

[return to home page](#)

ANNOUNCEMENT

A New Bretton Woods: Time To Reverse George Shultz's Destruction of Exchange Controls*

International Webcast Address from Washington, D.C.

by Lyndon LaRouche

April 7, 1 pm Eastern Standard Time

*Paid for by LaRouchePAC

This Week You Need To Know

**POWERS ARE ALWAYS UNIVERSALS:
Cauchy's Infamous Fraud**

by Lyndon H. LaRouche, Jr.

March 8, 2005

Back during 1981, then as part of my effort to clean up the mess associated with an attempted 1978-1980 credit-scam swindle against my associates, a swindle some recall as the Gus & Andy Show, I prescribed an emergency mathematical-physics educational program. This program, supplied to educate my associates in relevant principles of economic forecasting, included assigned classes which were intended to show our associates the nature and cure of that hoax, by Augustin Cauchy, on which the teaching of the usual first course in the differential calculus is pivotted. Unfortunately, in accord with the ironies of our times, the designated instructor, a "Baby Boomer" holding a respected doctoral degree in plasma physics, based his assigned course, not on Leibniz, but on the fraudulent axiomatic doctrine of hoaxster Cauchy.

Now, more than two decades later, the intention of my 1981 physical-science initiative in physical economy is being realized, through the prompting of my design for the self-education program of the LaRouche Youth Movement (LYM). On this occasion, I apply the physical-science implications of that ongoing LYM program, to remedy the prevalent incompetence of the practice of, and thinking about economics, an incompetence among putative professionals, IMF officials, the current President of the U.S.A., relevant members of Congress, and laymen alike. This is a specific kind of incompetence which is the most important, immediate threat to the present security and future well-being of the U.S.A.,

and other nations, threatened by a general monetary-financial crisis which threatens to set off a chain-reaction physical-economic collapse in the very near future.

Cauchy's standard university classroom hoax, expresses a factional mission whose origins were a key formal feature of a general attempt at defamation of Gottfried Leibniz and his work. That attempt had been launched by the Paris-based, Venetian agent and avowed devotee of the empiricist Descartes, Abbé Antonio Conti. Among its other tactics for this purpose, that attempt launched by Conti had used the political controller of black magic specialist Isaac Newton, England's Dr. Samuel Clarke. That operation was then continued as a Europe-wide operation, by a network of salons organized by Conti. This was a network which is also associated with the same notorious Voltaire, the "den-mother of Jacobins," who also participated in sponsoring the British organization of the Martinist freemasonic cult of Cagliostro, Count Joseph de Maistre, et al., from which Twentieth Century fascist cults, and their presently active following, were all derived....

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Feature:

POWERS ARE ALWAYS UNIVERSALS:

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Strategic Studies:

Torquemada, the Inquisition, And the Expulsion of the Jews

by Timothy Rush

Even after 1492, when the Jews were expelled from Spain, there was no anti-Semitism. It was not a religious question. It was not a racial question. Their expulsion from Spain in 1492 had been a military question—the Jews had allied with the Moors, and for military reasons of state security, the Hapsburgs could no longer have the Jews in Spain.

Fernando Quijano, 'Black Legend hides the truth about America's Discovery,' speech delivered Sept. 2, 1990 (EIR, Oct. 19, 1990).

To understand the modern Venetian and later Anglo-Dutch Liberal operations against Islam, we must study the way in which Grand Inquisitor

Torquemada's 1492 decrees (dictated to the Spanish monarch) set into motion the internal religious warfare, led by the Habsburgs, in Europe, which continued until the 1648 Treaty of Westphalia.

Lyndon LaRouche, e-mail reply to a correspondent, Jan. 7, 2005.

From Our Archives

Napoleon at the Gates of Baghdad

by Steve Douglas

In the Summer of 1807, on the eve of his military onslaught into the Iberian Peninsula, Napoleon was arguably at the zenith of his power. The provisions of the Treaty of Tilsit had ended the War of the Third Coalition, and accorded him virtually total control over continental Europe. Russia, Prussia, and Austria all made their 'peace' with Napoleon. Prussia was largely dismembered, deprived of all but a token army, and saddled with a huge indemnity to France, while Russia was brought into a series of agreements and understandings, both public and secret, which committed it to support Napoleon in his continuing conflict with Great Britain.

Economics:

The Growing GM Crisis Requires That National Policy Change Course

by Richard Freeman

General Motors Vice chairman Bob Lutz's alarming speculation on March 24 that GM may shut down one or more of its 'brand' production divisions—starting with Pontiac or Buick—underscores the reality that General Motors' credit rating may soon be reduced to junk, which would be accompanied shortly thereafter, by its filing for bankruptcy. Each new plunge of GM's credit rating, occurring in full public view in recent weeks, has sent shock waves through the world's bond and stock markets, threatening the world financial system.

Bipartisans Stop Bush Electricity Price Hike

by Franklin Bell

While the U.S. Northwest is suffering under its worst drought since 1977, a bi-partisan Congressional bloc has quashed a classic Bush/Cheney energy policy scheme for radical 'market-based' electricity price hikes, which would have hastened the destruction of the remnants of the region's economy. The needed follow-on move would be to relaunch the projects— nuclear power plants, and new inter-basin water transfers— that were shelved decades ago. These infrastructure improvements would permanently do away with the worst ravages of recurring droughts in the Northwest, and throughout the Great American Desert.

LaRouche PAC to Senate Water Meeting: 'Create' New Natural Water Resources

On April 5, a Water Policy Conference will be hosted on Capitol Hill, by the New Mexican Senators Pete Domenici (R) and Jeff Bingaman (D), to consider new proposals for what should be done to deal with water shortages in the American West. In response to a call for submissions for the Conference, the Lyndon LaRouche Political Action Committee provided a policy document on March 9...

International:

Lebanon Resists Bush Civil War Provocations

by Michele Steinberg

The legitimate leaders of Lebanon from the Christian, Sunni, Shi'ite, and other communities are carrying out an heroic effort for peace inside their country against almost unsurmountable obstacles that include two terrorist bombings carried out in Christian neighborhoods on March 18 and March 23, provocations by a 'democracy mafia' from the United States, black propaganda from Israeli outlets, and a new crop of Lebanese fraudsters, who are puppets of the U.S. neoconservative warmongers, along the model of Iraqi exile and convicted crook, Ahmed Chalabi.

- **Interview: Cardinal Nasrallah Boutros Sfeir**

'I Hope That Lebanon Can Be An Example Of Peace'

His Beatitude, Cardinal Nasrallah Boutros Sfeir, of Lebanon, the Patriarch of Antioch and all the East, visited the United States March 14-

21, and was received by many leading officials throughout the country, including President Bush and UN Secretary-General Kofi Annan.

National:

Conyers At LaRouche PAC Event Opens New Dialogue among Dems

by Nancy Spannaus

The process of discussion and debate within the Democratic Party entered a new phase on March 23, when Michigan Democratic Congressman John Conyers participated in a town meeting sponsored by the Lyndon LaRouche Political Action Committee (LPAC) in the city of Detroit. Rep. Conyers, who spoke on a panel with Midwest LPAC coordinator Robert Bowen, local UAW president Eugene Morey, and Nick Feden of the LaRouche Youth Movement, had a specific message to deliver.

- We Can Turn This Economic Crisis Around

Here is the address of **U.S. Rep. John Conyers (D-Mich.)** to the LaRouche PAC Town Hall Meeting in Detroit, on March 23, 2005.

Thank you very much. Good evening. "Thanks Dennis; to our speakers, Bob Bowen, Eugene Morey, the president of UAW local 849, and Nick Feden: I want to express my appreciation for being invited here to be on this panel...."

U.S. Economic/Financial News

Morgan Stanley's Roach: Global Economy 'Near Tipping Point'

In his company newsletter March 18, Morgan Stanley economist Stephen Roach warned strongly about a new, severe phase of the financial crisis. "It is only with the great luxury of hindsight that we can look back and know that the proverbial bell has rung. In my view, March 16, 2005 could end up in the running as a possible tipping point for America. Suddenly, the U.S. has taken on a very different aura in an increasingly unbalanced world: The confluence of a record current account deficit, a disaster from General Motors, and yet another new high for oil prices all speak of an increasingly precarious role for the global hegemony. World financial markets have barely begun to sniff that out."

Roach cited the rate of growth of the U.S. current account deficit, which reached "an all-time record of 6.3% of GDP in 4Q04—an astonishing 1.8 percentage point deterioration from the 4.5% deficit [as a percent of GDP] a year earlier in 4Q03." He dismisses the idea that foreign central banks are "over a barrel" and could not diversify out of the dollar. Instead, as the dollar's value falls, "The bigger the build-up of dollar reserves, the more this tradeoff is likely to tip toward dollar diversification."

Emphasizing the decline of "Smokestack America," with the collapse of GM, he focuses on the oil price spike: "The press, of course, is filled with commentary about how oil no longer matters... My experience tells me that this is precisely the rhetoric we always hear in the midst of an oil shock. And shock it is: In real terms, \$56 oil represents more than a quadrupling from the lows of late 1998—putting this price spike very much on a par with those devastating blows of the 1970s."

Roach reviews the U.S. military overreach since Sept. 11, 2001, and concludes that "America is extending its reach at precisely the moment when its economic power base is weakening—a classic warning sign of the fall of a Great Power."

Mortgage, Refi Requests Fall As Rates Rise

The Mortgage Bankers Association said its index of mortgage application activity dropped 9.5% last week, and its index of refinancing activity fell 16.5%. MBA's purchase index, a measure of loan requests for home purchases, fell for the first

time in four weeks, declining 3.5%. Refis are down a whopping 60% compared to last year, MBA said.

Meanwhile, sales of existing homes fell 0.4% in February, the National Association of Realtors said.

