

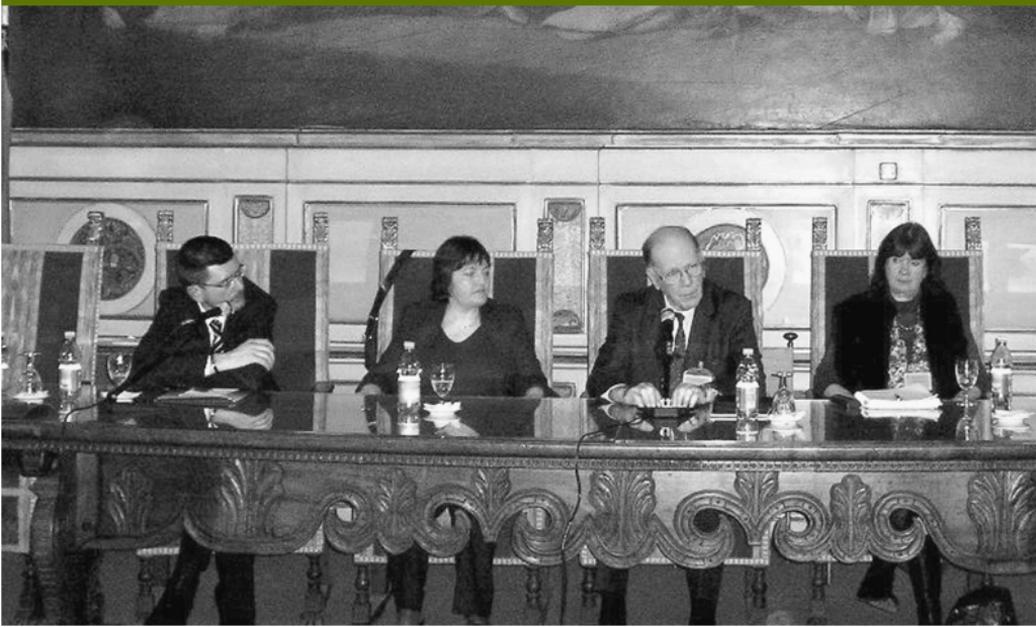
# EIR

Executive Intelligence Review

February 23, 2007 Vol. 34 No. 8 [www.larouche.com](http://www.larouche.com) \$10.00

Putin Delivers Reality Shock at Munich Conference  
The Smell of Impeachment Keeps Getting Stronger  
Resurgent Tuberculosis: Deadlier Than Ever

## LaRouche in Rome Revives Fight for New Bretton Woods



# EIR

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EIR (ISSN 0273-6314) is published weekly (50 issues), by *EIR News Service Inc., 912 Pennsylvania Ave., S.E., Washington, DC 20003. (703) 777-9451.*

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205, Wiesbaden, Federal Republic of Germany Tel: 49-611-73650.

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Canada Post Publication Sales Agreement #40683579

**Postmaster:** Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

## From the Managing Editor

In many of the world's capitals, we are seeing an increasingly out-in-the-open clash between the British-centered financier oligarchy and its hand-grenades in the Bush-Cheney Administration, and nation-states eager for a change in policy. That is what Lyndon LaRouche addressed in his speech to parliamentarians in Italy, which is the subject of our *Feature*. His themes were the global financial crisis; the sea-changing that is occurring in the U.S. political process; and the assertion of leadership from Russia, China, and India. All this could culminate in the New Bretton Woods which many Italian parliamentarians have long officially endorsed.

LaRouche concluded his remarks with these words, respecting the pervasive demoralization in Europe: "In this circumstance, *valid ideas*, which represent solutions, but have inadequate support, have the power to change the politics of nations. It's like making a new automobile. Design one that works, and if people want a ride, they may buy it. We're in that situation. Even small forces, which mobilize to provide this kind of leadership, will be decisive in determining whether or not we come out of this mess safely."

Our coverage of developments from Russia is absolutely unique, as the Western press has mostly pilloried President Putin for a speech that they either did not read, or misunderstood. We provide substantial excerpts, along with remarkable developments in Russia that provide the necessary context. The upsurge of enthusiasm for Franklin D. Roosevelt in Russia—from Putin's speech, to a major conference of policy analysts—reflects the unmistakable impact of LaRouche's insistence on this point to his Russian interlocutors for more than a decade: the difference between FDR and the American System, and Churchill and the Anglo-Dutch System. This fundamental point has been grasped, and is being expressed with pungency and force.

In *National*, Jeffrey Steinberg uses a review of historian Carroll Quigley's book *The Anglo-American Establishment* to help the reader understand how this Anglo-Dutch Liberal system operates (as well as Quigley's own limitations). And Nancy Spannaus provides an analysis of the historic debate in the U.S. House of Representatives over the Iraq War, and what it means for the prospects for impeachment of Cheney and Bush (in that order).



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## LaRouche in Rome Revives Fight for New Bretton Woods

by Liliana Gorini

On Feb. 13, economist and Democratic Party leader Lyndon LaRouche spoke by invitation from members of the Italian Parliament, in Rome, on “The Upcoming Tasks of the New U.S. Congress.” The meeting, which took place in the prestigious Cenacolo Hall of the Parliament, was organized by the Rifondazione Comunista (PRC) parliamentary faction, which distributed its own invitation to all members of the Italian Chamber of Deputies, and by *EIR*. The initiative originated from a pro-Franklin Roosevelt faction in the PRC, a member of the government coalition, led by Rep. Andrea Ricci, who is on the Budget Committee in the Chamber of Deputies. Ricci is an economist and the author of a book on the “end of free market economics,” in which he quotes LaRouche’s New Bretton Woods proposal.

Ricci opened the meeting announcing his intention to found “an interparliamentary committee for a New Bretton Woods in the Italian Parliament, as a follow-up to the motion presented in the previous legislature by Rep. Mario Lettieri.” Lettieri, who is currently the Undersecretary to the Economics Ministry in the Italian government, also attended the Feb. 13 event. Another member of the current government, Undersecretary to the Development Ministry Alfonso Gianni, who was among the signers of Lettieri’s New Bretton Woods motion in April 2005, also endorsed Ricci’s proposal.

“We are very honored to have Mr. LaRouche as a speaker at this meeting with parliamentarians today,” Ricci said in his introduction. “He played a key role in assuring a Democratic landslide victory in the recent midterm elections in the United States, and in Italy, his proposal for a reorganization of the financial system, a New Bretton Woods, is considered key to solving the financial crisis which is hitting us and preventing governments from taking measures which promote employment and the real economy. Today, Mr. LaRouche will also address another issue presently being debated in the U.S. Congress: How to stop the war in Iraq, and a potential war in Iran, another issue which is key for our country.”

“This conference,” Ricci specified, “was co-organized by *EIR*, which is



EIRNS/Flavio Tabanelli

*Lyndon LaRouche addresses a conference in the Cenacolo Hall in the Italian Chamber of Deputies on Feb. 13. Left to right: Rep. Gennaro Migliore, Rep. Andrea Ricci, Liliana Gorini (Movimento Solidarietà), LaRouche, Helga Zepp-LaRouche, Claudio Celani (Movimento Solidarietà). LaRouche was hosted by members of the Parliament to discuss the political sea-change in the United States following the Nov. 7 elections.*

LaRouche's magazine in the United States, and the Italian Movimento Solidarietà, represented here on the podium by Liliana Gorini, but I think it is important to add that Rifondazione Comunista, which is often labelled as "anti-American" in the Italian press, is not anti-American at all. It just opposes the war policies of the Bush Administration, and would rather be willing to ally with that majority of Americans who also oppose such policies and defeated them in the recent midterm elections in the United States."

### **Opposing Bush's Wars Is Not Anti-American**

After LaRouche's speech (printed below in full), this point was also emphasized by Rep. Gennaro Migliore, group leader of Rifondazione Comunista in the Chamber of Deputies. Migliore endorsed LaRouche's proposal to reestablish those principles of the Treaty of Westphalia that gave birth to the system of international law, based on relationships among perfectly sovereign nation-states, with the exception that he would eliminate the provision that legitimizes the use of war as a last resort. He noted that the Westphalian principle of national sovereignty "is being denied to Italy right now, as a result of pressure on our government to increase the number of its troops in Afghanistan and double the size of the American military base in Vicenza. We oppose such measures, not because we are anti-American, but because the preemptive war policy of the Bush Administration has been proven a failure to the whole world" (see Migliore's speech below).

As a matter of fact, LaRouche's conference coincided with a hot debate inside the Parliament, in both the Chamber and the Senate, on refinancing the Italian military mission in Afghanistan (which expires at the end of February), and expanding the U.S. military base in Vicenza. Although the Italian government, through statements by Prime Minister Romano Prodi and Vice Prime Minister and Foreign Minister Massimo D'Alema, had given assurances that the Italian troops would stay in Afghanistan, the U.S. Ambassador to Rome, Ronald Spogli, probably encouraged by Vice President Dick Cheney himself, organized five other ambassadors to issue a public letter with him to put heavy pressure on the Italian government and Parliament. This letter was correctly seen by many as an attempt at destabilization on the eve of the parliamentary debate on foreign policy.

Foreign Minister D'Alema reacted with statements and interviews, questioning the legitimacy of the letter and labelling it interference in Italy's sovereign affairs. In an interview with the leading evening news program on Italian television, TG1, given a few days before LaRouche's visit to Rome, D'Alema emphasized that, "the Italian government had already confirmed its military presence in Afghanistan, and it is highly unusual and irregular that the U.S. Ambassador choose to intervene in a national parliamentary debate on Italian military policy with a personal letter. We reject such pressure on the Italian Parliament. The ongoing debate in the U.S. Congress on the mistakes made by the Bush Administration in the Iraq War is much harsher than our debate in the

Italian Parliament. As for the accusation that we are anti-American, my answer is that being with the 70% of the Americans who oppose this war policy, does not at all mean that we are anti-American; quite the contrary.”

### **U.S. ‘Plot’ vs. Italy Charged**

Other Italian politicians attributed this pressure from the Bush Administration to a “plot” aimed at provoking a government crisis in Italy. Sen. Silvana Pisa, a member of the Defense Committee in the Italian Senate, and the same party as Foreign Minister D’Alema (Left Democrats, DS), speaks of such a plot in the interview she gave to *EIR* (see below). “Foreign Minister D’Alema was giving Italy a high profile in foreign policy, with the Italian mission in Lebanon, which was exemplary, with its equidistance from Israel and Pales-

tine, and also with D’Alema’s proposal to combine the Italian military presence in Afghanistan with a comprehensive peace plan for the region,” similar to the Baker-Hamilton proposals in the United States. “Then pressure started coming from the U.S. Administration, to refinance the Italian mission in Afghanistan without any strings attached as regards a peace plan, and Ambassador Spogli demanded that this be done quickly since the U.S. Congress was discussing refinancing its own mission in Iraq.”

As for the role of Vice President Cheney in forging lies and false documents in order to justify the Iraq War, and potentially, another war in Iran, Sen. Pisa stated the following to *EIR*: “Nixon was forced to resign for much less than this. I believe Cheney’s resignation would be very appropriate at this point.”

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## **LaRouche Brings ‘Spark of Optimism’ To Italian Parliamentarians in Rome**

*Lyndon LaRouche addressed a conference in Rome Feb. 13, on the upcoming tasks of the new U.S. Congress. The meeting, which took place in the Cenacolo Hall of the Chamber of Deputies, was organized by the Rifondazione Comunista group of the Parliament, and attended by Mario Lettieri, Undersecretary to the Economics Ministry in the government of Premier Romano Prodi. LaRouche last spoke at the Italian Parliament in April 2003.*

*The audio for the first few words was lost. Subheads have been added.*

... The power of finance no longer lies with banks, or with governments as such. There’s a vast hyperinflation, in which the banks themselves are being looted, the major banks of various countries are being looted by a financial firestorm, a whirlpool, which is being driven largely from London, but using heavily the Japan carry trade as a source of monetary aggregate, for the wildest financial speculation the world has ever seen on a global scale.

This is aggravated by the destruction of the economies, the physical economies, of Europe and the Americas. This is part of a drive toward a unipolar world, under globalization. What you see in Italy in the destruction of industries; where there used to be industries in the northern part of Italy, they’re disappearing, evaporating. That’s what’s happening throughout all of Europe. That’s what’s happening in the Americas, especially the United States and Canada. There are vast credit bubbles in real estate investment which are about to pop. And

when this crash comes, as it will come, there’s no possibility of the existing monetary-financial system continuing to exist.

For example. If the U.S. dollar collapses, in a rapid period, by 20 to 30%, you will find that the Chinese economy will also collapse, and the rest of the world. And there is no ordinary bankruptcy procedure which would work in dealing with a world crisis, because the amount of obligations is so great, the rate of charges is so great, there’s no economy in the world which is capable of sustaining this burden, or this crash.

There are remedies for this kind of problem. The problem is that the change in the world monetary system, which occurred especially since 1971-72, and then ’76, those changes have created a system which can not survive this crisis.

