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## **This Week You Need To Know**

### **ECONOMY AND IDEAS**

**by Lyndon H. LaRouche, Jr.**

*The following is the foreword to the forthcoming book Earth's Next Fifty Years, to be issued by LaRouche PAC.*

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The Spring 2000 collapse of Alan Greenspan's "IT" financial-derivatives bubble of the 1990s, set the stage for the immediate onset of what has been the George W. Bush Administration's accelerating, 2001-2005, general economic breakdown-crisis of the world's monetary-financial system. This breakdown is not something which might happen, or soon will happen. It has been happening already, that at an accelerating rate, every day President George W. Bush, Jr. has remained in office. The end will come when the Bush trolley soon reaches the end of the line.

The five pieces comprising the following pages of this volume summarize both the interrelated deep causes, and the essential replacement for the inevitably doomed present world monetary-financial system.

The first lesson which must now be drawn from that experience, is that there is no way in which the world monetary-financial system set into motion during 1971-1975, can now be continued much further. In other words, there is no way in which the kind of thinking which is dominant among leading business and political circles of the world, even still today, would not lead the world as a whole, very soon, into a hopeless situation.

The solutions which are reflected in the five papers of which this report is comprised, are based on what has been known since the late Eighteenth Century as the American System of political-economy, as U.S. President Franklin Roosevelt's Bretton Woods monetary system and other 1933-1945 U.S. reforms typify the contrast between the American System and that Anglo-Dutch Liberal system which has dominated the world increasingly, up to the present moment of writing, during most of history since the relevant Paris Treaty of February 1763, and, but for a brief period of post-World War II world leadership, until the wrecking of President Franklin Roosevelt's Bretton Woods system.

To put the point in other terms: Any effort to force the world to submit to the kind of economic-policy-thinking which has ruled the world since 1971-1975, the kind of policy-thinking which dominates Europe under the European Union's system of today, will lead the world quickly into the worst economic catastrophe in modern world history. Without a decision to break the world free of the kind of thinking which rules the present world monetary-financial system, the onrushing breakup of the present system would lead, quickly and inevitably, into a prolonged, planet-wide, new dark age for all humanity. It would be a new dark age like that which occurred during Europe's Fourteenth Century, but, this time, global and more prolonged. Any disagreement with that forecast, is a delusion.

That is the real, deeper issue immediately confronting each and all of the world's governments and populations, especially those of the U.S.A. Our U.S.A.'s decisions in this matter will probably be of crucial importance for leading the world out of the immediate danger this present crisis already represents for mankind as a whole.

The facts of the matter are stated, essentially, in the body of this book. However, although my argument there is factually irrefutable, the minds of most readers will struggle stubbornly to cling to those old habits of thinking which have already led the world down to the present precipice. "Yes, but ... ," "Yes, but ... ," they will say, and say, and say, all in the effort to prevent themselves from making the needed decision to break now from the mental habits which are leading them, like legendary lemmings, into the destruction of civilization generally. For many, those mental habits are more precious than the survival of their nation, even civilization.

Therefore, I take this opportunity to underline the origins and nature of the kind of popular mental disorder which is responsible for leading the government and majority of the population of the U.S.A., and other nations, into this onrushing catastrophe. The name of this most crucial issue is prevalent ignorance of *the nature of human individual creativity* among most of the U.S. and European populations today. Simply restated: The problem to be overcome, is that most people, including most leading figures in government and universities of the U.S.A. and Europe today, may use the term "creativity" in many ways; they claim to admire that word greatly, but, usually, they do not know what "human individual creativity" actually is.

I have defined such creativity and its role within the course of the five indicated elements republished in this book. Now, in these prefatory remarks, I must add something crucial for the book as a whole.

## 'Human Creativity'

The term "creativity" appears in European economic thought as the *Promethean* principle: the discovery and knowledge of use of universal physical principles by man to the effect of increasing mankind's potential relative population-density, and per-capita net physical output, per square kilometer of land-area. This notion appears, in a negative form, in the Olympian Zeus's forbidding knowledge of creativity from being transmitted to man. It appears, again in a negative form, in the history of the southern states of the U.S.A. in both the banning of literacy among slaves, and in the post-Civil War practice of not educating the descendants of slaves above the requirements of the kind of relatively debased forms of employment intended for them. It is reflected in the policy of "globalization" which has transformed the U.S. into a ruined, "post-industrial" scrap-heap. This same effort to eradicate creativity from our people today occurs in such forms as President George W. Bush's "No Child Left Behind."<sup>1</sup>

The rescue of the economy will not occur without a return to a policy of replacing the business of giant financial swindles such as Enron, by investing in promoting genuine individual scientific and related creativity. Without returning the U.S. to its leading commitment to infrastructure-building, agro-industrial leadership of forty years ago, there is presently no hope for the continued existence of this republic. This rebuilding will require an included return to the goals of education we practiced in our relatively best schools and universities at the time we put men on the Moon. Therefore, you must now learn quickly what President George W. Bush will probably never understand, the meaning of actual creativity. Be patient as I explain what I mean; I explain as simply as the subject itself permits. I explain as follows.

The first known scientific definition of this urgently needed quality of creativity which we meet in studying the history of European culture, appeared in extended ancient Greek culture as the notion of the discovery of *powers (dynamis)*. This notion, as met in the work of Thales, the Pythagoreans, and Plato, was attributed by them to their teachers, the Egyptian astronomers whose principled work was known to the Greeks as *Sphaerics*.<sup>2</sup> So, similarly, Johannes Kepler's uniquely original discovery and development of the principle of universal gravitation, is a crucially important modern example of

this notion of creativity.

Creativity means the discovery and use of powers by means of which mankind is able to increase the number and quality of life of the members of a society, as no species of animal could do anything like this.

This notion of *powers* known to the pre-Aristotle Classical Greeks, was revived as a social policy of modern European civilization, during the Fifteenth-Century Renaissance, by Cardinal Nicholas of Cusa, whose direct followers include such notables as Leonardo da Vinci and Kepler. This Classical Greek notion of *powers* was used by Gottfried Leibniz, who based his founding of the science of physical economy on the this notion of a universal physical principle (*Kraft*). The modern mathematical-physics use of the term was introduced by Leibniz in his uniquely original definitions of an infinitesimal calculus and of natural logarithms under the heading of *a universal physical principle of least action*. The further development of Leibniz's principle of least action is traced from Carl Gauss's 1799 doctoral dissertation, in which he attacked the central principled errors of the ideological fanatics D'Alembert, Euler, and Lagrange on the calculus.<sup>3</sup>

This same line of investigation was continued in collaboration with several of Gauss's relevant leading contemporaries, to emerge as the crucial ideas of Bernhard Riemann in, notably, Riemann's *Theorie der Abel'schen Functionen*.<sup>4</sup> This latter work by Riemann, setting forth the physical notion of the complex domain of Kepler, Leibniz, Gauss, et al., provides the presently available methodological basis for any competent science of physical economy today. This is the primary point of reference for any competent discussion of the term creativity, as a scientific term, in the work of physical science generally, and economics in particular.<sup>5</sup>

This same concept, which was used by President Franklin Roosevelt's administration in a very practical way, is the only possible means for saving the U.S.A.—and the world—from a drop into the worst dark age we can remember.

This tradition is the cultural orientation to which our republic must now suddenly return, if we are to avoid an early and prolonged plunge into a murderous new dark age.

For example, these issues, as traced from the Pythagoreans, such as Archytas, through the work of Gauss and Riemann, formed the core of the introduction to higher education which I prescribed for the LaRouche Youth Movement (LYM). This approach to elementary knowledge of the principles of scientific creativity, was complemented by the LYM's attention to aspects of Classical artistic composition, such as the exploration of the implications of J.S. Bach's motet *Jesu, meine Freude*. The object of this emphasis on the elementary foundations of Classical art and science, was to avoid the usual, doctrinaire calamities of most of today's young-adult political youth movements, by emphasizing a rigorous grounding in the re-experiencing of the historically crucial experiences of true creativity as known from the best of science and Classical artistry prior to the changes which have taken over increasingly since approximately forty years ago.

To reach the goal of promoting the moral-intellectual adulthood of society, youth, such as the members of the LaRouche Youth Movement, must prepare themselves by experiencing the youthful foundations of the greatest creative achievements of society's earlier history. To do this, throw away the textbooks and similar approximations of rote learning; re-experience the validation of a crucial important discovery of principle from the work of the past.

To know European civilization today, know more than 2,500 years of that history from its roots, including those found in ancient Egypt's definition of astronomical science, *Sphaerics*. Rather than merely knowing the name of the place to which you have been transported, re-enact the experience of discovering the route to arrive there, the route which leads to the appropriate choice of destination. Know history by reliving the experience of its most crucial discoveries. Know creativity by experiencing its re-enactment in a way corresponding, typically, to an independent, original act of discovery of a universal physical principle.

In the course of reading the contents of the pieces which make up the body of this book, the reader is invited to experience a genuine act of creative discovery, and to do this in such a way that the act of creativity itself is recognized as of a subsisting quality of efficient existence, as the relevant ancient Pythagoreans and their followers defined powers, as Kepler defined gravitation as such as *power*. However, to do that, there are certain presently popular bad habits, some powerful obstacles, which need to be identified and overcome.

## Creativity and Morality

Simply said, creativity as I have identified it here is the difference between you and a monkey. In fact, there are two qualities to this difference. First, the member of the human species can increase the potential relative population-density of his or her species by the willful use of creativity, as no form of animal life could do this. Second, the progress of society over successive generations, depends upon the re-enacting of the creative discovery of those kinds of universal physical principles by successive generations. Taken together, these two expressions of creativity (as I define it) provide the basis for what we might call *natural human morality*, the kind of difference which separates human morality from the culture of monkeydom.

The wrong, simple-minded, but popular view is that a person earns money by working. Through this money, he or she aids in supporting a family, and doing other things, outside the bounds of paid employment which may or may not be considered socially beneficial. The opposing, moral view is that, through the willful practice of our work, paid or not, we spend the dwindling hours of our mortal existence producing conditions which are beneficial for society to come. We do this as a soldier hazards his life for his nation or some worthy cause. When we are gone, the good work we have done should persist in radiating benefits to mankind. In this way, in a good society, a healthy relationship to work affords us a sense of a kind of personal immortality which has an efficient persistence even long after we are dead as mortal beings.

As I have emphasized at relevant locations within the body of this book, it is those principled changes, as improvements we leave behind us, which, in fact, are ties we have to personalities, as sovereign personalities, who are long dead, such as the student today reliving the mental processes of discovery of an ancient Archimedes.

Thus, rather than working because we are paid, we should be paid in order that we might do our work, that we might generate the benefits we might thereby contribute for living and future society. Although a modern society requires a well-organized, well-regulated money-system, it is not the money-system which is the basis for society's organization; the money-system must be designed and regulated, as Alexander Hamilton and President Franklin Roosevelt intended, to meet the requirements of society's securely continued organized self-development, as Roosevelt's successful Social Security system typifies this.

The good for which society must exist and prosper, is the changes in the order of nature which we, as human society, must develop and maintain for the sake of human life on this planet—and also beyond, for times yet to come. Society's existence must have this quality of moral commitment, in which the individual finds his or her immortality, and society finds each individual to be precious to it. These moral connections and their imperatives are located essentially in that power of creativity which is unique to the individual person.

Our job is, as Cotton Mather emphasized, to do good. To do good, because it is good, and to muster the means to bring that good about.

On the record, as I have come to know many of them personally, mankind in general is a collection of stinkers. Why, then, should I have risked what I have risked for them? Why should we care about them? Are they not unreliable sneaks and sophists, most of the time? We care because they are human, and because it is only through that precious quality of

humanity which resides as potential in each individual person, that good will result for our own and other societies. This morality coincides with the Promethean quality of creativity which is in imitation of the Creator of the universe, as expressed by science and Classical culture. Creativity is the likeness of man and woman to the Creator; as the Christian Apostle Paul emphasizes, it, not some set of fixed rules of behavior, is the only true virtue of mankind.

Creativity does not exist to make some men rich. Society needs material riches to secure the goals of creative progress in the human condition. As President Franklin Roosevelt showed in his practice: *Creativity is not a servant of making money; money must be a regulated slave and instrument of the mission of progress through creativity.* If you agree, and if enough of us agree on that, then our republic will survive this crisis, and civilization will go forward.

## What Is Evil in Adam Smith?

As I argue in this book, and have argued to the same effect earlier, the key to understanding the present state of aggravated moral and physical degeneration of the nations of the Americas and Europe, is the following decision by a Venetian financier-oligarchical circle associated with Paolo Sarpi, the founder of that irrationalist cult of empiricism of which the notorious hater of U.S. independence, Adam Smith, was merely typical, as he was also disgusting.

Sarpi's role emerged during a time that the preceding emergence of the Fifteenth-Century Renaissance's progeny, the modern European nation-state republic, had established scientific-technological progress as a force which, for reasons of strategic rivalry among nations, could not be simply suppressed. Therefore, technological progress had to be used as a source of relative economic and military power. As Sarpi house lackey Galileo's insistence on his crude version of the solar hypothesis, in opposition to his Aristotelean contemporaries, illustrates this point, Sarpi's empiricism was intended to allow technologies to be employed—selectively, but to suppress popular knowledge of those creative mental powers through which fundamental physical principles of the universe were discovered in a systematic way.

