's Program for Continental Development" and "LaRouche Takes Battle Against Synarchism to Mexico."*

of the expropriations until war broke out was Germany, which took 50 per cent. Italy took half of the remainder. Moreover, Germany had sent Dr. Joachim Herstlet, second-ranking man in Hitler's Foreign Economic Ministry, to Mexico to promote the deals here. Even the brother of Dr. Hjalmar Schacht, long-time chief of the Reichsbank, paid Mexico a visit during this Nazi heyday."

The irony is that both Standard Oil of New Jersey, controlled by the Rockefellers, and Royal Dutch Shell supplied oil to the Nazis as well, and worked closely with the same I.G. Farben, to which von Faupel owed his job at the Ibero-American Institute in Berlin. Standard Oil also supplied the Japanese with oil. Even after Pearl Harbor, Standard Oil shipped oil to fascist Spain, which then transferred it to the Nazis.

When Standard Oil and Royal Dutch Shell launched the boycott of Mexico, Mexican oil was sent to Germany through the Davis Oil Company of William Rhodes Davis, who had connections of his own to Göring and Himmler, and who, with the backing of I.G. Farben and Kurt von Schröder, received financial support from Hjalmar Schacht at the Reichsbank.

As Charles Higham writes in *Trading with the Enemy*, arrangements were made by such economists as Dr. Joachim Herstlet, "for Davis to fuel the German Navy, while Standard Oil fueled the Air Force."

On Feb. 12, 1940, the American Embassy in Mexico City reported that Texas Oil of Arizona was working in close collusion with affiliated oil groups, including the Davis Oil Company, to smuggle arms into Mexico to support a possible military coup by the Nazi-backed Mexican Presidential candidate, Juan Almazán, in the event of his defeat at the polls.

Mexico condemned every aggression committed by the Axis powers, refused to recognize any of the puppet governments imposed by them on occupied nations, and was the only American government to aid the Spanish Republic, but the oil boycott had made Mexico vulnerable to penetration by enemy operatives intent upon a counter-revolution against the Mexican Revolution, so that Mexico could be used against the United States, should it enter the war.

### **Nazi 'Spiritual Re-Conquest of Latin America'**

As Betty Kirk wrote in 1941, General Franco had announced that Spain's foreign policy would be dedicated to "the spiritual re-Conquest of Latin America." What Franco meant by "spiritual," was in actuality Nazi world conquest. Franco's slogan was "One race, one language, one culture, one religion." Never mind that the Christian religion professes to be universal, and therefore not limited to one race, one language, or one culture.

On Oct. 8, 1938, Hitler and Franco signed a pact giving the Nazis the power to direct Spain's national and international policy.

The Spanish fascists were trained by the Gestapo to work for the Axis in Ibero-America. There were schools for Spaniards in Hamburg, Bremen, Hanover, and Vienna. Graduates were commissioned as officers in the Spanish Army's Intelligence Service, the SIM. Alberto Mercado Flores, a veteran Spanish Falangist official, was sent to Mexico to command the SIM operations there.

An article in the *Deutsche Allgemeine Zeitung* on Dec. 3, 1939, entitled "Bridges Across the Atlantic," revealed that the model for selling the anti-Christian Hitler and his Nazis

to the Spanish-speaking world, was the Holy Roman Empire of Charles V, the Austrian Hapsburg grandson of Queen Isabela and King Ferdinand, who was also King of Spain. The article reported: "History and culture have welded the bonds between Germany and the Ibero-American countries. These bonds are now being strengthened by the Ibero-American Institute at Berlin. This Institute furthers closer relationships between German and South American scientists, artists, educators, and architects. . . ."

"The U.S.A. if we may judge by their political attitude, seem closely tied to Anglo-Saxondom across the seas. . . ."

"Spain, South America, and Germany have, since the days of Charles V, gone their own and different ways. But they always found each other in the common task of civilization."

The article, complimenting General Franco on the occasion of his gift of Titian's portrait of Emperor Charles V to the Ibero-American Institute in Berlin, continued:

"The conquistadors and the missionaries who brought a high accomplished culture to South America have sown the seeds of that spiritual unity which, as General Franco puts it, unites—on an imperial plane—South America with Spain. General Franco's action of donating the painting of Charles V to the Ibero-American Institute was symbolic: this prince united under his scepter the Ibero-American community of nations."

Prior to Pearl Harbor, the Nazis even attempted to portray Hitler as the protector of Catholicism, in propaganda distributed or meant to be distributed in Ibero-America. On Dec. 12, 1940, the feast day of the Virgin of Guadalupe in Mexico, a leaflet was given out with a picture of the Virgin on one side, and on the other the statement that "Hitler is the protector of Catholicism." The leaflet continued in the anti-semitic tradition of the Spanish Inquisition, saying that Hitler persecuted the Jews because they had sacrificed Christ in Palestine.

Then in late January 1941, further coordination between Nazi and Falangist propaganda was revealed when a British cruiser stopped a ship in mid-Pacific and confiscated tons of propaganda printed in Spanish. Hitler was presented as "the new defender of the Catholic faith." The propaganda said the Nazis were really working to restore Catholicism, and correctly argued that Franco's victory was Hitler's handiwork. There were pictures of Hitler shaking hands with Spanish Catholic priests. England was portrayed as "a Protestant-Jewish country."

In 1941, the work of von Faupel and the Ibero-American Institute was further exposed, in a report submitted by the Argentine Congressional Committee Investigating Axis Activities in that nation. Called the Taborda Report, after the chairman of the committee, Deputy Raúl Damonte Taborda, the report said of the Ibero-American Institute: "Its real objective: while, on the one hand the Germans build their 'aryan minorities' with German Nationals Abroad, on the other hand they attempt to stir up the nationalistic sentiments of the masses of Spanish origin.

"With Franco, the Spanish Falange triumphed in the Motherland. With the Spanish Falange, the Ibero-American Institute triumphed in Berlin. In exact terms—Nazism. The Falange is a copy of the Nazi Party—a blueprint to such a point that it made a literal translation of all the principles that fascism uses to plant the seeds of propaganda. Nazi technicians take part in their plans, directing them politically. Their work in the Latin American countries is oriented toward the forming in solid blocs of the great Spanish masses, an attempt to achieve what the Nazis achieved with the German 'blood comrades.' It is a strong Ibero-Americanism practiced from Berlin. The simplest reading of the program of the Falange tells us to beware of it.

"Do not believe that we are shouting in the dark [said the historic report, citing the Nazis' own estimate that] 22,000 perfectly disciplined men are ready, plus 8,000 Germans from the Nazi Party, 4,000 members of the German Workers Front, 3,000 Italian Fascists, 15,000 Falangistas, and many others from the Juventud Germano Argentina and many other thousands affiliated with the Alianza Nacionalista Argentina—all ready to strike."

The report also stated that in June 1939, during the Pan-American Conference in Lima, von Faupel delivered a lecture before the German Academy in Berlin, in which he said: "A victory for Fascist Spain will cement our relations with Latin America and will be a rude shock to the Good Neighbor Policy of President Roosevelt."

The code word for Roosevelt's Good Neighbor Policy was "Pan-Americanism," and to this the Nazi-Falange counterposed a Latin American bloc based on the ideology of *Hispanidad*. This strategy can be seen in the following quote from von Faupel cited in the report: "The Pan-American idea is an unsound invention, and it is necessary to oppose to it the idea of an Iberian America. The countries of South and Central America are nearer to Spain than to the United States."

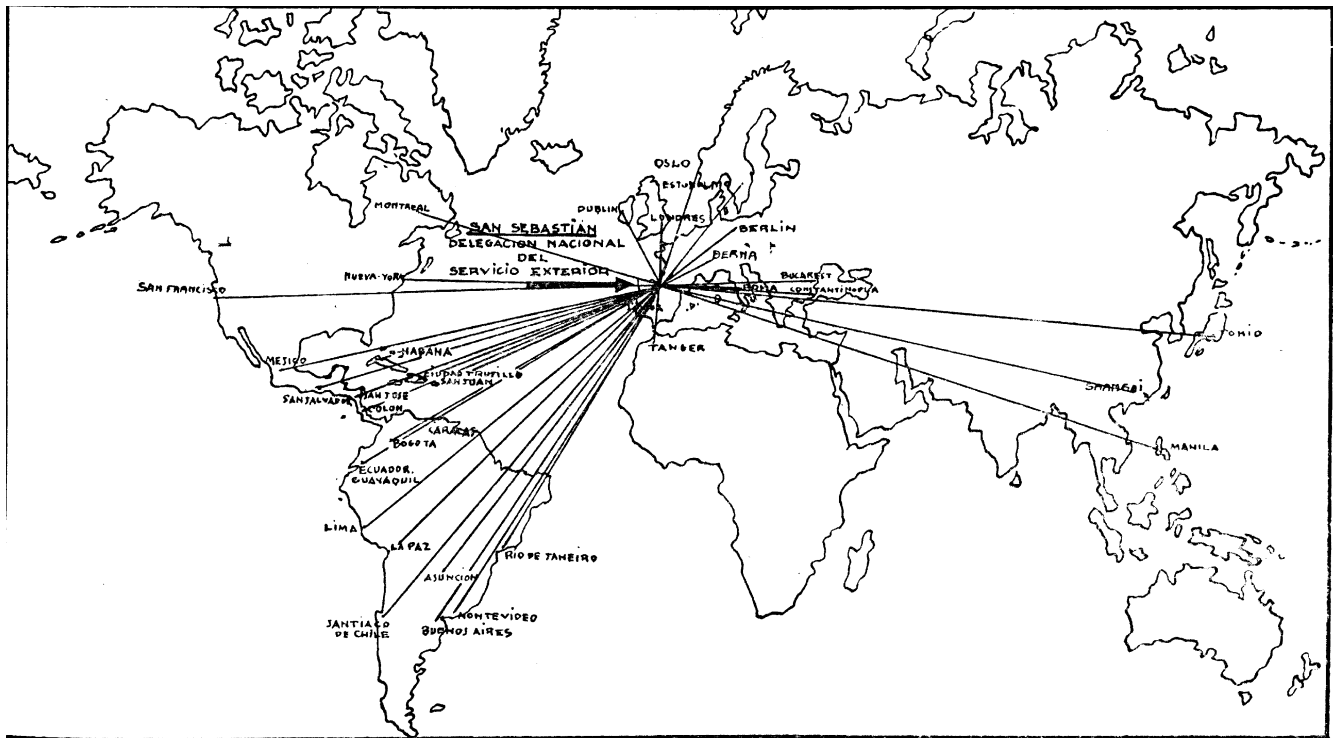
The Taborda Report said that von Faupel's "stay in Spain served, among other things, to found in San Sebastián in May 1938, a Nazi college for Argentine citizens. From there would come the future directors of the Fascists of the Argentine Republic." The report also revealed that von Faupel maintained a school in Barcelona for Ibero-American Falangists.