Now, look at the forces involved. Who’s going to make the decision to save the world from this collapse? Now, there’s no government in Western, or Central Europe, which is capable of taking the necessary kind of initiative at this time. The Big Four of the world will have the chief responsibility for leading any measures of general economic recovery from this crisis. The Big Four are: the United States, Russia, China, and India. These nations are characterized among their people by a very strong patriotic impulse. That is, they do not accept the idea of globalization, they do not accept the idea of being subjected to a unipolar imperial system. And as you have seen, in looking at China recently, India recently, developments in Russia recently, you see there is a process of revolt against globalization coming out of these countries.

The anger of these countries on this account is aggravated



EIRNS/Flavio Tabanelli

*LaRouche (right), shown here addressing members of the Italian Parliament in the historic Cenacolo Hall in the Chamber of Deputies, proposed that the U.S. immediately approach Russia, China, and India “to form the focus of a global arrangement for reorganizing the world economy.” Seated, left to right: Members of the Chamber of Deputies Gennaro Migliore and Andrea Ricci; and Liliana Gorini, Movimento Solidarietà, Rome.*

by the behavior of both the United Kingdom, and the George Bush government in the United States: that governments in the world, that are well-informed, know that there is not a problem with the Iraq War, nor a problem with a threatened Iran War; the problem is the threat of world war. If you followed the Wehrkunde meeting which has just gone on in Munich, in Germany, you see there was a clash, a very strong clash, between the United States and Russia, in particular. Now this does not reflect the actual values of the American people, or a majority of the Congress or others in the United States. The popularity of the Bush-Cheney government, Presidency, is very low, probably below 20% in the United States right now. But because this government is very weak, it is also very desperate, and very dangerous, and will tend to take dictatorial measures, in the spirit of Adolf Hitler. For example, the Bush Administration is operating under a policy which is a direct copy of that of Carl Schmitt, who designed the Hitler dictatorship.

### **Resistance to Bush-Cheney Inside U.S.**

Now, just look at what’s inside the United States in opposition to the Bush-Cheney Administration, to understand what our chances are of dealing with this problem. As you know, the economic systems of Central and Western Europe are monetarist systems, in which, in effect, concerts of central banking systems control governments. The United States, on

the contrary, does not have a monetarist system. We have strong pro-monetarists factions among us, but the American Constitutional system is a credit system, not a monetarist system. The United States economy was designed constitutionally to be a managed economy, not a free-trade economy.

Now we have certain institutions in the United States which reflect this, and you’ve seen the reflections, perhaps, in the press to some degree. For example, retired diplomats, retired generals, retired intelligence officials, and similar kinds of people, play a great, important, and influential role in shaping the policy of the United States. This arrangement is a characteristic of a Presidential system, as opposed to a parliamentary system. At the same time, even in the parliamentary system, parliamentary aspect of our system, the committees of the House of Representatives, the lower house, are more powerful in many respects than the elected representatives. And some of the leaders, some of the longer-standing leaders in these two departments of the elected government,

are very powerful. They tend to lead the most important standing committees. They’ve been in office for, probably, about a quarter-century. They know the ropes.

Now, the resistance that we’ve had to the Bush Administration and Cheney, inside the United States, has been organized largely out of the Presidential system, out of the retired layer of the Presidential system—senior diplomats, senior figures from the intelligence community. Senior diplomats are extremely important. Senior military organizations are extremely important. And I’ve been involved in this, naturally, since I’m a senior person who’s involved with these kinds of people.

And it is this group of people, many of whom are retired from official positions, who have organized the resistance against the war in Southwest Asia, and other adventures. And these, together with the standing committees in the House of Representatives and, to some degree, the Senate, are the other large resource of resistance against these tendencies. And my particular position in this is to try to keep these people not only moving, as they are, but to give them some essential direction as to what we can do. There are actually about 2,000 people around government, of this type, in the United States, who are the core of the leadership of government, on this kind of problem. And in this, my function is largely associated with doing the analysis of what the international monetary-financial system is, and to present

proposals, and designs, for what we can do to deal with the crisis which is coming on now.

### Cheney Must Go—Now!

I should tell you right now what my recommendation is to my associates of these kinds of circles in the United States.

My proposal is: Number one, get the Vice President out of office quickly. Give him the alternative of resigning, or going to prison. It's the only language he understands.

Secondly, replace the Vice President with a new Vice President. Then release the President to receive the mental health care he needs. He is, very seriously, a mental health

## Rep. Andrea Ricci Calls For New Monetary System

*Here is Rep. Andrea Ricci's statement on the occasion of Lyndon LaRouche's Feb. 13 address at the Cenacolo Hall.*

This conference with Lyndon LaRouche is the result of the desire to continue a parliamentary initiative from the previous legislature, which led to the approval in the Chamber of Deputies of a motion, presented by Rep. Mario Lettieri. This motion committed the government to take initiatives at the international level for the convocation of a conference for the reform of the international monetary system. Today, the idea of a "New Bretton Woods" is more relevant than ever, as we are faced with the increase of global economic imbalances and the growth of a financial bubble based on speculation, factors which increasingly undermine the stability of the international monetary system. Thus, it is necessary to act before a possible global economic catastrophe takes place, by abandoning the neo-liberal approach which has dominated the world economy in the past quarter of a century, and returning to new forms of regulation of international economic and financial flows, agreed upon between individual States, and functional to the economic and social development of all peoples on the planet.

LaRouche's political and cultural movement has been active in supporting and circulating this proposal for a long time, and today's event represents an important contribution to further discussion of the issue. An additional objective which we have set for the period after this conference, is to found a Parliamentary Committee of Deputies and Senators for a New Bretton Woods, in order to take the political and institutional initiatives necessary to place this issue among the priorities of Italy's foreign policy.

case, a clinical mental health case. He is the modern Woodrow Wilson. On that basis, the new Vice President would become the President.

This would moralize, of course, the members of the Houses of Congress. It would mean a number of measures which are now said to be moot, would immediately be accepted. Under those conditions, we would have to do two things, as the United States. Number one, we would have to be prepared to put the United States Federal Reserve System into bankruptcy, into receivership by government. The entire Federal banking system, and related financial institutions, would operate under bankruptcy supervision by the Federal government. Under those conditions, the function of government is to assure that the economy does not collapse: that pensions are paid, that businesses stay in function, that necessary services continue, and so forth. And then to create new credit, under the U.S. Constitution, by issuing monetary credit for *long-term investment in infrastructure, and related programs*. And in domestic affairs, to transform the U.S. economy from a post-industrial society, back to an agricultural and industrial economy.

This action would require the following additional international actions: My proposal would be that the United States set up an arrangement, under which the United States would immediately approach Russia, China, and India to form the focus of a global arrangement for reorganizing the world economy. In that case, then, the United States would propose to Europe and others, that a Eurasian development program be launched, that credit be created under long-term treaty agreements, of between 25- and 50-years maturities.

If you look at the situation in Asia, you have very large countries like China, with a population of well over 1 billion people; India, over 1 billion people; Russia, a very significant power, without such a big population, but very significant in respect to Eurasia. You will find, for example, that India and China are not such healthy countries after all. China depends too much on export markets, and does not invest enough in developing its internal economy. It requires a massive investment in infrastructure in the internal economy, in order to raise the population's productivity to a modern level. India, with over 1 billion population, has about 70% that is extremely poor.

The world has a great freshwater shortage. Whole areas of the world are dependent upon fossil water which is being depleted. Meeting the demands of the people of this population, at this level, requires a great increase in raw materials development. The immediate needs of the world in terms of freshwater management, and in terms of power, could be met largely through a combination of nuclear fission power, and also the production of synthetic hydrogen-based fuels, using fission plants to generate the local fuels. The management of the raw materials requirements of the growing world population, especially in Asia, means that we have to go to thermonuclear fusion orientation in economy, in technology.

These requirements bespeak large-scale investments,



EIRNS/Finn Hakansson

*“The change came because the generation of young Americans, between 18 and 35 years of age, just made a revolution,” LaRouche said. “They produced a landslide victory for the Democratic Party inside the House of Representatives.” Here, members of the LaRouche Youth Movement campaign in Connecticut, singing political canons, just before the November 2006 election.*

capital-intensive investments, in infrastructure, in industry, in agriculture, with a period of investment of 25 to 50 years. Objectively, in terms of physical economy, this is manageable.

Large-scale credit can be created in the case of the United States by government action. It’s a unique feature of our Constitution. Otherwise, in Eurasia, we can create large-scale credit through treaty agreements among nations. Nations can come to an agreement under conditions that we establish a fixed-exchange-rate system. We could sustain the needed long-term investment in infrastructure and in capital formation in production, by a nest of treaty agreements, at low interest rates, with maturities in the range of 50 years.

In other words, there’s no reason that we can not solve this problem. But we have to get out of the mentality which has taken over the world, since about the time that Nixon was elected in the United States. And nations have to come to an agreement on the long-term, fixed-exchange-rate system, based on treaty agreements, which enable us to create large amounts of capital, through government action, to get these projects moving.

To those who understand economics, what I’ve just said is not really surprising. What would have been said, until recently is, “Yes, you’re probably right, but it won’t work, because the political system won’t let it be done.”

### **A Sea-Change Under Way**

Now, this current situation politically often reminds me of the case of the passengers on a sinking passenger liner. And the response is, that while people are jumping from the sinking ship, other people are saying, “Ah, people are jumping from the sinking ship. Now we can get a better stateroom.”

You see that in Europe, in Asia, and in the United States today—exactly that kind of mentality. But once they get the idea, with two components—once they get the idea that that big stateroom they want to steal is going to go under too, and that there is a way of getting into a boat, and getting to safety, they may change their mind. And that’s what I mean by the real politics of the world today. That’s where we stand.

You have a mass of people who feel they do not have real leadership. Either they don’t want leadership, or they don’t think they have it. And then you have other people, who think we need leadership like that of Adolf Hitler.

We’re at a situation which is probably comparable, in one sense, to what happened in 1648 with the Treaty of Westphalia. For 30 years, the people of Europe had been killing each other, trying to win a war. And the more they fought it, the more they lost. And then, someone came along, like the great Cardinal [Mazarin] of France—who was actually Italian in origin—who proposed what became the Treaty of Westphalia. Under that leadership, people signed the treaty, and Europe survived. And despite all the wars, despite all the mistakes, everything that Europe has accomplished up to this time, it’s been based on the benefit of that treaty.

There is also a change in the United States, which is important, not only for what it means there, but for the world at large. Two changes have overtaken the political life, the internal life of the United States, which the leading politicians didn’t notice. Since about 1968, the lower 80% of the adult citizens of the United States have been dropping out of politics. So the upper 20% of the income brackets of the United States have dominated the political scene, and the upper 3% of family-income brackets have controlled the society top-down—that is, the people with the most money, the upper

3%, have controlled the opinions of the upper 20%, and opinions of the upper 20% have controlled the policies of the nation. The Democratic and Republican parties have ceased to be real political parties of a mass population.

Well, the [second] change came because the generation of young Americans, between 18 and 35 years of age, just made a revolution. They produced a landslide victory for the Democratic Party inside the House of Representatives. There is a revolt among a leading layer of young Americans today. The same potential is manifested in various ways in Europe. You have a decaying economy, in which young adult people in Europe, as in the United States, are faced with a no-future society.

Now, the part of the young people who lead the movement of this type, is not the majority of the young people. Our young people are extremely poor, desperately poor in most cases. Demoralized. Decadent. But there's a section of that stratum of the population which tends to think about playing a leading role, by impulse. And it came as a surprise to most people in politics in the United States, that this layer of young people changed the course of history inside the United States, the political history.

So, you have a combination of increasing desperation by the population in general, as the system becomes worse and worse, and also a factor of optimism, as young people in the 18 to 35 age group begin to become a factor of leadership within the pores of the population. You're dealing with what is known in European history as a classically revolutionary situation. That does not mean you're talking about guillotines and things like that, though some of that talk may come up. But it does mean that there's a revolutionary mood in politics.

### A New Treaty of Westphalia

The key to politics to me, today, is to introduce the element of justified optimism, by presenting competent programs, truthful analysis, which convince people that if we work together, as people did in 1648, at the end of the Thirty Years War, that we can pull ourselves together, as nations, and within nations, to work our way out of this problem. And as Franklin Roosevelt said in a somewhat similar situation in 1933, there's nothing as much to fear as fear itself. The fear that we can not solve these problems politically, within existing political institutions, is the thing that's the most dangerous to us. Because what I see in the world as a whole, from movements in India, in China, in Russia, and elsewhere, is that the appetite for a solution exists. The fear of the existing trends exists. The collapse of the worldwide housing bubble, is about to hit with full force. The collapse of standards of living, is rushing on, accelerating. The liquidation and bankruptcy of important firms, large and small, throughout the world, is now running full speed, in Europe, especially, and in the United States.

The situation requires a spark of optimism, and courageous political figures must provide that spark of optimism

by telling the people that they are there, and they are prepared to act. To the extent that we can, internationally, get that voice shared, across national borders, among leading political and other circles, in the nations of Europe, in the nations of Eurasia, in the Americas, and also spilling into Africa, the very fact that some leading people become the voice to express that in their nation, and express that in terms of seeking cooperation with similar voices in other nations, is a chance for us to pull a new 1648, a new Treaty of Westphalia.