Under empiricism, the world is run by a financier-oligarchy in the Venetian medieval tradition. The control over society lies in a financier oligarchy which seeks to exert the status of an independent power, an *ultramontane* kind of power in the medieval tradition, placed above the level of government. That Venetian model of Sarpi and his forerunners, came to be absorbed in a Dutch and British India Company's financier-oligarchical system, a system which assumed growing, quasi-*ultramontane*, imperial power over the planet with the relevant February 1763 Treaty of Paris. The only durably significant and competent challenge to that Anglo-Dutch Liberal imperialism so far, has been the American System of political-economy, as reflected in the relevant governmental policies stated by U.S. Treasury Secretary Alexander Hamilton, and under Presidents Abraham Lincoln and Franklin D. Roosevelt.

Under the American System, it is the small- to medium-sized agricultural and industrial entrepreneurship, not the large-scale financial corporation, which is intended to be the dominant political-economic power of the private sector of the economy. The emphasis is on the expression of the creative powers of the individual, as this is typified by the science-technology-driven small- to medium-sized entrepreneurship. Those entrepreneurships are typified in principle by the emphasis on scientific creativity, the form of creativity expressed in the most concentrated way by the Keplers of modern economy, the discoverers and radiators of universal physical principles. The potential of such entrepreneurships, depends upon a network of schools, universities, and laboratories, from which the transmission and growth of the accumulation of knowledge of universal physical and related principles flows into the daily work-a-day life of the economy as a whole.

## In Summary

The most essential thing to be said in summary of this book, is that it is published at a time that a rapidly increasing number of relevant press and financial institutions has been warning that the world is now lurching over the brink of a

financial crisis beyond the experience of any person living today.

We are caught, like a ship in a storm, within an already onrushing world crisis, which now threatens to plunge the planet as a whole into a new dark age. It were still possible to save the world economy from this horror; but, we shall not survive without abrupt, radical measures which would return us to President Franklin Roosevelt's intended unleashing of his intended, post-war implementation of the Bretton Woods monetary system. We either choose that option, or blame ourselves for the awful things which soon follow.

As I have stressed in the third of those five papers which constitute the bulk of this present volume, going back, suddenly now, to the intentions of President Franklin Roosevelt, is imperative, but would not be sufficient to deal with certain changes which have developed over the course of the tumultuous six decades which have shaped the world since that President's ominously untimely death. My emphasis on the role of Vernadsky's concept of the Noösphere, as in the section of this book entitled "Earth's Next Fifty Years," is an example of the way in which Roosevelt's precedents and today's new requirements coincide.

Thus, we must also do more than merely go back to the kind of policy-thinking Franklin Roosevelt represented. If your present world wishes to come out of the present crisis, before that crisis turns into a prolonged new dark age of all humanity, we must re-adopt the designs and intentions associated with the work of Franklin Roosevelt's last years, but we must also add some revolutionary features to that design.

On both counts, the contents of this book will come as a shock to most of its readers from around the world.

First, we must not only resume President Franklin Roosevelt's anti-Churchill intention for a post-war New Bretton Woods community among a world ruled by partnership among sovereign nations. We must recognize Roosevelt's intention as a conception which the leading monetary-financial institutions, and most of the economics professors of the past sixty years, worked to eradicate, in their efforts to rip all memory of those Roosevelt-era ideas permanently from the minds of present and future generations. We must not only end the decades of free trade and globalization which have brought us to the present brink of doom. The changes which must be made immediately, now, confront us with new problems, such as the present apparent crisis in raw materials supply for the generations immediately ahead. These new problems now require the creation of institutional features of a new Bretton Woods system, which will be seen as radically new elements of any system adopted at this time.

This book, taken as a whole, groups these and related issues under two interrelated, but conceptual headings.

First, I emphasize the importance of dispelling the delusion of "inter-imperialist rivalries." Over the course of all modern European history, there has been but one significant imperial force, that of the post-Renaissance revival of the Venetian financier-oligarchy which has reigned over much of the post-1763 history of the world as the Anglo-Dutch Liberal system, excepting the period of the U.S. challenge to that during and immediately following the U.S.'s Abraham Lincoln and Franklin Roosevelt Presidencies.

Today, the U.S.A.'s role in the presently reigning, global, Anglo-Dutch-Liberal monetary-financial system, is expressed as the take-over of the U.S. position in the IMF system, away from U.S. national interests, and to the advantage of Anglo-Dutch-U.S.A. financier interests, by the so-called "Wall Street" component of that presently global financier oligarchy. The study of the history of the competing family interests within the Venetian system itself is the standard for making relevant comparisons in today's world.

For example, at the present instant, there is a building fight within leading U.S. circles between the class of wild-eyed

speculators typified by the ominously careening General Motors debt-bubble, and those financial interests more oriented to the long-term survival of the U.S. system.

To make short of that point: the only solution for this aspect of the crisis, is to put the international monetary-financial system under a mission-orientation-defined partnership of sovereign nation-state governments. The resumption of a Bretton Woods system as prescribed by President Franklin Roosevelt, is the model for the only kinds of measures which can stop the collapse in the short term, and provide a continuing solution for the generations immediately ahead.

Second, there can be no avoidance of a plunge of the planet as a whole into the imminent new dark age, unless we act upon the fact that all generally accepting monetary-financial theory, as taught and practiced, for example, in Europe and the Americas today, is not merely incompetent to the point of absurdity, scientifically, but represents a vicious ideological obstacle to any reform which might enable any economy to come out of the presently onrushing crisis alive.

1. Like the hateful Pied Piper of Hamelin, Bush's educational policies leave no child behind. The notorious "My Pet Goat" is a model of those Bush policies for education.
2. This implies a spherical physical geometry, as opposed to a Euclidean or Cartesian geometry, as the primary form of the mathematics employed by those Egyptians and their ancient Greek followers.
3. *Demonstratio nova altera ...* , Carl Friedrich Gauss, *Werke*, III (Hildesheim, New York: Georg Olms Verlag, 1981).
4. *Riemann Werke* (New York: Dover Publications reprint edition, 1953), pp. 88-144.
5. For example, in the view of the complex domain by Euler, Lagrange, Cauchy, and kindred reductionists who follow their line of argument, the ontological existence of creativity is systemically excluded in favor of a kind of echo of a Cartesian reductionist geometry. The formal argument for such a denial of its existence is that of Lagrange's defense of himself against the attack of Gauss; a pragmatic version of that denial is famously attributable by standard calculus textbooks to Cauchy.

## Latest From LaRouche

### Dialogue with Lyndon LaRouche: The Passion To Communicate Profound Ideas

*Here are selections from the discussion with Lyndon LaRouche following his Keynote address Feb. 20, to the Presidents' Day weekend conference of the LaRouche political movement. The complete transcript of LaRouche's Keynote, "The Great Crash of 2005" appeared in the March 7 issue of New Federalist. The two questions posed here are from members of the LaRouche Youth Movement.*

**Question:** Hello Lyn.

You touched upon this idea in your address, and in your answers to the last couple questions, which is, the idea of leadership, and the quality of leadership that must be provided within this movement, knowing the type of historical mission that we're engaged in....

And so, you go home and you reflect, and you look at that type of leadership that you've invoked in other people, but you get scared. Right? Because you have in this culture, that type of tension of reflecting on what you've done; you start to get scared. And when you're in these tense moments, especially coming out of this culture, you respond by reverting back to opportunistic habits, habits that you've engaged in with your family, your friends....

And, you recognize, also, that you're scared, you're able to admit that. You're able to admit that you're afraid of taking the necessary leadership that's needed. And you can't break out of it, because those habits you've adopted, take over you, mentally, physically....

So, my question is, how do you break out of this cycle, and how do you communicate that to your fellow human being, and to your fellow organizers?

**LaRouche:** Helga [Zepp-LaRouche] gave you part of the answer, yesterday. I'll give you the rest of the answer today:

You have a project out there in California on taking some amateurs and introducing them to the ABCs of the Classical stage, particularly some Shakespeare and some Schiller. Now, most of you can recognize that two things are true about the non-Classical stage: That the way to be popular in the non-Classical stage is to be stupid. To make wisecracks and jokes, but don't convey any real ideas. In the Classical stage, you have the phenomenon of the failure of the actor on stage, the failure to play the part as the stage requires it.

Now, what you're talking about, about the street experience, is what you can relate to as comparable to the Classical acting challenge, on stage. How do you say something, in a way which imparts *the idea* which is involved, as opposed to the formal description of something. How do you *impassion* an idea, and thus make it comprehensible, by impassioning it?

The same thing you should learn in part, from Classical music. I was not here, unfortunately, for the performance yesterday, or I would have screamed about the inadequate conditions, which I know the conditions here—I didn't have to be here.

## The Classical String Quartet

I know that music, Classical music—. Let me go through this, because this is relevant to many things. Now, in the performance of the Classical string quartet, the nature of Classical musical composition in the style of Bach is made clear. This was the achievement, specifically, of a group of writers of quartets, beginning from the "Sun Quartets" of Haydn, and the later quartets, those of Mozart in particular, and those of Beethoven.

Now, in the string quartet, the location of the idea of the quartet, is not the additive sum of the parts performed. It lies both in the cross-voice relationship—essentially there, in a cross-voice relationship *across the instruments*. Now, this condition requires the artists to be able to adjust their tuning and intonation in ways which convey *the idea* of the string quartet.

In other words, you don't have people playing the notes. That doesn't work. Or, it unfortunately does work—and I leave the room.

Because, it's the adjustment of the pitch, and intonation, in the interval of the cross-voice relationship, not the vertical, chordal relationship, in which the idea of development in the string quartet lies. It is the *unity*, as the basic case of Opus 132, for example, of Beethoven—131, 132 are perfect examples of this: Where the composition, the *idea of the composition* is not a succession of experiences, it is one idea from beginning to end, totally integrated.

*How do you do that?* How do you get someone to hear a string quartet, such as the Beethoven 131 and 132; or the famous Mozart quartets, or the Haydn quartets? How do you get people to hear, a *single idea*, from *before* the beginning of the composition, to after the end of the composition, and get them to hear a single idea, rather than a collection of parts?

This is done by artists, who work, and work, and work at string quartets, until they polish them to the point that they *know* they're right. How do they know they're right? Because of a manual, because of a this or that? No! They know, because *the idea* is communicated. A process of development as an idea is communicated, as an integral singleness of effect.

Now, in the case of the quartet, this is manageable. People who hear string quartets, people who perform string quartets, can themselves do this, if they're qualified musicians. That's what they do. That's what the distinction of the Amadeus Quartet was, in its great years of performance—this ability.

Now, when you get to a larger ensemble, you get a problem: The same principle applies. And you have the famous case of Furtwängler, who, toward the end of his life became despairing of continuing to live, because of the deterioration of his hearing, he could no longer hear the inner voice of the symphony. And therefore, his *métier*, his whole purpose in life, was lost. He could no longer *hear*—like Beethoven losing hearing—he could no longer hear what the orchestra was doing, from his standpoint. He became some dummy, like Bruno Walter, or some other pig like that.

So therefore, now, in the performance—when you have an ensemble, such as performing of the *Jesu, meine Freude*, *the members of the ensemble can not direct themselves. Because you need a leader of the ensemble, a director of the ensemble, who can do what Furtwängler did for the orchestra, and that is, to locate the actual place where things must go: the slight variations in intonation and pitch, which must be introduced, to maintain this cross-voice development, through which the composition becomes the development of a single idea. Not a collection of parts.*

So, this is the importance, in a sense, of Classical music. If you don't perform Classical music, if you don't perform in choral forms, for example, for large populations, then you will not be able to communicate the art of communication itself of ideas, in speaking in society. Because you can not—you aren't able to place the tone and the intonation in such a way that the cross-voice relationship becomes a process of development which gives unity, singleness of effect, to a single composition in its entirety.

## Communicating Ideas

The same thing is true on the stage, speech on the stage, on the Classical stage. And some of you in California are working on this question, and it's very important. Doing this effectively is important to becoming a political organizer on the street! Or in any other case. The way people punctuate, according to style books today, like the *New York Times* style book—you're an idiot. You can't communicate ideas. You can communicate words which people can copy—but not ideas! The *New York Times* does not communicate ideas. They have a sign up there: "We do not communicate ideas. We send you words."

So therefore, the key thing that gets you here, the kind of thing you described, is this question of the Classical stage. You found that you did something, which was effective. You were reacting to the person to whom you were speaking, on the basis of knowledge you had and the way they were responding to it. Your response was effective. It moved them. It moved them, not because of the words you spoke, or because of the choice of words you used. You moved them, because you were actually engaged in a kind of artistic composition, performance composition, which is done by the great actor on the Classical stage. Therefore, I've always been happy, and emphasized both, not only that there's an interrelationship between Classical musical performance, as in choral performance, and the Classical stage in speech performance. How do you actually convey ideas, rather than a bunch of words, which somebody leaving the theater has to interpret afterward? How

do you have a conviction of the communication of an idea?

Now you have to know your subject. *You have to be passionate.* You have to have the idea to convey. But, when you have a clear conception of an idea, a valid conception of an idea, and you engage the mind—you're looking inside the mind of the person you're speaking to; you're hearing what they're saying; you're hearing what's going on in their head; you're responding to it with an idea that you know. This will bring out of you an ability to communicate, you didn't think you had. And when you get back home, you say, "How did I do it?"

And therefore, the way to be conscious of this, when you study drama, Classical drama, and you study it in a Classical—. Don't recite poetry! Please, don't recite poetry! For my sake, do not recite poetry! The results are usually awful! I used to recite poetry. I don't any more. I gave up on my potential audience. Hopeless—they don't understand ideas.