Another document declassified in the United States is an Oct. 23, 1941 Canadian Army Intelligence Service report on Argentina. Citing the Taborda Commission, it stated: "A good deal of evidence has already been forthcoming that the Nazis have been very active in the Argentine Army, which, being traditionally German-trained [a reference to von Faupel's military service in Argentina—wfw], has proved fertile ground for totalitarian doctrine.

"The basic aim of Axis propaganda is to prevent as far as possible any country from entering into closer relations (a) with Britain, and (b) with the United States. All other aims, even that of maintaining a friendly attitude towards Germany,

FIGURE 1

## The Spanish Falangists' Plan for Empire



This map of Gen. Wilhelm von Faupel's international fifth column was printed by the Spanish Falangistas in 1938. Von Faupel was named by Adolf Hitler to head the Ibero-American Institute in Berlin. He worked through the Falange to promote the Nazi agenda, and created the Spanish-speaking division of the Foreign Organization of the German Nazi Party. He was also the creator of the concept of Hispanidad.

have been subordinated to this goal, which of course is only a short-term one.

"The customary phases of Nazi press approach are clearly marked.

"1. to establish Germany and the other Axis powers as true friends, a strongly nationalist spirit is cultivated. This is done by advocating the development of all domestic resources which would tend to make the countries independent.

"Connected with this is a strong drive for the creation of a Latin-American bloc which, while allowing each country to retain its individuality, would unify the foreign policy of the Southern Continent and provide a sure protection against Yankee imperialism. This drive links up in turn with the *Hispanidad* movement, formally inaugurated by Spain and Portugal but obviously directed by Germany."

In 1942, both Mussolini and Franco affirmed the relationship among the Nazis, the Italian Fascists, and the Spanish Falange—in case anybody had any doubts. On Sept. 30, 1942, Benito Mussolini said: "The great unity of the Axis includes Nazis, Fascists, and Spanish Falangistas. There is no longer any distinction between Fascism, Nazism, and the Falangismo." On Dec. 7, 1942, one year after the Japanese

bombing of Pearl Harbor, Franco told Hitler: "Many thanks to you and the German peoples. May your arms triumph in the glorious undertaking of freeing Europe from the Bolshevik terror."

### Nazi Creation of the National Synchronist Union

In 1999, a book appeared by Héctor Hernández entitled *The Sinarquista Movement, With Special Reference to the Period 1934-1944*. The primary purpose of this book, published just prior to the election of the PAN's candidate Vicente Fox as President of Mexico, was to counter the well-documented evidence that the UNS was created by the Nazis in conjunction with the Spanish Falange, and that the UNS was taken over after Pearl Harbor and the Mexican declaration of war against the Axis powers in 1942, by an anti-Roosevelt Anglo-American imperialist faction acting through the Dulles-Buckley networks associated with Cardinal Spellman and Bishop Fulton Sheen of the United States.

Hernández invokes the British Foreign Office, in attempting to refute the intelligence assessments of the Intelligence Division of the Office of Chief of U.S. Naval Operations and

## The Cristero Rebellion

Mexico's Cristero Rebellion (1926-29) was an attempt by *ultramontane*, feudal elements in the Jesuit-controlled Mexican Catholic Church, aided by foreign oil companies and banks, to overthrow the Mexican Revolution of 1910 and the Mexican Constitution of 1917.

As documented in "Mexico's Cristero Rebellion, Synarchism, the Spanish Falange, and the Nazis," (*EIR*, July 25, 2003), the Jesuits, who were expelled from Spain and its possessions—including Mexico—by Carlos III in 1767, fought every effort on the part of Mexican pro-American revolutionaries to establish a sovereign republic, which would require the elimination of the feudal privileges of that Catholic Church which was preventing the economic development of the nation.

When the 1917 Mexican Constitution included articles based upon the principle of separation of Church and State—in the tradition of Spain's Carlos III as well as the U.S. Constitution—the Jesuit-controlled hierarchy of the Mexican Catholic Church organized to overthrow the

Mexican Revolution in defense of its feudal privileges, with the intent of re-establishing a theocratic state.

This counter-revolutionary movement, organized by Jesuits such as Bernard Bergoend, was encouraged and supported by the foreign oil companies, whose holdings in Mexico were also threatened by the articles in the Mexican Constitution of 1917, which re-established the principle that the subsoil of Mexico belonged to the Mexicans.

Oilman William F. Buckley, Sr. and banker Thomas W. Lamont of J.P. Morgan formed the American Association of Mexico in 1921, to oppose the expropriation of foreign oil holdings by the Mexican government. Lamont was also the head of the International Bankers Committee, which was demanding that Mexico guarantee its foreign debt payments to the international banks.

Jesuit Father Bernard Bergoend organized the Catholic Association of Mexican Youth (ACJM) and the National League for the Defense of Religious Liberty, which organizations provided the leadership for the Cristeros. After the Cristero War was ended, he formed the "League of the O," which became the Base, of which the National Synarchist Union (UNS) was the 11th section. He then became an advisor to the UNS.

of the Office of Strategic Services (OSS), as well as the work of the Mexican government and U.S. and Mexican investigative journalists. According to Hernández, the British Legation in Mexico had the following assessment:

"Early in the year a press campaign was begun in the U.S. against the Synarchist Movement in Mexico on the grounds that it was fascist-inspired and directed by the Roman Church. There were good reasons for thinking that these attacks were based on a supercharged but inaccurate report of the U.S. Office of Strategic Services, housed in the embassy." The British Foreign Office commented that American intelligence agencies, the OSS in particular, "too often believe what they want to believe and they see sinister forces everywhere."

In a recent press release, the MSIA parroted Hernández's British controllers, by claiming that the intelligence on the UNS circulated by the LaRouche movement is based on "disinformation material produced by the Office of Naval Intelligence."

The evidence is, however, overwhelming, that the UNS was a continuation of the Cristero movement of the Mexican Cristero War (1926-29), but that its formal constitution was facilitated and its early direction was provided by known Nazis working with members of the Spanish Falange, who themselves later collaborated with the Japanese.

As Hernández is forced to admit, this was the official view not only of the United States, but also of the Mexican government.

From the Mexican side, a report submitted to Mexican President Cárdenas on Oct. 13, 1939 by Eduardo Villaseñor, who was the Undersecretary of Finance and Public Credit, entitled "Informe Confidencial A-3 sobre las actividades alemanas en México" ("Confidential Report A-3 on German Activities in Mexico") wrote the following in reference to the UNS:

"This fascist group is the instrument organized and directed by the German Nazis in order to dominate the states of Querétaro and Guanajuato. Their principal chiefs are naturalized Spanish Mexicans. Their connection to international fascism is through a Spaniard named Tuero, who resides in Ciudad Juárez. The Synarchists are abundantly provisioned with weapons. For the moment they are occupied above all with fighting against the *ejidatarios* [collective farmers]. In two years the Synarchists have assassinated around 600 in the state of Guanajuato and 400 in the state of Querétaro.

"The organizer of the Synarchists is a German, Schreiter, who has been until very recently a professor of modern languages at the University of Guanajuato."

Villaseñor stated that the strategy of the Synarchists was to control Guanajuato and Querétaro in order, by their strategic position, to encircle Mexico, the Federal District (i.e. the capitol, Mexico City), and also to permit or cut off access to the port of Veracruz, or south toward Guatemala or to the north of the country.

In another Mexican government document entitled "El



**CONFIDENTIAL**

**INTELLIGENCE REPORT**

Serial 542-41-R  
(Start new series each year, 1 to 3-65, 3-60)

Monograph Index Guide No. 104-400  
(To correspond with SUBJECT given below. Use G. N. I. Index Guide. Make separate report for each main title.)

From U. S. Naval Attaché at Mexico City Date, October 31, 1941  
(Ship, base, unit, district, office, station, or person)

Reference (See below)  
(Directive, correspondence, previous related report, etc. if applicable)

Source Various Evaluation "A"  
(As official, personal observation, publications, press, conversations with—identify when practicable, etc.) (As reliable, doubtful, unverified, etc.)

Subject Mexico Revolutionary Tendency - Sinarquistas  
(Main title as per Index Guide) (Subtitles) (Make separate report for each title)

NOTE.—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

Mexican Sinarquistas are a dangerous totalitarian group controlled by Spanish Falangists and the Church, with Nazis pulling strings behind scenes. Requested report traces historical background showing Sinarquismo is outgrowth of church groups formed during days of bitter state-church strife. Sinarquista program, designed by Falangists, aims to establish totalitarian state under control of Spain, with México forming a part of a new Spanish empire which would be dominated by Germany. Sinarquistas organize by means of a communist-type cell system, the priests of church supplying names of eligibles to organizers. Leader Abascal an able front for the controlling group. Names of known sub-chiefs and German controlling agents given. Acción Nacional is an interlocking group from higher strata of Mexican life and forms part of Falangist movement. Sinarquistas' real number in doubt but conservatively estimated at 250,000. Acción Nacional has 50,000. Immediate program includes planning for sabotage in México and U. S.