There is a qualified optimism surging in the United States population now. The question most of us who see that in the United States, ask of ourselves: Will it come soon enough, and fast enough? The question is the same thing in Europe. I see demoralization in Europe, in the sense of parts of Europe that say, "There's nothing we can do about it." People are saying, "There's nothing we can do about it, about the present situation." My view of this is that in this circumstance, *valid ideas*, which represent solutions, but have inadequate support, have the power to change the politics of nations.

It's like making a new automobile. Design one that works, and if people want a ride, they may buy it. We're in that situation. Even small forces, which mobilize to provide this kind of leadership, will be decisive in determining whether or not we come out of this mess safely.

Thank you.

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Rep. Gennaro Migliore

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## Today, We Need a New Peace of Westphalia

*Rep. Gennaro Migliore, group leader of Rifondazione Comunista in the Chamber of Deputies, spoke after Lyndon LaRouche, at the Cenacolo Hall in Rome Feb. 13.*

Good evening. I would like to thank Lyndon LaRouche and the correspondents of *EIR* very much for this occasion, which I think can represent a precious opportunity to reflect on the issues which have been raised here. A precious opportunity, including because—and maybe I'll say this with a little irony—some of the opinions which have been expressed here regarding the Bush Administration, if they had come from a party such as ours in Italy, would absolutely be considered the most exemplary expression of anti-Americanism. However, we think that in the contemporary world, it is necessary to trace out networks and guidelines for actions among those who, in different countries, think that a new, more just economic and social system can be established; a system based



EIRNS/Flavio Tabanelli

*Rep. Gennaro Migliore (left), leader of Rifondazione Comunista, and Rep. Andrea Ricci, member of the Budget Committee in the Chamber of Deputies. Migliore made clear that their differences with the Bush Administration were not an expression of anti-Americanism; both support LaRouche's call for a New Bretton Woods conference.*

on social justice, which avoids wars, and which in this manner leads to increasingly broad democratic and popular participation.

I would like to pick up on some of the points which have been mentioned here, by LaRouche, in particular, the question of the “spark of optimism.” Over the course of the years, our work has been guided by this spark of optimism, without which we would not even have been able to represent the theme of politics as a tool for change. We are in the middle of a period of deep political crisis, we are in the middle of a deep crisis caused by forms of exclusion, which are widespread in the United States in particular, but which, alas, are increasingly becoming part of the heritage of our society as well. This is a deep crisis, not only of the relationship which exists between those who govern and those who are governed, but of the very meaning of making policy in a society. And thus the resistance is found, in my judgment, and our judgment, in particular, in those movements which in recent years have made the demand for a global alternative to the world political and economic system, the reason for their actions. We have called them movements for a better world; they which were born, not coincidentally, precisely in the United States, and in particular in Seattle in 1999, and which then spread throughout the world and found certain locations which have symbolically represented centers for the development of alternatives, in the case of Porto Alegre [where the World Social Forum was held for several years—ed.], or other events which have

taken place in recent years.

Certainly, the long wave of these movements has also influenced part of European politics, and Italian politics in particular; in particular, we see the connection between these movements and the peace movement, which has also had a strong presence in the United States and Great Britain, that is, in the two military powers which most contributed to “preventive war,” in Iraq, in particular, but also Afghanistan. There we have seen impressive pacifist movements come together, as has also happened in our country, which have contributed to changing politics, and which, above all, led to a victory such as that against the extreme right-wing government of [Silvio] Berlusconi, and generated an expectation of change which led to the withdrawal of Italian troops from Iraq, and also a very serious discussion regarding our presence in other theaters of war. This is to say that this spark of optimism exists, and it is that which I think has actually driven some of the political processes which have taken place—the possibility of change.

### **The Role of the Youth Vote**

The importance of the youth vote in the recent Democratic victory in the House of Representatives was also mentioned. Well, in Italy also, without the youth vote, there would not have been a victory against the right-wing government. Since we have a differentiated system here, it's very easy to quantify it: In the last elections, approximately 400,000 more people voted for the Chamber of Deputies than voted for Senate, and since we won the Chamber by slightly more than 20,000 votes, it's easy to establish the direct link with the youth vote, because as people know, you must be 25 to vote for the Senate, but only 18 to vote for the Chamber.

However, to return to the political tasks before us—and this meeting is an opportunity for discussion—I think we should attempt to develop in a more structural manner the communications between those who believe there should be a different perspective for the global economic and political system. This perspective can be made stable through forms of cooperation which, in part, can take place through cooperation among publications, and in part also through explicit communication at the institutional level. There are many aspects related in particular to the relationship between the United States and Europe, and the United States and Italy, which I think would be proper to deal with, together with political and institutional entities, which would thus be able to hear, from us, and not only from themselves, an opinion regarding what is taking place.

Indeed, a recent subject of controversy on the Italian political scene, the doubling of the Vicenza air base for the 183rd U.S. brigade, was the subject of a discussion in the Defense or Foreign Affairs Commission. And on this point, Senators Kennedy and Kerry intervened, to state that this doubling of the base is not appropriate, based on their opposition to the expanding war, and thus the expansion of troops within the European and Middle East areas.

In this sense, I think it would be useful to make these positions public, and make them known to our respective communities, in order to avoid (especially in a political situation such as that in Italy, which is often marked by provincialism and diatribes, including within our own majority) being affected by disinformation, which is one of the main arguments in support of conservatism. Disinformation is often present when the opinions of the majority are shaped by, and when protections are erected for, established powers.

### War as the Last Resort of Politics

I would like to make a final consideration, regarding the reference to the Peace of Westphalia, and the effect which it had on the history of our continent, and on world history, I think. At that time indeed, the end to a war was being written, and an equilibrium was being created, an equilibrium which was in fact based on the recognition of the existence of nation-states. Nation-states became the entity within which decisive choices in economic, foreign, and military policy were to be implemented, and at that point, war was considered the last resort of politics, such that other forms of negotiation were to represent the tools of politics.

I think that today, with such an extensive monopoly of force on the part of the only imperial power in the world, the United States, that is—and despite the fact that new powers are emerging in the world, such as China and India, which can compete on an economic level, and participate in the dialectic with Europe, but they can not compete with U.S. military power at all—we have to set the goal of forming a great new global pact. This new global pact must, above all, go beyond the right to the discretionary use of force, which has produced disasters, as we can tragically see in Iraq, for those populations, but also clearly for the entire international community.

Today, the issue of the strengthening of supranational organizations, and their democratization, starting with the United Nations, and the relationship which must exist between these organizations and individual nation-states, is certainly the challenge which we all face in this new phase of globalization of the planet. I think that to this end, we must join the energies and experiences which we dedicate to the questions of how to change our world.

I thank you for this meeting with Lyndon LaRouche, and all of the guests who have participated, and I hope this dialogue can continue.

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## Interview: Sen. Silvana Pisa

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# ‘Cheney’s Resignation Would Be Appropriate’

*The following interview was granted to EIR’s Liliana Gorini by Sen. Silvana Pisa on Feb. 12, in her office at the Italian Senate. Senator Pisa is a member of the Defense Committee in the Italian Senate, and belongs to the group Parliamentarians for Peace, which includes not only her party and that of Foreign Minister Massimo D’Alema (DS, Democratici di Sinistra, or Left Democrats), but also the Green Party and Rifondazione Comunista, which asked to be consulted by Italian Premier Romano Prodi before he consents to the doubling of the U.S. military base in Vicenza. Silvana Pisa was also a member of the group of “Left Democratic Women,” who officially received Amelia Boynton Robinson, Vice Chairwoman of the Schiller Institute, at the Chamber of Deputies in November 2004. On that occasion Pisa said, “We are not anti-American; we love the true America of Amelia Robinson and civil rights.”*



**EIR:** What can you tell U.S. readers about the background to the decision of the Prodi government to consent to the doubling of the U.S. base in Vicenza?

**Pisa:** This decision created a discussion inside the government coalition because the program of the Unione, the coalition which won the elections last year and formed this government, instead demanded a “renegotiation of the military bases.” Not only was there no reduction, but the doubling of the Vicenza air base would make the Dal Molin airport in Vicenza the largest U.S. base abroad. Italy has the largest number of U.S. bases in Europe. The previous government of Silvio Berlusconi already expanded the U.S. bases in Camp Derby, Sigonella, Naples, and Aviano.

We wonder: Does a sovereign state such as Italy have any interest in giving away so much of its national territory to foreign military activities over which it has no control, particularly now that the U.S. military bases serve to further a military and political strategy (unilateral and pre-emptive war) which has made the world more insecure, and which Italy should not support?



*The U.S. Aviano Air Base at Vicenza, Italy. "Italy has the largest number of U.S. bases in Europe," Pisa said. But, she added, "We wonder: Does a sovereign state such as Italy have any interest in giving away so much of its national territory to foreign military activities over which it has no control?"*

We wonder: Why did the Prodi government double the weapons component of the military budget, with respect to the amount provided by the previous Berlusconi government? (It was 11% under Berlusconi, and it is 22% under Prodi.) I believe Undersecretary Forcella was involved in this decision, since he is very sensitive to the armaments industry around Fincantieri.

On the question of the Vicenza base, Foreign Minister D'Alema did not agree. When people claimed that the doubling of the base would bring "700 new jobs" for the city, D'Alema responded by saying that "these 700 jobs can be absorbed by other productive activities." In making the decision, the citizens of Vicenza were bypassed.

It was the U.S. Ambassador to Rome [Ronald] Spogli, who exerted heavy pressure on the Italian government, claiming that the U.S. Congress was deciding about refinancing military missions in this same period, and that if Italy did not decide "immediately," it would lose the financing. This was phase one of the significant pressure brought to bear by Ambassador Spogli. Phase two was the letter from six ambassadors demanding that the Parliament approve the refinancing of the Italian military mission in Afghanistan, which expires at the end of February.

**EIR:** How do you view the proposal of Foreign Minister D'Alema for launching a peace conference on Afghanistan which includes a comprehensive peace plan for Afghanistan, Iraq, and the Middle East?

**Pisa:** That is our proposal. The Italian government had established a high profile in foreign policy, with the UNIFIL mission in Lebanon which acted in an exemplary manner, with its equidistance from Israel and Palestine. The issue of Afghanistan is still under debate because it is clear that the last five years of military deployment have not yielded the results they were supposed to yield. Nothing leads us to believe that

an increased military commitment in Afghanistan will solve the problem. To the contrary, the Taliban seem to be stronger now, in part thanks to the continuous bombing of civilians, and terrorism is increasing rather than decreasing, exactly as in Iraq.

I was visiting Kabul last Summer with the Senate Defense Committee, and we meet the Afghan Defense Committee, which asked us: "Why are you guys bombing our towns?" And we ask ourselves: If we confirm our military mission in Afghanistan, what is the strategy going to be? We certainly would not welcome the return of the Taliban to power, but the mission has to be redefined, as an international police mission rather than a military mission, focused on training their army. D'Alema's peace proposal, as it was launched in Riga, was endorsed by Chirac and initially also by Karzai, who then withdrew his support. I think it is the only strategy which can work.

**EIR:** In the U.S., there is a growing demand for Cheney's resignation, or impeachment, as a result of all the lies he fabricated to promote the Iraq War, and now to promote a war against Iran. How do you see this?

**Pisa:** President Nixon was forced to resign in the Watergate scandal for less than that. Besides, the war policy of Bush and Cheney was clearly defeated in the recent midterm elections, and it is illegitimate from the standpoint of international law. Thousands of Americans have died in Iraq, and the war has led to an increase in terrorism rather than a reduction. Bush and Cheney have to pay for this. I think Cheney's resignation would be very appropriate. I have to say that I am an admirer of America, which is able to have a public debate on these issues, including on the role played by Cheney and Halliburton's interests in promoting this war. I just wish that the U.S. media and major TV channels would be more active in this public debate.

## Putin Delivers Reality Shock At Munich Conference

by Rainer Apel

Something special happened this year at the 43rd Munich International Security Conference, held Feb. 9-11. For the past ten years, there have been Russian officials at the annual event, formerly known as the Wehrkunde conference, but this was the first to be addressed by a Russian President. From the moment Vladimir Putin took the rostrum and, with an ironical smile flitting across his lips, announced that he would speak without any diplomatic niceties, he made sure that what he was going to say would be at the center of debates at the conference itself, and in the international media thereafter.

With its 250 politicians and defense experts from about 40 nations, most of them NATO members, the Munich meeting provided an ideal audience for the Russian leader to respond to the many provocations coming from the Bush-Cheney Administration against Russia. And although a harshly worded speech could have been expected, Putin's bluntness apparently took the Americans, who accounted for about one-third of the attendance, by surprise. The stony faces of Secretary of Defense Robert Gates, Senators John McCain (R-Ariz.), Joe Lieberman (I-Conn.), and Lindsay Graham (R-S.C.), as well as of former Ambassadors John Kornblum, Richard Burt, and Richard Holbrooke, provided eloquent testimony that the Russian President had dealt them quite a shock.