But, pay close attention to the Classical stage. Hear the best Classical actors performing. Judge for yourself, how well are they communicating ideas, like the case of *Richard III*, as performed by this idiot [Laurence Olivier], hear that. Look at that phenomenon in ordinary speech. Look at the Classical stage as an educational experience, as Helga indicated in *this* sense: Not only in the sense of the formalities of the ideas, but the way in which they're communicated.

Look at, say, the first act of *Julius Caesar* of Shakespeare, *it's rich in the challenge of getting the idea*, so that when Caesar comes onstage, actually, people understand several things: They understand that Rome is a terrible place. It's an immoral place. They wouldn't want to live there. The people are crazy and evil. The last decent guy, Cicero, is about to disappear—that sort of thing. And you get a sense of the pure, stinking *evil* of the place. Then, you're presented this figure—"the fault, dear Brutus, lies not in our stars, but in ourselves, that we are *underlings*."

This Caesar, this colossus stands over us! *We hate him. We fear him.*

And then, Caesar comes on stage. Then, you get a sense of the superstition from the soothsayer [in a high-pitch tremulo] "Beware the Ides of March!"

You get a sense from the understanding, the insight, the work on this by great actors, and by the work on this by young people who are trying to understand what the Classical stage is, by trying to learn how to participate in it in a credible way. So, there's a reciprocal relationship between learning how to perform Classical music such as the *Jesu, meine Freude*, and learning how to perform Classical drama. This will give you the ability to have insight in how you should communicate to people in society in ordinary conversation, rather than this stupid dribble and drabble that you get on the television set.

## How To Tell a Story

**Question:** Hello. I have a question about inspiration. Is inspiration simply a derivative, or a function of effectively conveying ideas, profound ideas, or, is there a method of inspiring? Because it seems to me, with the drama, Shakespeare and Schiller and others, are able to contain the power of inspiration. They're able to, they know exactly how to uplift the audience who's watching the drama unfold. Whereas, sometimes when we're organizing, it will take that later reflection in the evening, after the day is over, to realize that, "Oh well, I did inspire this person, or I did not inspire this person here." And sometimes it's not a controlled effort.

So, I was wondering if you could speak on, how we can begin to get a sense of how to inspire both those around us in the organization, and those that we meet every day.

**LaRouche:** On the question of the role of Classical tragedy: See, as you know, you've got two ways of talking. People talk to see themselves convincing somebody else of something, when they may not be convinced themselves. It's like a typical lawyer, who tries to appear to be convinced that his client is guilty, but tries to pretend otherwise.

No, the Classical drama is a natural way of life. It's a matter of reliving, recalling, an actual experience, but recalling it again, and again, and again. Try to discover what the experience was. The process is very much like scientific discovery. In scientific discovery, we're dealing with evidence, sense perceptual evidence. We know the evidence. We've gone through it again, and again, and again, but the answer is not yet clear. There is no clear answer.

So, we visit it again, and again, and again. We rework the experience in our own mind. We reconduct the experiment. We do it over and over again. Until finally we get an understanding of the principle which solves the question, of what is determining this process. What principle, what idea has determined this process.

Now, what do you do then? Provided you've done that, and you know what you are talking about, which is a rather rare capacity in today's population—most people talk a great deal, but they never pause to find out what it is they're talking about. They hope they convince somebody else that they're very smart, or they're very persuasive, or they're sexy, or whatever, but what they are talking about is left rather uncertain. Unfortunately in some cases, fortunately in others.

So, therefore, how do you communicate? What you do is you take your experience of an idea. You take from your knowledge and discovery of the idea, you take the facts as you know them, the facts of sense perception as you know them. And now you craft them together, as a story. A story of the facts. But now you understand the facts, because you understand the idea. So therefore, you can now recite, retrace the steps, which lead to the discovery of the idea, for somebody else. Therefore, you can now tell the story of what happened, in a way that other people can now *see* what was behind what happened.

This was the thing that Helga dealt with yesterday on this question of the Classical drama, particularly, she described the way in which the first part of the drama sets the stage, the stage for a very complex process, to make the stage clear to the audience, before getting into the meat of the drama itself.

That's the kind of thing. The advantage of that kind of training in Classical drama, as in Shakespeare and so forth, as in Schiller also; this idea of learning how to tell a story, which is a true story. The facts, as empirical facts, are true. The question is, what do the facts mean? Which of the facts are significant? Which are not significant to the meaning of the whole process? And therefore, you tell the story in a way which makes it possible for others to see what the meaning of this process was, and you collect the facts, and present the facts, in ways that they can see the meaning.

You take similarly, a simple situation in politics. You try to present the facts of a person's life back to them, or the experience, back to them. You have to prompt them to see, and you lead them to seeing what the principle is, what the idea is, which brings these facts into some meaningful correlation. And that's exactly how you convey it.

## **The Shaping of the Youth Movement**

Don't worry about the youth problem. For example, let's take the case of what the youth have done in California and elsewhere, with Archytas and with the Gauss studies. These young guys can now present the ideas of Gauss, these ideas, and related ideas, in a way that most professors in universities could not. Because they've worked through it in a proper way. Now, they can take and express these ideas at Harvard University, where there's a lot of ignorance about what mathematics is. And you get in Harvard Square, they get a response. "Well, I don't do this," says Professor so-and-so. "I don't know what this is all about."

So, by learning to communicate *ideas*, and how to bring the facts which correlate with these ideas, into play in the minds of an audience. That is, you can do it in physical science, in demonstrating the case of the Archytas solution for the doubling of the cube, and similar kinds of things that our young people do. This development of this capacity in these ways, enable them to take almost any subject, and approach almost any subject in the same way. Whether politics, economics, whatnot.

My concern in the shaping of the youth movement, my part of the shaping of it—because it wasn't all mine—was to concentrate on this aspect of the process. Forget all this stuff you're supposed to learn. Forget the textbook! Forget this, forget that! Concentrate on what you can *know*. What you can know as a principle, a provable principle of nature. Train yourself to think in that way. Don't waste your time with other kinds of discussions and explanations. Concentrate on presenting what you can know to be the truth, and present that to people in ways that *they*, hearing you, and following your argument, can also make their own independent experience of the same discovery. If you can do that for the Archytas case, and for other cases in physical science, in the elements of physical science, the same method works in the area of politics and art in general. Do you know how to communicate? Do you know how to define ideas? Not as opinions, but as ideas. Do you know how to sort out a mass of facts, which bear upon an idea, to discover which of those facts are the correlatives which lead to the discovery of the idea?

Once you can do that, and do that as many people who have been spending several years doing this in the youth movement have, then you have developed the ability to develop ideas, and to communicate them. And that's what you concentrate on.

You have to educate people, you have to think of everything as like a case in history, to relive history: the history of the discovery of ideas, the transmissions of ideas of science—this is history. You have to learn to *relive* history, to experience it in your own mind, to think that way, as a great scientist thinks in elementary terms: as the great scientists of the past give examples of this. And then apply that, to communicating all kinds of ideas, or simply stating a problem in a way that might lead to the discovery of an idea.

And suddenly, someone looks at you, even such a person of such status as an ordinary adult, and says, "Hey, I see, you really know what you're talking about, don't you?" And he wipes his jaw, and goes away, saying "I've got to think about that." And that's the process, typical of the process, the way it works.

These young guys are doing it. It's when they don't flinch, when they don't try to take shortcuts, when they don't try to fake it, in short, that everything works fine.

## InDepth Coverage

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# Feature:

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

by Helga Zepp-LaRouche

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

# U.S. National Studies:

## Bring Back FDR's Democratic Party

by Debra Hanania Freeman

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

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

## Hitler on Steroids: Nietzschean Roots Of the 'Governator'

by Harley Schlanger

...West Coast spokesman for Lyndon LaRouche, gave this presentation to the Schiller Institute/ ICLC Presidents' Day weekend conference on Feb. 20. In the Summer of 2003, a former child actor named Gary Coleman announced his candidacy for the governor of California. Within days, he was joined by pornographer Larry Flynt and more than 130 others, including a former steroidpopping, female-groping body-builder, and Hollywood action figure, Arnold Schwarzenegger. As became very clear, this was going to be a very different kind of campaign.

## A Strategic Mission: Make Bush a Lame Duck

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

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

# Economics:

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

by Dennis Small

It's pretty much the way Lyndon LaRouche called it, back in mid-February. If the LaRouche Youth Movement does its job, he said, and makes sure that the Democratic Party and sane Republicans get into fighting shape against the Bush Administration's plan for Chilean-style privatization of Social Security, then that fascist policy can be turned into a loser for Bush. That is essentially what has transpired over the last 2-3 weeks, as we report elsewhere in this magazine. But, LaRouche warned at the time, do not expect Bush to stop the privatization drive, no matter how unpopular it becomes...

- **Mexico's Privatization: A José Piñera Disaster**

**by Dennis Small**

In an April 10, 1998 open letter to President Bill Clinton, José Piñera, the architect of Chile's fascist Social Security privatization, wrote: 'This [Chilean] success has led seven other Latin American countries—Argentina, Bolivia, Colombia, El Salvador, Mexico, Peru, and Uruguay—to emulate our example in the last five years.' Let's look at what Piñera and his Wall Street sponsors wrought in Mexico—a country that Piñera personally visited in 1997, to help ram through pension privatization.

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

**by Mary Jane Freeman**

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

## **Argentine Bond Deal: 'Revolt' Against the IMF**

**by Cynthia R. Rush**

There is an audible sound of teeth-gnashing coming from various world financial centers, not to mention from the International Monetary Fund (IMF), as financial predators try to digest the fact that Argentina has just successfully concluded a complicated bond swap to restructure \$82 billion in defaulted debt, with a bondholder participation rate of 76.07%.

## **Interview: Luigi Olivieri**

### **Italian Banks Unload Argentine Bonds In Italy; Investigation Blocked Italian Parliamentarian**

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

# **International:**

## **Will Lebanon and Syria Resist Regime Change?**

**by Muriel Mirak-Weissbach**

'We don't want American freedom!' This is the slogan on a poster (with a tank and a missile), sported by a young girl in a headscarf, participating in one of the daily demonstrations in Beirut, Lebanon. This picture, carried on many Middle Eastern websites, points up one paradox of the current Lebanese crisis: Although the entire mobilization against the government of Omar Karameh, who resigned on Feb. 28, has been steered from the United States, as part of the 1996 'Clean Break' doctrine to balkanize the region, there are currents among the opposition who decidedly do not want to play the role of American puppets.

- **Interview: Gilles Munier**

### **Hariri Stood For Unitary Nation-State**

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

EIR: You are an expert of the Western Asia region. Who had an interest in killing former Lebanese Prime Minister Rafik Hariri? Munier: Cui bono? Especially Israel and the American neoconservatives. Rafik Hariri had his drawbacks, but also some qualities, including that he favored a unified Lebanon, while those who killed him wanted the partition of the country.

## **Strategy of Tension: Bankers, Bush Put Squeeze on Philippines**

**by Mike Billington**

The long-simmering crisis in the Philippines reached the boiling point, both economically and strategically, in the opening weeks of 2005. A wide

variety of Western institutions, including the leading financial rating agencies, the U.S. State Department, and the Asian Development Bank (ADB), released reports highly critical of Philippine policies, warning of a debt collapse in the near term, and demanding ever more vicious austerity measures to meet foreign debt payments.

## **Ibero-America Wants Integration, Not War**

**by Valerie Rush and Gretchen Small**

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

# **National:**

## **Former Military Lawyers Join Lawsuit Against Rumsfeld**

**by Edward Spannaus**

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

## **Scientists: White House Ignores Public Health**

**by Marcia Merry Baker**

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

## **Mobilization To Stop Shultz's Fascism**

**Special to EIR**

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

## **Cheney's Perpetual War Doctrine Revived**

**by Jeffrey Steinberg**

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

# **U.S. Economic/Financial News**

## ***Washington Post* Yells 'Fire' Over Pending Dollar Crash**

The *Washington Post* joined the growing chorus of alarm among Establishment circles over the threat of a pending

dollar/financial collapse. "If a hollow rumor can rattle the currency," wrote the *Post* editors March 3, referring to the previous week's South Korean statement threatening to diversify reserves, "what would a real policy change do?... It seems a dangerous bet that Asian central banks will think it worth the risk of holding ever-expanding dollar portfolios that can falter on a rumor.... The risk of a currency crash grows everyday." The *Post* typically proposes spending cuts and new taxes to "solve" the problem.

## **Swiss Gnomes Forecast Stormy Weather Over Detroit**

"Thunderstorm over Detroit," read the headline of the lead economics editorial in the *Neue Zuercher Zeitung* Feb. 26, setting the theme also for articles in other leading dailies of Europe, with headlines like "Dark Clouds Over Automobile Industry." The Swiss financial daily forecast for the coming weeks and months is that there will be "dramatic turbulence" in "what used to be the industrial heartland of America—Detroit with General Motors and Ford." Not much industry is left, nowadays, the editorial adds, and reports what has become a truism: that GM and Ford today are "financial firms, also producing cars, as their hobby."

The big money that is still made at GM and Ford is in the GMAC credit facility and Ford Credit, while industrial activity has been in a continuous decline over the past 20 years, and sales have steadily declined, in spite of the most generous and even ludicrous rebate offers of \$5,000 and more per unit. The 750,000 car sales in 2004, on the basis of such rebates, cannot be repeated in 2005 or 2006, with rising oil and gasoline prices, and exploding steel prices adding to the automobile industry's problems. Moreover, the excessive rebate strategies were made possible only by the Federal Reserve's low interest-rate policy, which cannot be continued in the coming years. Germany's *Frankfurter Allgemeine Zeitung* Feb. 28 added that the "ruinous rebate battles" have also exhausted the financial reserves of the German and European carmakers, on U.S. markets, and any decrease of sales there will hit back, as sales in Europe are decreasing, so that the big money is made in exports.