Bush's 'Ownership Society' Based on Soon-To-Pop Housing Bubble

In an article in the San Jose *Mercury News* March 20, that takes apart George Bush's noise-word "Ownership Society," economist James Galbraith looks at the risk built into ownership. "In no sector has the risk gone up more than in the great asset that defines the American middle class: housing. And in no place, surely, more than in California. Is California in a housing bubble?... The median sales price of Bay Area single-family houses hit a new monthly record in February, reaching \$569,000. For Santa Clara County, the figure was \$632,000, up 20 percent from a year earlier."

He adds, "And it's certain that housing in California is in hock—to an extent never before seen in our history and probably not in the history of any other place. It's clear, too, that American households as a whole are gradually coming to the limit of their willingness and ability to borrow against their homes to finance consumption expenditures of other types, from vacations to medical bills to college expenses to home furnishings—all of which have helped the economy. Mortgage debt is now more than 80 percent of personal disposable income, up from ... just 40 percent in 1984."

After reviewing UCLA's quarterly Anderson Forecast, which warned that much of the prosperity found across California comes from a real estate bubble, Galbraith states that, "As long as interest rates remain low, any deflation of a housing bubble would be slow.... But if interest rates rise, pushed up for any number of reasons by the Federal Reserve, then things might unravel more quickly. Would Alan Greenspan do that? Would he prick the bubble and crash the California housing market?", Galbraith asks, and then points out, "Today Greenspan has a weak dollar to defend. He has no way to defend it, except by raising short-term interest rates in the hopes of persuading the Chinese and Japanese to hold their dollars.... So far, long-term interest rates haven't gone up. But if the Fed continues to tighten, they eventually will. And then housing, stocks, business investment and exports—along with consumer spending—could go down together." Galbraith concludes that "Bush's ownership society won't be worth much if that happens." This would also pull the rug out from under California's Governor Schwarzenegger.

CPI Soars in February

The U.S. Consumer Price Index (CPI), which measures wholesale prices, rose by 0.4% in February, the biggest increase in four months. As the most widely used measure of inflation, the CPI is used as a means for adjusting income payments. Over 2 million workers are covered by collective bargaining agreements which tie wages to the CPI. In the U.S., the index affects the income of almost 80 million people as a result of statutory action: 47.8 million Social Security beneficiaries, about 4.1 million military and Federal Civil Service retirees and survivors, and about 22.4 million food stamp recipients. Changes in the CPI also affect the cost of lunches for the 26.7 million children who eat lunch at school. Some private firms and individuals use the CPI to keep rents, royalties, alimony payments, and child support payments in line with changing prices.

According to February's report, there were sharp increases in energy costs (2%), including gasoline (3.2%), natural gas (2.5%), and fuel oil (2.4%). Other increases included those for lodging (1.1%), transportation (0.8%), medical care (0.6%), airfare (1.5%), and education (0.5%). However, over the past 12 months, average weekly earnings have advanced only 2.2%. When adjusted for inflation, earnings are down by 0.8%. Some are said to be speculating that the Federal Reserve may "step up the pace of its rate increases" now, as inflation escalates.

World Economic News

EU Summit Keeps, But Weakens, Maastricht Pact

While the March 22 summit of EU heads of state and government in Luxembourg did not abandon the Stability Pact, it approved the scheme worked out by the finance ministers March 20, which blocks all automatic punitive measures in connection with governments' failure to meet the Pact's budgeting criteria. In the case of Germany, a bonus of 4% GDP for the annual financial transfers to the eastern German states was granted, so that the German government, for the time being, is protected from any EU Commission sanctions.

Also, France and Italy extracted concessions—not going as far as in Germany's case—from the Commission, so that they are largely content with the results of the summit meeting.

The Pact is kept intact on paper, but already, 12 of the 25 member states are at or above the 3% GDP level of new state borrowings which the Pact permits. Another seven states are already in the red, but still below the 3% GDP level. In reality, the Pact, which is not enforced, is dysfunctional, and in the eyes of the hardline neocons, it is as good as dead.

An all-EU program to stimulate growth and employment was not decided upon in Luxembourg, but it is possible now for individual governments to launch programs in the range of several billion euros each, to promote growth and employment.

Another important decision taken in Luxembourg was that the planned services-deregulation package (Bolkestein Directive) was rejected, and the Commission was mandated to work out a new draft. The directive would have allowed service companies of EU countries with lower standards of income, quality, and prices, to compete with services of countries with higher standards, everywhere in the EU—the lowest possible standard being the measuring rod. The defeat of this directive is important, because it protects existing jobs in higher-wage countries like France, Germany, and Italy, and allows the creation of protected new jobs in the services, the crafts and the medical-pharmaceutical sector.

Brazil Bonds Fall as Investors Move to U.S. Treasuries

Ibero-America's growing financial instability can be seen in the fact that, for the first time in four months, Brazil's C-Bond, the most widely-traded of its foreign debt bonds, has fallen to its lowest price, below 100% of its face value. The Global-40 bond has had its worst performance since November. The *Folha de Sao Paulo* of March 21 explains that investors are moving out of Brazilian debt paper into U.S. Treasury notes, given the interest rate hikes on the latter. This is making Brazilian authorities nervous, as the flight to U.S. Treasuries is causing Brazil's country risk-rate (J.P. Morgan's invention) to rise. Merrill Lynch and Deutsche Bank have begun to tell their clients to forget about Brazilian bonds.

Add to this the report that, in the supposedly "economically stable" Chile, the peso has become Ibero-America's most volatile currency, with sharp fluctuations, vis à vis the dollar, far greater than the Mexican, Argentine, or Brazilian currencies. The instability of the Chilean peso is due to heavy speculative activity in the local currency market, carried out largely by foreigners. Large foreign banks, and investment and hedge funds are responsible for between 30% and 50% of the daily currency operations here, worth between \$720 million and \$1.2 billion. The large amount of betting that occurs on what the currency might do, guarantees future volatility.

And, You Thought There Was a Chilean 'Economic Miracle'?

Today, 32 years after the "Chicago Boys" began to impose their fascist economic policy in Chile, only 1.5% of the Chilean population consumes a nutritious diet. According to a just-released study done by the Nutrition School at the University of Chile, a majority of the population doesn't have access to fruits, vegetables, or dairy products. Although attempts are made to portray these patterns as an issue of dietary "preference," the reality is that people cannot afford healthful food, and are

consuming larger quantities of junk food—readily available in this free-market paradise—because it is cheaper. There is beginning to be a pattern of overweight and obese people, due to overconsumption of sugar, salt and fat, something that was historically never the case in this agriculturally-rich nation.

United States News Digest

Perle Faces SEC Lawsuit for Hollinger Shenanigans

Former Defense Policy Board chairman and neoconservative Richard Perle may be facing an Securities and Exchange Commission (SEC) civil suit within two months, that could bar him from serving on the boards of any companies. Perle was warned of the possible action due to his alleged role in the looting of Hollinger International, Inc., then owned by Lord Conrad Black, through a so-called Wells Notice from the SEC, and he has responded denying wrongdoing.

But, the question is: What part of Perle's nefarious activities with Hollinger is the SEC investigating? Perle said, after Bloomberg disclosed the Wells Notice, that: "I didn't benefit from any of the transactions that they looked at."

Perle was one of three members of the Finance Committee who looked the other way, when Lord Black engaged in a scheme with other cronies to sell off Hollinger's highly lucrative regional press—ostensibly to pay down debt—while pocketing certain fees, called "non-competition" fees, that came with the deal, to the tune of \$85 million. Perle now claims, like the rest of the board (which includes Henry Kissinger), that he was "duped" by Black.

However, during this time, Perle received \$3.1 million in undisclosed bonuses at Hollinger, for running an IPO vulture Internet firm called Hollinger Digital. As just one example of Hollinger Digital shenanigans, an internal Hollinger report to the SEC, which was to form the basis of a recovery suit for some \$400 million, noted that Perle convinced Black to put \$2.5 million of company cash in Trireme Partners L.P., a venture capital fund that Perle and Gerald Hillman (later co-opted to the Defense Policy Board by Black) had set up to invest in homeland security technology after 9/11.

The report, crafted by former SEC chairman Richard Breeden, said of Perle: "His executive committee performance falls squarely into the head-in-the-sand behavior that breaches a director's duty of good faith and renders him liable for damages...." Upon seeing the Breeden report, Perle said, "I was blown away."

Army Concerned About Recruiting Fall-Off

Newly installed Secretary of the Army Francis Harvey told reporters at the Pentagon on March 23, that, "there is a forecast that we will not meet the monthly goal," for March and April, something that Army personnel chief Lt. Gen. Franklin Hagenbeck had testified to the Senate Armed Services Committee, a week earlier. Harvey noted that the Army, through February, was at 94% of its goal, year to date, the Army Reserve was at 90%, and the Army National Guard at 75%. "So, obviously, "I'm concerned about the National Guard," he said. The fall-off in recruiting is usually attributed to the Iraq war, especially because parents are convincing their recruit-eligible children that it's not worth getting killed there.

As for what the Army is going to do about it, he noted that the number of recruiters is already being increased by one-third, and cash bonuses for enlistments are also being increased. The Army will also be aiming its advertising campaigns at parents. "We're going to be very pro-active to pointing out to recruits and their parents the value of serving the country," Harvey said, emphasizing patriotism and service to country. "We're talking getting that message to the influencers, including parents, including teachers."

Anti-Rendition for Torture Amendment Introduced in Congress

On March 16, Rep. Ed Markey (D-Mass) successfully shepherded through an amendment to the \$81 billion supplemental appropriations bill that outlaws the spending of any money appropriated by the bill to violate the Convention Against Torture, as well as any laws and regulations promulgated to implement it. Unfortunately, the legislation that Markey has also introduced to explicitly outlaw rendition, has little chance of being taken up by the GOP-controlled Congress. *New York Times* columnist Bob Herbert on Feb. 28, quoted a spokesman for House Speaker Dennis Hastert (R-Ill) saying that Hastert does not support the bill. When asked, why suspected terrorists shouldn't be brought to the U.S. for prosecution, the spokesman said, "Because U.S. taxpayers should not necessarily be on the hook for their judicial and incarceration costs."