"I have been waiting for this speech from a Russian leader, since the NATO bombing of Yugoslavia in 1999!" exclaimed one of *EIR's* readers in the Russian emigré community.

And yet, while the Western media jumped all over Putin's speech as his biggest attack yet against the United States, even a "new Cold War," the coverage universally blacked out the fact that the Russian President started with a carefully chosen quotation from Franklin Delano Roosevelt. "When peace has been broken anywhere, the peace of all countries everywhere is in danger," Putin quoted FDR, from the American President's Fireside Chat of Sept. 3, 1939, two days after the Nazi invasion of Poland, that marked the outbreak of World War II.

### Not an Attack on the United States

As these remarks show, Putin's speech was not an attack on the United States at all. It was an attack on the perversion of American policy by traitors to the real identity of the U.S.A.—by Mrs. and Mr. Dick Cheney, George Shultz, Dr. Bernard Lewis, Henry A. Kissinger, et al. It was equally striking, that Putin also stated at the outset, his understanding of economic policy as the heart of security: "It is well known, that international security comprises much more than issues relating to military and political stability. It involves the stability of the global economy, overcoming poverty, economic security, and developing a dialogue among civilizations." Later on, Putin expressed disgust at the cynical profiteering by international financial interests, under the banner of free trade and "equal opportunity," as Russia itself has witnessed during its prolonged negotiations over joining the World Trade Organization.

Putin went on not only to bluntly attack the policies of the Bush-Cheney Administration, but he also warned of the strategic disaster these would lead to, for the United States itself, should the Americans continue to isolate themselves internationally and expose themselves to a new era of confrontation with Russia, China, India, and other up-and-coming nations. The planned stationing of U.S. missile defense systems in eastern Europe, close to the Russian border, would be a step into a new such era of confrontation, because Russia would be forced to respond to that with "asymmetric means," Putin warned. Coming only weeks after the Chinese demonstrated their advanced defense capabilities, by downing their own satellite with the aid of laser technology, Putin's reference to "asymmetric" means implied similar options, research and development work on which is already being pursued in Russia—although the emphasis on arms control is still prevalent in official Russian diplomacy.

The largely neo-con American conference delegation,



Presidential Press and Information Office

*Russian Federation President Vladimir Putin's quotes from President Franklin Roosevelt, in his address to the Munich Conference on Security Feb. 10 (shown here), were blacked out of the Western media.*

which evidently had expected to be able to use the Munich meeting as a tribunal for denunciations of Iran and Russia, responded to Putin with a retreat to backroom discussions. Reportedly Senator McCain, who would be the first prominent American to speak after President Putin, came under pressure to lash back strongly. But McCain opted for a lowest-common-denominator approach of downplaying Putin's speech. So did Secretary Gates, glossing the Russian President's words as those of "an old spy," just like himself.

The result was only a greater loss of confidence, among Europeans, in the Bush-Cheney team. This was particularly true of the German delegation in Munich, who, across the entire political spectrum, stated that what Putin had said about the U.S. policy disaster was true and understandable, in view of the provocative American posture toward Russia. The Germans expressed the view that, even if there were opposition to Putin, Bush has earned less confidence.

### **U.S. Neo-Cons: The Same Old Song**

Russian Defense Minister Sergei Ivanov, in his speech on Feb. 11, spoke of "old music boxes that play the same song again and again," in an apparent mockery of the style of debate typical of the U.S. neo-cons. The Russian Defense Minister also moved to outflank the Bush-Cheney plan for stationing U.S. missile defense systems in Poland and the Czech Republic, reiterating a proposal made several years ago, for European-Russian cooperation in the development of a joint missile defense system. To this, Andreas Schockenhoff (Christian Democrat), chairman of the German-Russian Group of Parliament Members, responded with a call for a dialogue between Europe and Russia about ways to reflect

each side's security interests in a future missile defense system. Remarks by Rainer Arnold, the defense policy spokesman of the Social Democrats, went in the same direction.

If done well, such a Munich initiative may contribute to the start of a strategic dialogue between the U.S.A. and Russia, of the kind Lyndon LaRouche called for nearly 25 years ago, in his revolutionary Strategic Defense Initiative proposal. Adopted by President Ronald Reagan in March 1983, the proposal received strong support in Europe. Assessing the nature of the recent successful Chinese anti-satellite test, LaRouche has called for a revival of the SDI thrust, and he has especially urged the Russians to share it this time, as they refused to do in 1983.

The bluntness of Putin's Munich speech delivered the clear message to those Europeans not totally blinded by neocon ideology, that future security for Europe lies neither in anti-Russian, nor anti-American scenarios, but rather in U.S.-Russian cooperation in the tradition of FDR. It is all too evident that not only should the Europeans, Chinese, and Indians be part of this cooperation, but also the Iranians, whose chief negotiator on the nuclear issue, Ali Larijani, in his Feb. 11 speech to the Munich conference, renewed Tehran's offer to Washington, to begin direct talks on all controversial points, on the basis of mutual respect.

Because the full content of Putin's Munich speech has been blacked out in the Western media, we are providing a full translation of it in this issue of *EIR*, along with a report, with documentation, on the astonishing efflorescence of discussion in Russia, about the legacy of Franklin Delano Roosevelt.

## 'The Security of Each Is the Security of All'

*Following are excerpts from the speech of Russian President Vladimir Putin at the Munich Conference on Security Policy, Feb. 10, 2007. The translation is by Kremlin.ru, edited by EIR against the Russian transcript. The headline and sub-heads have been added.*

Thank you very much dear Madam Federal Chancellor, Mr. [Horst] Teltschik, ladies and gentlemen! I am truly grateful to be invited to such a representative conference, at which politicians, military officials, entrepreneurs, and experts from more than 40 nations have assembled.

The conference format allows me to avoid excessive politeness and the need to speak in roundabout, pleasant, but empty diplomatic terms. This conference format will allow me to say what I really think about international security problems. And if my comments seem excessively polemical, or imprecise, I would ask you not to get angry with me. After all, this is only a conference. . . .

It is well known that the field of international security goes well beyond issues of military and political stability. It involves the stability of the world economy, overcoming poverty, economic security, and the development of a dialogue among civilizations.

This all-encompassing, indivisible character of security is expressed in its fundamental principle, that "the security of each is the security of all." As Franklin Roosevelt put it in the first days after the outbreak of the Second World War, "When peace has been broken anywhere, peace of all countries everywhere is in danger." These words remain topical today. The theme of our conference, "Global Crises, Global Responsibility," exemplifies this.

Only two decades ago, the world was ideologically and economically divided, and world security was provided by the enormous military might of the two superpowers. That global stand-off pushed extremely acute economic and social problems aside, to the margins of international relations and the world agenda. And, like any war, the Cold War left us with unexploded ordnance. I am referring to ideological stereotypes, double standards, and other habits of thinking in terms of blocs.

### A Unipolar World Is 'Ruinous' for All

The unipolar world that was proposed after the Cold War did not come into being.

Of course, there have been periods of unipolarity in human history, and attempts to achieve world rule. And what hasn't there been in world history?

What, however, is a unipolar world? However people might try to pretty up the term, ultimately it means just one thing in practice: one center of power, one center of force, one decision-making center. It is a world with one master, one sovereign. And that is ultimately ruinous, not only for everybody who is within that system, but also for the sovereign itself, because it is destroyed from within.

And that, of course, has nothing in common with democracy. Because, democracy means the power of the majority, with consideration for the interests and opinions of the minority. Russia, we, by the way, are constantly being instructed in democracy. But the people doing the instructing, for some reason do not want to learn it themselves.

I think that the unipolar model is not only unacceptable for today's world, but also impossible. And this is not only because there would not be enough military, political, and economic resources in today's world—specifically, in today's world—for a sole leader. What is even more important, is that the model itself doesn't work, because it is not built upon any moral foundation for modern civilization, nor could it be.

At the same time, what is happening in the world today, and now we have only just begun to discuss it, is the consequence of attempts to introduce precisely this concept into world affairs—the concept of a unipolar world.

What is the result? Unilateral, frequently illegitimate actions have not solved a single problem. Moreover, they have generated new human tragedies and hotbeds of tension. Judge for yourselves: The number of wars, of local and regional conflicts, has not diminished. Mr. Teltschik mentioned this very gently. And no fewer people are perishing in these conflicts; rather, even more than before. Significantly more, significantly more!

Today we can see the virtually unrestrained, overblown use of force in international affairs—of military force, force that is plunging the world into an abyss of conflicts, following one after another. As a result, there is not sufficient strength to achieve a comprehensive settlement of any one of these conflicts. And it is becoming impossible to settle them politically. We see greater and greater disdain for the fundamental principles of international law. More than that: certain practices, or, essentially, virtually the entire system of law of one country, above all, of course, of the United States, has overstepped its national borders in all areas: the economy, politics, and cultural and educational affairs, and it is being imposed on other countries. Well, who is happy about that? Who is happy about that?

In international relations we increasingly encounter the desire to resolve certain issues, proceeding from so-called political expediency, based on the current political climate. And this, of course, is extremely dangerous. As a result, no-



Antje Wildgrube

*President Putin addresses the Munich Conference. “The United States,” he said, “has overstepped its national borders in all areas: the economy, politics, and cultural and educational affairs, and it is being imposed on other countries.”*

body feels secure. I want to emphasize this: No one feels secure! Because no one can take cover behind the stone wall of international law. Of course, such a policy stimulates an arms race.

The dominance of the force factor inevitably fuels the desire of a number of countries to acquire weapons of mass destruction. Moreover, essentially, significantly new threats have appeared, which were known earlier, but today they have become global, like terrorism.

### **We Are at a Decisive Moment**

I am convinced that we have come to the decisive moment, when we must think seriously about the entire architecture of global security. And the point of departure needs to be the search for a reasonable balance among the interests of all the players that interact internationally. This is all the more so, considering that the international landscape is changing so rapidly and noticeably, through the dynamic development of a number of countries and regions.

Madam Federal Chancellor has already mentioned this. The combined GDP, measured in purchasing power parity, of countries such as India and China is already greater than that of the United States. And a similar calculation with the GDP of the BRIC countries—Brazil, Russia, India, and China—surpasses the total GDP of the EU. And the experts estimate that this gap will only widen in the foreseeable future.

There is no doubt, that the economic potential of the new centers of world growth will inevitably convert into political influence, and will reinforce multipolarity. In connection with this, the role of multilateral diplomacy is significantly increasing. The need for principles such as openness, transparency, and predictability in politics is uncontested, and the use of force should be a really exceptional measure, comparable to

using the death penalty in the judicial systems of some countries.

Today, though, we are witnessing the opposite, namely, a situation in which countries that forbid the death penalty even for murderers and other, dangerous criminals readily go and take part in military operations that it is difficult to call legitimate. And people, hundreds and thousands of civilians, are dying in these conflicts!

But, at the same time, the question arises of whether we should be indifferent and aloof to various internal conflicts inside countries, to authoritarian regimes, to tyrants, and to the proliferation of weapons of mass destruction? This was at the heart of our colleague’s, the honorable Mr. Lieberman’s question to the Federal Chancellor. [To Senator Lieberman] I understood your question correctly, didn’t I? And, of course, it is a serious one! Can we be indifferent observers? I shall try to answer your question, as well. Of course not.

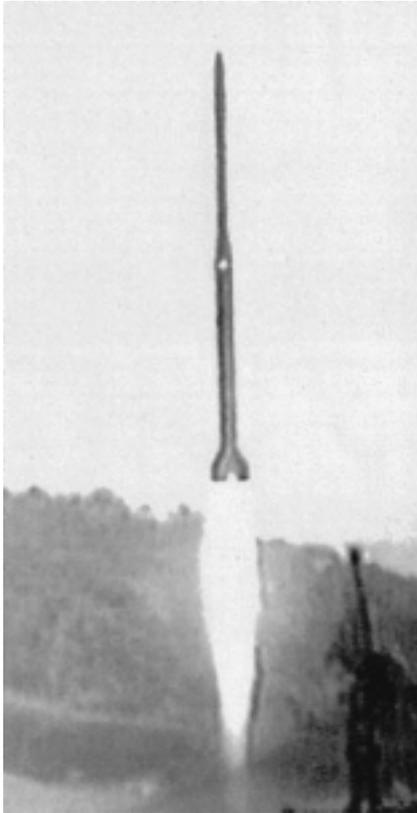
But do we have the means to counter these threats? Of course we do. Suffice it to remember recent history. Did not our country have a peaceful transition to democracy? Indeed, there was a peaceful transformation of the Soviet regime—a peaceful transformation! And what a regime! With what a number of weapons, including nuclear weapons! Why start bombing and shooting now, at every available opportunity? Do we really, in the absence of the threat of mutual destruction, lack the political culture, and respect for democratic values and the law?