*U.S. Naval Attaché  
Harold P. Braman filed  
this "confidential"  
report on the Mexican  
Synarchists,  
documenting their  
control by the Falangists  
and Nazis, on Oct. 31,  
1941.*

Nazismo en Mexico" ("Nazism in Mexico"), dated May 23, 1940, under the title "Relations with the Synarchists," the following was reported:

"Still in 1939 the relations between the Nazis and the Synarchists are tight. The liaison was the 'professor of languages' Helmuth Schreiter of Guanajuato, leader and trusted right-hand man of the Nazis in the center of the Republic. In the sacking, which the Communists in Guanajuato did of the Synarchists' offices, they found in their archives a part of the personal correspondence of Schreiter, which we later obtained."



*H. O. Schreiter*

This same view was held by the United States. According to a declassified report submitted on Oct. 31, 1941 by Harold P. Braman, Assistant Naval Attaché at the U.S. Embassy in Mexico City: "Mexican Sinarquistas are a dangerous totalitarian group controlled by Spanish Falangists and the Church, with Nazis pulling strings behind scenes. . . . Sinarquista program, designed by Falangists, aims to establish totalitarian state under control of Spain, with Mexico forming a part of a new Spanish empire which would be dominated by Germany."

As the result of "an extensive and thorough investigation of the Sinarquistas in the State of Guanajuato," the report documented the role of card-carrying Nazis in the creation of

the UNS and its initial financing:

"A strong and dangerous Nazi affiliation with the Sinarquistas was found throughout the State of Guanajuato. The principal Germans connected with the movement, and who may be considered as powerful figures behind the scenes, are Oscar Hellmuth Schreiter and Otto Gilbert.

"As stated in reference (a), Schreiter was a witness at the formal legal organizational proceedings of the Sinarquista Union in León, Guanajuato, on 26 May 1937. This was again verified. It was also ascertained through a trusted informant, who posed as an insurance salesman and a prospective member of the Sinarquista Union, that every cent made available to the Sinarquistas for the first year or so came direct from Schreiter, who received it periodically from influential members of the German colony in Mexico City. These latter are understood (B-3) to have obtained the funds direct from the German Legation in Mexico City.

Braman reported that Schreiter arranged "for the Union's founding and its constitution" on orders from Berlin and appeared "in person to have it legally established as a group. . . . His wife is a relative of the Governor of the state. He issues German propaganda on occasion, and obtains his working funds by devious routes, some of them by mail from persons connected with the German firm of Beick-Felix in Mexico City.

"Schreiter was born in Dresden, Germany, on 18 March 1902. He came to Mexico through the port of Veracruz on 20 August 1923, aboard the SS Otto Hugo Stinnes, proceeding

from Hamburg. Schreiter has Immigration Form 14, No. 66315.

“In August, 1943, Schreiter was ordered to Mexico City on the charge of being a dangerous alien, but he later was able to return to Guanajuato. For some reason, he came back to Mexico City and the authorities ordered him to remain in the capital indefinitely.

“Although Schreiter is active with the Sinarquistas in Mexico City, he is endeavoring to get back to Guanajuato, because he feels that his activities can be obscured more easily and he can work with more freedom there. The principal leaders of the Sinarquistas, including Manuel Torres Bueno, the present national leader of the Sinarquistas, are endeavoring to get permission for him to return to Guanajuato. Schreiter is a close personal friend of Torres Bueno, is said to exercise great influence over him, and is the inspiration for most of the anti-United Nations (the nations allied against the Axis powers) and pro-Nazi statements and actions of Torres Bueno.

“While Schreiter is away from Guanajuato, the acting chief Nazi agent within the Sinarquista organization is Otto Gilbert. . . . He was born in Berlin, Germany, on 16 February 1887, and entered Mexico by way of Veracruz in 1921. . . . Gilbert has Immigration Form 14, No. 74208, issued 9 May 1933.

“Gilbert took the informant to a Sinarquista leaders meeting at the home of a priest, Jesús García, in Guanajuato City. Among those attending were Alfonso Echeverría, Secretary of Education in Guanajuato State; and Alfonso Trueba Olivares, director of publicity and propaganda for the National Sinarquista Union.

“Other prominent figures in the movement in Guanajuato include Isaac Guzmán Valdivia, a lawyer who is now state leader, and Adolfo Maldonado, a prominent official of the state government when the Sinarquista Union was organized. Both were witnesses with Schreiter at the organization of the Sinarquistas in León in 1937.”

Besides Schreiter and Gilbert, both of whom retained their German citizenship, Braman identified a number of other Nazis in Mexico who worked with the UNS. In Guanajuato, these included Otto Rosenhofer and Jacob Kilian and his two sons Heriberto and Ernesto; Alejandro Holste in Mexico City; Dr. Otto Ritter of the Farmacia Principal in Mexico City and a Juan Baumgarten of the Librería Alemana in the capital, who distributed Nazi propaganda. Paul Reimers was said to be the contact man in Zacatecas; San Luis Potosí was covered by Fritz Shuarz. Others mentioned by various sources are Schwartz and Fritz in Mexico City; Schmol in Averítaro; Carlos Goerner in Mexico City; Paul Klennert, Mexico City; Wilhelm Pferdekamp, advisor to the Falangistas in Mexico.

In a report submitted on Feb. 2, 1944, Braman reconfirmed that Schreiter was a Nazi, and elaborated on the role of clerical fascism: “Oscar Hellmuth Schreiter and Otto Gilbert are principal Nazi agents connected with Sinarquista organizations and have their headquarters in Guanajuato. . . .

“It so happens . . . that the Church and the Falangists have a joint council of strategy which, upon orders from Spain, pulls the Union’s strings. Orders to Spain come from Berlin. . . . [T]he Church of Mexico is at this moment working in full cooperation with the Falangists whom they supported in the Spanish Civil War. The Falangists want an all-powerful Spanish world working alongside Germany, and Mexico is viewed by them as fertile ground for a change-over of the Spain of today, like the days of the Spain of old.”

According to Braman, the following persons are reliably reported to be members of the Falange-Church secret council in Mexico, called the “Council of Hispanidad”: Augusto Ibáñez Serrano, assistant Chief and secret agent of General Franco of Spain; Alfonso Junco, editor of the Acción Nacional (PAN) weekly, *Nación*, and Mexico’s foremost apostle of *Hispanidad*; Manuel Gómez Morín, founder of the PAN and editor of *Nación*, lieutenant of Serrano, Alejandro Quijano, lieutenant of Serrano, Salvador Abascal, leader of the UNS, José Vasconcelos, editor of pro-Nazi magazine *Timón*, and a probable sub-chief of the UNS.

José Vasconcelos’s pro-Nazi views and his support for the UNS were further documented in another now declassified report by Josephus Daniels, Embassy of the U.S.A. in Mexico, June 18, 1941: “José Vasconcelos’s name does not appear on the editorial staff of *Juventud Mexicana*, but it will be noticed that the leading article is contributed by him. This very pro-Nazi article, entitled ‘The Religious Situation in Germany’ claims there is no religious persecution in that country and that the Nazi principles are not incompatible with religious freedom. Vasconcelos is the Mexican journalist who was the editor of *Timón*, suppressed by the Mexican Government in June of last year, on account of its strong Nazi tendencies, as the Department will recall, and who it had been rumored was about to start a new pro-Nazi publication.”

José Vasconcelos had been minister of education in the early ’20s, during which time he implemented educational policies which were attacked by the Church and the Cristeros. He ran for President against Ortiz Rubio in 1929. *Timón* was suspended following the expulsion of Arthur Dietrich, the director of Nazi propaganda, in June 1939.

This pro-Nazi, Vasconcelos, praised Synarchism saying: “The best banner that the Mexican youth can take in its hands is that of Synarchism.”

Braman also reported that the principal advisors of the UNS were Salvador Trueba Olivares, José Trueba Olivares and Alfonso Trueba (the latter preferred to omit the name Olivares, although he is of the same family). Alfonso acted as the Chief of the State of Guanajuato and editor of the UNS’s newspaper.

The Central Committee was composed of national delegates appointed by Abascal. Among them were René Capistrán for Guerrero, the former head of the Catholic Association of Mexican Youth, the League, and the Cristeros; and Feliciano Manrique for Guanajuato was another delegate.

Regional leaders as of Oct. 31, 1941 included Manuel

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OFFICE OF CHIEF OF NAVAL OPERATIONS  
NAVY DEPARTMENT

**CONFIDENTIAL** INTELLIGENCE REPORT FEB 7 PM 2 46 HFB/lms

Serial 53-44-R Monograph Index Guide No. 104-400  
(Short new series each year, I. e. 1-41, 1-42) (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From U. S. Naval Attaché at Mexico City, Mex. Date 2 February, 1944  
(Ship, fleet, unit, district, office, station, or person)

Reference (a) N. A. Mexico Report 543-41 of 31 October 1941.  
(Directive, correspondence, previous related report, etc., if applicable)

Source Private Evaluation A-1  
(As official, personal observation, publication, press, conversation with— identify when practicable, etc.) A-1 to E-5 etc. AN/EN 3-12; SER. 43(214)-11-18-41

Subject MEXICO - Opposition Movements - Sinarquistas  
(Main title reported on) (Main title as per Index Guide) (Subtitles) (Make separate report for each title)

BRIF.—(Here enter concise summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

Oscar Hellmuth SCHREITER and Otto GILBERT are principal Nazi agents connected with Sinarquista organization and have their headquarters in Guanajuato. Schreiter is at present in Mexico City unable to leave the capital by official order, but Sinarquista leaders trying to arrange his return to Guanajuato. Catholic priests still active in Sinarquista Movement. Sinarquista leaders looking forward to eventual control of national government.

*This declassified intelligence report by U.S. Naval Attaché Braman, dated Feb. 2, 1944, further demonstrates the Nazi-Synarchist connection.*

Torres Bueno in Guanajuato. The news editor of *El Sinarquista* was Juan Ignacio Padilla.

The Mexican author Mario Gill's version of the formation of the UNS is almost identical with that of the U.S. Naval Attaché's report. Gill maintains that Schreiter formed a group called the Anti-Communist Center prior to the creation of the UNS. The registration was signed by the secretary general of the state government, Lic. Adolfo Maldonado, and by the lawyer Isaac Guzmán Valdivia. The registration took place in the notary office of Lic. Manuel Villaseñor in the city of Guanajuato on June 13, 1936.