Judge Extends Order Blocking Transfers from Guantanamo

On March 22, a Federal judge in Washington extended for ten days, his temporary restraining order barring the U.S. government from transferring Guantanamo detainees to the custody of foreign countries, noting that this would remove detainees from the reach of the U.S. courts, and prevent them from pursuing their legal claims for freedom in those courts.

It has been reported that the Bush Administration has plans to transfer a significant portion of the 540 detainees still at Guantanamo to other countries, generally their home countries, where the detainees could be imprisoned and, their families fear, tortured.

Judge Henry Kennedy said that he needs more time to determine if the court has jurisdiction over transfer decisions, and whether the court can order the government to give the lawyers for detainees advance notice of transfers, so that they can object if necessary.

The planned transfers are viewed by many as another variant on the Administration's "rendition to torture" policy.

Reid Leads Bipartisan Delegation to Iraq

Senate Minority Leader Harry Reid (D-Nev) led a bipartisan group of seven Senators, to observe the training of the Iraqi security forces, in advance of the Senate debate on an \$80 billion supplemental appropriation bill for Iraq. With Reid were Democrats Richard Durbin (Ill), Barbara Boxer (Calif), Patty Murray (Wash), and Ken Salazar (Colo), and Republicans Robert Bennett (Utah) and Lamar Alexander (Tenn). They had the opportunity to watch training sessions, get a briefing from Gen. George Casey, the U.S. commander in Iraq, and to speak personally to Iraqi leaders of all factions.

At a March 22 press conference, Reid stressed that the security question was at the forefront of economic stability. "We all know that this country will never be secure with the United States being here only. The only way it will be secure is the Iraqis having a security force, that they can handle their own problems here.... Until that takes place, there's nothing that can be done to stabilize the economy...."

During the questions, an Iraqi journalist commented that, the "Iraqi people didn't feel the benefit of these [previous] \$18 billion," and suggesting, "that you should spend this on electricity," clearly showing the state of affairs after two years of rebuilding, Halliburton style.

Levin Slams DOD for Redacting FBI Memo on Torture

Sen. Carl Levin (D-Mich) forced the Justice Department to release some previously redacted material from the Defense Department, showing that the redactions had hidden FBI criticisms of the interrogation methods. "As I suspected," said Levin, "the previously withheld information had nothing to do with protecting intelligence sources and methods, and

everything to do with protecting the DOD from embarrassment." The redacted portions of the memo, which Levin posted on his website on March 21, had argued that the evidence obtained by coercive methods was "suspect at best," and undermined future prosecutions. Also revealed is that the FBI had gone to Gen. Geoffrey Miller (who ran the torture at Guantanamo, and then brought the same methods to Iraq, on Rumsfeld's orders), and then to DOD General Counsel William Haynes (who rammed the torture memo down the throats of the protesting JAGS in the Working Group before the Iraq war), obviously without any success.

Hagel Says Senate Should Protect Minority Rights

In an article on the looming Senate showdown over the filibuster, the March 21 *Baltimore Sun* cited Senators Chuck Hagel (R-Neb) and John McCain (R-Ariz) as two among a number of Republicans who oppose banning the filibuster for judicial nominees. The article quotes Hagel:

"The United States Senate is the one body of government that protects minority rights. That's a very basic part of the United States Senate, and the filibuster is one of the tools to do that. I would hope we don't come to that fork in the road when the Majority Leader [Bill Frist] ... would feel that he would have no other option than to exercise a nuclear option."

Elliot Minchberg of People for the American Way, is quoted as saying that there are "somewhere between two and 12 Senators" that haven't yet declared themselves on the plan to change the Senate rules.

RNC: GOP Could Lose Control of House in 2006

Columnist Robert Novak wrote on March 19 that the Republican National Committee has warned the House GOP that they could lose 25 seats in the 2006 mid-term elections, and thereby lose control of the House for the first time since 1994. The current balance in the House is 232-203. Some Capitol Hill Republicans believe (or claim to believe), that the RNC is just trying to frighten them, Novak adds.

Ibero-American News Digest

'North American Community' Scheme Boosted at Crawford Summit

At the March 23 NAFTA summit in Texas, Presidents George Bush and Mexico's Vicente Fox, and Canadian Prime Minister Paul Martins, committed their governments to building a so-called "Security and Prosperity Partnership of North America" (SPP), a nebulous entity which is a step toward the creation of the kind of "North American Community," which a Council on Foreign Relations task force called for on March 14. The guts of the SSP is to integrate security and energy in the region, i.e., turn control of all three countries over to Wall Street, directly.

The gimmick employed to get the agenda adopted, was that the three governments—Mexico, the U.S., and Canada—agreed that they should coordinate tariff, energy, and security policies, and gave themselves a 90-day timetable to come up with how they will do so. The actual specifics of how, and in what areas, sovereignty would be relinquished, is left to be worked out in 12 ministerial-level committees. The committees, to be created immediately, are supposed to establish "specific, measurable, and achievable goals and implementation dates" by the June deadline—in a *de facto* end-run around their legislatures.

The three argued at their press conference that the SSP was needed "to enhance the competitive position" of North America in the face of the "threat" of the growing economies of India, China, and the rest of Asia.

The SSP document is carefully vague, but targets, in particular, the auto and steel industries, financial and air services, and, of course, "North America's energy markets," for *de facto* merger. Special interest was expressed in Canada's tar sands and "the tremendous capacity that exists within Mexico," as Martins put it.

Rumsfeld Trip Pushes Standing Military Force Proposal

At each stop on his March 21-24 trip to Argentina, Brazil and Guatemala, Defense Secretary Donald Rumsfeld pressed his demand that the Ibero-Americans adopt a collective approach to regional security—that is, that they create a standing multinational military-police force to police the rubble left of once-strong nation states after more than two decades of IMF looting.

Rumsfeld has been pushing since 2002 for the creation of a standing regional force to deal with what he calls "the anti-social combination" of drugs, terrorism, and organized crime. On his trip, he repeatedly praised the Ibero-American decision to form the United Nations Peacekeeping Force deployed in Haiti, suggesting that a similar approach may be required to deal such crises as Bolivia or Venezuela.

A similar message was delivered by U.S. Southern Command chief Gen. Bantz Craddock, in testimony to the Senate Armed Forces Committee on March 15. Craddock praised the Central Americans for "holding themselves accountable" for "regionalizing their security efforts," and agreeing to "stand up" a Rapid Deployment Force within 30 days. Craddock said he would be co-hosting a Southern Cone Defense Conference in Buenos Aires in May, as part of his effort to develop such "regional security organizations" in each of the regions of the Americas.

Brazil and Russia Buck Rumsfeld's Anti-Chavez Drive

Brazilian Vice President and Defense Minister Jose Alencar refused to endorse the Bush Administration's push for "regime change" in Venezuela, or its campaign to stop Venezuela's planned purchase of Russian weapons, when a reporter at the joint press conference of Alencar and Donald Rumsfeld in Brasilia on March 23, asked both to comment on their governments' concerns over Chavez's "trouble-making" in the region, and Chavez's purchase of 100,000 assault rifles from Russia,

Rumsfeld replied that he didn't know if the sale was firm, or not, but "I just hope, personally hope, that it doesn't happen.... I can't imagine that if it did happen, that it would be good for the hemisphere."

Alencar avoided the question of the arms purchase (Brazil is in the midst of negotiating the sale of fighter airplanes to Venezuela), and stated emphatically: "Brazil has always defended, and will continue defending, the self-determination of peoples, and the principle of non-intervention in the affairs of other countries. Here in Brazil ... we are increasingly interested in deepening our relations with the rest of the countries of Latin America, be they diplomatic, economic, or trade, with the objective of achieving the common good."

Russian Vice Foreign Minister Serguei Kislyak, in Caracas for the III Meeting of the Venezuelan-Russian Political Consultative Mechanism, defended the weapons sale strongly on March 21, and noted that "Venezuela is for Russia a key partner in the continent, and very important in the United Nations and other multilateral bodies where the future of humanity is decided."

Chavez Prepares for 'Asymmetric Warfare' Against U.S.

Venezuelan President Hugo Chavez let his belligerent rhetoric rip, in his March 20 "Hello, President!" television program:

"To avoid war, we must prepare ourselves for an asymmetric war, and make our enemy see that he would regret attacking us," he told Venezuelans. "If Bush interferes in Venezuela, the gringos can forget Venezuelan oil. I am sure that the people in the [eastern] plains would not permit oil to flow in these pipelines, nor would they let the oil wells function in the west, or that gasoline be distributed."

He announced that he had named Gen. Julio Ramon Quintero Vilorio to head a "national mobilization and military reserves," reporting directly to him. Thus, the reserve, with 100,000-plus members, would be a parallel military structure, under Chavez's direct command, outside of the institutional military hierarchy. The Bolivarian Revolution "is an armed one," and it is prepared to use its arms to defend sovereignty, he said. Everyone should participate in national defense: officials, common citizens, women—only children are exempt.

Soros's Morales Threatens To Imitate FARC, Sendero

Bolivian coca-grower leader Evo Morales, head of the MAS party, is threatening to unleash armed race war in Bolivia, if the government does not buckle to his demands. The threats were delivered in an interview published in Colombia's *El Tiempo* on March 22. Morales charged that President Carlos Mesa's efforts to stop the MAS's tactic of blockading roads any time they disagree with a policy, was motivated by racism, lying that the anti-blockade mobilization was a cover for keeping "us Indians" from governing. Then came the not-so-subtle threat: The MAS, Morales asserted, has prevented the development of a Sendero Luminoso or the FARC in Bolivia. "But, instead of valuing and respecting this position taken by the peasant movement to avoid armed struggle, they satanize it. What are they asking then: that we arm ourselves?"