I am convinced that the only mechanism for decision-making about the use of military force, as a last resort, is the United Nations Charter. And in that connection, either I did not understand what our colleague, the Italian Defense Minister, just said, or he expressed himself imprecisely. In any event, what I heard him say was that the use of force can be considered legitimate, only if the decision is taken by NATO, the EU, or the UN. If that is what he really thinks, then we disagree. Or, I misheard him. The use of force can be considered legitimate, only if the decision is taken on the basis and in the framework of the UN. And neither NATO nor the EU should be substituted for the UN. When the UN truly unites the forces of the international community, which can really react to events in individual countries, and when we get rid of this disdain for international law, then the situation can change. Otherwise the situation will simply result in a dead end, and the number of serious mistakes will be multiplied. Along with this, of course, it is necessary to work for international law to have a universal character, in both the understanding, and the application of its norms.

And it must not be forgotten, that acting democratically in politics necessitates discussion and meticulous work in preparing decisions.

### **Disarmament Is Stagnating**

Ladies and gentlemen! The obvious stagnation in the area of disarmament is also a factor in the potential danger of



U.S. Department of Defense

*North Korea's ICBM. To think of launching one at U.S. territory, across Western Europe, "would be like using your right hand to reach your left ear."*

destabilization of international relations. Russia supports the renewal of dialogue on this important question.

It is important to preserve the international legal framework for disarmament, ensuring continuity in the process of reducing nuclear weapons.

We and the United States of America agreed to reduce our strategic nuclear missile capabilities to 1,700-2,200 nuclear warheads by Dec. 31, 2012. Russia intends to strictly fulfill the obligations it has assumed. We hope that our partners will also act in a transparent way and will refrain from laying aside a couple of hundred extra nuclear warheads just in case, "for a rainy day." And if today the new American Secretary of Defense declares to us, that the United States will not hide these extra weapons in its stockpiles, or under the pillow, or under the blanket, I propose that we give him a standing ovation. It would be a very important announcement.

Russia strictly adheres to the Treaty on the Non-Proliferation of Nuclear Weapons, as well as the multilateral supervision regime for missile technologies, and will continue to do so. The principles incorporated in these documents are universal.

In this connection, I would like to recall that in the 1980s the U.S.S.R. and the United States signed a treaty on destroying a whole range of small- and medium-range missiles, but this was not a universal document. Today, many other countries have these missiles, including the Democratic People's

Republic of Korea, the Republic of Korea, India, Iran, Pakistan, and Israel. Many countries are working on these systems and plan to incorporate them as part of their weapons arsenals. And only the United States and Russia bear the responsibility to not create such weapons systems. It is obvious that, in these circumstances, we are obliged to think about ensuring our own security.

At the same time, the appearance of new, destabilizing high-technology weapons must not be permitted. And I need not even mention measures to preempt new areas of confrontation, especially in outer space. Star Wars is no longer science fiction; it is a reality. In the mid-1980s, already, our American partners carried out an interception of their own satellite.

In Russia's opinion, the militarization of outer space could provoke unpredictable consequences for the international community, no less so than the beginning of the nuclear era. And we have repeatedly put forward initiatives, aimed at keeping weapons out of outer space.

Today I would like to inform you, that we have prepared a draft Treaty on the Prevention of the Deployment of Weapons in Outer Space. In the near future it will be sent to our partners as an official proposal. Let us work on this together.

Plans to deploy certain elements of an anti-missile defense system in Europe cannot help but disturb us. Who needs the next spiral of the arms race that will be inevitable if that happens? I deeply doubt that the Europeans themselves need this.

Not one of the so-called "problem countries" has missiles that really pose a threat to Europe, with a range of five to eight thousand kilometers. And they will not have them, it is not envisioned that they will have them in the foreseeable future. And a hypothetical launch of, for example, a North Korean missile at U.S. territory, across Western Europe, obviously contradicts the laws of ballistics. As we say in Russia, it would be like using your right hand to reach your left ear.

## **NATO Expansion and Russia's Security**

Being here in Germany, I cannot help but mention the situation of crisis around the Treaty on Conventional Forces in Europe. The Adapted Conventional Armed Forces in Europe Treaty was signed in 1999. It took into account a new geopolitical reality, namely, the elimination of the Warsaw bloc. Seven years have passed since then, and only four states have ratified this document, including the Russian Federation. NATO member countries have openly declared that they will not ratify this treaty, including the provisions on flank restrictions (on deploying a certain number of armed forces in the flank zones), until Russia has removed its military bases from Georgia and Moldova. Our troops are leaving Georgia, even on an accelerated schedule. We and our Georgian colleagues resolved these problems, as everybody knows. There is still a group of 1,500 servicemen in Moldova, carrying out peace-keeping operations and protecting warehouses with ammuni-

tion left over from Soviet times. We constantly discuss this issue with Mr. Solana, and he knows our position. We are ready to further work in this direction.

But what is happening at the very same time? At the very same time, so-called flexible frontline American bases, with up to 5,000 men in each, are appearing in Bulgaria and Romania. It turns out that NATO has put its frontline forces on our borders, while we, strictly observing the Treaty, do not react to these actions at all.

I think it is obvious that the process of NATO expansion is not at all related to the modernization of that alliance, as such, or to ensuring security in Europe. On the contrary, it represents a serious provocation, which reduces the level of mutual trust. And we have the right to ask: Against whom is this expansion intended? And what happened to the assurances our western partners gave after the dissolution of the Warsaw Pact? Where are those declarations today? No one even remembers them. But I will allow myself to remind this audience of what was said. I would like to quote the speech of NATO Secretary General Mr. Wörner in Brussels on May 17, 1990. He said at the time, "The very fact that we are prepared to refrain from placing NATO troops outside the territory of the Federal Republic of Germany gives the Soviet Union a firm guarantee of security." Where are those guarantees?

The stones and concrete blocks of the Berlin Wall have long ago been scattered as souvenirs. But we should not forget that it could come down, thanks to a historic choice—one that was also made by our people, the people of Russia—a choice in favor of democracy, freedom, openness and sincere partnership with all the members of the big European family.

And now there are attempts to impose new dividing lines and walls on us; they may be virtual walls, but they nevertheless divide, and cut through our continent. Will it really once again take long years and decades, as well as several generations of politicians, to "disassemble" and "dismantle" these new walls?

## The Nuclear Issue

Ladies and gentlemen! We are unequivocally in favor of strengthening the non-proliferation regime. Existing international legal principles allow us to develop technologies to process nuclear fuel for peaceful purposes. And many countries, with every good reason, want to create their own nuclear power industry as a basis for energy independence. But we also understand that these technologies can be quickly transformed into nuclear weapons. This creates serious international tensions. The situation surrounding the Iranian nuclear program serves as a clear example. And if the international community does not find a reasonable solution for resolving this conflict of interests, the world will continue to suffer similar, destabilizing crises, because there are more threshold countries than simply Iran. We all know this. We shall constantly run up against the threat of WMD proliferation.



*The fall of the Berlin Wall in 1989. "The stones and concrete blocks of the Berlin Wall have long ago been scattered as souvenirs," said Putin. "But we should not forget that it could come down, thanks to a historic choice—one that was also made by our people, the people of Russia. . . ."*

Last year Russia put forward an initiative for the establishment of international uranium enrichment centers. We are open to such centers being created not only in Russia, but also in other countries where a legitimately based civilian nuclear power industry exists. Countries that want to develop nuclear power could be guaranteed fuel supplies through direct participation in the work of these centers, of course, under strict IAEA supervision.

The latest initiatives put forward by American President George W. Bush are in conformity with the Russian proposals. I think that Russia and the U.S.A. are objectively and equally interested in strengthening the non-proliferation regime for WMD and their delivery systems. Our countries, with our leading nuclear and missile capabilities, must act as leaders in developing new, stricter non-proliferation measures. Russia is ready for such work. We are engaged in consultations with our American friends.

Overall, this ought to mean the creation of a whole system of political means and economic incentives, that would make it not in the interest of countries to create their own nuclear

fuel cycle capabilities, but they would still have the opportunity to develop nuclear power, strengthening their energy industry capacity.

## Energy Cooperation

In this connection, I shall talk about international energy cooperation in more detail. Madam Federal Chancellor also spoke about this briefly, touching on this theme. In the energy sector, Russia is oriented toward creating uniform market principles and transparent conditions for all. It is obvious that energy prices must be determined by the market, rather than being the object of political speculation, economic pressure, or blackmail.

We are open to cooperation. Foreign companies participate in all of our major energy projects. According to various estimates, as much as 26% of the oil extraction in Russia—please think about this figure—as much as 26% of the oil extraction in Russia is done by foreign capital. Try, just try to give me a similar example, where Russian business participates that extensively in key economic sectors in western countries. Such examples do not exist! There are no such examples.

I would also mention the ratio of foreign investment in Russia to Russian investment abroad. It is approximately 15 to 1. There you have a clear example of the openness and stability of the Russian economy.

Economic security is an area, in which everybody has to adhere to uniform principles. We are prepared to compete fairly. The Russian economy has more and more opportunities to do this. Experts, as well as our western partners, evaluate these changes objectively. Thus, Russia's OECD sovereign credit rating has improved, with our country moving from the fourth group to the third. And I would like to take this occasion, here in Munich, to thank our German colleagues for their help in the adoption of that decision.

As you know, the process of Russia's joining the WTO has reached its final stages. I would point out that, during the long, difficult talks, we more than once heard words about freedom of speech, free trade, and equal opportunities, but, for some reason, exclusively in reference to the Russian market.

## Double Standards

And there is another important theme that directly affects global security. Today people talk a lot about the struggle against poverty. What is actually happening here? On the one hand, financial resources are allocated for programs to help the world's poorest countries—and sometimes these are substantial financial resources. But to be honest—and many people here also know this—they are linked with concessions to companies from the donor countries. At the same time, on the other hand, the developed countries maintain their agricultural subsidies, and limit others' access to advanced technologies.

Let's call things by their names: It turns out that one hand is distributing "charitable assistance," while the other hand not only preserves economic backwardness, but also collects profit. The social tension that arises in these depressed regions inevitably results in the growth of radicalism and extremism, and feeds into terrorism and local conflicts. And if all this happens in, say, the Middle East, where there is an acute sense that the world at large is unfair, then there is the risk of global destabilization.

It is obvious that the world's leading countries should see this threat. And, accordingly, they should therefore build a more democratic, more just system of economic relations in the world, a system that would give everyone the chance and the opportunity to develop.

Ladies and gentlemen, speaking at the Conference on Security Policy, it is impossible not to mention the activities of the Organization for Security and Cooperation in Europe (OSCE). As is well known, this organization was created to examine all—I emphasize this—all aspects of security: military, political, economic, humanitarian and, especially, the relations among these spheres.

What do we see in practice today? We see that this balance has clearly been destroyed. There are attempts to transform the OSCE into a vulgar instrument for promoting the foreign policy interests of one country, or a group of countries. The OSCE bureaucracy, which has absolutely no connections with the founding nations, has been retooled for this purpose. The decision-making procedures have been tailored for this same purpose, as well as the use of so-called non-governmental organizations. The latter are formally independent, but they receive earmarked financing, so they are controlled.

According to its founding documents, in humanitarian affairs the OSCE is supposed to assist member countries, at their request, with observing international standards for human rights. This is an important task. We support it. But this does not mean interfering in the internal affairs of other countries, and especially not imposing on them how they should live and develop. It is obvious, that such interference does not promote the development of democratic nations at all. On the contrary, it makes them dependent and, consequently, politically and economically unstable.

We count on the OSCE's being guided by its primary tasks and building relations with sovereign states based on respect, trust, and transparency.

## Russia's Independent Foreign Policy

Ladies and gentlemen! In conclusion, I would like to note the following. We very often, and I personally very often, hear calls from our partners, including our European partners, for Russia to play an increasingly active role in world affairs. I shall permit myself to make one little remark, in this connection. We don't really need to be nudged and given incentives for this. Russia is a country with a history of over a thousand years, which has almost always enjoyed the privilege of hav-

ing an independent foreign policy. We are not about to change that tradition today. At the same time, we are well aware of how the world has changed, and we evaluate our own capabilities and our own potential realistically. And, of course, we would like to interact with responsible and likewise independent partners, with whom we could work to build a just and democratic world order, ensuring security and prosperity not just for a select few, but for all.

Thank you for your attention.

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## Questions and Answers (excerpted)

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### *On NATO expansion.*

I already mentioned the guarantees that were given, and that are not being observed today. Do you think this is normal practice in international affairs? But all right, forget it. Forget these guarantees. With respect to democracy and NATO expansion, NATO is not a universal organization, unlike the UN. It is, first and foremost, a military and political alliance, military and political! Well, ensuring one's own security is the right of any sovereign state. We are not arguing against this. Of course we are not objecting to this. But why is it necessary to put military infrastructure on our borders during this expansion? Can someone answer this question? Unless the expansion of military infrastructure is connected with fighting against today's global threats? Let's put it this way, what is the most important of these threats for us today—the most important for Russia, for the U.S.A. and for Europe—it is terrorism and the fight against it. Does one need Russia to fight against terrorism? Of course! Does one need India to fight against terrorism! Of course! But we are not members of NATO, and other countries aren't, either. But we can only work on this issue effectively by joining our forces. As such, expanding infrastructure, especially military infrastructure, to our borders is not connected in any way with the democratic choices of individual states. And I would ask that we not mix these two concepts.