However, because the masses associated anti-communism with opposition to Cárdenas, who was very popular in 1936, Schreiter understood that such an organization had no future. According to Gill, he discussed the situation with his disciples, the brothers José and Alfonso Trueba Olivares, Manuel Torres Bueno, Manuel Zermeño, José Antonio Urquiza, Jr. (who had just returned from Spain where he had fought on the side of Franco against the Spanish Republic) and others, to transform the Anti-Communist Center into a new organization.

On May 23, 1937, the National Synarchist Union was formally constituted in the city of León in a meeting of 137 persons in the house at 49 Calle de la Libertad. The 15 key people who founded the organization are: Lic. Manuel Zermeño Pérez, Herculano Hernández Delgado, Lic. Isaac G. Valdivia, Lic. Manuel Torres Bueno, Hellmuth Oskar Schreiter, Federico Heim, Juvencio Carmona, Luis Reyes, Luis Belmont, Feliciano Manrique, Antonio Martínez Agua-

yo, Javier Aguilera Bourroux, Rodrigo Moreno Zermeño, José Trueba Olivares, and Alfonso Trueba Olivares.

The other source which reports the role of the Nazi Helmuth Schreiter in the formation of the UNS is *El Popular* the newspaper of the Confederation of Mexican Workers (CTM).

### The Role of Jesuits

According to journalist Kirk, one of the first moves made by General Franco after winning the Spanish Civil War, was to restore all the properties of the Spanish Jesuits, which had been confiscated by Carlos III in the aftermath of the expulsion of the Jesuits in 1767. Kirk further reports: "The Jesuit Order unofficially, but in fact, constitutes a separate power from the Church. Unfortunately most of the active members of the Mexican Jesuits are Franquistas and are active in spreading Falange influences among Catholic social organizations. . . . The greatest Falange influence is exerted over Mexican Catholic Action and the Catholic Association of Mexican Youth (ACJM)."<sup>2</sup>

The key Jesuit personality in this process was Bernard

2. As documented in a 1985 book produced by the Lyndon LaRouche-allied Mexican Labor Party, entitled *The PAN: Moscow's Terrorists in Mexico*, and later in "Mexico's Cristero Rebellion: Synarchism, the Spanish Falange, and the Nazis" (*EIR*, July 25, 2003), the Cristero Rebellion was itself a synarchist creation run by Jesuits. Later, after the Nazis came to power and then launched the Spanish Civil War, it was the organizations created by the Jesuits at the beginning of the century which became the basis for the Nazi-instigated UNS.





Salvador Abascal

Bergoend, who was born in France in 1871 and entered the Society of Jesus at age 18. He first went to Mexico at age 20 in 1891. Afterwards he was sent to Spain to study “theology,” and then was ordained a priest in St. Louis, Missouri, before returning to Mexico, where he was named a professor of philosophy at the Jesuit Institute in Guadalajara.

In 1906, Bergoend organized Spiritual Exercises among the workers in Guadalajara and came to know members of the Guadalupan Laborers, an organization created in 1905. In 1913, he created the Catholic Association of Mexican Youth (ACJM). René Capistrán Garza, the future leader of the Cristeros, became the president of the ACJM in 1917. In 1925, Bergoend drew up the plan for the National League for the Defense of Religious Liberty. The leadership of the ACJM, including René Capistrán became the leadership of the League. The Popular Union, or the “U,” led by the recently beatified Anacleto González Flores, also joined the League, which became the leadership of the Cristeros. The father of Salvador Abascal, the most militant chief of the UNS, was an important member of the Popular Union. According to Harold Braman’s Oct. 31, 1941 report, Capistrán Garza later became a member of the central committee of the UNS.

After the Cristero War, Bergoend founded the League of the O, also known as the OCA (Organization, Cooperation, and Action), which then became the Base, a secret organization, later known as the Church-Falange Council, or the Council of Hispanidad. The UNS and the PAN were sections of the Base. The workers’ section was made up of the Guadalupan Laborers controlled by Antonio Santacruz, who later became chief of the Base.

The ACJM would remain the primary pool from which the leadership of a variety of Base-controlled organizations would be recruited. According to the ACJM website, at the conclusion of the Cristero War in 1929, Bergoend made some modifications in the ACJM statutes in order to integrate it into the Acción Católica Mexicana on Dec. 25, 1929, so that it would not be disbanded as part of the settlement of the war. He continued as an advisor to the ACJM until 1940. According to Mario Gill, Bergoend was among the Jesuits who advised the UNS until his death in 1943.

The impact of the Jesuits is also seen directly in respect to their effect on the identity and sense of mission of Salvador Abascal. Abascal thought he was “the incarnation of Saint

Ignatius of Loyola,” founder of the Society of Jesus (the Jesuits). Moreover, he stated that he saw his effort to set up a Synarchist colony in Baja California as “a renewal of the work of the missionaries, interrupted by freemasonry, indeed by the revolution, with the expulsion of the Jesuits in 1767.” For Abascal: “The true greatness of María Auxiliadora lies in the resumption of the missionary work banefully interrupted by freemasonry, that is to say, the revolution, with the expulsion of the Jesuits in 1767 . . . , a date that marks the true origin of the Mexican Revolution, which is not more than a branch and a by-product of the global revolution.”

The fact that synarchism was originally created following the Treaty of Paris in 1763 by the British freemasonry-created French Martinist cult, and given that the general who was recruited to lead the Cristero Rebellion, Enrique Corostieta y Velarde, was himself a freemason, the attack on freemasonry by Abascal and other Synarchists is exposed for the lying hypocrisy that it is. What Abascal and others were really opposed to was not freemasonry, since they were themselves a freemasonic cult; rather, they opposed the faction of freemasonry led by the founders of the American Revolution, such as Benjamin Franklin, who opposed the British faction which created synarchism. The U.S. Ambassador to Mexico, Joel Poinsett, who set up Masonic lodges in Mexico in 1822, represented this anti-British faction, as did Spain’s Conde de Aranda, head of the Council of Castile, who supervised the expulsion of the Jesuits in 1767 as ordered by Carlos III.

According to Gill, the second most influential Jesuit in the history of the UNS was Father Eduardo Iglesias, who became the effective mentor of the National Committee of the UNS after Bergoend. Iglesias, who was the leader of the Jesuits in Mexico, met with the leaders of the UNS at least once a week in the house of the engineer Vazagoiti, and dictated the norms to follow.

By 1944, Gill reports, the policy of the Society of Jesus was to become the director of all the opposition to the revolutionary regime. Iglesias, already mentioned as the advisor to the Base, became the confessor of the lawyers Manuel Torres Bueno and Manuel Gómez Morín, the respective chiefs of the UNS and the Acción Nacional. He also edited a page of *El Sinarquista*, a political commentary titled “Successes of the Week.”

Gill’s conclusion is that in its first year, the UNS was 100% a fascist organization. However, the Nazi Schreiter, who had created the UNS, was eventually displaced by Father Iglesias, and the organization was converted, gradually, into an instrument in the service of clerical fascism.

Although the Jesuits were the most public religious order involved in directing the UNS and the PAN, one should take note of the fact that the Benedictines were also active behind the scenes, and have helped whitewash the Nazi connections of the UNS. Jean Meyer, who wrote *Synarchism: a Mexican Fascism?* in an effort to rehabilitate the UNS, was trained by the Benedictines. Another such book, published in February

## Who's Who in the Fight Over Mexican Synarchism

**Abascal, Salvador**—The leading anti-Semitic, anti-American figure in the National Synarchist Union (UNS), of which he was Chief from 1940-41; and in the Base, which controlled the UNS. He continued to be a leader of the Base when it was reorganized in 1955 as the Yunque (the Anvil), until his death in 2000.

**Bergoend, Bernard**—The leading Jesuit fascist in Mexico over 50 years. Became a Jesuit at age 18, moved from France to Mexico in 1891. He created the Catholic Association of Mexican Youth (ACJM) in 1913; drew up plans for the National League for the Defense of Religious Liberty in 1925; founded the "League of the O" after the Cristero Rebellion; continued to advise the ACJM and the National Synarchist Union until at least 1940. Died in 1943.

**Camacho, Avila**—Wartime President of Mexico from 1940-46. Signed Good Neighbor Agreement with U.S. President Roosevelt in 1941.

**Cárdenas, Lázaro**—President of Mexico from 1934-40, and an ally of U.S. President Roosevelt. He continued the Mexican Revolution of 1910 by expropriating foreign oil holdings in 1938, and by redistributing Mexico's large feudal estates to landless Mexican peasants.

**Díaz Escobar, Alfredo Felix**—Mexican Congressman who became President of National Anti-Nazi, Anti-Fascist Committee established by the Mexican Congress in 1942.

**Faupel, Wilhelm von**—German general with experience in the military of Argentina, Brazil, and Peru; appointed by Hitler to head the Ibero-American Institute of Berlin. This institute coordinated Nazi activity in Ibero-America through the Spanish Falange.

**Franco, Gen. Francisco**—Fascist dictator of Spain,

who was put in power through the military support of Adolf Hitler's Nazis and Mussolini's Italian Fascists.

**Hidalgo, Miguel**—Catholic priest who led the Mexican Independence movement of 1810. He was excommunicated by the Mexican Catholic Church, and is regarded by the synarchists as an enemy.

**Iglesias, Eduardo**—Jesuit priest who was the spiritual advisor to the Base and the confessor and mentor of the leaders of both the UNS and the PAN.

**Iturbide, Agustín de**—Synarchist hero who became Emperor of Mexico in 1822 and was executed as a traitor in 1824 by Mexican republicans.

**Juárez, Benito**—President of Mexico in 1867, who formed an alliance with Abraham Lincoln during the U.S. Civil War.

**Padilla, Juan Ignacio**—one of the founders of the UNS, who became an editor of *El Sinarquista*. In 1951, he became chief of one faction of the UNS.

**Piñar, Blas**—protégé of Adm. Carrero Blanco, who was second in command of Falangist Spain, after Franco. Piñar headed the Hispanic Culture Institute under Franco, but was dismissed for being too anti-United States. In 1966, he founded a pro-Franco fascist party called *Fuerza Nueva*.