One of Evo's biggest problems, however, is that *EIR's* 1998 articles identifying his ties to George Soros's narco-lobby and to the FARC, are still circulating in Bolivia. Bolivian Congressman Johnny Torrez Terzo (with whom *EIR* has never been in touch) charged on March 18 that George Soros was financing the social conflicts in Bolivia, because he wanted to drive out the competition, so he could buy up oil companies at the price of "a dead chicken." Torrez never mentioned *EIR*, but just a few days before, on March 15, the U.S.-based "Narconews" Internet service (which is what its name would imply: run by the drug lobby) went ballistic over the fact that a Bolivian magazine *Datos* published that "classified documents" existed which confirm that Evo Morales and his buddy, Felipe Quispe, were financed by Soros. *Datos*, says Narconews, also cited *EIR's* report on the Soros-Evo Morales ties. This is Lyndon LaRouche, Narconews complained, repeating the usual slanders from this crowd, but the narco lobby defensively reported that "trusted sources" assured Narconews that "Evo and Soros have never had contact, not even indirectly."

Chilean Lawmakers Charge Pinochet In-Law Stole Millions

Former Chilean dictator Augusto Pinochet's former son-in-law, Julio Ponce Lerou, has long been a subject of scrutiny by the Congressional committee investigating the sordid history of economic looting that went on under the Pinochet regime; he headed the government's CONAF agency, which was given the task of privatizing hundreds of state-sector companies. Ponce Lerou started out as a mediocre, low-level official at CONAF, climbing to become its director, and came away a millionaire.

It is conservatively estimated that the Chilean state lost \$1 billion in the sell-off of productive companies by the "Chicago Boy" vultures, and it is expected that the actual amount will turn out to be much larger, once the Congressional investigation is complete. Manuel Riesco, director of the CENDA thinktank, points to the link between the privatization process, in which companies were sold off at half their book value, and the large number of secret accounts that Pinochet held at Washington, D.C.'s Riggs Bank and others, as just revealed by the U.S. Senate Permanent Subcommittee on Investigations. Riesco was quoted in the March 23 Chilean press, charging that "the amount of public resources transferred to the private sector was immense," and Ponce Lerou and energy magnate Jose Yuraszcek were two of the biggest beneficiaries of the privatizations, not to mention Pinochet himself.

On March 22, Socialist Party Congressman Fidel Espinoza presented evidence to Judge Dobra Lusic, and demanded that Ponce Lerou be investigated for "illicit enrichment," for his role in selling off the largest and most productive agricultural cooperative in Chile, Hacienda Rupanco, in 1978. Ponce Lerou reportedly took 10,000 hectares of the cooperative's 47,000 hectares, and may have made as much as \$3 million off these very productive lands.

Western European News Digest

Travails of the House of Windsor: The Queen Is Not Amused

Britain's Queen Elizabeth is said to be furious with Prime Minister Tony Blair over the staging of Prince Charles wedding to Camilla Parker-Bowles, a well-informed observer of British affairs told *EIR*. The latest revelations about the implications of the wedding make clear why. The Queen, who does not like Blair, is outraged, because media focus on the wedding, set for April 8, will keep the Opposition parties' campaigns off the front pages, thus helping Labour's election efforts.

The Queen thinks Prince Charles complied with Blair's wishes to have the wedding at that time, and is furious that her family affairs are taking second place to Blair's political needs.

There are more reasons for the Queen's outrage. On March 21 it was revealed that Camilla will automatically become queen under British law, when Charles inherits the throne, despite earlier reports that Camilla would rise only to the status of "princess consort."

The plot thickens, however. To prevent Camilla from becoming queen, not only the British parliament, but also 17 parliaments of Commonwealth nations where the British monarch is head of state, would have to pass laws which would change the constitution. But this would open up multiple cans of worms, including for republicans in Canada, New Zealand, and Australia who might get the idea of chucking the monarchy altogether.

The last time the issue of a "morganatic" marriage — one where the king's wife is not queen—arose in Britain was in 1936, with the marriage of Hitler-supporter Edward VIII to Wallis Simpson, which led to Edward's abdication.

There is every indication that Queen Elizabeth is doing everything to keep Camilla at arm's length. Charles's fiancée has not appeared with him at official royal functions for weeks, and may not even be invited to the Queen's official birthday ceremony on June 11, which would be a total snub.

Friction in Germany's 'Red-Green' Coalition

Germany's Social Democrats (SPD) and their coalition Green partners (the "Red-Green" coalition) are experiencing increasing friction, while pressure is building internally for a Grand Coalition with the Christian Democratic Union (CDU).

The failure of the red-green minority government project in the state of Schleswig-Holstein, the beginning of SPD-CDU talks for a Grand Coalition there, and numerous endorsements by SPD and CDU prominents, add to the many conflicts contributing toward a rupture between the SPD and Greens.

There are signs of the SPD blaming the Greens for the SPD's recent election losses, as SPD Chairman Franz Muentefering accused the Green minority partner, over the March 18-19 weekend, of blocking crucial decisions. He said there is too much talking, and no real dynamic in the coalition, and there is too much profiling of the Greens at the expense of the SPD,

on anti-discrimination issues, on energy laws, and on military projects.

Muentefering is reflecting a recent, broader shift among the Social Democrats' base, suggesting that the coalition with the Greens is no good for the SPD: not in the states of Schleswig-Holstein, nor in North Rhine-Westphalia (NRW), and not at the national level. The initiative, two weeks ago, by factory council members of leading industrial firms in NRW, is just one of many signs that larger sections of the SPD base have become alienated from the Greens.

Another sign involves warnings from leading Social Democrats in the traditionally, pro-left/pro-ecology South Hessen district, who are enraged that the Hessen Greens have teamed up with the Christian Democrats (CDU) neo-cons to cut the social-welfare and health-care budgets. The SPD and the Greens are also at odds on Hartz IV: The Greens want to keep it, while the Social Democrats want certain modifications. The SPD threatened to end the cooperation with the Greens in Hessen—which is interesting, as that was the state where the red-green project began, more than 20 years ago.

The Greens have teamed up with the U.S. neo-cons on other issues, including against Russia and China, whereas Chancellor Gerhard Schröder and his SPD profoundly disagree with this confrontationism. The media are paying increasing attention to the new conflict, and this week's issue of *Spiegel* dedicates a cover story to the red-green frictions.

Renewed 'Atoms for Peace' Featured in Paris Conference

A several-day conference of the OECD and the IAEA began in Paris March 21, the first such conference on the level of the European energy ministers since the late 1950s, and a renewed ferment for reviving the "Atoms for Peace" optimism of that era has been observed internationally. For example, plans have been announced for 127 nuclear-fission reactors of about 1,000 megawatts each, with China and Russia planning to build most of them.

China will increase its nuclear-power output from 6.5 gigawatts to 36.5 gigawatts by 2020, while Russia wants to increase from 40 to 45 gigawatts.

A special aspect of the nuclear renaissance are plans of South Africa to build 40 of their high-temperature reactor types, based on an original German design, which would fulfill 10% of the country's energy needs, by 2020.

Whereas many countries, including Turkey, Finland, Czechia, Slovakia, Bulgaria, Romania, and Iran, are planning nuclear-power projects, Germany, formerly a leading world nuclear-technology producer, is still caught in the nuclear exit trap, imposed by the ecologists. Not least because of the drastic oil price increases, however, public pressure in Germany has grown to reconsider nuclear power.

French Voters May Reject New European Constitution

Fifty-two percent of French voters would vote "no" for the European Union Constitution. A first poll published March 17 by the CSA—the official institute of control of the French electronic media—already indicated that the "no" vote had already crossed the halfway point at 51%. Over the weekend of March 18-19, that result was confirmed by an IPSOS/*Le Figaro* poll which found that 52% of the population will vote down the constitutional treaty. If a single country rejects the Constitution, that will put an end to it. Only France is holding a national referendum.

The results are particularly dramatic among members of the left-wing parties in the French National Assembly: 55% will be voting "no," as opposed to 46% two weeks ago. Among the right wing, the percentage for "yes" is quite high, even though it is also falling : 67%, down from 72% two weeks ago.

Fear of Poverty, Unemployment May Sink EU Constitution

Worsening economic conditions are turning most Frenchmen against the European Constitution, triggering the soaring of "no" sentiment in the polls. Evidence to that effect is seen in: 1) the hasty resignation of Economics and Finance Minister Herve Gaymard, after *Le Canard Enchainé* revealed that the Gaymards were living in a huge luxury flat in the richest area of Paris, state-financed at 14,000 euros a month, while calling on the French population to adopt austerity measures; 2) Publicity around the European Union's Bolkestein directive, which defines the conditions in which citizens of the new EU member countries can work in Western Europe. Even though the Bolkestein directive is only slightly less bad than the original Maastricht Treaty, both allow workers from EU countries working outside their home countries, to work under the social/fiscal conditions of their home country, which ends up encouraging employers to hire foreign workers—sort of like outsourcing without leaving home. Obviously, this aggravates unemployment, for example among French workers, which is already well above the 10% official unemployment rate.

French Socialist Party Deeply Divided on EU Constitution

On March 20, a special meeting of the national leadership of the French Socialist Party (PS), which was convened to examine their new "Platform for 2007" for the Presidential elections, went totally sour when the IPSOS/*Le Figaro* poll came out showing 52% of French voters would vote against the European Constitutional treaty. Last December, the Socialist Party had held an internal referendum, which those in favor of the Constitution won, but only after a heated fight from the opposition, partly fueled by the LaRouche Youth Movement (LYM) in France. At that time, thinking he had won, Socialist Party Chairman François Hollande brought back into the leadership all the elephants of the Jospin era, and asked the same men and women who had brought about the nation's economic recession, to come up with a Socialist Party Presidential platform for the 2007 elections. In the meantime, the PS opposition to the European constitution continued, to the great displeasure of the leadership who are threatening to impose sanctions.