### *On whether or not Iranian missiles threaten Europe.*

You are mistaken. Today Iran has—Mr. Gates is here today and certainly knows this data better than I do, and the Russian Defense Minister is also here—missiles with a range of 2000 kilometers—

**Defense Minister Sergei Ivanov:** 1,600-1,700 kilometers.

**President Putin:** 1,600-1,700 kilometers. Only. Well, count how many kilometers there are between Munich and the Iranian border. Iran has no such missiles. They plan to develop some with a range of 2,400 kilometers. It is not known if they have the technology to do so. And with respect to 4,000, 5,000 or 6,000 kilometers, then I think that this would

simply require a different economy. So, it is improbable in general. And Iran is not threatening Europe. With regard to the idea that they are preparing to use nuclear warheads, we do not have such data.

### *On strategic weapons and antiballistic-missile defense.*

[In past decades] there was an equilibrium and a fear of mutual destruction. And in those days one party was afraid to make an extra step without consulting the other. And this was certainly a fragile peace, and a frightening one. . . . Today, it seems that peace is not as reliable. Yes, the United States is ostensibly not developing an offensive weapon. In any case, the public does not know about it. Though they most likely are developing them. But we aren't even going to ask about this now. We know that the R&D is proceeding. But let's pretend we don't know. So: They are not developing them. But what is it we do know? We know that the United States is actively developing and already going operational with an anti-missile defense system. Today this system is ineffective, and we don't know for sure, whether or not it will be effective some day. But, in theory, that is what it is being created for. So, hypothetically again, we assume that a time will come, when a possible threat from our nuclear forces will be completely neutralized. Russia's present nuclear capabilities, that is. That means a complete upset of the balance, such that one of the sides will feel totally secure, and its hands will be untied not only in local conflicts, but possibly in global ones. We are talking about now, with you. I would not want to suspect anybody of having aggressive intentions. But the system of relations is like mathematics. It lacks any personal dimension. And we, of course, must react to this. How? Either build a multibillion-dollar anti-missile defense system, like you, or, in view of our present economic and financial possibilities, give an asymmetrical response. So that everybody can understand: Yes, there is an anti-missile defense system, but it is useless against Russia, because we have weapons that can easily overcome it. And we shall proceed in this direction. It is cheaper for us. And this is in no way directed against the United States itself.

I completely agree, if you say that the anti-missile defense system is not directed against us; and our new weapons are not directed against you. And I completely agree with my colleague and friend—you know, I am not afraid of that word, and despite all of our disagreements, I consider the President of the United States my friend. He is a decent person, and I know that in the United States these days he may be blamed for everything happening internationally and at home. But I know that he is a decent person, and it is possible to talk and reach agreements with him. And when I talk with him, he says his premise is that Russia and the U.S.A. will never be opponents and enemies again. I agree with him. But I repeat once again, in this symmetry and asymmetry, there's nothing personal. It is simply a calculation.

# Franklin Roosevelt in Post-Soviet Russia

by Rachel Douglas

Viewers of Russia's First Channel TV news on Feb. 8 saw President Franklin Delano Roosevelt looking at them from the screen, as the largest Russian national TV network joined in plentiful media coverage of a Moscow conference titled "The Lessons of the New Deal for Today's Russia and the Whole World." Held before an overflow crowd at the Foreign Ministry-linked Moscow State Institute for Foreign Relations (MGIMO), the event commemorated the 125th anniversary of FDR's birth. Taking part were top representatives of Russian political and academic institutions, including Kremlin Deputy Chief of Staff Vladislav Surkov, State Duma Foreign Affairs Committee Chairman Konstantin Kosachov, Academician Sergei Rogov of the U.S.A.-Canada Institute, Academician Andrei Kokoshin (also a Duma committee chairman), Grigori Tomchin from Yevgeni Primakov's Chamber of Commerce and Industry, Boris Titov of the Business Russia association, *Expert* magazine and Public Chamber member Valeri Fadeyev, and numerous other political scientists and commentators. U.S. Ambassador William Burns also addressed the meeting.

The most sensational presentation was that of Surkov, who strove to link his own "sovereign democracy" concept for Russia, with Roosevelt's ideas. He drew a parallel between FDR and President Vladimir Putin (nobody could miss the hint about Presidents who serve third, and fourth terms). Said Surkov, "Like Roosevelt in his time, Putin today is forced to, is obliged to strengthen administrative governance, and to make the greatest possible use of the power of the Presidency, in order to overcome a crisis." Putin's aide recalled that FDR took office at a time when people felt hopeless, and "the press and the financial sector were almost totally controlled by oligarchical groups."

"History does not repeat itself," Surkov went on, "but Russia seeks freedom from want and from fear, and there are leaders and societies that inspire us, and Franklin Roosevelt and America are among them. . . . While, in the 20th Century, he was our military advisor, in the 21st, he is becoming our ideological ally. For the majority of Russians, Roosevelt remains the greatest of the great Americans."

There were dozens of articles published in the Russian press on the occasion of FDR's anniversary, and not only because of Surkov's speech, in which he built up President Putin as a latter-day FDR. The government newspaper *Rossiyskaya Gazeta* headlined its coverage of the MGIMO event,

"Roosevelt Is Our Ally, Once Again." The Strana.ru website featured Roosevelt as the apostle of "Capitalism With a Human Face." And the customarily cynical *Kommersant*, sniping at Surkov's speech as being a PR job for a third term for Putin, asked, "Vladimir Vladimirovich Roosevelt"?

## Two Contrasts

The outpouring of Russian publicity around the Roosevelt anniversary was startling, first and foremost, because it made such a contrast with the U.S. media. A Google news search turned up articles only in the *Poughkeepsie Journal*, *Cape Cod Today*, the *Worcester Telegram*, the *Hyde Park Townsman*, and a Profile America news feed carried in the Lincoln, N.C. *Tribune*. Of course, there was Pamela Lowry's excellent "This Week in American History" column in the Jan. 30 issue of *EIR Online*, and Sen. Charles Schumer (D-N.Y.) entered remarks into the *Congressional Record*.

Secondly, the Roosevelt celebrations make a sharp contrast with how things were in Russia 15 years ago. In the years after the 1991 break-up of the U.S.S.R., the policy choice before Russia was generally reduced to radical free-trade liberalism, mandated by "globalization" and ideologically promoted by the followers of Friedrich von Hayek and Milton Friedman, vs. the old "command-administrative methods" of the Soviet economy. Where was Friedrich List's National Economy, where was the American System of Political Economy, where was a revival of the work of Dmitri Mendeleev and Count Sergei Witte, who took the "American System" as the basis for creating a Russian System at the end of the 19th Century?

In 1992, nobody was talking about those things, with perhaps the sole exception of Lyndon LaRouche's friend, and mine, the late Prof. Taras Muranivsky. In the September-October 1992 issue of *Profsoyuzy i ekonomika* (*Trade Unions and the Economy*, a 50,000-circulation journal of the Russian Federation of Independent Trade Unions), Muranivsky published an article called "Shock, or Fate?" questioning the inevitability of the neo-liberals' "shock therapy," which that year was ravaging Russia with 2,600% inflation. (Its author being Professor Muranivsky, the article's epigraph was a joke: "Mitterrand has 100 lovers, but he doesn't know which one has AIDS. Bush has 100 bodyguards, but he doesn't know which one is a terrorist. Yeltsin has 100 economic advisors, but he doesn't know which one is sane.") Muranivsky appealed for Russian economists and leaders to study the "destructive" example of Roosevelt's New Deal.

LaRouche did likewise, in his *Memorandum: Prospects for Revival of the Russian Economy*, which was presented at State Duma hearings in early 1995.

Then, in April 1996, LaRouche addressed a seminar of leading Russian economic specialists—all of them opposed to the continuing rape of the Russian economy under the Yeltsin regime—with a perspective on "Russia, the U.S.A., and the Global Financial Crisis." The purpose of that seminar, as



*Josef Stalin, Franklin D. Roosevelt, and Winston Churchill at the wartime Tehran Conference, Nov. 29, 1943. Said Kremlin Deputy Chief of Staff Vladislav Surkov at a recent conference on Roosevelt's legacy, "While, in the 20th Century, he was our military advisor, in the 21st, he is becoming our ideological ally. For the majority of Russians, Roosevelt remains the greatest of the great Americans."*

Library of Congress

LaRouche describes it in his preface to the forthcoming English translation of Prof. Stanislav Menshikov's *The Anatomy of Russian Capitalism*, "was to define a launching-point for a possible role of the U.S.A., then under President William J. Clinton's leadership, in halting the carpetbagging process [of looting of the former Soviet Union], and beginning new forms of collaboration between Russia and the U.S.A., which might end the ongoing process of carpetbagging. Some in the U.S.A. strongly advised the Clinton Presidency against the course of action implied in that April 1996 Moscow seminar. On that account, the implied threat from President Clinton's political opposition, which included some of the most powerful predators of the Transatlantic financier community, was ominous. This U.S. rejection of the course of action implied in that Moscow seminar, had serious consequences for not only Russia, but the world at large, including much of the worsening global economic nightmare which has been experienced to the present day."

LaRouche centered his remarks before that audience of Russian notables, on Franklin Roosevelt's policy for the post-World War II world.

### **Post-1998 Shift**

By the time of the 1998 financial meltdown in Russia, the discussions of Roosevelt's legacy by the LaRouche movement and its Russian friends were no longer isolated voices.

Academician Leonid I. Abalkin, the moderator at the 1996 seminar with LaRouche, weighed in with a monograph on the relevance of Count Witte's economic thinking for today. A team around economist Sergei Glazyev, an active figure in the Academy of Sciences, as well as on the opposition political scene, undertook a serious study of the infrastructure projects, in particular, of the New Deal. During the premiership of Yevgeni Primakov (September 1998-May 1999), it was no longer taboo to talk about the "indicative planning" of New Deal America or Charles de Gaulle's France. Valeri Fadeyev, the *Expert* editor who attended the recent conference on FDR, last year published a collection of essays by List, Mendeleyev, and Witte, calling this school of thought the missing element in Russian economic policy discussions during recent years.

President Putin's Feb. 10 speech in Munich was not the first time he has invoked FDR in a major presentation. On May 10, 2006, there was his annual message to the Federal Assembly, in which Putin quoted Roosevelt about treading on the corns of "those who attempt to gain position or wealth, or even both, by taking shortcuts at the expense of the common good."

Primakov, now functioning as a senior figure in Russian policy circles, and an informal advisor to Putin, made a high-profile television appearance on an NTV Sunday evening program, Jan. 28. He said that Russia is being criticized today more sharply than at any time since the end of the Cold War,

because of “subjective factors on the other side”: expectations that Russia would be a towel boy for Western institutions, beginning in the early 1990s.

Primakov recalled how, when he was Prime Minister, “a representative of the International Monetary Fund came over and tried to impose certain models of development on us. They were trying to impose on us a system whereby the state was not to be involved in anything, everything was to be left at the mercy of the market, and the market was supposed to take care of everything.”

As against the fallacies of the IMF, Primakov cited Franklin Roosevelt, saying: “No country has ever managed to extricate itself from an economic crisis situation without decisive interference of the state. This is what Roosevelt said, and this is what [Ludwig] Erhard in West Germany after the Second World War said, and he acted accordingly. . . . We have seen a turning point; at long last we have rejected the views of the people I would describe as dogmatic liberals who thought that the market would provide all the answers. . . . At present the state is increasingly involved in the economy. It does not mean that the state will revert to [the Soviet central planning agency] Gosplan, to issuing directives. But indicative planning and even industrial policy as such were also denied. Now, thank God, we have abandoned this, and this is not liked.”

The current Russian deliberations about Roosevelt go far beyond any opportunistic considerations that might be involved, having to do with Putin’s team seeking a third term for him. They bring to the front of the agenda, where they should be, three things.

First, a reminder of what a difference for the world, the quality of leadership in the United States of America makes.

Second, an understanding of how the collaboration of the United States and Russia, as two of the world’s great nations, has shifted the course of history for the better, in the past, and could do so again. MGIMO, the venue for the Feb. 8 “New Deal” conference, recently issued an in-depth study of what a multipolar world could look like, and it by no means excluded the U.S.A. (See “Moscow Discussion: Can U.S.-Russian Relations Improve?” in *EIR*, Dec. 8, 2006.) And when his NTV interviewer asked if Russia should form a bloc with countries that have been ostracized, e.g., for seeking nuclear weapons, Yevgeni Primakov strongly condemned any notion of turning anti-American: “To form a bloc against America? I am against it. . . . There should be no anti-Americanism in our policy. We should look for ways to uphold our national interests without confrontation. This is Putin’s course and I support him on that to the hilt.”

Lastly, the American System economics of the Roosevelt period in the U.S.A., with all it implies for basing relations among nations on their mutual interest in the improvement of life for their populations, is exactly what needs to be brought into action in Russia, in the United States itself, and throughout the world.