**Primo de Rivera, José Antonio**—Son of the ex-dictator of Spain, and founder of the Spanish Falange.

**Santacruz, Antonio**—Chief of the Base from 1940-44.

**Schreiter, Oscar Helmuth**—German Nazi who organized the founding of the National Synarchist Union in Mexico in 1937, and who provided it with financial resources during its first year.

**Toledano, Vicente Lombardo**—head of the Confederation of Mexican Workers (CTM) until replaced by Fidel Velázquez in 1941. He was also head of the Latin-American Confederation of Labor. During the Hitler-Stalin Pact period, he was an opponent of Anglo-American imperialism; but after the Nazis invaded Russia, he became a leading opponent of the UNS.

1943 and entitled *Synarchism: The Hope of Mexico's Poor*, was written by Father Alcuin Heibel, a U.S.-based Benedictine priest.

One declassified U.S. intelligence document, dated Oct. 24, 1943, reported that U.S. Customs had intercepted a letter written to Heibel, which was being carried to him from Mexico by another Benedictine priest, Father Lambert Dehner. The letter contained a proposal that several Benedictine priests be sent to Mexico to "take over the Mexico City school entirely." The report continues in reference to Heibel: "It is reported that Heibel is a Rev. Father who formerly was at Mt. Angel College, St. Benedict, Oregon. . . . In August 1943, he

is reported to have stated that he had made some talks in Kansas City on Sinarchism, and that St. Benedict's College in Atchison, Kansas was granting six complete and six partial scholarships intended for younger men who already are, or are going to be, leaders in Sinarchism."

### The Cristero Rebellion and the UNS

Contrary to those, like Marivilia Carrasco of the MSIA, who argue that there is no connection between the Cristeros and the UNS, the reality is that the Cristeros were created by the same synarchists who then later created the UNS with Nazi aid. The leadership of the UNS stated explicitly that they

drew their inspiration from the *Cristiada*. Juan Ignacio Padilla wrote as follows: “The Cristero rebellion, notwithstanding all its faults and its failure, certainly is the most beautiful and brightest moment of Catholicism in Mexico, and the most stunning outburst of faith of our people. It defended strongly the banner of our defiance against the enemies of our liberties, and constitutes the shore and the glorious background of Synarchism.”

Another UNS document states, “In style, in the way of being and living, the Unión Popular, the Cristero Revolution and Synarchism are one and the same thing.”

Monsignor Placencia y Moreira, Bishop of Zacatecas, described Synarchism as “a political movement with the same tendencies as the National League for the Defense of Religious Liberty; the only difference between the two is that Synarchism is not talking at the moment of armed movement, yet the tendencies are the same.”

According to Hernández, the National League for the Defense of Religious Liberty, which had formed the basis for the 1926-29 Cristero Rebellion, had broken up in 1932; however, some League members and ex-Cristeros renewed armed resistance in 1933-34. To replace the League, a secret organization, the Legión, was formed in 1934, the members of which were trained in the “Congregations of the Holy Virgin” under the direction of Antonio Santacruz. Hernández, who makes no mention of Bergoend, claims that Manuel Romo de Alba, a teacher at Guadalajara, founded the Legión in 1934. There were initially two factions, led respectively by Santacruz and Romo de Alba. The Legión originated in Jalisco, which was the center of the Cristero Rebellion, but the organization defined its principal characteristics in Querétaro. Several of its more active leaders came from Querétaro, including Gonzalo Campos and José Antonio Urquiza. Campos headed up the ACJM, which resumed its activities after the Cristero Rebellion under Bergoend’s direction.

The Legión was given the blessing of the apostolic delegate, Archbishop Ruiz y Flores, and the episcopacy of the Catholic Church, led by Archbishop Díaz. The structure adopted was the cell, so that each local group remained secret to all others. The Legión had a national leader with nine subordinates, meeting in council every week. Initially it had ten sections. Later an 11th section was created—the National Synarchist Union.

Articles written in *El Universal* on behalf of the Legión appeared under the pen name Oscar Calderón Alvarez. (The initials, O.C.A., stood for Organization, Cooperation, Action.)

Monsignor Ruiz y Flores, the apostolic delegate, suggested that the Jesuits be entrusted with setting up the Legión. At the end of 1934, the organization called “The Base” appeared. It was essentially a restructured Legión, with the Legión as its core.

Luis María Martínez was appointed Archbishop of Mexico (Feb. 20 1937) and acting representative of the Vatican (Aug. 9, 1937), after the death of Díaz and the resignation of

Ruiz y Flores. The UNS was born in 1937 in the city of León in Guanajuato, when he was in the key position of power.

According to Hernández, all the future leaders of the UNS joined the Legión in 1935, “but admitted that they had been in existence for a year.” These include: José Trueba Olivares, Manuel Zermeño y Pérez, Salvador Abascal, and Juan Ignacio Padilla.

In 1934, three division chiefs stood out: Gonzalo Campos of Querétaro, José Antonio Urquiza of Guanajuato, and Antonio Santacruz of Mexico City. Manuel Romo, the founder, was replaced by Julián Malo Juvera in early 1935. Gonzalo Campos, leader of the Michoacán Division, took leadership from Juvera in September 1937. He came from a wealthy family of *hacendados* (owners of large feudal estates). He had been a diocesan agent of the ACJM, and was coordinator of the preparatory work for the synarchist movement. Salvador Abascal claimed that the UNS was the work of the secret leaders of the Legión, especially Juvera and Campos.

Urquiza of the Guanajuato Division, like many other leaders of the Base and later the UNS, was the son of a wealthy *hacendado*. In September 1937, he travelled to Washington, accompanied by his brother and by Abascal, to meet American bishops, especially Monsignor Burke, the secretary of the National Catholic Welfare Conference, to discuss the Legión and the synarchist movement. It was Monsignor Burke who had been involved in the negotiations to end the Cristero War in the 1920s. Although Burke’s reaction is not known, the fact that leading synarchists met with him at the inception of the UNS, indicates the influence, for good or evil, that factions of the U.S. Catholic Church exercised over political developments in Mexico.

Antonio Santacruz also belonged to a wealthy family, which supported Mexican President Porfirio Díaz. He dominated the Base and the National Synarchist Union from 1939 to 1944. He was the power behind Felipe Coria, the head of the Base from 1939 to 1940, and then became head of the Base himself in 1940. He became president of the Congregations of the Holy Virgin, and knew the Church hierarchy, including Luis María Martínez, Archbishop of Mexico, and the Jesuits, especially Father Eduardo Iglesias, later spiritual counsellor of the Base.

There was a secret national meeting in May 1937, at which Urquiza requested that the UNS be founded in Guanajuato. He said there was already a group called the “Group of León,” which had been active there for a few weeks.

Hernández said that the name was suggested by Ceferino Sánchez, leader of the San Luis Potosí Division. He said it should be called Synarchism, “from the Greek ‘syn’ (with) and ‘arje’ (authority, order), thus, ‘with order,’ the opposite of anarchy.” The name National Synarchist Union was reportedly proposed by Abascal.

## International Roots of Synarchism

This idea that synarchism was solely a Mexican phenomenon, originally suggested by a lowly regional leader, is a total

cover story. Even Hernández is forced to report that “in 1915 an engineer called Tomás Rosales published a leaflet entitled *El gobierno de mañana—República Social Sinárquica* [The Government of Tomorrow—the Synarchist Social Republic], presented to the Mexican Society of Geography and Statistics.” This indicates that even before the Cristero Rebellion, 22 years before the establishment of the UNS, the idea of synarchism was in circulation in Mexico.

This cover story was further exploded in Mexico when on April 17, 1942, as reported by Kirk, United Press ran a story from Vichy, France that Hitler’s stooge, Pierre Laval, would choose as his minister of labor either Hubert La Gardelle or Leroy-Ladurie, chief of the synarchist group in France. Julio De Kook, former director of the Office of Economic and Social Studies of the Belgian Confederation of Labor, told *El Popular* that the first chief of the French synarchists was a reactionary named Coutrot, who committed suicide. Leroy-Ladurie had been head of the agrarian unions as well as of the synarchists. He said that French synarchism started in June 1940, in the Nazi-occupied zone, under the direct influence of the Nazis.

In a now declassified U.S. report dated April 22, 1942, Raleigh A. Gibson, First Secretary of the U.S. Embassy in Mexico, sent the U.S. Secretary of State an English translation of an editorial from *El Popular*, published on April 21, 1942. It reads in part as follows:

“The French sinarquistas rushed into furious strife against French and European democracy; those of Mexico organized to combat Mexican and continental democracy. The French sinarquistas were adopted by Abetz, the Ambassador of Hitler in France; the Mexican sinarquistas were recruited, were given a name, were educated and directed by Nazi agents in Mexico and by Falange directors who are working illegally among us. And this is so apparent, so conclusive, that it eliminates the need of concrete proofs of the organic connection between them. The fundamental proof is that sinarquism is not a unique and exclusive Mexican product, as its leaders untruthfully argue. That Sinarquism, even bearing the identical name, does exist in other parts of the world and is an international movement formed by those who are under the supreme orders of Hitler.”

As explosive as this report was in Mexico at the time, the truth is that synarchism was created after the Treaty of Paris in 1763 by the Martinist faction of British freemasonry. The Nazis themselves were a synarchist cult and the Axis powers were a synarchist international.

According to Hernández, Urquiza demanded authorization to hold the first meeting to found the UNS on May 23, 1937 at León. Abascal claims that Malo Juvera wanted him to head the UNS. But when he met with the founders of the Group of León, Manuel Zermeño y Pérez, José Trueba Olivares, and Urquiza on the afternoon of the 23rd at the Hotel Condesa in León, his disagreements with them led Abascal to decline the leadership position. As a result, he did not attend the founding meeting. In his absence, an

organizing committee was formed with Trueba Olivares as president, Rubén Mendoza as secretary, and Francisco Ornelas as treasurer.