The "thunderstorm" faced by automakers is the debt that comes due in 2006: GM will have to pay \$44.7 billion that year alone, on its \$301 billion debt; Ford will have to pay \$37.1 billion on its \$174 billion debt. Net cash profit at GM will, at best, be \$2 billion only, so that the firm would need 150 years to repay its debt. Tensions are on the rise on corporate bond markets, as new debt is used to pay old debt. In 2006, the financial crisis in Detroit will explode, the Swiss daily wrote.

## **GM, Ford Cut Production as February Sales Plunge**

U.S. automakers General Motors and Ford cut production after sales of new cars skidded in February. Both were hit by double-digit declines for many of their big trucks and sport utility vehicles. GM, the world's biggest automaker, said U.S. sales in February fell 12.7% compared to the same month a year ago; truck sales dropped 9%, while car sales tumbled 17%. This prompted GM to cut planned North American production, already down about 9%, by another 3% in the remainder of the first quarter; and in the second quarter, by 10% compared to a year ago.

Ford, the second-largest U.S. automaker, said sales slid 3%—the ninth straight month of lower year-over-year sales—with an 11% drop in sales of its F-Series pickup trucks and a 19% plunge in sales of its Explorer SUV. Ford is cutting first-quarter North American production by another 10,000 vehicles, or 1%; and second-quarter output by 1.2%. The production cutbacks will hurt OGM's and Ford's bottom line since they book profits when autos are shipped from factories.

## **GM To Shut Historic Lansing Plant in May**

General Motors is closing its historic Lansing, Mich. assembly plant in May, due to falling car and truck sales, the *Detroit News* reported March 2. The 85-year-old plant's 3,200 hourly workers will be "temporarily" laid off, and then most will

supposedly transfer to a new GM plant under construction in nearby Delta Township. Also scheduled to close later this year, are two plants built in the 1930s, in Baltimore, and in Linden, N.J.

## **January Home Sales, Prices Drop Precipitously**

A report released Feb. 28 by the Census Bureau and the Department of Housing and Urban Development shows a 9% drop in U.S. home sales and, according to figures reported in the *Washington Times* March 1, a 13% drop in the median price of a home for January 2005. The median sales price of a house in January was \$199,400, while the average sales price was \$281,900, indicating that sales of super-high-end "McMansions" are still buoying the market. The biggest drop in volume was in sales of homes between \$200,000 and \$300,000, those right in the middle of the market range.

Much of the coverage tries to mute the effect of these figures; the *Wall Street Journal*, for example, buried them in a report on falling personal income, and most reports blame the bad weather.

## **Corporate Layoffs Surge in February; Mergers Blamed**

Layoffs by U.S. corporations were up by 17% in February over the previous month, primarily due to the merger binge. The 108,387 layoffs—almost half from mergers in telecom—made February the fourth month in five with over 100,000 layoffs, according to Challenger Gray & Christmas. Challenger Gray & Christmas covers only a small portion of layoffs, leaving out all small businesses.

## **World Economic News**

### **Peoples Bank of China Spends Billions on Yuan/Dollar Peg**

The Peoples Bank of China has spent 1.16 trillion yuan (US\$195 billion) buying foreign currency in 2004 to hold the yuan peg to the U.S. dollar, according to China Economic Net March 2. This is a 40% increase in spending over 2003. China has big forex inflows due to strong trade surpluses, big foreign investment, and also speculative "hot money" inflows. As a result, the PBOC had to drain 669 billion yuan from the banking system. In 2003, it had to absorb 282 billion yuan from the system. The PBOC has become the only buyer of surplus foreign exchange in the Chinese market.

Last year, turnover on the China Foreign Exchange Trade System, which trades U.S. dollars, yen, euros, and Hong Kong dollars against the yuan, rose 38%, to a record US\$209.04 billion. Also, China's forex reserves hit a record US\$610 billion at the end of 2004, up US\$206.7 billion from 2003. Now, more foreign exchange will be allowed out of the country.

### **Britain Studies Maglev Technology for North-South Rail**

British press reported at the end of February that rail-industry leaders are calling for magnetic levitation technology (maglev) to be considered for the North-South rail line which would link London and Scotland. Rail industry leaders are calling for the maglev to be considered for the north-south line, because this technology could put Britain ahead of the rest of Europe, the *Scotsman* reported Feb. 18.

British Transport Secretary Alistair Darling has announced that plans for the new north-south link, are back on the agenda, and maglev is one technology under consideration. Chancellor Gordon Brown travelled on the maglev when he was in Shanghai at the end of February, and reportedly likes the technology, and Tony Blair wrote a Cumbria Member of Parliament that, "We are ready to look at the potential of maglev along with more conventional high-speed rail

technologies."

The UK Ultraspeed project said a 500-mile line could be built over ten years to link London and Glasgow via Birmingham, Manchester, Newcastle, and Edinburgh. Ultraspeed project head Dr. Alan James has made a presentation on the technology to Tony Blair. Also, Moir Lockhead, CEO of Aberdeen-based FirstGroup, after visiting Shanghai, which has the world's only commercial maglev, said in January: "The UK does not have a European-style high-speed network, and so is in an almost unique position to leapfrog ahead. We are well placed to look 20-30 years ahead and ask 'Is this the technology for us?' "

## United States News Digest

### Senator Byrd Compares 'Nuclear Option' to Hitler's 'Enabling Law'

In a devastating attack on the drive by the Republican majority to suppress any opposition to the Bush-Cheney agenda, Sen. Robert Byrd (D-W.Va.) warned in a March 2 Senate speech against the threat of fascism in America, comparing GOP attempts to change Senate rules to eliminate the filibuster, to the "Enabling Law" that created the Hitler dictatorship.

The filibuster, said Sen. Byrd, Congress's leading Constitutional scholar, is fundamental to the Senate's role as a check on the Executive branch. From the speech:

"Historian Alan Bullock writes that Hitler's dictatorship rested on the constitutional foundation of a single law, the Enabling Law. Hitler needed a two-thirds vote to pass that law, and he cajoled his opposition in the Reichstag to support it.... Hitler never abandoned the cloak of legality; he recognized the enormous psychological value of having the law on his side. Instead, he turned the law inside out and made illegality legal. And that is what the nuclear option seeks to do to Rule XXII [the filibuster]...

"Employing the nuclear option, engaging a pernicious, procedural maneuver to serve immediate partisan goals, risks violating our nation's core democratic values and poisoning the Senate's deliberative process...

"[T]he American spirit, that stubborn, feisty, contrarian, and glorious urge to loudly disagree, and proclaim, despite all opposition, what is honest and true, will be sorely manacled....

"If we start, here, in this Senate, to chip away at that essential mark of freedom, here of all places," Sen. Byrd concluded, "in a body designed to guarantee the power of even a single individual through the device of extended debate, we are on the road to refuting the Preamble to our own Constitution and the very principles upon which it rests."

### Army Recruiting Down by More Than 27%

The U.S. Army signed up 5,114 recruits in February, 1,936 fewer than its goal of 7,050. The last time the Army missed a monthly target was in May 2000. The February shortfall is all the more worrisome as it comes when the Army is trying to lure recruits with the largest enlistment bonuses it has ever offered—up to \$20,000 to some recruits willing to sign on for four years, while the Pentagon is also adding thousands of recruiters for the Army and other military branches. Doug Smith, a spokesman for U.S. Army Recruiting Command, at Fort Knox, Ky., noted that the Army has already used up many of its "delayed entry" recruits—people who agree to sign up, but whose enlistment is delayed until later, for their convenience, or that of the Army.

The Marine Corps also reports that it missed its monthly target in January for the first time in nearly ten years, but did meet its February goal.

David Segal, a military sociologist at the University of Maryland, who follows personnel trends, told *USA Today* March 3, that the Army's February numbers reflect the extraordinary demands on U.S. ground forces and the uneasiness many Americans feel about the war in Iraq.

### **House Votes To Expand Faith-Based Bribes**

On March 2, the House approved a bill, by a 224-200 vote, that would allow faith-based groups to receive Federal job-training money while hiring workers only of a particular faith. Democrats opposed the measure, saying it's discrimination. "This provision is offensive, ugly, wrong," declared Rep. Jim McGovern (D-Mass). "It is a slippery slope from here on out, and I fear this is just the beginning."

Meanwhile, prominent Democratic Party figure Donna Brazile warned that the aggressive Republican drive to recruit black votes through black church leaders, "should be cause for alarm" for Democratic leaders.

### **Abramoff Target of Interagency Probe**

In its March 1 lead article, *The Hill*, which is distributed to every Congressional office, announced that the Justice Department has subpoenaed records from the GOP lobby group, the Council of Republicans for Environmental Advocacy (CREA), founded by Grover Norquist (Americans for Tax Reform), and former Secretary of the Interior Gale Norton.

The targets of the investigation are Jack Abramoff, the architect of Texas Republican Rep. Tom DeLay's political money machine, and Abramoff's partner Michael Scanlon, a former chief aide to DeLay, who are both under investigation for their dealings with Native American tribes' gambling operations. The interagency task force investigating Abramoff and Scanlon includes the FBI, the IRS, the Public Integrity Section of the DoJ, and the Interior Department's Inspector General. The pattern described by *The Hill*, is that Abramoff squeezed tribes that had hired him for work on their gambling casino operations, to give money to CREA; the money was attributed to interest in environmental concerns, but investigators believe it was only because CREA was "close to the Interior Department," and would be useful in arranging favorable decisions for Abramoff's interests.

*EIR* and *New Federalist* have previously exposed the dirty dealings of Abramoff, including his business links to organized crime.

### **Both Dem and GOP Governors Oppose Bush Medicaid Cuts**

Even Republican Gov. Bob Taft of Ohio said, during a meeting of the National Governors Association in Washington on March 1, that there was united opposition to President Bush's proposed \$60 billion Medicaid cut in the budget ("we've made it clear we oppose that"). Wisconsin Gov. Jim Doyle (D) said, "What they are saying to the states is, 'We're going to cut you and give you more flexibility,' and the flexibility is, you can cut people off."

White House spokesman Scott McClellan called the \$60 billion cut a "plan for moving forward on strengthening Medicaid" (the same line he and Bush use for stealing Social Security) by "eliminating loopholes and accounting gimmicks." The governors complained that Bush had put forward no details, just the \$60 billion cut, leaving nothing to find agreement on. Even Mississippi Gov. Haley Barbour, former national chair of the Republican Party, said the governors felt that "the budget was driving policy rather than policy driving the budget."

## Myers Nomination Running Into a Brick Wall

Senate Judiciary Chairman Arlen Specter (R-Pa), who is trying to avoid the "nuclear option" threatened by Majority Leader Bill Frist and Vice President Dick Cheney—a change in Senate rules that would bar the filibuster—hoped he could reach some compromise on William Myers, nominated by President Bush for a seat on the Ninth Circuit Court of Appeals, whom he considered the least controversial of the Federal judicial nominees. As the hearing opened March 1, Specter said he had 58 votes, "within hailing distance" of the 60 needed to stop a filibuster. Myers is one of several judges blocked by the Democrats in the 108th Congress whom Bush has re-nominated for consideration by the 109th Congress.

However, the *Washington Post* reported on March 2, that Specter's effort is losing ground. Sen. Ken Salazar (D-Colo), who, as Attorney General in Colorado in 2004, had strongly recommended Myers to the U.S. Court of Appeals, and whom Specter was counting on, has now written a letter to President Bush asking him to withdraw Myers' name, along with all the others who have been re-submitted.

Sen. Charles Schumer (D-N.Y.), whom Specter also counted on, issued a scathing attack on Myers' environmental record, during the hearing. A showdown on the filibuster is now likely on the Myers nomination.

## New Homeland Security Plans Meet Skepticism

The Department of Homeland Security's plans to implement a pay-for-performance system in place of the 50-year-old General Schedule, as well as other measures, were the subject of close examination by the House Government Reform Committee's Subcommittee on Federal Workforce and Agency Operation March 2. The subcommittee's ranking Democrat, Rep. Danny Davis (D-Ill) ridiculed the notion that most of the reforms had anything to do with national security, which has been the justification all along for the changes, which were authorized in the legislation that created DHS, and which the Department is now attempting to implement.

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

## Judge Slaps Down Bush in Padilla Case

A Federal judge in South Carolina granted the *habeas corpus* petition filed by Jose Padilla, a U.S. citizen who has been held as an "enemy combatant" in a military prison for over two years. The judge, Henry Floyd, who was appointed to the bench in 2003 by President George W. Bush, ruled March 1 that the President does not have the authority to detain a U.S. citizen who was arrested on U.S. soil, indefinitely, without bringing charges against him.

The government has argued that the President's inherent Constitutional powers as Commander-in-Chief in wartime allow him to detain Padilla indefinitely as an "enemy combatant." The judge strongly disagreed, saying that only Congress can authorize such detentions—not the President—and also that only Congress can suspend *habeas corpus*. To rule otherwise, he said, "would not only offend the rule of law and violate this country's Constitutional tradition, but it would also be a betrayal of this Nation's commitment to the separation of powers that safeguards our democratic values and individual liberties."