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## Documentation

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### Russians Honor FDR’s ‘Historic Immortality’

#### 1992, Prof. Taras Muranivsky

*These passages are excerpted from an article in Profsoyuzy i ekonomika, #5, 1992.*

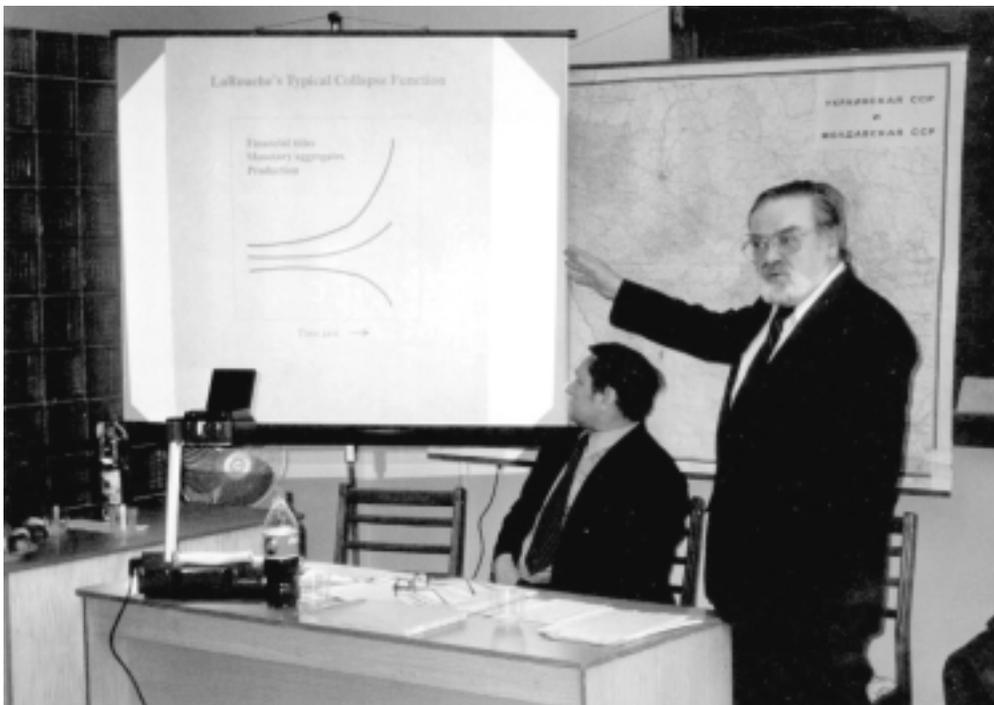
A way out of the difficulties in which our economy has landed, should be sought in the use of economic and legal administrative measures to regulate economic life. Here, despite the well-known allergy to administrative measures, which we associate with bureaucratic command methods, it will be impossible to find an exit from the crisis, without sensible government regulation of the economy. The chaos of destruction cannot be overcome through the spontaneity of the market.

Instructive in this regard is the experience of the New Deal, conducted by the Federal government under F. Roosevelt and the U.S. Congress during the 1930s. The American President did not go to the lawmakers for extraordinary authority. Within ten days after taking office, he merely proposed to convene a special session of Congress. Within 100 days, it had adopted around 70 laws, encompassing industry, agriculture, commerce, the credit and banking system, and government social policy. . . .

The experience of the U.S.A. is important for us, not only as a way to deal with unemployment, but also as an approach to developing infrastructure under crisis conditions. Creating diverse and extensive infrastructure in our country would mean the prevention of losses in agriculture, the development of cities and centers of culture along the main routes, and the creation of a new economic basis for cooperation among sovereign republics.

In this connection, our participation in the international infrastructure development project called the Productive Triangle, developed by the Schiller Institute, appears very promising. Joint public-private financing of its implementation would fundamentally change the character of our relations with the majority of the countries in Europe, from one-sided dependency, towards mutual benefit. . . .

Even before the development of the New Deal, Roosevelt, as a new President, confronting the unprecedented economic crisis that had struck the U.S.A., gave this evaluation of the situation: “The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation. It is common sense to take a method and try it; if it fails, admit it frankly and try another. But above all, try something. The millions who are in want will not stand by silently forever



*The late Taras Muranivsky in 1998, at a meeting in Kiev, Ukraine. He was Lyndon LaRouche's closest collaborator in Russia, and is shown here explaining LaRouche's "Triple Curve" heuristic diagram for how an economy collapses. Muranivsky worked indefatigably to propagate LaRouche's ideas in Russia, while reminding his countrymen that the United States is the nation of Franklin Roosevelt and Abraham Lincoln—not only of free-market looters and neo-cons.*

EIRNS/Christopher Lewis

while the things to satisfy their needs are within easy reach.” (If only we would learn to call things by their names, instead of inventing slogans to cover up flip-flopping!)

In response to the President's frankness, the country threw itself into the implementation of his bold plans. Roosevelt had broad support from the population, who gained broader democratic rights during his presidency. The popularity he had earned earlier also helped. . . . At the same time, Roosevelt won the trust of those layers of big capital, which recognized the need to make concessions to labor, in order to achieve class peace.

It was in those years that the basis was laid in the U.S.A., for what today is called, including in our country, common human values. And they are of lasting significance.

### **1995-96, Lyndon LaRouche**

*From the Memorandum: Prospects for Revival of the Russian Economy, addressed to the Russian State Duma in February 1995.*

With brief exceptions, the central issue of the U.S. Declaration of Independence, War of Independence, and adoption of the 1787-1789 Federal Constitution was a commitment to that tradition of the anti-oligarchical commonwealth associated with King Louis XI's France, Jean Bodin's *Six Books of the Commonwealth*, the "dirigism" of France's Richelieu, Mazarin, and Colbert, and the conception of natural law offered by Gottfried Leibniz, in opposition to that proposed by the empiricist John Locke. The U.S. War of Independence was fought, in fact, against those policies set forth in East India Company apologist Adam Smith's 1776 *Wealth of Na-*

*tions*. U.S. Treasury Secretary Alexander Hamilton's Reports to the Congress on the subjects of *Credit, A National Bank, and Manufactures* identify *The American System of political-economy* as U.S. economic policy was understood by all U.S. patriots, including U.S. President Franklin Roosevelt (in opposition to Britain's Prime Minister Winston Churchill), from 1789 through 1963.

*From the opening and the close of LaRouche's keynote at the roundtable on "Russia, the U.S.A., and the Global Financial Crisis," held at the Free Economic Society in Moscow, April 24, 1996. Academicians Leonid Abalkin and Gennadi Osipov chaired the session. The full transcript was published in EIR of May 31, 1996.*

*From the opening:*

To understand the crisis, I propose that we consider it from the standpoint of approximately 60 years of U.S.-Russian relations. . . .

The relationship between the United States and Russia, in this cycle, began with the recognition of the Soviet Union by President Roosevelt, during his first term as President. During the period from about 1941 until his death in April of 1945, the relationship between President Roosevelt and Russia was very close. During that period, as you may recall—those of us who are older, especially, as I am—there was a great quarrel between President Roosevelt and Prime Minister Churchill, about the nature of the postwar world. Roosevelt was determined to liquidate the British, French, and Dutch empires. And also, to eliminate British economic methods worldwide, and to use instead, the methods on which the United States had

been developed—methods which had been very successful between 1939 and 1943, in mobilizing the United States for war.

For his international policy, President Roosevelt relied upon relations with Russia and China, as the great power relations to guarantee the peaceful development in the post-war period. At the death of Roosevelt, this changed radically, opening up a long period of conflict between the United States and Russia, under British direction. . . .

*From the close:*

From the standpoint of the United States, our law and tradition enable us to cope with this problem domestically. The President has the combination of emergency law powers and Constitutional powers, to solve the internal part of this crisis, in the United States. . . . The President can put the Federal Reserve System into bankruptcy, which has to be done. The Federal Reserve System is a private bank, chartered by federal law. It is bankrupt, as soon as somebody chooses to recognize the figures which prove it. The President can, under the U.S. Constitution, with the consent of Congress, create a new monetary system for the United States. Through the device of emergency legislation, that can be done in 24 hours. A new banking system for the United States, can also be created by emergency legislation, in 24 hours.

But, in an interconnected world, this requires the United States to call together other powers, to set up corresponding international monetary reforms.

There are only four world powers on this planet: There's the United States; there's the British Empire (not the United Kingdom—that's a joke; the British Empire), which will be the major opponent of any such change; there is, third, Russia—even despite Russia's condition at present, Russia is a world power, and at least the current President of the United States [Bill Clinton] recognizes that fact; China is also a world power. There are no other world powers. Therefore, Russia, has a very crucial role to play in this process, which is a political role, more than anything else.

The combination of the United States and Russia, now as in 1945, with the cooperation of China and with the cooperation of other, lesser powers, who require the benefit of the same kind of development—we can change the course of world history, and get out of this economic mess.

Now, the reason this possibly may occur, is because of the so-called force of Reason. None of us has any alternative.

The problem today, is the lack of confidence in a leadership which is willing to act in this direction. To give you an example of what I mean, just, in conclusion, one thing: Between 1939 and 1943, under the leadership of President Roosevelt and under conditions of war, in which we had 17 million Americans in uniform, we took a bankrupt, depression-ridden U.S. economy, and produced the greatest industrial machine on this planet. In the Soviet Union, under conditions of war and invasion and occupation, a similar

courageous effort was made. The same methods, principles, the same spirit, done in the name of works of peace, can accomplish the same kind of result, any time we find the leadership and will to do so.

## **2007, Academician Andrei Kokoshin**

*The Russian Ministry of Defense Daily, Krasnaya Zvezda, on Feb. 6, 2006 published a special message on the occasion of Franklin Roosevelt's 125th birthday, including a commentary by Academician Andrei Kokoshin, one of Russia's leading specialists on the United States and strategic affairs. Kokoshin is also a committee chairman in the Russian State Duma, which recently passed a resolution calling for more and better direct contacts with the U.S. Congress.*

Franklin Delano Roosevelt is one of the greatest statesmen not only of the U.S.A., but in world history. He is known for his New Deal, which brought the United States out of the deep crisis of the Great Depression, and which Roosevelt put forward against the resistance of many representatives of Big Business.

For our people, Roosevelt is one of the main leaders of the anti-Hitler coalition, which achieved a crushing victory over Nazi Germany and its satellites, and eliminated a tremendous threat to world civilization. Roosevelt's name is linked to the deliveries to our country of weapons and military equipment, food, other goods, and various materiel, which helped the U.S.S.R. attain victory. These supplies, especially a whole array of specific parts, were highly rated by Soviet commanders, especially Marshal of the Soviet Union Georgi Konstantinovich Zhukov.

For us, Roosevelt is a symbol of truly mutually beneficial and equal cooperation between the U.S.A. and our country, an example that, unfortunately, has not been followed by the great majority of American leaders in the postwar period. Recognizing the growing role of the U.S.S.R. in world politics, the Roosevelt administration, on November 16, 1933, established diplomatic relations with the U.S.S.R.

After Hitler's attack on the U.S.S.R., Roosevelt, already on June 24, 1941, announced the U.S.A.'s readiness to support the struggle of the Soviet people. We remember that Roosevelt, to a greater degree than Churchill, sought to open the second front against German fascism on the west coast of France, rather than in other places, in order to hasten the defeat of the Axis. There are many reasons to believe that if Roosevelt had lived longer, our relations with the U.S.A. would have developed in a different way during the first post-war years.

It is by no means certain, that Roosevelt would have taken the decision to drop the American atomic bombs on Hiroshima and Nagasaki. We know that his successor, Truman, did this largely to intimidate the U.S.S.R. This gave a powerful impulse to the transition to the Cold War, and the nuclear arms and nuclear missile race, which repeatedly brought the

U.S.S.R. and the U.S.A. to the brink of a hot war. I believe that today's generation of politicians ought to draw appropriate conclusions from these lessons of history.

## **2007, Vladislav Surkov**

*Deputy Chief of the Presidential Administration Surkov addressed the conference at MGIMO on Feb. 8.*

I don't believe history repeats itself. Yes, the United States in the 1930s had approximately the same level of population, as Russia does today. Yes, the U.S. economy had collapsed by almost one-half at the end of the 1920s, while Russia lost approximately one-half of its economic capacity at the outset of the 1990s. Yes, from 1929 to 1932 per capita income in the U.S.A. dropped by almost one-half, while unemployment rose to 30 million. And in early-1990s Russia, 30 to 50 percent of the population considered themselves poor. Yes, in his time Roosevelt, like Putin today, had to centralize and reinforce administrative governance, and make maximum use of his Presidential powers under the Constitution, to overcome the crisis. Still, America of the 1930s is not Russia of the 1990s and the current decade. And, of course, history does not repeat itself. But the ideas and emotions that are moving our society today, are remarkably consonant with the ideas and emotions of the Roosevelt epoch. . . .

In 1933, a man took office in the U.S.A., who was convinced that the basis of democracy is to strive toward justice for all, and that freedom from want and freedom from fear are no less important, than freedom of speech and of religion. That economic freedom should not be set against the general welfare, but, rather, implies it, because "poor people are not free." That the simplistic theory that says the less government, the better, is wrong and immoral.