The other issue of intense gossip among PS leaders at the March 20 meeting, was the cover of this week's right-wing magazine *Paris Match*, showing François Hollande posing next to Nicolas Sarkozy for an interview with the two major French figures in favor of the EU Constitution. Both look exactly alike—the same Colgate smile, dark blue suit, light blue shirt, and small polka-dot tie. Those in the "yes" camp were wondering if this was "aimed at getting the 'yes' camp to lose."

Russia and the CIS News Digest

Coup in Kyrgyzstan: 'Storm Over Asia' Escalates

The situation in the 5 million person Central Asian nation of Kyrgyzstan is unsettled at this writing. President Askar Akayev fled the capital city of Bishkek March 24, as crowds, mainly led by an opposition coalition openly assisted by the U.S. Embassy, took over the main government buildings. Ex-Prime Minister Kurmanbek Bakiyev and former security official Gen. Felix Kulov, freed from prison during the coup, are nominally in charge, after the Supreme Court annulled results of Feb. 27/March 13 parliamentary elections, and the previous parliament convened and appointed Bakiyev as acting President. Akayev, however, has not resigned, though he left Kyrgyzstan, and is believed to be in Kazakstan or Russia.

Events in Central Asia bear out the warning in Lyndon LaRouche's 1999 video, "Storm Over Asia," which identified the motor of instability in this region as the "mercenary force," created through the 1980s "Iran-Contra" drug-financed covert operations, which had matured to threaten China, India, Iran, and Russia. Russia's response, if "pushed to the wall," would be aimed against the countries that sponsor such attacks, LaRouche warned. Now, LaRouche observes, we are facing "the Iran-Contra Syndrome, in the Age of George Soros," as the roles of drug lords and of "Project Democracy" in the Kyrgyzstan events demonstrate.

Akayev, a physicist by training, has been a leading advocate of what he calls "the doctrine of the Great Silk Road," according to which Kyrgyzstan's future prosperity is bound up with great infrastructure projects in Eurasia. He also co-created the Shanghai Cooperation Organization (SCO), which groups Russia, China, and major Central Asian Republics in cooperation on security and economic development.

Dope Mafia and Project Democracy in Kyrgyzstan

Kyrgyzstan's President Askar Akayev warned of the threat of an outside-orchestrated "velvet" coup already in September 2004, and again in December. (See "Ukraine: A Post-Modernist Revolution," *EIR*, Feb. 11, 2005, for a profile of such operations.) In Kyrgyzstan, the crisis was compounded by ethnic and clan problems, and the deep poverty experienced since the break-up of the Soviet Union. The involvement of drug traffickers in the destabilization became obvious as the biggest riots were in Osh and Jalal-abad, at the head of the infamous Fergana Valley. Extending westward into Uzbekistan, this is a major opium-growing region. Fergana was the center of the civil conflict in Kyrgyzstan 15 years ago. The Islamic Movement of Uzbekistan has been active there. And today, there is an additional factor of an ethnic Uighur insurgency, which is also of concern to China.

On Dec. 17, Akayev told Kyrgyzstan's Defense Council that the February/March parliamentary elections might be followed by large-scale political destabilization. Also in December, Kyrgyzstan's Anti-Drug Agency Chairman Kurmanbek Kubatbekov warned that drug money was likely to be used for a political destabilization. As soon as the election results were made public, revealing that the opposition was going to receive not more than three seats in Parliament, riots started in Jalal-abad and Osh.

A well-informed source in India noted March 25 that there is a loose alliance between criminal drug interests and Islamists in southern Kyrgyzstan. Whatever Washington or Moscow think is going on, he said, the dynamic inside Kyrgyzstan is moving towards north-versus-south civil war, like a similar eruption in Tajikistan in the 1990s. The view in Central Asia is that Uzbekistan is next, and this is well understood by that country's President Islam Karimov.

Soros, U.S. Support for Kyrgyzstan Regime Change Is Overt

Several years ago, George Soros, the "philanthropic" front man for the drug mafia, called the Fergana Valley the most important hot spot on the planet. Soros's Open Society Foundation (OSF) is very active in the Fergana Valley region, as is the Eurasia Foundation, a U.S. government-funded quango (quasi-autonomous non-governmental organization) tightly connected with the OSF. Combined, they earmarked \$45 million to promote "democracy" and "free press" in the Caucasus and Central Asia.

U.S. Ambassador to Kyrgyzstan Stephen Young practically boasted to the *Washington Post* on March 25, that he has been coordinating the opposition parties, to make sure they remain united. On March 24, State Department spokesman Adam Ereli said Young was meeting with the opposition leaders, and defended the crowds' violent attacks on government buildings.

Bush Thumbs Nose at Moscow with Diplomatic Schedule

After President George W. Bush visits Moscow in May, at the invitation of Russian President Vladimir Putin, for the celebration of the 60th anniversary of victory in World War II, he will move on to meet the leaders of the three Baltic countries in Latvia. Then Bush travels to Georgia, where he wants to celebrate the December 2003 Project Democracy/George Soros coup known as the "Rose Revolution." This trip is designed to show that Bush can stand up to

Moscow, which is becoming "insular and isolated," according to the *Washington Post*. It is well-known that the Americans are organizing Jacobin coups in the countries around Russia, and just to make the point clear, Bush will be receiving the new Ukrainian President Victor Yushchenko at the White House on April 4.

Paris 'Summit of Four' Discussed Economic Cooperation

Russian media reports on the Mar. 19 Franco-German-Spanish-Russian summit in Paris indicate motion towards signing of the planned EU-Russia strategic economic partnership agreement in Moscow on May 10. The intended intensified economic cooperation will, however, proceed mostly in the context of cooperation among those four countries. Especially prominent were discussions on "lifting the arms embargo against China," which would open the door to cooperation, via the Franco-German-Spanish EADS, joined by Russia, in aircraft manufacturing. In Russia, the firm Irkut has been mentioned in this context. The four would also deliver arms and military equipment to China.

German Chancellor Gerhard Schroeder emphasized that cooperation in energy should be moved from the present level of relations, which is that Europe imports oil and gas from Russia, to a new level envisaging substantial European investment in Russia's oil and gas sector, including exploration.

Thirdly, and emphasized especially by the French, was space technology cooperation. France and Russia signed a bilateral agreement that covers future manned space missions. The design and development of new types of spacecraft and satellites is envisaged in this agreement.

Lvov: Use Stabilization Fund To End Poverty

Academician Dmitri Lvov, secretary of the Russian Academy of Sciences economics section, recently told the widely circulated *Argumenty i fakty* weekly that 60% of Russians live on incomes below the real poverty line (\$182/month) and 20% of them are below even the official line (\$87/month). Lvov said that the current 500 billion ruble (over \$18 billion) level of the Stabilization Fund—which is comprised of surplus export earnings and managed by the Finance Ministry, gold/currency reserves of over \$120 billion, and Russia's sustained budget surplus are due not only to oil revenues, but to underpayment of labor.

In order to achieve real economic growth, Russia must raise its population above the poverty line, Lvov said. This could be done by spending \$8 billion of the Stabilization Fund to increase pensions and wages, as was done in Japan and Western Europe at a certain point. Lvov dismissed claims that such a deployment of money would trigger hyperinflation, saying that a well-prepared influx of domestically produced goods to the market could compensate the increased money supply. In addition, Lvov called for investing the Stabilization Fund in science, education, and aircraft production. With \$7 billion, the Russian aircraft industry would be competitive on a world scale. Within a decade, said Lvov, Russia should be trading manufactured products, not just oil, on the world market.

Columnist: Russia Should Reject Wolfowitz ... and World Bank

Moscow-based American analyst John Helmer, writing in a mid-March issue of *The Russia Journal*, called the nomination of Paul Wolfowitz—who has at been war against Russia "since he got out of short pants"—to head the World Bank, an opportunity for Russia. Already under outgoing president James Wolfensohn, Helmer wrote, the World Bank was used by the USA "to destroy the economic foundations of its rival superpower; pay stipends to Russian quislings; and oblige the Russian government to incur sizeable debts for the privilege of being advised to dismantle its systems of command and control, and transfer the nation's most valuable resources into the hands of a dozen individuals eager to betray their country for personal profit." When Russia challenged the World Bank's operations, Wolfensohn appointed, to prepare a defense of the bank's operations, "a minor academic who had enriched himself selling Russians the very advice Wolfensohn asked him

to evaluate"—Anders Aslund.

The nomination of Wolfowitz, "ought to remove any possibility that Russia, now a greater oil power than Wolfensohn or Wolfowitz have thought possible, would borrow [from the World Bank] itself, or recommend that anyone else should." Helmer concluded that the Wolfowitz nomination could "be an opportunity for President Vladimir Putin to conclude that, from Russian experience, the World Bank does more damage than good, and that, in consequence, it should be isolated and ignored by those countries and economies most in need of development financing."

LaRouche Movement Writers Published In Russia

Recent Russian publications of articles originating with *EIR* include the following articles:

Mir peremen (World of Transformations), a new quarterly in the traditional Russian "thick journal" genre, published in issue #3 for 2004 a Russian text of Helga Zepp-LaRouche's speech at a workshop of the May 2004 "Europe in the 21st Century: Crossroad of Civilizations" conference in Prague. *Mir peremen* is associated with the Institute for International Economic and Political Research (IMEPI) of the Russian Academy of Sciences. The editors presented Zepp-LaRouche's speech as being of interest because it dealt with historical precedents for solving "serious economic and financial crises," especially the 1933-1938 New Deal program of Franklin Delano Roosevelt. The speech discussed LaRouche's unique record as an economic forecaster, and as the leading representative of the FDR tradition today. The speech appeared in *EIR* of May 28, 2004.