## Ibero-American News Digest

## **Colombia LYM Gives 'Shylock Award' to IMF Chief**

During a high-profile visit to Bogota, Colombia on Feb. 16, the director of the International Monetary Fund, Rodrigo de Rato, was presented with the "Shylock Award for Usury"—a "pound of flesh"—by the LaRouche Youth Movement (LYM) of Colombia. Present for the unexpected award ceremony were the Fund's Director for the Western Hemisphere, Anoop Singh, and IMF Assistant Director and chief of mission to Colombia Robert Rennhack.

The award was delivered during Rato's final press conference at the Banco de la Republica, Colombia's central bank. As the conference was drawing to a close, LYM member Orlando Munevar walked to the front of the room and, displaying a bag of raw meat, declared: "This is the 'pound of flesh' that the IMF is demanding from our country.... I represent the LaRouche Youth Movement, and we are for a New Bretton Woods, as was carried out in 1945, to enable the world economy to recover. Today, however, it only functions as a system for looting nations. What you represent is the empire of usury!"

The press surrounded Munevar for interviews after he spoke, generating a flurry of media coverage from Colombia to Spain. He told them that the practices of neo-liberalism, globalization, and free trade which the IMF promotes worldwide, are the embodiment of fascism, and gave everyone a leaflet from the Lyndon LaRouche Association of Colombia, entitled: "The IMF Is 100 Times Worse than Hitler." Several journalists came to the LYM organizer's defense, when security sought to run him out.

Outside the central bank, a squad of five LYM members presented a scene from Shakespeare's "Merchant of Venice," and picketed with signs reading: "Sustainability of the Debt = Fascism," "IMF Rats Get Out!," "Uribe Protects Us from Terrorism, But Not from IMF Hunger," and the well-known poster, "Stop the Narco-Terrorists," bearing the infamous photo of the FARC's Raul Reyes embracing New York Stock Exchange president Richard Grasso.

## **Lula Loses Leadership of Chamber of Deputies**

Brazilian President Lula da Silva was delivered what is judged his "worst political defeat" in two years in office on Feb. 15, when his Workers Party (PT) candidate for President of the Chamber of Deputies, was defeated, 300 to 195. A majority of the Congressmen, including a large chunk of the PT itself, turned the vote into a de facto plebiscite on Lula's government.

For the first time, the ruling party will not control the presidency of the Chamber of Deputies, which controls which bills go to floor and when they get voted on. The president of the lower house is also third in line in succession, and serves as acting President, if the President and Vice President are out of the country. To make matters worse, the PT, confident in its victory, gave away its candidate for the seven-man leadership body of the Congress which sets its day-to-day agenda, in the horse-trading that proceeded the vote. Thus, the PT now finds itself without any representative in the Congressional leadership at all!

Severino Cavalcanti, from the smaller Progressive Party, will now become president of the Chamber, where he will serve for the next two years. Cavalcanti, a 74-year-old, three-term Congressman from the poor northeastern state of Pernambuco, told *Folha de Sao Paulo* two days later, that he opposes the bankers' legislation to make the Central Bank autonomous; criticized the latest half-point interest rate hike; and demanded that Treasury Minister Antonio Palocci "stop punishing the population." What message did he want to send to Lula? "Listen, President, we need to do something so that the people, the poor, the miserable ... do not satisfy the hunger of the international market."

## **Bankers' Policies Feed Rural Violence, Brazilian Leader Charges**

On Feb. 17, one day after Brazil's Central Bank raised the benchmark interest rate for the sixth month in a row, to 18.75%, Vice President Jose Alencar once again launched war against the Central Bank's high interest rate policies, despite having been repeatedly ordered to keep silent on this matter. In a meeting with legislators to discuss the recent murder of American nun Dorothy Strang in the impoverished state of Para, Alencar insisted that the real cause of the wave of violence in Brazil, is the economic policy and high interest rates of the federal government. How can it be, he asked, that interest payments consume the largest part of the budget? A quarter of all tax revenue is spent on interest payments! He had his aides pass out copies of a chart prepared by an economic consulting firm, which shows that Brazil has the highest real interest rates of 40 nations studied.

The legislators complained to Alencar, who also serves as Defense Minister, about the lack of government presence in states such as Para, where in the midst of rampant lawlessness and Wild West-type fights over control of land, the Federal Police have no equipment.

### **Brazil To Host Summit of South American and Arab Heads of State**

The first-ever South American-Arab Heads of State summit, organized by Brazil, is now scheduled for May 10-11 in Brasilia. Foreign Minister Celso Amorim visited ten Arab countries—Jordan, Palestine, Syria, Lebanon, Saudi Arabia, Oman, Qatar, Kuwait, Tunisia, and Algeria—Feb. 17-26, to deliver formal invitations from President Lula da Silva. Egyptian and Brazilian officials met separately at the same time, and a ministerial-level preparatory meeting is to be held in Morocco at the end of March.

Addressing the Jeddah Economic Forum in Saudi Arabia on Feb. 20, Amorim pointed to the historic nature of the summit, calling it "probably the first encounter between heads of state of two major regions of the developing world, with the possible exception of the Asian-African Conferences which gave birth to the Non-Aligned Movement in the 1950s." Not only should it pave the way for concrete projects to the benefit of peoples in both our regions, but it should provide a forum for political dialogue on our common fight against poverty and hunger, and for development, he said.

The Bush Administration was undoubtedly not pleased with Amorim's friendly meeting with Syrian President Bashir Al-Assad on Feb. 20. Assad informed Amorim that he will attend the May meeting, and wished to convey to Lula that the Brazilian President is well-liked in Syria, and the region in general. Syria considers Brazil "the ideal choice" for membership on the expanded United Nations Security Council which both nations seek, he added. Amorim also laid a wreath on the grave of Yasser Arafat, during his stop in Palestine for meetings with President Mahmoud Abbas and Prime Minister Qurei, on Feb. 17.

In a press conference in Syria on Feb. 19, Amorim emphasized that Brazil has friendly relations with all nations in the area, including Israel, and seeks to help the peace process. He suggested India and South Africa, which have forced the India-Brazil-South Africa (IBSA) group with Brazil, might join in this effort.

### **Narco-Terrorists Promise 'Hot Summer' in March for Peru**

Cocaleros (coca-growers) have pledged to make March their "month of resistance" in Peru, against a backdrop of multiple strikes and protest actions by farmers and trade unionists against President Alejandro Toledo's intolerable misgovernment. This, as Bolivian cocalero leader Evo Morales began formalizing his international apparatus, with the founding of a party of his followers in Peru, known as MAS-Peru.

More Peruvian cocaleros are reported to be processing their coca directly into cocaine, instead of shipping the raw paste to Colombia as in the past, raising fears that Peru is heading toward becoming a war zone again. Several areas of the country

where coca is grown are now under tight control of the coccaleros, comparable to FARC control over portions of Colombia, and the coccaleros are reportedly striking alliances with a revived Shining Path and receiving weapons shipments. Yet, the Bush Administration decided to reduce anti-drug aid to Peru by \$18 million this year, an act which is expected to gut the "crop substitution" program of the Toledo government.

Analysts are predicting that upcoming coccalero protests will be more violent than before. In announcing a Feb. 24-25 national strike by Peruvian coccaleros, Elsa Malpartida, secretary of the National Confederation of the Coca Basin Agricultural Producers of Peru (CONPACCP) and an open supporter of the New Year's uprising by the nazi-communist Humala movement (see [Indepth, EIR Online #5, 2005](#)), dramatically promised that the coccaleros "are prepared to give our lives to defend our families."

## **The 'Pinochet Factor' in Honduras's Upcoming Elections**

A leading candidate for the November 2005 Presidential elections in Honduras, is the ruling National Party's president of the parliament, Porfirio Lobo Sosa, whose top PR adviser is the favored consultant of Chile's Pinochetista candidate, Mark Klugmann. Under Klugmann's impetus, Lobo Sosa has been playing for some time to the growing popular fear over the *maras* (gangs) and their violence, by promising to impose the death penalty. Now, he's made prohibiting gay marriage another issue—in a country where informed sources estimate 80% of the people are unemployed. Honduras's sizeable evangelical population is now mobilized around stopping gay marriage.

Klugmann, an American, served as a PR man for Reagan, Bush, Sr., and Phil Gramm, before moving to Chile in 1989, where he set up his consulting firm, and advised various Pinochetista candidates for office. That included Gen. Pinochet's notorious labor and pension destroyer, Jose Pinera. When Pinera's 1993 Presidential bid failed, the two set up the International Center for Pension Reform, as their basis of operations.

Klugmann has been active in Central American politics for several years, making a scandalous amount of money from advising former Salvadoran President Francisco Flores—the Bush Administration's current favored candidate to head the Organization of the American States—while he was in office.

## **Western European News Digest**

### **Italian Parliament To Debate Return to Bretton Woods System**

Italy's Parliament will soon debate a motion calling for convening a conference to consider a return to a new Bretton Woods monetary conference. The motion was introduced in the Chamber of Deputies on Feb. 13, 2004, by Dep. Mario Lettieri of the opposition party "Margherita," with the support of a group of about 50 parliamentarians from various parties—mostly the opposition, but also a few from the government coalition. Lettieri is also Secretary of the Chamber's Finance Committee. Among the best-known signers are Giovanni Bianchi, who in 2001, organized an event with Lyndon LaRouche in a room at the Parliament; former Ministers Antonio Maccanico and Nerio Nesi; and former Deputy Foreign Minister Ugo Intini. The motion was prepared in collaboration with Paolo Raimondi, president of the Movimento Solidarietà, the LaRouche movement in Italy.

The official Calendar of the Chamber announced that on March 14, the motion for a new Bretton Woods system will be debated, with discussion continuing on March 15-16, and if needed, also on March 18. The Calendar says that there will be "a discussion on the general lines of the motion of Lettieri and others (N. 1-00320) on convening an International Conference for a new monetary and financial system."

After analyzing the systemic implications of the Parmalat crash, the global speculative bubble, the OTC derivatives, etc., the motion, "Requires the government to: Act in the relevant international fora to build a new financial architecture, aimed at avoiding future financial crashes and the recurrence of financial bubbles, and is concentrated on the objective of supporting the real economy; and to take all necessary initiatives to convoke, as soon as possible, an international conference of heads of state and government similar to that held in Bretton Woods in 1944, to define a new and more just global monetary and financial system."

## **Schroeder Promotes 'Dialogue of Cultures' in Tour of Arab States**

A proposal that the direct regional neighbors of Iraq have to be involved in the nation-building process there, as well as in the economic aspect of the envisaged EU-Iran agreement, was a recurring theme in Chancellor Gerhard Schroeder's tour of seven Arab states, from Feb. 27 to March 5. The tour took the Chancellor to Saudi Arabia, Yemen, and five Persian Gulf states, which are having their first time ever visit by a German head of government leader.

The framework theme of the visits is the "promotion of the dialogue of cultures," the Chancellor's office told the press on Feb. 25, and an important sub-theme, which Schroeder spoke about in the Saudi capital Riyadh on Feb. 28, is "how German engineering capabilities can assist in building infrastructure" in the Arab world. Development of petrochemical production on site, in the oil-producing countries, and of transportation, notably railway (or, maglev), were prominent topics in the Chancellor's talks.

## **Blair Government Triggers Outrage Over 'Anti-Terror' Law**

British Prime Minister Tony Blair's government managed to get its new "Prevention of Terrorism Act" through the House of Commons, but the debate was hot, and on one crucial issue, the government won by only 14 votes, even though the government holds a 167-vote majority in the lower house. The law must now go to the House of Lords, where a lot more opposition is expected. The government has to get the bill passed by March 14, when the current anti-terror law, pushed through right after Sept. 11, will expire.

Home Secretary Charles Clarke had to make an important concession, agreeing that judges, and not government ministers, have the final say on house arrest orders. The orders, which violate the Magna Carta, would allow detention of terror suspects without trial. Under the law pushed through by former Home Minister David Blunkett, a group of non-British suspects have been held in prisons for years. This was declared a violation of human rights by Britain's Law Lords last December.

A cross-party group of dissenting Members of Parliament demanded an amendment which would ensure that judges would decide on all measures to "control" terror suspects, not just house arrest. The amendment was voted down March 1, with 60 Labour MPs voting against Clarke. The "rebels" included former Blair Cabinet ministers. The entire bill was finally passed with a majority of 53. Tory shadow Home Minister David Davis warned that under this bill, "the scope for miscarriages of justice is enormous."

Meanwhile, the terrorism "threat" is being played up daily, with claims that the upcoming election campaign, and Prince Charles's wedding could be terror targets. Blair claimed on radio that "several hundred" suspected terrorists are being watched in Britain, although this number is "far in excess of what intelligence officials estimate," which is more like 40, BBC reported.

## **'Prevention of Terrorism Act' Changes Fundamental British Law**

Terrorism expert Simon Reeve, writing in the *Daily Mail* March 1, warned that the rush to pass the Prevention of Terrorism Act changes fundamental British laws.

"It will abolish the basic presumption of innocence for British citizens, and means a Briton can be labelled a 'terrorist' without charge or trial, and detained in their home. If you were held under one of Clarke's new 'control orders', you would have no right to know the evidence against you, no right to contest the evidence, and no right to legal representation of your choice."

But this bill will do nothing to counter the situations which are generating a real terror threat—the Israeli-Palestinian conflict, and "the chaos of Iraq." Iraq is now "pumping out militants in much the same way Afghanistan churned out men like bin Laden in the 1980s," Reeve wrote.

The new bill will not help intelligence, since investigators will be under pressure to put together enough evidence to get a control order, rather than conducting a rigorous analysis. "The whole system smacks of politicians desperately wanting to be seen doing something, anything, quickly," Reeve wrote.