But this is clearly a cover story, as quickly becomes evident by the fact that Hernández then tries to discredit the proof that “the UNS had been set up by the Nazis as part of a subversive conspiracy.” He sets out to refute Mario Gill, who he says reports that Oscar Hellmut Schreiter, a professor of languages at the Colegio de Guanajuato, met with his disciples—Zermeño, the Trueba Olivares brothers, and Urquiza—to set up the UNS. Hernández reports that Gill alleges that Urquiza had just returned from Spain, “where he had fought on the nationalist side against the republic, and was able to furnish information about the organization of the Falange and of the Italian Fascist Party. Schreiter would have contributed information on the National Socialist Party.”

Hernández alleges that “The only link between the Synarchist Movement and Schreiter was Manuel Torres Bueno (future national leader of the UNS). He was a professor of Philosophy at the school where Schreiter gave German lessons. Later on, Torres Bueno, having become a lawyer, acted as his lawyer in a non-political action. This fortuitous and casual contact between the two men did not represent an ideological affinity; there was no evidence that Schreiter had any influence on the early stages of Synarchism.”

In 1944, Torres Bueno wrote as follows: “Regarding the proofs mentioned [a legal document, dated Sept. 25, 1938, in Guanajuato, signed by Schreiter and Torres Bueno, as his lawyer] to show the connection of Schreiter with Synarchism, . . . in 1938, the war had not yet started nor was there any United Nations Organization, and our country had friendly relations with Germany. . . . Maldonado, Schreiter and [Isaac] Guzmán Valdivia had founded in the city of Guanajuato the Anti-Communist Center, something completely different from Synarchism, which was founded in León in 1937 by Catholic students.”

It is worth noting that Hernández omits any reference to the formal registration of the UNS, to which Schreiter was an official witness. However, while denying the Nazi connection, Hernández protests too much and manages to give further proof. He reports that Torres Bueno admitted that Isaac Guzmán Valdivia, who, along with Schreiter and Adolfo Maldonado (who worked as general secretary of the state government of Guanajuato), founded the Anti-Communist Center in Guanajuato, was a frequent contributor to *El Sinarquista*—the official paper of the UNS. Hernández also reports that Abascal, who only died in the year 2000, confirmed the role of Valdivia as a contributor to *El Sinarquista* in an interview in August 1987.

### **Nazi-Communist Collaboration**

During the period of the Hitler-Stalin Pact, which was signed on Aug. 23, 1939 and was only abrogated on June 22, 1941, when Germany invaded Russia, there was intensive collaboration between the Nazis and the Communists in Mex-

ico. Kirk reports that a pact was signed at Barcelona late in 1940 between the Communists and the Falangists. The Naval Attaché's report of April 9, 1940 on the subject of Mexico-Germany-Russia says:

"Communist and Nazi agents are reported to be working actively in all labor groups side by side, to develop agitation against U.S., to promote civil disorders and to gain ideological control of Mexico.

"Alleged purposes of activities:

"1. Foment a civil war to

"a. insure political control of Mexico for Berlin-Moscow axis

"b. use Mexico as a base of operations against the Allies and the United States when the U.S. becomes involved in the European war, and

"c. use Mexico as a base for further ideological penetration of Latin America and for the dissemination of anti-United States propaganda.

"2. Seek through agitation and civil war to distract United States from Europe and prevent American entrance into the conflict. 1(b) would take effect if 2 should fail. That is, as far as the United States is concerned.

"Technique:

"The German agents have infiltrated into the various organizations supporting Almazán. (A declassified FBI report of Jan. 11, 1941 reports that J.A. Almazán, who ran against Avila Camacho for President of Mexico, gave a donation to the Nazi Party. 'His donation of 10,000 pesos on April 4, 1940 apparently was for Nazi activities in his campaign.')

"The Russian Agents have infiltrated into the various organizations supporting Avila Camacho, such as the PRM, CTM, CNC, Communist Party, etc.

"They are the cells of agitation, of violence, of urgers of strong action, etc. within the two camps.

"The Communist agents are said to be those responsible for organizing the anti-United States campaign now being organized throughout the nation by the pro-government groups as a result of the American note requesting arbitration of the petroleum controversy.

"Important:

"The Russian and German agents, though in opposed Mexican political camps, are not in opposition. They are acting in perfect collaboration and cooperation. Theirs is a single aim of armed revolution in Mexico, of action against the United States, of political control of Mexico.

"Their information, their resources and their personnel are pooled in this one effort.

"Comment: 'On several occasions I have reported that there is a very strong tendency in Mexican Government circles and various political groups such as the 'Acción Nacional' to develop Latin Americanism as opposed to Pan Americanism, as a weapon, to oppose the United States. . . . The Attaché again wishes to emphasize this point, as it will undoubtedly have a bearing on the future development of the Good Neighbor Policy.' "

Vicente Lombardo Toledano, one of the leading trade unionists in Mexico, who had visited the Soviet Union in 1935 and was influenced by the Communists, was replaced as general secretary of the CTM by Fidel Velázquez on Feb. 25, 1941. His replacement occurred because the Mexican government was in the process of coming to an agreement with the United States. On Nov. 19, 1941, just 17 days before the Japanese attack on Pearl Harbor, the Good Neighbor Agreement was signed, and a framework set up for the settlement of the oil question. The Nazi-Communist alliance to denounce the United States and Britain as "the imperialist gangsters," had been superseded.

After the Nazi invasion of Russia, there was a definite shift in the Communist policy. A declassified U.S. document authored by Assistant Naval Attaché Earl S. Piper on Sept. 11, 1941 reported the following: "As stated in Naval Attaché Mexico Confidential Report Serial Number 360 of 17 July, 1941, it is believed that since the outbreak of war between Germany and Russia, the Communists as a group in Mexico have definitely broken with the Nazis as a group. It is probable of course that a few individual Communists are still working here for the Nazis."

For example, according to Alan Chase, Lombardo Toledano, the head of the "anti-Axis" Latin-American Confederation of Labor, summed up the Axis aims in Mexico in a speech delivered a month before Pearl Harbor—i.e., after the Nazi invasion of Russia—in which he identified the Axis war aims in Mexico:

"1. To use Mexico as the nearest base for Nazi espionage in the United States.

"2. To use our country as a source of raw materials for its war.

"3. To make Mexico a center for organized acts of sabotage against the United States, as well as against our own export trade, so that we may be prevented from sending help to the countries fighting the Axis.

"4. To establish a center of Fascist provocation against the United States, thus distracting that country's attention from the European and other theaters of war.

"5. To secure a center from which Fascist propaganda can be directed to all of Latin America.

"6. To instigate provocations against the government of Mexico from within our country itself, so that the government will be obliged to retaliate with restrictive measures. Afterward, these measures will be used to discredit the present regime in Mexico, and turned against democracy within and without our country."

In his Oct. 31, 1941 report, now declassified, Harold Braman wrote that "Vicente Lombardo Toledano has been making effective speeches against the Sinarquistas and Acción Nacional. In fact, he seems to be the head of whatever counter-movement there may be." Having collaborated with fascists during the Hitler-Stalin Pact, Lombardo Toledano was clearly in a good position to know what the intentions of the Axis powers were.

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## 2. Japan's Role: The Berlin-Madrid-Tokyo Axis

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As the Japanese attacks on Pearl Harbor and the Philippines approached, the Nazis arranged for the Spanish Falange to pave the way for the Japanese takeover of the Philippines, and to prepare for Japanese-orchestrated operations against the United States on its southern flank, from Mexico. Although the Japanese were not able to carry out their plans in Mexico in full after the U.S. victory at Midway Island on June 4-7, 1942, their plans included the establishment of a naval base in Baja California and an invasion of the United States from Mexico.

According to both Mario Gill and Alan Chase, at the end of 1940, von Faupel arranged a series of talks in Madrid between General Franco and Colonel Fugirito, a person in the confidence of Japan's General Tojo. The talks had the objective of establishing the basis for future collaboration between the Spanish and Japanese governments, for immediate action in the Philippines and in Mexico.

When Serrano Suner, Franco's brother-in-law, announced the formation of the Council of Hispanidad on Jan. 8, 1941, he said that the Spanish Consul General in the Philippines would be a member. The person selected to become the Consul General was José del Castaño, the chief of the National Delegation of the Falange Exterior.

In the case of Mexico, since it was the only nation in the Americas to recognize the Spanish Republic, it did not have consular relations with Franco's Spain. Therefore, Augusto Ibáñez Serrano, a Spanish merchant, whose visiting card said "Franco's official representative in Mexico" and who was the nominal head of the Falange in Mexico, worked out of the offices of the Portuguese legation.

After the creation of the Council of Hispanidad in Madrid, the Falange's weekly magazine in Mexico, *Hispanidad*, said that "our sympathies are completely with the Axis," and clamored for the unity of Spanish-speaking countries "to throw off the yoke of Yankee imperialism."

Spain launched an effort to obtain recognition from Mexico, in which case the Spanish Consul General in Mexico would have been a member of the Council of Hispanidad as well. This effort bore no fruit. However, when the German, Italian, and Japanese embassies were shut down after Pearl Harbor, their interests as, in the Philippines, were represented by the Falange, in this case, operating out of the Portuguese Embassy.

What happened in the Philippines is instructive as to the nature of the Nazi-directed Falange-Japanese cooperation which simultaneously occurred in Mexico. On the day that the Council of Hispanidad was created, the Falange organizations in the Philippines were placed under direct control of the Japanese organization, controlled in turn by the Nazis. The secret treaty between Franco and the Japanese provided that the former would surrender all Spanish claims in the

Philippines to the Japanese, for which he would be amply paid. Accordingly, at least a year before the Japanese attack on Hawaii and the Philippines, Franco and the Japanese had their plans fully developed and in operation.

In February 1941, Antonio Castillo Ornelas arrived in the Philippines and Commander Marcelino García Puerta in Tokyo, to direct Falangist activities in the Philippines. The operations occurred on three overlapping levels: 1) the Falange fostered the Hispanidad movement; 2) it promoted an ultra-nationalistic Filipino movement; and 3) it promoted the racist Saka de Ly movement to throw all Occidentals out of Asia.

On June 18, 1941, the United States gave the governments of Germany, Italy, and Japan until July to close their consulates on U.S. soil and territories, including the Philippines. The Falangist Castaño took over the consular duties of all three closing consulates in Manila. He was then appointed the top liaison agent of all Axis undercover work in the islands.