The financial monthly *Valyutny Spekulyant (Currency Trader)* in February carried a round-up of material on the crisis of the U.S. dollar, taken from the economic news digests in *EIR Online*. The March issue published Mary Burdman's review of the BBC2 film, "The Man Who Broke Britain," and John Hoefle's overview of major banks' derivatives exposure.

In February the online magazine *Polyarnaya Zvezda (Pole Star)* posted a translation of Jeff Steinberg's May 5, 2000 article "From Cybernetics to Littleton—Techniques in Mind Control."

Southwest Asia News Digest

Putin To Make First Visit to Israel

Russian President Vladimir Putin will make an official visit to Israel on April 27 at the invitation of Israeli President Moshe Katsov, *Ha'aretz* reported March 23. No other Russian or Soviet head of state has ever visited Israel. Putin will also meet Prime Minister Ariel Sharon.

On March 25, the *New York Post* reported that Putin will be leading a delegation of 300 Russian businessmen and diplomats, which will work on forging deeper economic cooperation between the two countries. A Washington source told *EIR* that Putin knows that both the Bush Administration and the European Union wish to keep Russia out of the Middle East diplomatic show, and that Putin sees this trip as an opportunity to insert Russia back into the equation in a big way. Among the issues that the source said would be on the table in the Putin-Sharon talks, would be both countries' relations with China and India.

In response to these reports, Lyndon LaRouche noted that the Israelis are in desperate economic straits, and that Putin could seize the opportunity to wreak havoc on the Bush-league neo-con war games in the region with some significant economic deals.

Condi and Cheney Plan Overthrow of Syrian Government

The inmates have definitely taken over the asylum, from the Oval Office to Foggy Bottom. A *Washington Post* article of March 26 has confirmed that the Bush Administration is meeting with a neoconservative-created "Reform Party" of Syria, as part of a plan to overthrow the government of Syrian President Bashar Assad. On March 24, Elizabeth Cheney, Deputy Secretary of State for Near Eastern Affairs, and the daughter of warmonger Vice President Dick Cheney, met with leaders of the Syrian "Reform Party" but the administration has denied planning an overthrow.

A highly informed Washington intelligence source with close ties to Lebanon told *EIR* that Elizabeth Cheney, known as the State Department's "democracy czar," is Dick's "eyes and ears" on the Middle East, and handles the policy there for him. (See this week's InDepth on Lebanon for background on the Syrian "Reform Party" as a component of the new Administration war plan for Lebanon/Syria.)

Syrian Diplomats Speak Out Against Provocations

The Syrian Ambassador to Washington, Dr. Imad Mustafa, told an audience at Georgetown University on March 23, that Syria "will withdraw from Lebanon as soon as possible, the sooner the better. And we are not talking of two or three months. We will do this very, very quickly."

The withdrawal is being worked out between Syrian President Bashar Assad, and Lebanese President Emile Lahoud. While Syria was invited into Lebanon by the government, the UN, and the League of Arab Nations, under a treaty known as the Taif Agreements in September 2004, the U.S. "war party," with the backing of France, rammed through UN Security Council Resolution 1559, to force Syria out of the country immediately.

Ambassador Mustafa told the largely American audience, "I hope this will inspire other countries in the Middle East to withdraw their occupations from Iraq and from Palestine and from Syria itself. President Bush," he added, "has many times spoken about making Iraq a model that will inspire the whole Arab world.... I think the Arab people will love to see this Syrian model followed by the Americans and the Israelis."

The Ambassador, who was formerly a university president and leading figure in promoting cultural exchanges, took up the question of political prisoners: "I do not feel proud that Syria has political detainees just like you have in Guantanamo Bay, people who don't know what they are charged with, when will they ever be released, if they will be tried, and if they have access to their attorneys. Our plans are by June 2005 not to have a single political prisoner in Syria. We want to make anything similar to your Guantanamo Bay a part of our past." The Ambassador concluded by emphasizing that Syria wishes to have improved relations with the United States. "We do not consider Syria an enemy of the United States. And we do not want to be regarded as an enemy by the United States."

Syrian Foreign Minister Farouq al-Sharaa told reporters in a side-event at the Arab League summit in Algeria that allegations made by the U.S. and other Western countries are "just lies," and that there was no "pretext or justification" for Syria to be a target of "the Iraq scenario," reports Aljazeera.com on March 23. Al-Sharaa also said Syria wants to get out of Lebanon, which he calls a "sisterly country," and that the withdrawal is based on an agreement with Lebanese authorities.

Israeli Knesset Questions Replacement of IDF Chief

In a highly unusual public move, Israeli Chief of Staff Gen. Moshe Ya'alon told the Israeli Knesset on March 22 that he does not believe the reasons that he was given for being fired by Ariel Sharon, who declined to extend Ya'alon's term by the customary six months to one year.

"My dismissal was unjustified," Ya'alon told the Knesset Foreign Affairs and Defense Committee. "I was very surprised by the reasons I was given, as if there had been some communication breakdown between Defense Minister Shaul Mofaz and myself." He said Sharon told him that "Mofaz was unable to work with me." Yet, when Ya'alon mentioned that to Mofaz, the latter was totally surprised. Such a statement from Ya'alon is unusual, and no doubt reflects concerns within the defense establishment about the fact that Sharon has consolidated his grip on the entire official security apparatus.

The Knesset Committee issued a statement expressing concern, saying, "The committee noted with great concern that the government echelon has not yet presented the committee with a clear and convincing explanation...." Committee member Yossi Sarid said that Ya'alon had been dismissed "in a most contemptible fashion.... Not only Sharon and Mofaz conspired against you [Ya'alon], other politicians were also involved."

Ya'alon's replacement is former Air Force commander Dan Halutz, a personal friend of Sharon and Sharon's son Omri. Halutz is an aggressive warhawk, who is expected to prepare the IDF for a strike against Iran.

Israel Violates UN Resolutions with New Houses in Settlements

Israel has announced a massive expansion of the illegal settlements in the occupied West Bank Palestinian territories, and will build 3,500 houses to connect Ma'aleh Adumin, a settlement deep in the West Bank, to Israeli-occupied East Jerusalem. The move violates numerous UN resolutions as well as the "Road Map."

According to *Yedioth Aharanoth*, March 21, Prime Minister Ariel Sharon personally approved the plans in order to secure "Greater Jerusalem."

Palestinian Cabinet Minister Saeb Erekat condemned the expansion, saying it is "shutting the door for negotiations and peace. This project intends to determine the future of Jerusalem by settlements and not negotiations." Palestinian Planning Minister Ghassan al-Khatib said the expansion "gives the impression that it intends to exchange Gaza for a Greater Israel."

The U.S. response, through Ambassador David Kurtzer, was ambiguous. Instead of condemning the settlement expansion on its face, Kurtzer responded to a report leaked to the Israeli press, that Sharon had told a closed meeting at the Israeli Foreign Ministry that he had "an understanding" with the Bush Administration to allow this. BBC, UPI, and *Yedioth Aharanoth* reported that Kurtzer said that Sharon's claim "is untrue."

Kurtzer said that the problem is that Israelis don't understand American English: "Sometimes, an American will end a conversation with the words 'I understand,' and an Israeli will mistakenly take that as a formal declaration of understanding. But I can assure you that no such understandings were reached. I have discussed the matter with Washington, and I have received full support on this matter." He added that the Israelis tend to repeat what they want to see, over and over, and "at the beginning of every meeting the Israelis repeated the mantra 'Jerusalem, the eternal undivided capital of Israel.'"

However, Kurtzer, in a talk with the Israeli Foreign Ministry cadets, gave Israel the room they want for expansion, when he denied that the U.S. policy under George W. Bush was for the full and complete withdrawal of all settlements from the West Bank.

U.S. Warned Not To Attack Iran

The European Union and Iran completed another round of talks on Iran's nuclear energy program, on March 24 in Paris, without reaching a final agreement. The talks will be resumed within the next few weeks.

Meanwhile, warnings from India and Egypt have been issued to the United States, not to attack Iran.

Aljazeera.com reported March 25 that Subir Raha, head of the Oil and Natural Gas Corp. of India, the country's biggest oil company, warned the U.S., "You launch one more attack, and you can't even guess where the speculation will go.... With the stalemate in Afghanistan, stalemate in Iraq and elsewhere, you already have a price at \$55 a barrel." If the United States is "stupid enough to attack Iran," he said, "the whole marketplace will go up. No one knows what will happen."

Regarding U.S. attempts to sabotage India's energy supplies, by blocking an Iran-Pakistan-India pipeline, he said, "I see no reason why India's priorities should be subservient to U.S. priorities. The U.S. is chasing oil and gas as badly as China or India or anybody else." Meanwhile, the Iranian news agency IRNA reported that Iran plans to sign separate back-to-back agreements with Pakistan and India, on the proposed pipeline project.

On March 24, Egyptian President Hosni Mubarak, speaking from Paris, where he had met with French President Jacques Chirac, also warned against an Iran attack. "We tell our American friends that we must distance ourselves from a destructive war... [which] could constitute a catastrophe for the entire region."

Asia News Digest

India To Seek Military Cooperation with Myanmar

Indian External Affairs Minister Natwar Singh's visit to Myanmar March 24-27, was to discuss a \$500 million proposal, known as the Kalandan Project, to build a road-and-sea linkage between India's resource-rich northeastern states and Myanmar, skirting Bangladesh.