### **German Finance Minister Ignorant on Credit Generation**

Coming under strong pressure from the side of the neo-cons that charge him with trying to abandon loyalty to the Maastricht budgeting criteria, German Finance Minister Hans Eichel, in several interviews over the past days has made special efforts to convince his critics he wants no change of policy.

In a widely-reported interview with the *Passauer Neue Presse* daily, March 2, Eichel made the nonsensical statement that, "spending ever-more money, if there is no money anyway, does not work." Apparently addressing dissident Social Democrats who are calling for a (modest) increase of spending for job-creation, and a (likewise modest) decrease of budget-cutting, Eichel said there must not be any deviation from budgetary discipline.

The secrets of how to generate productive credit, which should be among the basic ABCs of any finance minister, are completely unknown to Eichel, as he has demonstrated once again.

### **German Jobless Figures Are at a Record High**

Even the heavily massaged official German jobless figures show a record high in lack of employment. The February figures, as published by the Federal Agency for Employment in Nuremberg the first week of March, list 5.2 million citizens without a regular job. Compared to February 2004, almost 440,000 more Germans were without a job. This is an all-time high in 55 years of postwar German statistics, but also in 73 years since the Great Depression peak in the autumn of 1932.

The Federal Office of Statistics, in its report for January, also published March 1, offers an insight into the alarming dynamic of increasing youth unemployment: between January 2005 and the same month 2004, unemployment of young Germans under age 25 increased by 26.9%, from 500,000 to 635,000; but in the category under age 20, the increase is 62.5% (!), from 69,000 to 112,000.

Also, women show a disproportionate increase, from January last year to this year, with 13.8%, from 1.948 million to 2.216 million. The average increase for all categories is 9.6%. One has to keep in mind that the figures for February, once published, will be even more alarming than these January figures. Real unemployment, with the many statistical manipulations taken away, is close to 9 million.

# Russia and the CIS News Digest

## The Results of Putin and Bush Meet in Bratislava

The Russian President's web site on Feb. 24 featured the three sets of official agreements, signed that day during Vladimir Putin's Bratislava summit with President George Bush:

- \* a set of agreements on the non-proliferation of various types of weapons, including nuclear materials, and shoulder-launched anti-aircraft missiles;
- \* agreement to cooperate more in the area of energy (though Russia has just barred foreign companies from participation in oil-field tenders during 2005, though they may resume bidding in 2006);
- \* Russia's accession to the WTO, about which Putin said at the joint press conference, "Russia is prepared to make reasonable compromises, but these compromises should not go beyond the ordinary obligations, assumed by countries upon joining the WTO."

This was not the only moment at which the Russian President evidenced his preoccupation with questions of economic and other destabilization of Russia and its closest neighbors. Replying to a long-winded question from Boris Berezovsky's *Kommersant* paper, about both Russia and the USA being repressive states, Putin said: "I am quite convinced that democracy does not mean anarchy, nor does it mean that all is permitted. And it is not the opportunity for anybody to loot the population of one country or another."

## Defense Minister Boosts North-South Rail Corridor

Responding to a question from *EIR* on "non-military aspects to security stabilization," at the Munich Wehrkunde Conference in mid-February, Russian Defense Minister Sergei Ivanov expanded on the importance of the North-South Eurasian Transport Corridor, which runs from Helsinki to Mumbai, India. Noting that the project is coordinated with each participating country's national economic development strategies, Ivanov reviewed the construction and modernization of railway lines, construction of a modern container port at Olya, near Astrakhan on the Russian coast of the Caspian Sea, which feeds into Russia's inland waterways network as well as the rail grid. Although the project does not in any way seem directly related to security questions, it is nevertheless an important contribution to the economic stabilization and development of the entire region from Helsinki and St. Petersburg to western India, and in that way, it does contribute to security, Ivanov said.

## Yukos Suit Thrown Out of U.S. Court

Attempting to circumvent the Russian government, the Khodorkovsky-era executives of Yukos, had brought a bankruptcy petition to a U.S. court, in order to protect its assets from the Russian tax collectors, among others. Yukos' chief executive, Steven Theede, is living in the U.S., and the ex-president of the company, Mikhail Khodorkovsky, is on trial for looting the company and not paying taxes. In the U.S., Theede has run a campaign to get Bush Administration and Congressional protection of his company, by branding Russia a country that is moving towards totalitarianism under Putin.

U.S. Bankruptcy Judge Letitia Clark dismissed the case in a ruling on Feb. 24, just hours after the summit meeting between Putin and Bush, where Bush had followed the Shultz-Cheney script, and raised the "democracy issue" with Putin.

Judge Clark's ruling said that Yukos business and financial activity "require the continued participation of the Russian government." The immediate motion that led to the case being thrown out came from one of the Yukos creditors, Deutsche Bank, which argued that the Yukos executives had only come to the U.S. with the suit in order to seek "a friendly court."

## **Lieberman and McCain Take Hillary Clinton to Ukraine**

A U.S. Congressional delegation led by Sen. John McCain, and including Senators Hillary Clinton and Joseph Lieberman, arrived in Ukraine Feb. 11. Clinton and McCain also wrote a joint letter on Jan. 26, nominating Georgian President Mikhail Saakashvili and Ukrainian President Viktor Yushchenko for the Nobel Peace Prize. The question "What are they doing?" is being asked among political elites in Moscow, where Ukraine's Orange Revolution is seen a destabilization of the region, massively supported from the outside.

Political observers also emphasize that Ukraine itself is being set up by these operations. Ukraine has little to offer the European Union by way of oil or gas. It does, however, have very productive agriculture, on which the EU would only impose many restrictions. So closer EU-Ukraine ties would only threaten its economic situation, leading to further instability.

## **Democratic Neo-Con Holbrooke Declares Cold War on Russia**

Richard Holbrooke's article "The End of the Romance" (between Bush and Putin), carried in the *Washington Post* Feb. 16, offered glowing praise for Lithuanian President Valdas Adamkus' statement that the 1945 liberation from the Nazis, was nothing to celebrate, since it just "traded Hitler for Stalin." Holbrooke claimed that "I am neither predicting nor advocating a return to the bad old Cold War days," but then showed that he intends exactly that. He demands that the four years of a "blank check" from Bush and Europe toward Russia have seen Putin adopt "soft authoritarianism"; "state-sponsored theft" from Yukos; "inept meddling" in the Georgia and Ukraine elections; and a refusal to pull Russian troops out of Georgia and Moldova. Russia has worked against U.S. interests, ranted Holbrooke, in league with Germany, France, and China, in regard to Iraq and Central Asia, and is undermining U.S. interests in Turkey. Holbrooke's neo-con orders: "The Administration must re-evaluate its Russian relationship. Ignoring Putin's behavior would make a mockery of Bush's Inaugural rhetoric about freedom and democracy." The U.S. must reject Putin's request for a meeting with NATO in May, and demand withdrawal of troops from Georgia and Moldova now, he concluded.

## **U.S. Supports Regime Change in Kyrgyzstan**

The *Wall Street Journal* of Feb. 25 detailed how the same organizations and individuals used to subvert the electoral and political process in Georgia and Ukraine, moved into Kyrgyzstan in advance of the Feb. 27 parliamentary elections. Those elections were won by candidates supporting President Askar Akayev, results contested by the opposition as unfair. The *Journal* headlined: "In Putin's backyard, Democracy stirs—With U.S. Help—Western-backed groups offer aid to opposition." Named were the State Department and USAID, directly and by financing NGOs. One Mike Stone, with Freedom House, became the printer for the revolution, on a printing press loaned by the State Department; the National Endowment for Democracy financed the translation of the Gene Sharp book *From Dictatorship to Democracy*, heavily used in the previous coups. Said U.S. Ambassador Stephen Young: "Kyrgyzstan could offer a signal of hope to the societies in Central Asia." The *Journal* gloats that "the speed of the democratic transition has unnerved Russian leader Vladimir Putin."

## **Protests Continue in Russia, Become Politicized**

Political tension continued to run high in February around the devastating entitlements reforms, imposed in Russia since

the start of the year. Mid-February saw demonstrations by several hundred thousand people, with particularly large turnouts in the central and Volga River basin regions.

At the Feb. 14 Cabinet meeting, Prime Minister Mikhail Fradkov chastised Minister of Health and Social Development Mikhail Zurabov for poor implementation of the reform. In a session with State Duma leaders the next day, President Putin continued to stress that the problem was with "glitches" in implementing the measures, rather than with the conception of the policy—which is based on the classic Mont Pelerin Society dictum that people should have cash with the "freedom to choose" how to spend it, rather than have any guarantee of social security in the form of in-kind benefits.

Moscow Mayor Yuri Luzhkov announced Feb. 16 that he would ask the Constitutional Court to review the cash-for-entitlements policy, saying that the law "grossly infringes the rights of the constituent territories of the Russian Federation" (i.e., the regions, which are forced to pay some of the cash compensation to people). Luzhkov is a member of the United Russia bloc, whose leader, Speaker of the Duma Boris Gryzlov, lamely rejoined that the Mayor has a right to his opinion and would not be subjected to "party discipline." Novgorod Governor Mikhail Prusak told Itar-TASS he would support Luzhkov's initiative. He said that Novgorod Region was implementing the reforms gradually, only as funds become available to make the cash payments, and he criticized the launch of this policy, which hits senior citizens hard, in the year of the 60th anniversary of victory in World War II.

Vladimir Averchenko, head of the Federal Agency for Construction and Public Utilities, said Feb. 11 that rents and utilities bills had risen by an average 25% nationwide since Jan. 1. With the partial elimination of subsidies, the hike was supposed to be no more than 10%. Regional Development Minister Vladimir Yakovlev, the former St. Petersburg governor, told a Feb. 11 meeting of regional leaders that the country is facing an untenable income gap between rich and poor, which "could lead to a revolutionary situation in any country," if not redressed.

## **Russia Plans To Build Three New Nuclear Plants**

Oleg Sarayev, head of Rosenergoatom, which runs the country's civilian nuclear power plants, announced Feb. 24 that Russia would be building three new plants over the next five years. He also stated that Russia would not be shutting down any of its older nuclear plants during that period, but instead would upgrade and modernize the older ones, reaching the end of their design life. In December, Russia started up its 31st nuclear power reactor. Russia's nuclear industrial infrastructure has largely been kept alive for the past ten years by the Chinese, Iranian, and other export contracts.

## **Southwest Asia News Digest**

### **Assad Speaks on Withdrawing Syrian Troops from Lebanon**

Speaking before the Syrian Parliament on March 5, President Bashar al-Assad announced that he will soon meet with Lebanese President Emile Lahoud to approve a plan to withdraw troops. A full official translation is not yet available, but wire reports immediately following the speech are summarized here.

"We will not stay one day if there was Lebanese consensus on the departure of Syria.... we don't want to stay in Lebanon," reported *Ha'aretz* March 5. "We will pull all our forces in Lebanon to the Bekaa area and from there to the Syrian-Lebanese border," Assad said, according to Reuters, and noted that this would fulfill the commitment under the Taif agreement that ended the Lebanese civil war, and also fulfills UN Security Council Resolution 1559. Assad also stressed that Syria "is ready to resume negotiations [with Israel] with preconditions," but that "peace in our region will never be achieved unless our land that is occupied is returned to us." Syria's Golan Heights has been under Israeli occupation since the 1967 war, as are the Palestinian territories.

## **Israel Launches Anti-Syria Propaganda Campaign**

In close coordination with the Bush Administration's drive to use the Lebanese crisis for a war on Syria (see this week's InDepth) Israeli Foreign Minister Silvan Shalom launched an intense anti-Syria propaganda campaign on Feb. 28, targeting the U.S. and Europe. On Feb. 28, the head of Israeli military intelligence, Gen. Aharon Ze'evi Farkash and senior officials from the Foreign Ministry briefed European diplomats in Jerusalem, accusing Syria of involvement in the most recent suicide bombing in Tel Aviv.

Syrian President Assad has categorically denied Syrian involvement in the Feb. 25 terrorist incident, but Yossi Kuperwasser, the head of Israeli military intelligence's research division, insists that Israel has proof. A team of Israeli Defense and Foreign Ministry officials were to travel to London, Paris, and Washington as part of this anti-Syria campaign.

As soon as Israeli intelligence made these assertions, which center around the presence of an office of Islamic Jihad in Damascus, top Bush Administration officials, led by Secretary of State Condoleezza Rice, began accusing Syria as well. In a March 2 interview with ABC news, Rice said that "we have firm evidence" that the Tel Aviv attack originated in Syria.

In denying that Syria was the source of the attack, Syrian officials have revealed that Syrian intelligence and security agencies block all communications between Damascus and Israel/Palestine, and monitor the presence of the militant Palestinians closely.

## **Top Israelis Arrested for Stealing Palestinian Properties**

Israeli police have arrested five people accused of fraudulently selling Palestinian land on the occupied West Bank, reported *Ha'aretz* on Feb. 28. Those arrested are Haim Cohen, former chief executive of a company called Himnuta; Lt. Col. Yair Blumenthal, head of the Civil Administration's infrastructure department, the official Israeli occupying authority in the West Bank and part of the Israeli military; brothers Yosef and Yaakov Amram, who are Jerusalem-based businessman; and their lawyer, Eitan Tzachi. The five are accused of forging documents, illegal land dealing, and aggravated fraud. They were selling land stolen from Palestinians worth \$5 million to Himnuta, which is the private subsidiary of the Jewish National Fund, which buys and sells land in Israel.