Every Falangist was told to join the ranks of the Philippine Civilian Emergency Administration (CEA). On Dec. 7, Spain's Japanese Axis partner bombed Pearl Harbor and the Philippines. On Dec. 29, the Japanese Air Force raided Manila, and on Jan. 2, 1942, the Japanese marched into the city. The CEA had spread disinformation and had functioned as a fifth column to facilitate the Japanese takeover.

On Jan. 5, 1942, in Granada, Spain, Pilar Primo de Rivera, the sister of José Antonio, who was chief of the feminine section of the Falange, accepted in the name of the Philippine Section of the Falange Española, a formal decoration from the Japanese government for its aid to the Imperial Japanese Government in the capture of Manila.

### Japan's Fifth Column in Mexico

In this same time period, the Falange and the Japanese under Nazi direction had similar plans in Mexico involving the UNS. Franco's Military Intelligence Service (SIM) had worked with the Japanese since late 1941, and its operations in Mexico were directed through the SIM's headquarters in San Francisco by Franco agent, Amat.

In Mexico, which at the time of World War II had a population of 20 million, there were substantial colonies of citizens of the Axis powers, many of whom were sympathizers and supporters of the Axis war aims. There were 12,238 Germans, 5,646 Italians, 6,232 Japanese, and 15,000 Spaniards.

The Japanese plans for Mexico were extensive, although they depended in large part on a more successful prosecution of the war on the part of the Axis powers. Japan was very interested in Mexico from the standpoint of oil and other raw materials. For example, on Oct. 15, 1940, Dr. Kiso Tsuru obtained a concession to explore and exploit 250,000 acres of oil land in Veracruz. His company, *Compañía Veracruzana*, was a front for the House of Mitsui, which provided oil to the Japanese Navy.

Japan had a skeleton army in Mexico, called the Mexico Military Service Men's Association, which was directly un-



*Hideki Tojo, former general, premier, and war minister of Japan (1941-44), was sentenced to death by hanging after the war. Hitler arranged an alliance between Franco and Tojo, which included the military deployment of the UNS against the United States of America.*

der the command of Premier Hideki Tojo. It also had an intelligence division, which operated under the name of the Japanese Association of Lower California, with addresses in Mexicali, Mexico and in Calexico, California in the United States.

Depending on the progress in the war, the Japanese had two plans: 1) a direct invasion of the United States through the states of Sonora and Sinaloa; and 2) a rebellion of Mexican Indians against the whites. Sonora and Sinaloa were honeycombed with Japanese “farmers” and “fishermen,” and the Japanese fishing fleet operated in Magdalena Bay in Baja California.

In June 1941, Kiyoshi Yamagata, Minister Without Portfolio, came to Mexico from Tokyo to coordinate operations. Then one month before Pearl Harbor, 300 Japanese met secretly in Mexicali. The meeting was called by Gen. Hideki Tojo, then Minister of War. A testimonial from Tojo was read to the meeting by Captain Hamanaka, the military attaché of the Japanese Legation in Mexico City and director of Japanese subversive activities in Mexico.

There is significant evidence to believe that this Japanese activity, which was coordinated with the Nazis and the Falange and involved the participation of the UNS, included the possibility of a coup d'état against the Mexican government.

On Nov. 26, 1941, less than two weeks before Pearl Harbor, Eugene T. Turley, American Vice Consulate in La Paz, state of Baja California, Mexico, reported the existence of “a group of Mexicans composed of the military, Sinarquistas, and other dissatisfied elements who are planning to overthrow President Avila Camacho and his administration on or later than January 1, 1942.” Turley reported that “the proposed plan . . . is to make General Francisco J. Múgica provisional president. . . . [T]hey are said to have twenty million pesos with which to finance the coup d'état. For further aid, this revolutionary group has asked Lombardo Toledano to remain in Mexico and continue his subversive activities in the labor unions. The Sinarquistas, who are also being included in the group, are said to be financed and supported by the Nazis and Japan. It would obviously be greatly to the advantage of these powers to have such a group favorable to them located in a strategic area. Because of these factors, the Sinarquistas are very anxious to establish the first colony near Magdalena Bay.”

As referenced in this declassified report, the UNS under the leadership of Salvador Abascal had decided to establish a colony in Baja California in the vicinity of Magdalena Bay on the Pacific Coast. In Mexico, Synarchist propaganda said that Japan would avenge all the crimes that the United States had committed. One of the public rationalizations for this colonization project was that the UNS claimed to fear the U.S. might annex the peninsula on the alleged pretext that the Japanese might establish a naval base in the Bay of Magdalena. However, the reality was just the opposite. As Alfredo F. Díaz Escobar, a member of the Mexican Chamber of Deputies asserted, “the colonization of Lower California was a German and Japanese concern.”

On Oct. 15, 1941, the Mexican Chamber of Deputies had voted unanimously against the UNS colonization project. However, the Japanese lobbied the government of Avila Camacho to give the UNS permission to set up the colony and Camacho agreed. Had the war gone the other way, this decision would have laid the basis for a post-Pearl Harbor Axis offensive against the U.S. from Mexico.

A declassified report issued by Earl S. Piper, Assistant Naval Attaché, Mexico City, on March 3, 1942, includes the following source report: “Portes Gil, together with General Abelardo Rodríguez, brought about the Presidential decree permitting the Sinarquistas to colonize in Lower California. On January 26, 1942, a General Félix Ireta, who had been paid 50,000 pesos by Dr. Tsuru [Japanese leader in Mexico], called on President Camacho and succeeded in having Japanese funds unfrozen and in placing a Japanese in charge of distributing money for the transportation of Sinarquistas to Lower California. The Japanese ex-minister, Yoshiaki Miura, revealed that the Sinarquistas would be used by the Japanese Government in an armed movement against some of the southwestern states of the United States. In Arizona and California there are approximately 45,000 Sinarquista sympathizers and followers. In November, 1941, a large fund was set

aside in the Japanese Legation here to be used as ‘expenses’ in these two states. The Japanese Legation has paid large sums of money to the Sinarquistas in Mexico.” Although this report was not substantiated at the time it was written, it should be noted that Harold Braman had identified the former Mexican President Lic. Emilio Portes Gil, as a sub-chief of the UNS.

The Japanese-Nazi cooperation in this project is indicated by two further reports. According to Mario Gill, Salvador Abascal was aided in setting up the colony by two individuals, one of whom was a Japanese and the other a German Nazi. The Japanese was José de Jesús Sam López, the son of a Japanese father, who was educated in Japan and who returned to Mexico only two months after the founding of the UNS, at which point he immediately joined the movement. He travelled with Abascal to the colony in Baja California.

Abascal also had a personal secretary with blond hair and blue eyes who they said was Antonio Sam López, the half brother of Jesús Sam López, the son of the same Japanese father and a German mother. In reality, Antonio Sam López was a member of the directorate of the Nazi Party in Mexico, a Mr. Hans Trotter.

In addition, Abascal was aided in setting up the colony by a German engineer by the name of Wiegman. A U.S. declassified document of Nov. 26, 1941 submitted by the above-mentioned American Vice Consul Turley, reports the following: “On November 22, 1941 there arrived in this port one Pieter Theodore Wiegman, Ingenieur Agronome, a Dutch (or perhaps German) colonization and agricultural engineer. This man was accompanied by Pedro Varges Covarrubias, Felipe Vásquez Galván, Priciliano Murillo, all Mexicans serving as guides and interpreters. Wiegman has an American wife, left Europe four to five months ago and has a visitor’s visa from the American Consulate in Lisbon. He speaks German, Swiss, French and English.

“To obtain needed data and cooperation from local authorities, Wiegman had a photostatic copy of a letter from Governor Múgica to Lic. Biarent, Secretario General del Gobierno, dated Nov. 6, 1941 . . . introducing him and requesting that all necessary assistance be given him. The governor stated that the engineer was recommended to him by Lic. Abascal, visible head of the Sinarquista movement, to carry out a mission in Baja California. The mission is said to be the survey and organization of the movement of the Sinarquistas to the area of Santo Domingo and the Llanos de Irai, both north of Magdalena Bay. Wiegman is an agriculture expert and is to classify the lands for the above mentioned project.”

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### 3. UNS Subversion of the United States

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As documented above, the UNS was very active in the United States and represented a direct threat to U.S. national

security and the war effort. According to Mario Gill and Betty Kirk, the Synarchist movement was officially registered with the U.S. Department of Justice as alien agents. According to Gill, “Brigades of propagandists were deployed to the states of California, Arizona, Texas, New Mexico, Colorado, Indiana and Illinois. The Synarchist propaganda, prepared for export in the Ibero-American Institute of Berlin, began to be distributed profusely in the United States, but with preference in the states of the southwest, where there existed a Mexican population of more than one quarter million. This campaign culminated in the ‘zoot suiters’ disorders in Los Angeles in June 1943.”

According to Kirk, at first Mexican citizenship was a requirement for membership, but after a few months this was changed to Mexican descent, so that the UNS could infiltrate into Mexican communities in the United States. The process began with the establishment of the Southern California Regional Committee at Los Angeles on Nov. 1, 1937. A year later a Regional Committee was organized at El Paso, Texas. According to Enrique Prado, in total there were four Regional Committees, the other two in Bakersfield, California and in McAllen, Texas. As many as 50 local committees were established.

As of August 1941 there were 3-4,000 hard-core Sinarquistas in the United States. Although some consider his estimate an exaggeration, in an article in *The Nation* on April 3, 1943, Díaz Escobar stated: “I assert, unreservedly, that the Sinarquistas have in California today—United States California—a powerful unit of 50,000 members, well organized and looking to the Sinarquista Central Committee in Mexico for orders.”

The March 26, 1942 issue of *El Sinarquista* reports meetings in El Paso, Montoya, Borderline, and McAllen, Texas; Las Barrancas, New Mexico, Indiana Harbor, Indiana; and of donations from Fresno, Bakersfield, Fowler, and Richmond, California. The May 14 issue reported meetings at Antioch, Los Angeles, Fresno, Bellavista, Bakersfield, Stockton, La Verne and San Bernardino, California.