Also on the agenda is an offer by New Delhi to open up military-to-military links between the Indian and Myanmarese armies, and to work out a plan to help the Myanmar army to dismantle camps set up by India's northeastern rebels inside Myanmar along the western border with India. The Myanmarese army has already moved an army division to its western borders to counter the rebels. It is expected that Natwar Singh will discuss the Indian help to the army division in the form of funds and weapons for them.

Indian Parliament Passes Product Patent Bill

Aggressively pushed by the Left parties, who support the ruling Congress-led United Progressive Alliance (UPA) coalition, and by the BJP in the opposition, the Indian Parliament adopted a product patent bill which pleased the domestic companies—and dismayed the multinationals and the World Trade Organization, Indiadaily.com reported March 23.

The Product Patent Law includes patents in pharmaceuticals, agricultural products, and embedded software. The Left-BJP combine had demanded 12 amendments to the bill presented by the UPA. Seven have been accepted, and the experts believe that the rest will also be negotiated and finally accepted in some form. There is no chance that the UPA can pass the bill without support of the Left parties. The Left parties had threatened the UPA that if the amendments were not accepted, it would join the BJP-led National Democratic Alliance (NDA) and defeat the bill, endangering UPA's survival.

Indian Navy Says 'No' to U.S. Hawkeye Jets

After weighing the pros and cons for over a year, the Indian Navy turned down purchase of the U.S. Hawkeye jets, because

the "design was too bulky." Instead, the Navy has announced that it is working with the Indian Air Force (IAF) for a home-grown solution with early warning and control (AWACS) capabilities.

The U.S. Hawkeye manufacturer, Northrop Grumman, had assured the Indian Navy that the Hawkeye 2000 could take off from the Indian aircraft carrier INS Virat's angular deck without a catapult. However, the test failed to prove that it could do so without the steam catapult.

Philippine Capital on High Alert

Some 15,000 policemen will be deployed in malls, churches, and vital installations in Manila to prevent attacks during the long Easter break, police said March 21. Authorities warned that Abu Sayyaf members may stage attacks in Manila and key cities on the southern island of Mindanao after a recent, failed jailbreak, which left 22 Abu Sayyaf members dead.

Officials said up to seven escaped militants from the Abu Sayyaf and the Jemaah Islamiyah were still at large. "All security measures are in place. We remain on full alert," national police chief Arturo Lomibao said, adding that "all members of the PNP [national police] will not be allowed to take their [vacation] leave and will be on post 24 hours a day."

Indonesia Moving Ahead with Plans for Nuclear Power

Indonesia plans for a civilian nuclear-power program in the next decade, Jakarta's ambassador to the International Atomic Energy Agency, Thomas Aquino Sriwidjaja, told a conference on nuclear energy in Paris March 21-22 (See Europe). He said that the world's largest Muslim country, Indonesia, was "preparing to operate a nuclear-power plant most likely in the next decade."

Sriwidjaja said Indonesia is having difficulties meeting its domestic energy demand. "The oil and gas reserves in Indonesia are insufficient to balance the rapidly increasing demand for energy, particularly in the form of electricity," he said.

An IAEA-supported study found that Indonesia needs an energy mix "in which the contribution of oil should be reduced and replaced by gas, coal, renewable energy, and other alternative energy, including nuclear energy," Sriwidjaja said.

He said Indonesia was seeking help from developed nuclear states in technology, investment, and research, and would fight anti-nuclear sentiment with a public information program.

Water Shortage: Thousands of Thai Villages Face Crisis

The Permanent Secretary of the Thai Agriculture Ministry, Banphot Hongthong, warned March 21, that more than 12,000 villages will run out of water in ten days, while promising some water would be provided within 24 hours.

A taskforce operating under the ministry's authority, surveyed 45,032 villages between March 17 to 19.

Of the more than 45,000 villages surveyed, 12,742 villages were running out of water for daily use; 16,616 others were short of water for farms and livestock; and 15,662 villages remained unaffected by the drought.

Malaysia, Indonesia: No U.S. Patrols in Malacca Strait

Despite unqualified rejections from Malaysia and Indonesia, Singapore and the U.S. continue to push for outside military

forces to patrol the Strait of Malacca, the *Straits Times* reported March 19. In response to press queries on Japan's recent offer to help patrol the Strait of Malacca after a kidnapping incident (a cat's paw for the U.S. quest to get its warships into the Strait), a spokesman for Singapore's Ministry of Foreign Affairs said: "The Strait of Malacca and Singapore is an international waterway important to international trade and global energy security. All stakeholders should contribute to the security of the Strait." Although Singapore sits on the Strait, the entire area falls within the sovereign territory of Indonesia and Malaysia, who have clearly refused any U.S. or Japanese military presence in their territory.

The Bush Administration policy is only slightly less direct. U.S. Ambassador to Malaysia, Christopher LaFleur, said March 18 that, "It is important that these countries, which have the responsibility to take the initiative, do what they can, and if there are ways that we can help, than certainly we are prepared to talk. The U.S. obviously has various sorts of military capability and, if asked, of course we will be happy to consult with countries in the region on this issue.... We must be concerned about potential for terrorists to also operate somehow in the Strait."

Ringgit Not Strong Enough for Peg Review

The ringgit, which is fixed against the U.S. dollar, hasn't fallen enough against other currencies in Asia to warrant changing the pegged exchange rate, Second Finance Minister Datuk Nor Mohamed Yakcop told the *Malaysia Star* March 19.

"Certainly, we have not made a decision to re-peg," Nor Mohamed said in Putrajaya March 22. While the ringgit is about 5-7% "undervalued" according to most estimates, "it's not significant enough to see the benefit" of any change in the fixed currency rate.

'Hot Money' Is Causing China Economic Problems

Guo Shuqing, Director of China's State Administration of Foreign Exchange, made his second warning this month about the dangers that inflows of speculative "hot money" poses for China. In an interview with *Xinhua*, Guo warned that "indiscriminate support of exports and foreign capital influx has created short-term economic problems." These include "excessive speculation in the property market and the economic decoupling of the fast-growing coastal areas with the rest of China."

The income gap between China's coastal cities and its much poorer interior is a growing, critical problem. Guo said that his administration has detected foreign investors buying up large numbers of houses in coastal cities. "This is apparently speculative activity," he said.

Guo may soon become head of the China Construction Bank, one of the four big state banks in China. The previous head, Zhang Enzhao, had to resign last week due to charges of corruption.

China, S. Korea Demand U.S. Concessions on N. Korea

"Although it is unlikely that Washington will make any major changes to its hard-line position, there is a chance the Six-Party talks [on North Korea] may see some progress if there are any concessions from either side," Beijing's *China Daily* wrote March 18. "And it may also be what Pyongyang hopes for."

The article revealed Chinese anger at criticism from the U.S. that China is not doing enough by pushing its leverage over North Korea. "Recently we have heard some U.S. and Japanese media commentators say that China is not being helpful enough because China is friendly with both the U.S. and North Korea," Wang Yizhou, deputy director of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences, was quoted as saying.

Africa News Digest

Ebola-Like Marburg Virus in Angola Outbreak Kills 119

An outbreak of the Ebola-like Marburg hemorrhagic fever continues to claim lives in the Angolan town and province of Uige, in the North. There is no known treatment, and death occurs within three to seven days of the first symptoms of vomiting, bleeding, and fever. Several doctors and nurses are among the 119 dead as of March 26. The virus was identified as Marburg by the U.S. Centers for Disease Control March 22.

The World Health Organization is concerned that two people who were being treated left the hospital in Uige, and are unaccounted for. The virus is transmitted by contact.

The Angolan epidemic broke out in October 2004, but has worsened in the past three weeks. The previous, most serious outbreak was in the Democratic Republic of Congo, in which 123 died between 1998 and 2000. Marburg virus was first identified in 1967.

SPLM's Garang Announces Plans to Issue Peace Proposal

The Sudan People's Liberation Movement (SPLM), led by John Garang, will present in April a draft proposal for a political solution to the insurgency in Darfur, and that of the Beja in eastern Sudan. Garang will present the proposal to President Omar Hassan al-Bashir and First Vice President Ali Osman Taha on the sidelines of the Sudan donors' conference in Oslo, Norway; to the insurgents; and to the chief mediator in the Abuja talks. This news was reported in *Sudan Tribune* March 19, citing remarks of the SPLM Secretary for Development and International Cooperation, Kostilo Garang, to *Al-Ray Al-Amm*, the Khartoum daily.

The content of the proposal is evidently not yet being made public, but Kostilo Garang's further remarks give some indication of its tendency. He told *Al-Ray Al-Amm* that it was illogical for other regions of Sudan to begin new wars after the South had achieved peace after so many years of conflict. It would only undermine the achievements of the Nairobi agreement, reduce the chances of development, and erode the sympathy of the international community, he said. (President Bashir and SPLM leader John Garang both see the North-South agreement as the template for meeting the just demands of all the neglected regions of the country.)

Asked whether the SPLM supported the trial of Darfur war criminals at the Hague, Kostilo Garang said the SPLM's strongly held position was that suspected war criminals should be tried internally and in open courts, unprejudiced by the international community's call for its participation in the trial. He said that trial in external courts would imply the government's withdrawal from the Nairobi agreement of this past January, and that the SPLM will explain to the international community the danger of trial before any external court. (President Bashir, of course, also opposes any external trials.)

John Garang is expected to take up his position as Sudan's First Vice President in July. He has said that the government he joins cannot be at war with an insurgency in Darfur.

SPLM Delegation Visits China for Economic Talks

An SPLM delegation left Sudan for Beijing March 16, to hold talks on economic cooperation, the SPLM's Yaser Arman told *Al-Sahafah*, the Khartoum daily, according to *Sudan Tribune* March 18. The delegation includes SPLM Vice Chairman

Salva Kiir Mayardit, head of the economic section Akwal Manak, external relations chairman Niyal Dheng, and spokesmen Samson Kwaje and Pagan Amum.