The JNF receives money from the government to buy land. It uses Himnuta, which is private, to buy land in the occupied territories because the JNF is forbidden to do so. The stolen lands were located near the Jewish settlements of Hebron, Gush Etzion, Jericho, Ma'aleh Adumim, and Givat Ze'ev, which are among the lands to be returned to the Palestinians under the Oslo Accords.

Cohen is accused of buying the land for Himnuta, knowing that it was stolen. Blumenthal, in turn, approved the sales, also with the knowledge that the lands were stolen. He is suspected of having been bribed, as well as being an ally of the radical settlers, and he has used his professional position to set up illegal outposts and expansion of settlements. The Amrams are accused of buying the land from Palestinian accomplices, knowing the land was stolen, and selling it at inflated price to Himnuta.

Three Palestinian accomplices were arrested last week, and at least another 19 lawyers will be arrested soon, according to the police.

According to Israeli intelligence sources, the network that has just been arrested, is part of a decades-old Israeli land-

grabbing infrastructure that was set up by Ariel Sharon and the Likud. This is the way the Israeli government organizes the land grab, in order to mask its own involvement. The source of the money is ultimately the government. Haim Cohen is a Likud member, and until two months ago, was deputy chairman of the Jewish National Fund. Just prior to his arrest, he had been named chairman of the European branch of the JNF.

The arrests also represent part of ongoing fight within the Israeli military-security establishment, between those who want Sharon's Berlin Wall of the Middle East to be built along the 1967 borders and not deep into Palestinian territory, against those who want to grab more of the Palestinian Authority land. These latest arrests, according to sources, were the result of a criminal investigation ordered by the Director of the Civil Administration Brig. Gen. Ilan Paz. Only two weeks ago Paz received a death-threat letter, threatening him with "death by the hand of God," and accusing him of being a "leftist." The settlers have been harassing Paz since he took command of the Civil Administration.

### **Mayor of London: 'Sharon Is a War Criminal'**

Ken Livingston, the Mayor of London, penned a hard-hitting piece in the March 4 issue of the *Guardian*, calling Israeli Prime Minister Ariel Sharon a war criminal. The piece was written in response to a statement by the Board of Deputies, which represents the British Jewish community, demanding he publicly apologize for telling a journalist that Sharon was acting like a concentration camp guard. According to some at the Board of Deputies these statements were "insensitive," and somehow "anti-Jewish." Livingston, who is neither, strongly defends himself by declaring that the real issue is his criticism of the role of the current government of Israel.

"The fundamental issue on which we differ ... is not anti-semitism—which my administration has fought tooth and nail—but the policies of successive Israeli governments.

"To avoid manufactured misunderstandings: The policies of Israeli governments are not analogous to Naziism. They do not aim at the systematic extermination of the Palestinian people....

"Israel's expansion has included ethnic cleansing. Palestinians who had lived in that land for centuries were driven out by systematic violence and terror aimed at ethnically cleansing what became a large part of the Israeli state. The methods of groups like the Irgun and the Stern gang were the same as those of the Bosnian Serb leader Karadzic: to drive out people by terror.

"Today the Israeli government continues seizures of Palestinian land for settlements, military incursions into surrounding countries, and denial of the right of Palestinians expelled by terror to return. Ariel Sharon, Israel's Prime Minister, is a war criminal who should be in prison, not in office. Israel's own Kahan commission found that Sharon shared responsibility for the Sabra and Shatila massacres. Sharon continues to organize terror...."

Livingston added, "All racist and antisemitic attacks must be stamped out. However, the reality is that the great bulk of racist attacks in Europe today are on black people, Asians, and Muslims—and they are the primary targets of the extreme right. For 20 years the Israeli governments have attempted to portray anyone who forcefully criticizes the policies of Israel as anti-semitic."

### **Israeli Child Poverty Among Highest in Industrial Countries**

In a dramatic account on March 1, the Israeli newspaper, *Ha'aretz* reported that poverty among Israeli children is among the highest in countries considered industrialized. Using data from the Israeli National Insurance Institute and the same methodology as that employed by UNICEF, poverty among Israeli children stands at 30.8%. This compares with a rate of

21.9% in the U.S., and 27.7% in Mexico, or 2.4% in Denmark.

The rate of the growth of child poverty in Israel is dramatic. Between 1990 and 2000, child poverty increased by 15%. This compares with Poland, whose growth in child poverty was among the highest in Europe, at 4.3% for the same period.

Yitzhak Kadman, the director of Israel's National Council for the Child, said that these figures demonstrate "how far Israel is from the advanced world and from economies that have managed, alongside a free and booming economy, to maintain an enlightened and progressive welfare policy that preserves a low rate of poor children." He went on to say that Israel "may not be worthy of being included among developed countries."

The figures are a direct reflection of the radical-liberal economic policies that have been introduced into Israel since the 1980s by George Shultz's economic hitmen: Israeli Finance Minister Benjamin Netanyahu, and Stanley Fischer, recently named governor of the Bank of Israel.

## Asia News Digest

### Indian Military Unhappy Over Budgetary Allocation

The first budget presented by the Congress Party-led United Progressive Alliance (UPA) coalition government has left the Indian military mighty unhappy. The budget allocation raised India's budgetary expenditure to about \$19 billion—a raise of 7.9% over last year.

The Indian military is now in the process of modernizing itself. It has increased its military superiority over Pakistan significantly, and is now aiming to become a military power close to what China is. As a result, the military brass are seeking new expensive hardware from United States, France, Britain, and Israel. India is moving away from buying less expensive Russian arms, New Delhi observers note.

With the Cabinet loaded with supporters of this defense-policy orientation, Indian military brass were expecting a big rise in defence budget from the government.

### King Gyanendra Is Not Isolated from People

Despite intense pressure exerted by the United States on the Nepali King Gyanendra to rectify his "arbitrary unilateral action" of bringing down the democratic process on Feb. 1, by sacking the Cabinet, dismissing the Parliament for three years, and seizing absolute power, it seems the people of Nepal have begun to move toward supporting the king they do not really like.

The Feb. 1 coup was strongly disliked by India as well. Washington pressured India to bring Nepal, which depends heavily on India for its daily survival, to its knees and undo the coup. The coup was carried out by King Gyanendra under the pretext of taking things into his own hands to eliminate the growing Maoist movement. India supports the elimination of the Maoists, but could not bring itself to support the King's unilateral action. Subsequently, India and Britain have notified Nepal that it would not send them arms.

The international media has followed the U.S. line and portrayed King Gyanendra as an isolated dictator. However, news coming out of Nepal indicates that the rural Nepalis were terrorized by the Maoists, and they are quite willing to give King Gyanendra absolute power to get rid of this menace. These rural Nepalis do not have anything against democracy, but the

so-called democrats did nothing to stop the growing power of the murderous Maoists, some Nepalis claim.

## **India May Choose Japanese High-Speed Rail System**

India may pick the Japanese Shinkansen train system to connect major cities, *India News* reported March 2. New Delhi is looking for a railroad system which would allow major cities 500 kilometer or so apart to become reachable by railroad in two hours. The Japanese have offered the Shinkansen (bullet train) system, which has been running for the last 40 years between Tokyo-Nagoa-Osaka-Hiroshima. Shinkansen runs at about 350 kilometers per hour (205 mph).

The first two cities that would be connected by fast train are Mumbai and Ahmedabad. The cost for the 500-kilometer line would work out a little over Rs. 650 million per kilometer, and the total would be about Rs. 350 billion (US\$8 billion). The cost of the ongoing Delhi Metro, which will be completed by the end of this year, is close to Rs. 2 billion per kilometer.

The preliminary study was prepared by the Japan External Trade Organization (JETRO). It will be presented in April to the Indian Parliament.

## **Pakistan Is Growing More Poppy**

According to Pakistan's anti-narcotics chief, Maj. Gen. Nadeem Khan, the increased crop eradication and drug raids in Afghanistan are already having a negative effect on Pakistan. "Pakistan is likely to see an upsurge in poppy cultivation, the flow of laboratories from Afghanistan into Pakistan and storage sites shifted from Afghanistan to Pakistan," Maj. Gen. Nadeem Khan told a news conference in Islamabad. According to the UN Office on Drugs and Crime representative, large areas of land along the Afghanistan borders in Pakistan are now growing poppies.

## **Venezuela's Chavez in India: Oil Deal Mooted**

Venezuelan President Hugo Chavez arrived on March 5 in New Delhi for a four-day visit to India. He will be also visit Kolkata and Bangalore, and will address the students and faculty at New Delhi's Jawaharlal Nehru University (JNU).

The visit of Chavez is directly linked to India's growing interest in developing bilateral oil deals with oil-producing nations, and thus avoid the spot market as much as possible. The Indian national oil company, Oil and Natural Gas Company (Videsh), which has already invested in Iranian, Nigerian, Russian, and Kazakh oil fields, is interested in investing in Venezuelan oil fields as well.

Venezuela's state-owned oil company, Petroleos de Venezuela SA, is already advising ONGC (Videsh) on extraction of heavy crude in India's northwestern desert state of Rajasthan.

## **Senior Statesmen Intervene To Rein In Thai Premier**

Thai senior statesmen have intervened to rein in Prime Minister Thaksin Shinawatra, whose belligerent response to the violence in the Islamic south has made the situation far worse, *The Nation* reported March 1. Former Prime Minister Gen. Prem Tinsulanonda, who is currently chairman of the Privy Council, and former Prime Minister Anand Panyarachun, have been called on to advise sitting Thaksin on how to deal with the three volatile provinces.

The intervention of two of Thailand's most senior statesmen to ease tension in three southern provinces, under the banner of invoking the "royal approach," signals the highest level of concern in Thai polity over the violence that has taken more

than 600 lives since Jan. 4, 2004, and strongly points to the Thai royal family's keen concern, however oblique it may be.

## **UN Sends Mixed Message on Narcotics Production**

The United Nations Office on Drugs and Crime on Feb. 30 expressed concern that political instability in Myanmar might lead to increased production of illicit drugs in the country, despite the UN's earlier confirmation of a steady decline of opium production in recent years. Total poppy-cultivating areas in Myanmar (Burma) were reduced by 28%, from 62,200 hectares in 2003, to 44,200 hectares last year, according to the report.

At the same time, the UN International Narcotics Control Board's annual report for 2004, released March 3, states that illicit opium production was significantly reduced within the Golden Triangle border junction of Thailand, Laos, and Myanmar.

On the other hand, Laos is emerging as an important transit country for methamphetamines produced along the border with Burma and destined for Thailand and Cambodia, the report said.

Methamphetamines continue to be produced in China, Burma, and the Philippines, the UN Office of Drug and Crime said.

## **Clinton Visits Taiwan; Affirms 'One China' Policy**

Former U.S. President Bill Clinton visited Taipei, Taiwan Feb. 27-28, and called for cooperation between the island and mainland China. Before his stop in Taiwan, Clinton visited China, where he was told by Chinese officials that he should know better than to visit Taiwan. Clinton famously issued a "three no's" statement (No to independence, separate states, or Taiwan membership in international organizations of sovereign nations) in 1998, during a trip to China, solidly backing China's "One China" policy toward Taiwan.

Nonetheless, Clinton visited Taipei, met with President Chen Shuibian, and gave a speech on democracy and security in Asia, while insisting that he sticks by the "One China" policy. He said that "common humanity" was more important than differences. Clinton had visited Taiwan four times as governor of Arkansas.

## **'Head of Asian Terrorism' Tried, Gets Light Sentence**

Abu Bakar Baasyir, who has been named by U.S. neo-cons as the head of Asian terrorism, was found "a little bit guilty," and received a short sentence in Indonesia, the *Jakarta Post* reported March 3. Baasyir had most of the charges dropped, was acquitted of responsibility for the 2003 Marriott Hotel bombing, but was convicted of "conspiracy" in the 2002 Bali nightclub bombing. He was given a 30-month sentence, which is likely to be overturned or reduced on appeal, since there was no evidence against him.

Baasyir (or Bashir) is everywhere in the West declared to be head of Jemaah Islamiyah (Islamic Community). He was a religious teacher of many of those who subsequently got involved in terrorism in Indonesia and Malaysia. He has insisted on his innocence, while denouncing the Bush "war on terrorism," and accusing the U.S. of interfering in the Indonesian judicial system to force his trial. In fact, the high point of the trial was the testimony of one Fred Burks, formerly a top-clearance translator for the U.S., who said that he had translated for a CIA official who had tried to coerce President Megawati Sukarnoputri into arresting Baasyir, and have him "rendered" to the U.S. or a third state (which Indonesia had done in two cases of non-Indonesians, at U.S. demands). Megawati refused rendition, but eventually there was a trial, despite only hearsay evidence, mostly from prisoners of the U.S., most likely extracted by torture. Burks has become a folk hero in Indonesia for his testimony.

The Americans, Australians, and others are screaming that the sentence is too light.

## Africa News Digest

### Second Node of Pneumonic Plague in Congo Is Small; More Expected

A World Health Organization (WHO) team in the Democratic Republic of Congo has found that the outbreak of pneumonic plague in the town of Buta, in the north, is smaller than previously reported, involving 57 suspected cases and 16 deaths.

Another node, identified in December, is in Zobia, about 90 miles away, where at least 60 have died and thousands have fled in panic. The dead are all diamond miners. Another 350 miners had been infected as of Feb. 23. The outbreak began just four days after the mine, near Zobia, reopened.

The head of the WHO team, Dr. Eric Bertherat, reported on March 3 by satellite link, that more pneumonic plague could be expected now that the wet season is about to begin and would likely send water into the mine. The team is giving antibiotics, setting up isolation facilities, and tracing contacts.