According to a declassified document submitted by Assistant Naval Attaché Harold P. Braman on March 30, 1942, the two most important Sinarquistas in the United States were S.G. Vásquez and R.B. Arnáiz, with offices in the Wilcox Building, 206 South Spring Street, Los Angeles, California. Braman also lists branches of the Sinarquistas in U.S. cities, which contributed funds to the UNS colonization scheme in Lower California. These include:

**Dec. 26, 1941:** San Diego, Azusa, Oxnard, Watts, Wilmington, Los Angeles, Claremont, La Verne, Pomona, San Fernando, Ontario, Pacoima, San Bernardino.

**Dec. 30:** Antioch, Calif.; McAllen, Tex.

**Jan. 7, 1942:** Indiana Harbor, Indiana, El Paso, Tex.; Santa Ana, Calif.

**Jan. 26:** Clint, Tex.; Pittsburg, Calif., Fresno, Calif., other places in California: Fowler, Richmond, Antioch, Bakers-



field, San Bernardino, Wilmington, Pacoima, La Verne, San Fernando, Ontario, San Pedro, Oxnard, Watts, Los Angeles.

**Jan. 30:** El Paso, Tex.

**Feb. 13:** Bakersfield, Richmond, Calif.

**Feb. 16:** Oxnard, Calif.; and Chicago, Ill.

**Feb. 21:** Bakersfield, Fowler, and Pittsburg, Calif.

**Feb. 26:** Indiana Harbor, Ind.; Antioch, Calif.

**Mar. 3:** Chicago, Edinburg, Weslaco, and McAllen, Tex.; San Francisco, Calif.

In Los Angeles, the UNS published a special edition of *El Sinarquista*. They were aided by such figures as Jesús M. Jiménez, whom President Cárdenas exiled for Gold-Shirt and Nazi activities, and by members of German and Italian organizations dissolved after Pearl Harbor.

Gill also says that the Synarchists were supported by the National Union of Social Justice, the organization of Father Charles E. Coughlin of Royal Oak, Michigan, who was an opponent of President Franklin Roosevelt's New Deal. Coughlin's magazine, *Social Justice*, gave official backing to the UNS on Sept. 29, 1941:

"Advocates of Christian social justice in America, Christian Americans who once dreamed of a national union to effect a 16 point reform, and who have watched the progress of the Christian States headed by Salazar, De Valera, General Franco and Mussolini, will want to hear further from Mexico's Synarchists with their '16 principles' of social justice."

Coughlin's *Social Justice* magazine, which expressed pro-Nazi and anti-Semitic views, was suspended in 1942 for violation of the Espionage Act, by U.S. Attorney General Biddle.

The UNS was also received favorably by several important pro-fascist clerical weeklies published in the Southwest. *La Esperanza*, published by the Claretian Fathers in Los Angeles, and *Revista Católica*, a Jesuit weekly put out in El Paso, both of which supported Franco, frequently covered the UNS favorably.

In April 1943 four Synarchist organizers, Roberto Carriedo, Efraín Pardo, Alfonso Trueba, and Juan Ignacio Padilla, toured the United States. Both Trueba and Padilla were founding members of the UNS, Trueba its chief of propaganda and an editor of *El Sinarquista*, Padilla was in charge of the Baja California colonization project and an editor of the paper. The tour was sponsored by the Inter-American Catholic Institute of Washington, D.C., an organization headed by Bishop Edwin V. O'Hara of Kansas City.

But the UNS's fascist activity in the United States was not received favorably by all. In November 1942, the CIO Union Council of Los Angeles conducted a study of UNS activity and then passed a resolution characterizing the Sinarquistas as an "evil influence among Mexican workers in the United States whose program coincides with that of Franco's Fascist Spanish regime." The resolution continued: "The Sinarquistas are telling the Mexican people in the United States not to enlist in war activities, such as Civilian

Defense and the Red Cross, not to purchase war bonds, and in general not to support this country's war effort, because the 'Mexican people have nothing to gain from an Allied victory.' "

In Chicago, the offices of an anti-Synarchist Mexican organization were invaded and wrecked by an armed mob of Sinarquistas in late 1942. In places as far north as the Bronx, New York, Synarchist agents were arrested for inciting Mexican-Americans to treason.

*To be continued.*

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### *The Lemming Party?*

Not too long ago, Democratic Presidential candidate Lyndon LaRouche noted that the only reason Vice President Dick Cheney is still in power, is that the Democratic Party leadership has kept LaRouche out of the primary process. True as that is, the reality is even worse, as members of the LaRouche Youth Movement found out on July 1. The head of the Democratic National Committee, Terry McAuliffe, actually *wants* to keep the murderous Cheney in office!

The LYM organizers found McAuliffe at a Washington, D.C. rally of the cyber-youth organization [www.mobilization.org](http://www.mobilization.org), and confronted him with the need to support the call for Cheney to be impeached or resign. McAuliffe responded: "We don't want Cheney to resign. We want him to stay right where he is. It's better for us."

When the LYM organizer replied that Cheney could do a lot of damage between now and the election, getting the United States into more wars, or perhaps even engineering an emergency situation that would cancel the election altogether, McAuliffe brushed him aside. Oh, what can he do? the DNC chair asked, and rushed away into his car.

LaRouche's comment on that exchange was: "We've heard this kind of thinking before. It came from the trade union leaders in January 1933 Germany, whose campaign against Hitler's rival, Chancellor Kurt von Schleicher, enabled Schacht to put Hitler into power. Democrats who want to save U.S. soldiers' lives, will act now by demanding that McAuliffe and [Kerry advisor Bob] Shrum be fired immediately."

It is now clear why Democratic candidate Kerry has not stepped forward to support the Democratic Congressmen who have been taking on Cheney and the Bush Administration on their corruption and war crimes. Kerry is being told not only to lay low on the war, but also on Cheney himself.

But it's not just McAuliffe—a creature of dirty-money networks who gauges all party affairs by the financial take—who is issuing such suicidal advice to Kerry. A similar political line is also coming from Kerry's lead campaign advisor, Bob Shrum.

Shrum has a 30-year history of manipulating Democratic political figures and campaigns, working against

the best FDR traditions of that party, and much of the time, losing. Shrum was the chief advisor for Texas Lt. Gov. Ann Richards, in her losing campaign against George W. Bush for Governor of Texas. He also became the chief strategic for the Al Gore campaign in 2000, where he provided Gore with the advice that he never attack Bush's competence to be President, steer clear of the country's most popular Democrat, President Clinton, and quickly concede the election to Bush after the Supreme Court's decision in favor of Bush. After that, Shrum did what some say he does best: wrote a "moving" concession speech.

Not only is Shrum a fervent proponent of "triangulation"—the centrist "third way" that attempts to attract GOP voters, while rejecting the FDR tradition of support for labor and minorities—but he's by no means loyal just to the Democratic Party. During 2003, Shrum was the chief strategist and advisor to Kennedy family in-law Arnie Schwarzenegger, in his run for Governor of California! Democratic Gov. Gray Davis, who lost his job in that dirty operation, reacted to Shrum's being brought onto the Kerry campaign by demanding that Shrum be fired for being a "traitor." Kerry, for whatever reason, refused to do so.

With Shrum and McAuliffe running his campaign strategy, no wonder that John Kerry is failing to "catch on" with the traditional base of the Democratic Party—to put it mildly. As far as these characters are concerned, the huge amount of funds pouring into Kerry's coffers is all he should worry about. This, despite the fact that poll numbers continue to show the presumptive nominee's negatives outweighing his positive image. Don't they know that, without engaging the lower 80% of income brackets into the election campaign, the Kerry campaign is either going to lose, or be beholden to the synarchist bankers who want to bring fascist economics to the United States under the "Democratic" mantle, if they can sell it more easily?

If Shrum and McAuliffe aren't fired now, LaRouche said, "The Democrats might as well rename themselves the Lemming Party. These creatures will either lead the Democrats to defeat, or, if Kerry gets elected, ensure that he carries out a policy by which we lose the nation." Considering the evidence, that is true indeed.

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• WENATCHEE  
Charter Ch.98  
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Tuesdays—3 PM  
Wednesdays—12 Noon  
• MARATHON COUNTY  
Charter Ch.10  
Saturdays—9:30 pm  
Fridays—12 Noon  
• SUPERIOR  
Charter Ch.20  
Mondays—7:30 pm  
Wednesdays—11 pm  
Fridays 1 pm

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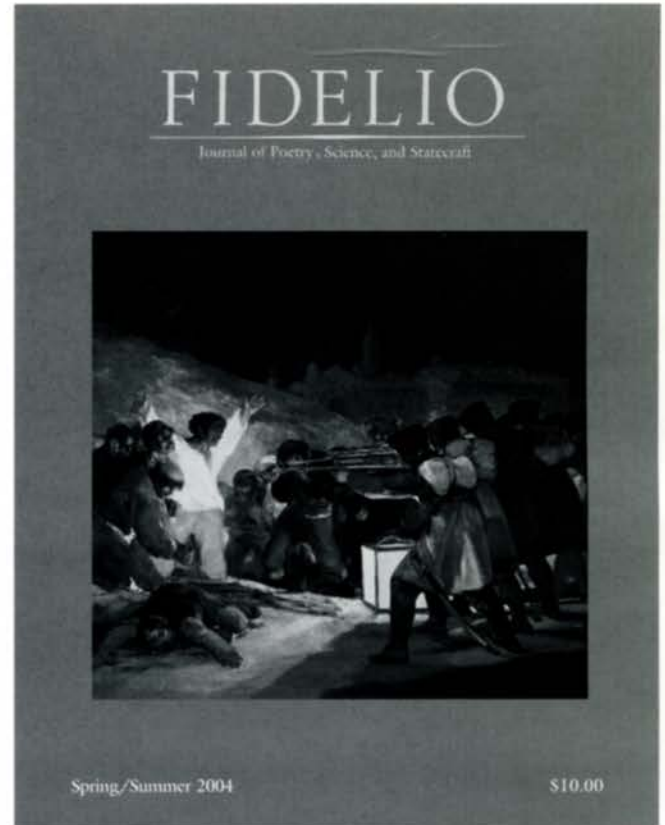
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