Salva Kiir on March 21 met He Luli, Vice Chairwoman of the Standing Committee of the National People's Congress.

SPLM Chairman John Garang, for his part, visited Washington in January after the signing of the Nairobi agreement.

Large Peacekeeping Force Authorized for Southern Sudan

The UN Security Council has authorized a 10,700-person peacekeeping force for southern Sudan, but other Sudan issues remain unsettled. The UN Security Council passed the first of three resolutions establishing the peacekeeping force, even though its make-up is not yet known. The question of Sudan's Darfur region remains unresolved, and only the places where SPLM rebel forces have fought in the past are covered.

France is angry because it—and the EU as a whole—wanted the U.S. to stick with a resolution that included, with reference to the fighting in Darfur, war-crimes trials run by the International Criminal Court (ICC) and sanctions against the government. However, China and Russia oppose sanctions, and the U.S. does not recognize the ICC, but instead wants to establish an ad hoc court in Tanzania.

France Accepts Bush Plan for U.S. Control Over Congo

France is going along with a Bush Administration plan to put Rwandan agents in key ministries of the Democratic Republic of Congo, so that the U.S. will have undisputed hegemony over the country, claims *Le Communicateur*, a Kinshasa daily, March 17. In an apparent reference to a March 15 closed-door meeting of the U.S. Secretary of State and the Foreign Ministers of Belgium and France, it says that "after rough and stormy discussions," the U.S., France, and Belgium reached agreement on the next government of the Democratic Republic of Congo: France will name a viable candidate for President, whom the other two governments will be bound to support and bring to victory in the coming election. Belgium grudgingly accepted the consolation prize, the Prime Ministership, and the presidency of the future parliament. The U.S. got the strategic sector of defense, security, and finance. "And this highly sensitive sector will be bestowed on the Rwandans under the rubric of Banyamulenge [Congolese who speak Kinyarwanda, often of Rwandan loyalty]." The same report appeared simultaneously in *La Référence Plus* (Kinshasa).

Le Communicateur, which titles its article "France traps Joseph Kabila and betrays DR Congo," says, never mind the Belgians. The problem is that France, by accepting this deal, is letting the U.S. take over Congo entirely, stupidly imagining that stroking the "Anglo-Saxons" will benefit France. France should instead throw all of its weight behind a real mission for pacification of eastern Congo under the auspices of the EU and the international community. It would disarm and repatriate to Rwanda the Interahamwe (anti-Tutsi Hutu guerrillas), depriving Rwandan President Paul Kagame of his pretext for invading Congo. And, says the daily, President Kabila should not listen to the French under present circumstances.

U.S. and Belgium Still Sparring for Influence Over Congo

The Bush Administration is insisting that the current leadership of DR Congo has failed, and elections must be held this June, as originally scheduled. The Belgian government urges that the transition to elected government is behind schedule, but Belgium "apparently still trusts the current Congolese leadership and believes it can meet the security preconditions for credible elections in December 2005, or later." This is the report of *Le Potentiel* (Kinshasa) March 18, in reference to a closed-door meeting among the foreign ministers of the U.S., Belgium, and France March 15, as well as other discourse

among these governments.

The U.S. response to Belgium, says *Le Potentiel*, emphasizes that, "the street, and political and social forces opposed to any extension of the transition" must be taken into account. (This could be called the "Ukraine argument," inasmuch as a stay-at-home—a strike that includes the unemployed population—has already been staged—in response to the suggestion that elections be delayed—in the place where the chief U.S. agent of influence, Etienne Tshisekedi, has greatest strength: Kinshasa.)

This Week in History

March 28 - April 3, 1824

Lafayette Revives the Memory of the American Revolution

In the late summer of 1824, Gen. Gilbert Lafayette returned to America as the "Guest of the Nation," and embarked on an exhaustive and exhausting tour of all 24 states in the union. No longer known as "Marquis," for he had renounced his title during the battle for a French constitutional republic, Lafayette and his American collaborators, planned to rekindle the ideas of the American Revolution both at home and abroad. In America the progress of his tour was followed avidly, while in Europe, despite complete censorship in monarchist France, any news from Lafayette's tour gave hope to those who wanted to follow America's example.

Within a week of landing at New York City in August, Lafayette had set off for New England, and then, the Mid-Atlantic states. He visited Washington's tomb at Mount Vernon, and took part in the anniversary celebration of the British surrender at Yorktown, where he and Alexander Hamilton had led the successful night attacks on two redoubts which were located so close to General Cornwallis's lines that the British were forced to surrender.

Lafayette spent the winter in Washington City, but made frequent side trips to meet with friends from the days of the American Revolution. Then, at the first sign of early spring, he embarked on a 4,000-mile journey by carriage and steamboat in order to visit every southern and western state. His schedule was arranged so that he would reach Boston by June 17, where he was to lay the cornerstone for the Bunker Hill Monument on the 50th anniversary of the battle. He had always stated that it was the brave American challenge to the British Army at Bunker Hill in 1775 which became the "polestar" by which he had steered his course, and which had inspired him to come to America and offer his services to the Continental Army.

Lafayette took with him his son, George Washington Lafayette; his secretary, Auguste Levasseur; and Bastien, his valet and indispensable helper. With the aid of his son, who had been sent to safety in America during the Terror in France, and General Bernard of the Coastal Survey, Lafayette mapped out a daunting journey through the Carolinas to Raleigh, Charleston, and Savannah, and then, overland into the wilderness of western Georgia and Alabama, to Mobile and New Orleans. The tour continued up the Mississippi to St. Louis, then east on the Ohio River, and up through Pennsylvania and New York State to the Erie Canal, which would take him to Albany, and from there, overland to Boston.

Lafayette's party boarded a Potomac River steamship on Feb. 23, arrived in Norfolk, Va., three days later, and transferred to carriages for the journey through the Carolinas. Although his party was met at each town by an escort of local militia, they encountered such bad roads that their horses often became mired in mud, and in South Carolina, at one point, they became lost in the swamps. But each town they entered had been illuminated to greet him, and there were welcoming speeches, banquets, and balls. Continental Army veterans travelled for many miles to reach the towns where Lafayette would be staying, in order to see him again, and reminisce about the dangers and triumphs they had shared.

When he reached Columbia, S.C., Lafayette was joined by Col. Francis Huger, who, as a young medical student in Vienna, had tried to rescue him from the prison of Olmutz, and had himself been imprisoned when the attempt failed. Huger accompanied Lafayette to Charleston, where the troop of cavalry which greeted them was dressed in the uniform of Lafayette's former National Guard of Paris, and welcomed him with the old familiar phrase, "Vive Lafayette!" At the dinner given by the Society of the Cincinnati, George Lafayette honored Huger by proposing a toast to "the everlasting gratitude of all my father's children and grandchildren to his gallant deliverers at Olmutz!"

Charleston had been the first American city that Lafayette had seen when he arrived from France in 1777, and the Huger home on one of the coastal islands was the first place where he had stayed. Therefore, there was a special enthusiasm to the Charleston celebrations. Days of festivities culminated in a grand ball, where Lafayette was announced by a flourish of trumpets and entered to the strains of "Hail to the Chief."

According to accounts of the time, there were 1,800 ladies in the ballroom's boxes, all wearing long white gloves with "Lafayette" stamped on them. When they rose and applauded, Lafayette walked around the room bowing courteously, and at that point, decorum was thrown to the winds, and they "scrambled one over another from the back seats to get hold of his hand, some kissing it, often three or four having hold of him at once, some by the hand, some by the breast of his coat--- Was virtue ever more nobly rewarded?"

After visiting Savannah to lay the cornerstones of monuments to his deceased friends Gen. Nathanael Green and Count Casimir Pulaski, Lafayette reached Milledgeville, Ga. on March 27. When he headed west, the scene and the welcomes changed dramatically. Lafayette's party travelled through virgin forests, on roads that were merely gullies or traces. A violent thunderstorm caused them to seek shelter in a cabin where the traders and Indians failed to recognize them. But when they reached the Chattahoochee River, Chief McIntosh and a full delegation of Creek Indians were there to greet them, along with the Alabama Committee on Arrangements.

Everyone fell silent as Lafayette appeared, and the Indians rushed to pick up his carriage and carry it a safe distance from shore. Then Chief McIntosh addressed Lafayette in English, saying that all his brethren were happy to be visited by one who had never made a distinction of blood and color; that Lafayette was the honored father of all the races of men dwelling on the continent. When the chief finished, all the Indian braves came forward, and in turn placed their right arm on that of Lafayette. At the Indian village, Lafayette witnessed a game of lacrosse and visited the Indian school.

Chief McIntosh asked to accompany Lafayette to Montgomery, as he wanted to take his ten-year-old brother there to be educated. During the trip, early spring rains had swollen a creek above the level of the bridge they had to cross, so a party of Indians lined up on either side and formed a human chain to mark the edge of the bridge for the carriages.

When Lafayette arrived at Line Creek, a group of warriors were waiting on their ponies, and he was addressed by an old chief who said, "Father, it will long be said among us that you came back to visit our forests and our cabins, you whom the Great Spirit had formerly sent from the other side of the great lake to drive out the enemies of men, the English in their blood-colored coats. The youngest among us will tell their grandchildren that they have touched your hand and seen your face; they will see you perhaps again, for you are the favorite of the Great Spirit and you never grow old."

On April 3, the travellers reached Montgomery, and Lafayette reluctantly parted with Chief McIntosh, who had become a good friend. At two in the morning the group boarded a steamer on the Alabama River, and headed for Mobile Bay, covering 300 miles in three days. The trip would have taken a month to six weeks without steam, but even though he was maintaining an almost breakneck pace, Lafayette still had thousands of miles to cover before his June 17 appointment in Boston.

[top of page](#)

[home page](#)