Plague is endemic to parts of DR Congo, but pneumonic plague—so called when it infects the lungs—has been rare, but is fatal in 100% of untreated cases. It is transmitted by respiratory droplets.

### ***N.Y. Times*: Time To Give a Damn About Africa**

It's time to give a damn about Africa, says an unusual and lengthy *New York Times* lead editorial Feb. 27, headlined, "Thousands Died in Africa Yesterday." While the world took notice when 200,000 Asians died in the tsunami, the deaths of 20,000 Africans *a day* from disease, hunger, and civil war doesn't seem to move anyone. The plague of terrorism, corruption, and AIDS that people tend to see when they look at Africa is really the spawn of poverty and unemployment, of hopelessness and anger. Bush is funding his war against terrorism on a military level, but what about the war against poverty, which this editorial describes as "one of the deeper causes of global instability."

"For decades, most Americans either have preferred not to hear about these problems, or, blanching at the scope of the human tragedy, have thrown up their hands. But in terms of the kind of money the West thinks nothing of spending, on such things as sports and entertainment extravaganzas, not to speak of defense budgets, meeting many of Africa's most urgent needs seems shockingly affordable. What has been missing is the political will."

The editorial continues by focussing on the need to channel vastly larger chunks of foreign aid to Africa, bypassing—if necessary—untrustworthy governments and relying on international aid organizations to direct the funds appropriately, and suggests that the opportunity to do this will arise at the upcoming G-8 summit later this year, to be followed by a UN summit. This will also give Bush an opportunity to alter "the way the world views America.... The continent is dying.... It's past time we step up to the plate."

Noble sentiment notwithstanding, the *Times* never gets beyond the liberal chant of "hunger, disease, illiteracy, and unemployment," and never addresses Africa's need for serious infrastructure development and industrialization, so that the continent needn't remain forever a charity case. Nonetheless, it is noteworthy that the *Times* says that the problem of poverty and starvation is solvable, and that we can afford to do it.

## **Annan Proposal for Intervention in Darfur Echoed by U.S. Sources**

An editorial in the *Christian Science Monitor* March 3, "UN Paradox in Darfur and Congo," declares that, "Perhaps Darfur needs action by NATO or the European Union's new force. Britain and France, on their own, have used force to solve recent conflicts [sic!] in their former colonies in West Africa." The editorial seemed only to lack a lusty rendition of jingoist Rudyard Kipling's barracks ballad about the Brits in eastern Sudan, "Fuzzy-Wuzzy" ("An' 'ere's to you, Fuzzy-Wuzzy, ... You big black boundin' beggar...")

The theme of possible NATO or EU intervention has not yet appeared in the editorials of other major dailies. The *New York Times* editorial of Feb. 27, "It's Time to Give a Damn About Africa," may have been written with that idea in mind, however.

Professor Edmond Keller told a UCLA campus forum Feb. 28 that, if African Union forces do not succeed in their mission, then NATO and UN intervention should be considered, as well as strict sanctions on Sudan. The forum was part of a week-long Darfur call-to-action event cosponsored by the James S. Coleman Center for African Studies.

After Annan's desperate appeal to NATO and the EU at the Wehrkunde meeting in Munich Feb. 13, his spokesman, Fred Eckhard, told reporters, "It wasn't to take over from the African Union; it was to support the African Union" in Darfur. But it was not clear that Annan was appealing only for an observer force.

As for the African Union (AU) observer mission, Emira Woods at the Washington-based Institute for Policy Studies told Inter Press Service (Johannesburg) March 1, "It is as if the international community is setting up the AU to fail." She said the EU and the U.S. have given some minimal funding, yet funds promised to date, fall far short of what is needed. But the AU observer force, even at full strength and with ample logistics, would not be likely to inhibit the warfare in Darfur (3,320 observers in an area the size of France). The plan itself set up the AU to fail.

## **U.S. Official: 'Reasonable Chance' for Darfur Ceasefire Agreement**

There is a 'reasonable chance' of achieving an effective Darfur ceasefire agreement in African Union (AU) talks later this month, a "senior U.S. official," told Reuters March 2.

Reuters reported, "The official also told Reuters he was encouraged by the Khartoum government's apparent commitment to implementing a separate north-south peace deal signed early this year.... 'I think there is a reasonable chance of getting a firm ceasefire [in Darfur] given the African Union's new approach,' the official, who declined to be named, told Reuters by telephone after meeting top Sudanese officials in Khartoum. He was referring to the next round of Darfur talks in the Nigerian capital Abuja. The AU has said it is holding separate talks ahead of the negotiations with both sides to find common ground on the agenda and a declaration of principles. The Abuja talks will begin when some consensus has been found, most likely mid- to end-March, the AU says."

The State Department's Charles Snyder, currently in charge of Sudan diplomacy, was in Khartoum March 1-2, according to the Sudan *Tribune* March 4.

## **UN Envoy to Sudan Called for Its Breakup**

The UN Special Envoy to Sudan Jan Pronk called for the breakup of Sudan, in calling it "a failed nation, ... many nations together in one huge territory, held together by force." The quotation appeared in a Feb. 11 AP story entitled, "Could

southern Sudanese deal inspire others to seek secession?" The story does not identify the date or venue of his statement; it may not be recent. In the 1970s, Pronk, of the Netherlands Labor Party, was Netherlands Minister for Development Cooperation.

## **Zimbabwe Veterans Withdraw Support from Mugabe as Elections Approach**

A Zimbabwe war veterans' organization has withdrawn support from President Robert Mugabe over the country's social and economic crisis, as March 31 parliamentary elections approach, Johannesburg's *Business Day* reported March 1. Wilfrid Mhanda of the Zimbabwe Liberators' Platform told a press conference in Johannesburg, Feb. 28, that the war veterans, a major source of support in past elections, "no longer want to support Mugabe." He said, "There is no basis for legitimacy. Zimbabwe faces a social and economic crisis." Mugabe, Mhanda said, used the war veterans to ensure that government leaders got their hands on the farmland. Zanu-PF, the ruling party, "needed a smokescreen. The political chiefs ended up as beneficiaries while many of the war veterans were (later) evicted from these farms." The lot of war veterans did not improve, he added.

## **Mugabe To Distribute Lands of 'Cell-Phone Farmers' to Producers**

According to Zimbabwe state television March 1, "President Mugabe expressed disappointment with the land use by A2 (commercial) farmers, saying only 44% of the land distributed is being fully utilized. He warned the farmers that government will not hesitate to redistribute land that is not being utilized." Mugabe was speaking at a rural school. The TV report was covered in a Sapa-AFP wire March 2. Mugabe also denounced "cell-phone farmers" Feb. 21 at Harare's Open University graduation ceremony.

The *Daily News* (Harare), characterized the culprits in an editorial Feb. 23: "These fly-by-night fat cats were not the original intended beneficiaries of the reform program.... They were 'city slickers' with connections in high places which, in Zimbabwe, invariably translates into Zanu-PF," the ruling party.

The government reported in December that less than a quarter of available land was being cultivated.

The *Financial Gazette* (Harare), usually hostile to Mugabe's government, declared, "we could not agree more with President Robert Mugabe," in a March 3 editorial titled, "Take It Back!" But, the Gazette asks, has the government "mustered the political will to deal with the issue?"

## **This Week in History**

### **March 7-13, 1933**

#### **First Fireside Chat**

#### **President Roosevelt Averts a Banking Collapse During His First Week in Office**

Probably no U.S. President except Abraham Lincoln had ever entered office under such crisis conditions as did Franklin Delano Roosevelt on March 4, 1933. There were four months between Roosevelt's election and his inauguration, and during those months the Depression escalated toward intolerable conditions. The defeated Herbert Hoover, instead of adopting measures to save the American population, concentrated his efforts on strong-arming President-elect Roosevelt to

support his high-tax policies, and keep America on the gold standard. A heavy run on gold in 1932 had caused serious deflation in America, and when Britain and other European nations went off the gold standard, America's exports went down by half.

Then came another attack on the American economy by desperate, largely European, speculators, which drained off millions in gold. The situation of American banks and their depositors was desperate. From 1930 until March 3, 1933, a total of 5,504 banks had shut their doors, representing deposits of over \$3 billion. As the Inauguration approached, more and more Americans, desperate for money, and worried about the solvency of their banks, withdrew what money they had.

As President Roosevelt wrote: "This situation was indicative of the fear, bordering on panic, which had seized the people of the Nation as the depression deepened, as unemployment increased, and as the Government remained stagnant in the face of impending disaster. In the absence of any governmental action to assist in the general unemployment situation and in the industrial and agricultural crisis, people began to fear for their savings in banks and were withdrawing large amounts in the form of currency and gold, and putting the money in various places of hiding....

"In different States, the State Governments were trying to do something to help. Even as early as February 4, 1933, it was necessary for Louisiana to declare a one-day bank holiday. Michigan followed on February 14th with a four-day holiday, which was later extended. On February 25th, Maryland declared a holiday, which was followed by restrictions on bank-deposit withdrawals in Indiana, Arkansas and Ohio.... By Inauguration Day, practically every bank in the country had either been closed or placed under restrictions by State Proclamations....

"I had come to the conclusion ... that the "Trading with the Enemy Act" of October 6, 1917...was still in effect. This Act gave the President power to regulate or prohibit transactions in foreign exchange and in gold and silver, and also to prohibit the hoarding of gold, silver coin, bullion, and paper currency. I determined to use this power to close all the banks in order to prevent complete chaos on the Monday following Inauguration Day, which was a Saturday."

Roosevelt then issued a Presidential Proclamation on March 6, declaring a national bank holiday, to be continued through March 9, which was the day of the convening of the U.S. Congress in extraordinary session. Roosevelt had called for the session in a Proclamation issued the day after his inauguration. He stated that the purpose of closing all the banks was fourfold: "First, to prevent continued runs on banks which would enable one depositor to obtain an unfair advantage over another. Second, to permit the reopening of all sound banks in an orderly manner. Third, to keep closed the many banks which were insolvent and to permit their liquidation in a just and orderly fashion. Fourth, to permit a resumption of banking under circumstances which would instill confidence in the people as to the solvency of their banking system."

When Congress then passed Roosevelt's Emergency Banking Act on March 9, the bank holiday was extended in order to give the government time to reorganize the banking system. The Act provided for massive influxes of credit into the system by authorizing national banks to issue and sell their preferred stock to the Reconstruction Finance Corporation. This permitted them to obtain funds without creating claims superior to the claims of their depositors. The legislation also made it possible for any member bank to meet all demands for currency so long as it had sound assets, because it could borrow against these assets from the Federal Reserve banks.

While the reorganization was in progress, President Roosevelt issued an announcement that he would speak to the American people via radio on March 12. Roosevelt stated that "The Constitution has laid upon me the duty of conveying the condition of the country to the Congress assembled at Washington, I believe I have a like duty to convey to the people themselves a clear picture of the situation at Washington itself whenever there is danger of any confusion as to what the Government is undertaking. That there may be a clear understanding as to just what has taken place during the last two days since the passage of this Act it is my intention, over the national radio networks, at ten o'clock Sunday evening, to explain clearly and in simple language to all of you just what has been achieved and the sound reasons which underlie this

declaration to you."

This was the first of President Roosevelt's "Fireside Chats," but it was also the method that he had used as Governor of New York State. In those days, his office had sent press releases to the state's local papers, but most of the newspapers were Republican outlets, and would not print the releases. So, the state Democratic Committee bought radio time once a month so that Governor Roosevelt could talk to New York's citizens about his policies and programs.

President Roosevelt, writing in 1937, described his motivation for this particular radio address as follows: "There had always been so much mystery thrown around the banking business, there was so much fear in the minds of bank depositors during these days of the banking crisis, and so much had happened during this first week, that I decided to use the radio to explain to the average men and women of the Nation who had their money tied up in some bank, what we had done and what we intended to do in the banking situation. It was my endeavor to explain these things in non-technical language, so that the great mass of our citizens who had had little or no experience with the technicalities of banking would be relieved of their anxiety as to whether they would ever see their money again."

Then Roosevelt referred to the fact that his radio address was "the first so-called 'fireside chat,' which has been applied by the Press to the various radio reports I have made to the people of the Nation.... The name "fireside chat" seems to be used by the Press even when the radio talk in delivered on a very hot mid-summer evening."

In his "Fireside Chat" on the banking crisis, Roosevelt calmly went through the essential workings of a local bank, explaining that "when you deposit money in a bank the bank does not put the money into a safe deposit vault. It invests your money in many different forms of credit—bonds, commercial paper, mortgages, and many other kinds of loans. In other words, the bank puts your money to work to keep the wheels of industry and of agriculture turning around. A comparatively small part of the money you put into the bank is kept in currency—an amount which in normal times is wholly sufficient to cover the cash needs of the average citizen. In other words, the total amount of all the currency in the country is only a small fraction of the total deposits in all of the banks."

Then Roosevelt explained that because of the massive runs on the banks, they could not convert their assets quickly into cash except at panic prices far below their real value. Therefore, the banks were being closed until Federal money could reach the solvent banks, and on the following Monday the banks in the 12 Federal Reserve Bank cities would be opened, followed on Tuesday, by sound banks in around 250 cities. On Wednesday, and succeeding days, banks in smaller places would resume business, subject to the Government's physical ability to complete its survey of the banks' soundness.

Roosevelt noted later that, "By this time, there had been such restoration of confidence, that as soon as the banks were reopened, a large volume of currency was re-deposited.... There was also a rapid return of gold and gold certificates to the Reserve banks and to the Treasury. By the middle of April, deposits in the reporting member banks had increased by \$1 billion, and before the end of June, by more than \$2 billion."

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