Roosevelt defined his adversaries as the financial monopolies, speculative capital, and unrestrained banking interests. He said that "these new economic dynasties, thirsting for power, reached out for control over Government itself. They created a new despotism and wrapped it in the robes of legal sanction. . . . These economic royalists complain that we seek to overthrow the institutions of America. What they really complain of is that we seek to take away their power."

But Roosevelt's fight against the oligarchy should not mislead anybody about his views on economic freedom and entrepreneurship, as such. He considered free enterprise and commerce to be the natural source of growth and prosperity for American society. He just believed, that social responsibility on the part of business was beneficial to business itself, and that capital had no right to usurp democratic power.

The oligarchy counterattacked. Roosevelt was smeared in the press, called a red, a communist, and even a Stalin. . . .

In my view, Roosevelt became the personification of the supreme authority of the people, of authority in the spirit of the American Constitution, of authority that is inalienable, and cannot be appropriated by big money or high officials,

the oligarchy, or bureaucracy. He himself represented such authority, striving for freedom and justice for all. . . .

Roosevelt wanted to see international relations, as well, based on the values of freedom and justice. For Roosevelt, personal freedom and national sovereignty are interconnected. . . . He not only fought against the Axis powers, but he also annoyed his ally and friend Churchill no end, calling on him to grant India its independence. He thought that a just world would be possible, as an association of free nations. We think that, today.

It may be said that Roosevelt was our military ally in the 20th Century, and is our ideological ally in the 21st. . . .

Permit me a small, lyrical digression. I want to say that Franklin Roosevelt will remain, for still many years to come, for all of us, for every Russian, the greatest of all the great Americans. . . . And here is why I think so. My grandfather, for example, . . . fought almost all the way to Berlin, but in '45 he was gravely wounded. And he made it home. And lived another 20 years. Probably there are many circumstances and reasons, why he was only wounded, and not killed like millions of people his age. And it cannot be excluded, that perhaps one of those many reasons is linked with Franklin Delano Roosevelt in some way. My grandfather probably had no special interest in the American President of that time. He was a simple peasant. But maybe, when he was being treated in the hospital, they used medicine, received from America under Lend-Lease. Or perhaps a top-quality German bomb, prepared by fate for my grandfather, went at the last minute not for him, not to the East, but to the West, where finally, late, but still very much on time, the second front had been opened. And death changed its trajectory. My grandfather came home alive. Maybe, of course, things weren't that way. But maybe they were. And therefore Mr. Roosevelt has my special respect.

Let me conclude, the way I began. History, of course, does not repeat itself. But Russia seeks freedom from want and freedom from fear, fighting against terrorism, corruption, and poverty. And there are people and societies, whose example inspires us. Franklin Roosevelt and his America are among them.

## **2007, Boris Titov**

*Boris Titov, chairman of the Business Russia association, attended the MGIMO conference and gave an interview to RIA Novosti there on Feb. 8.*

We cannot ignore the experience of Roosevelt, because the New Deal was one of the most successful economic programs in the history of mankind. . . . Before Roosevelt, it was believed that the market would settle any problems that came up. [But, FDR brought the government in, to play the crucial role of] eliminating failures in the economy, providing incentives for business, and regulating the market. That is very important for our country, since the Russian market is heavily

monopolized. [In the 1990s], we believed the market would take care of everything. As a result, we got not a market, but wild capitalism, which led to the crisis of 1998.

## 2007, Victor Ignatenko

*From Siberia, Irkutsk Region Electoral Commission Chairman Victor Ignatenko's essay on Roosevelt appeared in Pravo vybora (Right to Choose), the Commission's own newspaper, and was reprinted in Vostochno-sibirskiye novosti (East Siberian News) of Feb. 12, 2007.*

When Roosevelt was elected in 1932, America was gripped by a terrible crisis. The country was like a huge, sinking ship: factories shut down, the banks closed, the fields unplanted and overgrown with weeds. Millions of impoverished Americans stood in humiliating lines to get the modest meals, organized by the Salvation Army. . . .

The Americans believed in Roosevelt. From 1933 to 1945, he addressed them by radio 31 times. Standing at the helm of the state, the President explained to Americans in simple, accessible language, all of his legislative initiatives and government projects. . . . I have a rare book in my home library, called *Fireside Chats*. It is a collection of all of Franklin Roosevelt's speeches on American radio during his Presidency. I have read this book several times, . . . and now, leafing through it, I look again at certain passages that I underlined. . . .

In his radio speech of April 28, 1935, Roosevelt explains to Americans his public works projects, and appeals to them for collaboration [in the faces of accusations that the projects could involve corruption]: "The most effective means of preventing such evils in this work relief program will be the eternal vigilance of the American people themselves. I call upon my fellow citizens everywhere, to cooperate with me in making this the most efficient and the cleanest example of public enterprise the world has ever seen."

I open the book to the last page I bookmarked, and read a few underlined words from Roosevelt: "We have recognized the necessity of reform and reconstruction—reform because much of our trouble today and in the past few years has been due to a lack of understanding of the elementary principles of justice and fairness, by those in whom leadership in business and finance was placed." That sounds timely for Russia today, you'd have to agree. . . .

Franklin Roosevelt is a brilliant example of a leader who was able, by word and deed, to inspire the nation, and lead the country he headed out of a grave crisis.

## 2007, Anatoli Utkin

*The well-known historian, specialist on World War II, U.S.A./Canada Institute scholar, and publicist Anatoli Utkin wrote about Roosevelt in Expert magazine of Jan. 29, 2007. Under the title "On the Side of Life," Utkin brought to Russian readers a picture of Roosevelt's personality, his leadership qualities, his mastery of history, and love for sharing truthful*

*ideas with the population, in order to mobilize them. Utkin, whose newspaper columns in recent years have been very harsh against current U.S. policies, spiced this remembrance with references to "great peoples, like the American and Russian peoples." Utkin included his own retrospective on FDR's fireside chats, bring dramatically to life the moment, when America's industrial power swung into action, in support of the life-and-death struggle in the invaded Soviet Union and elsewhere.*

Scholars especially value, in the fireside chats, the President's sense of history. He would readily turn to the nation's history, to the days of the [American] Revolution, the creation of the government, the lives of the founding fathers, and such national crises, as the Civil War. The historian A. McLeish wrote, "The sense of history in a political leader is a sense of the past, used to shape the future; Roosevelt's sense of history and the American tradition was truly profound." It is considered that Franklin Roosevelt achieved the greatest effect ever, in his so-called Map Speech in February 1942, when the Axis powers were at the crest of their military successes. Beforehand, he asked listeners to obtain maps, and the map sections of bookstores were sold out. The President and the nation sat together and thought together, looking at the large maps.

Eighty percent of all Americans ran their fingers over regions they hadn't known about before, as their President calmly briefed them. Roosevelt wanted to give his listeners an overall concept of what was happening, without in any way concealing the situation outside Moscow, at Rostov-on-Don, in Cairo, Bataan, or Hong Kong. The great coalition was retreating, practically everywhere. . . . He told his listeners, that the situation could become even graver. But . . . the calm confidence of that familiar voice shaped the absolutely necessary attitude, which the next day would be so needed by that first shift of people going to work at the blast furnaces, by the Marines who would hit hard on some sandy Pacific atoll, and by the pilots flying their planes into the Nazis' "fortress Europe." So it had been before in history: George Washington retreated in front of the British for a long time, but never doubted one iota in the ultimate victory, and he achieved it. . . .

From the first hundred days in 1933 through to April 1945, when the coming victory could already be sensed, a great number of Americans were convinced that the workaholic in the White House, who had defied fate, was carrying his cross for them. He understood their concerns, and he was looking for a solution. He had protected their home in the years of economic strife, and he saved that home after Pearl Harbor; he would build an even better house in the future. With such massive support, Franklin Roosevelt could have won not only the 1944 wartime election, but again in 1948.

And then there were the letters Roosevelt received from private citizens, thanking him for the help they had begun to feel from the institution of the Presidency. . . . The phenomenal vital force of Franklin Roosevelt mobilized the vital force of his nation, and that brought him historical immortality.

# Russia Returns to The Middle East

by Muriel Mirak-Weissbach

When Russian President Vladimir Putin arrived in Saudi Arabia on Feb. 10, for a tour including also Qatar and Jordan, many in the Arab and Islamic world jubilated at the idea that Russia was “back” in the region. Their ideological argument is that, during the Cold War, when the world was divided into two hostile blocs, the Soviet Union had defended their interests against the United States and its client states—or vice versa, as the case might have been. After the 1989 fall of the Berlin Wall and the 1991 dissolution of the Soviet Union, the empire faction in the United Kingdom and United States, around Dick Cheney, Paul Wolfowitz, et al., began drafting their plans for securing world hegemony for what they deduced themselves was the sole surviving superpower, through a policy of permanent wars. This doctrine, which was implemented in the wake of the Sept. 11, 2001 events, led to regime change through war and other means, in Afghanistan, Iraq, and Lebanon, where governments were brought into being as de facto vassals of the new would-be empire. They were the stepping-stones for planned future assaults against the real strategic targets: Russia, China, and India.

Thus, Putin’s arrival in Riyadh, Saudi Arabia on the heels of his historic intervention at the Munich International Security Conference (see articles in this section), was hailed as a sign that the old strategic balance associated with the Cold War superpower rivalry, had returned, and hopes were raised that the neo-con project for the region might be thwarted.

Although there is something to be said for this view, it does not adequately capture the essence of developments. Such a simplistic comparison reflects only superficial similarities, whereas the reality is far more complex and interesting. It is not a competing power game we are dealing with, but a competing policy approach associated with a newly self-defined role for Putin’s Russia in one of the world’s strategic crisis cockpits.

The Saudis, traditional allies of the United States, rolled out the red carpet for Putin, the first Russian President to visit since the two countries established diplomatic relations 80 years ago. King Abdullah, Crown Prince Sultan, and top civilian and military officials, including Riyadh Governor Prince Salman and Foreign Minister Prince Saud al-Faisal, turned out to welcome him. He was given a 21-gun salute on arrival, and was treated to a tour of the King Abdul Aziz Historical Center, as well as the founding monarch’s old palace, and

was awarded the King Abdul Aziz Medallion of Honor, the highest civilian award in the kingdom.

The Russian President met with the political leadership, as well as a large gathering of businessmen. What he presented was an offer of economic cooperation, rather substantial military exports, and coordination particularly in the energy sector. All this, in the context of political collaboration in the interest of putting out various regional fires, and seeking durable peace.

## Gas, Oil, . . . and Nuclear Energy

Putin addressed the Saudi-Russian business forum, attended by its president, as well as the presidents of the Council of Saudi Chambers of Commerce and Industry, and the Riyadh Chamber of Commerce and Industry. “The kingdom’s business and products are extremely important to the Russian market,” Putin began, calling on businessmen from both countries to identify joint investment opportunities. Trade between the two countries has grown over the past seven years, from \$88.5 million in 1999 to \$412 million in 2005, and measures were discussed to vastly increase this volume, through reduced tariffs, joint banking facilities, direct transportation links, and, perhaps, even a free-trade zone between Russia and the Gulf Cooperation Council (GCC) member countries. Areas of cooperation which he mentioned are oil and gas, aerospace technology, transportation (railways), satellites, and—most important—nuclear energy.

Russia’s role in the world economy has been redefined under Putin, in particular, as far more than a raw-materials-exporting country. Russia has launched an ambitious program for producing nuclear energy plants, for domestic use, as well as export. And Saudi Arabia, as well as the other GCC countries, are eager to benefit from this technology.

Back in November, at their summit held in Riyadh, the GCC countries decided to explore development of nuclear energy for peaceful purposes. Saudi Foreign Minister Prince Saud al-Faisal reported to the press on Feb. 15, that Putin had discussed this perspective with the Secretariat General of the GCC, noting, “Russia is a country with nuclear energy experience, and cooperating with it in this field is similar to cooperation on other areas.” He said there were “no barriers” to nuclear energy cooperation with Russia. Were agreements to be sealed with the Saudis for Russian nuclear technology transfer, that would open the way for similar deals with the other GCC countries: Bahrain, Qatar, the United Arab Emirates, Kuwait, and Oman. Russia has already announced its readiness to provide Algeria with nuclear plants, and Egypt is also eager to adopt the new technology. And, of course, Russia is completing the Bushehr nuclear plant in Iran.

The surprising announcement by the GCC summit, that they wanted to go nuclear, was interpreted by some in the West as an indication of their fears of a potentially nuclear-



Russian Presidential Press and Information Office

*President Putin (left) with King Abdullah (right) in Riyadh, Saudi Arabia on Feb. 11. Putin was warmly welcomed in his visit to Saudi Arabia, Qatar, and Jordan—all traditional U.S. allies that are concerned about the global economic crisis and the devolution of Southwest Asia into war and chaos.*

armed Iran. However, the Iranians immediately endorsed the idea, and formally offered to share their technology with their neighbors. The GCC move has de facto contributed to lending legitimacy to Iran's program, since all the GCC members are traditionally allied to or associated with the United States.

In Qatar, Putin approached another potentially explosive idea, which is, to establish a cartel of gas-producing countries. The idea had been originally proposed to the Russians by Iran's Supreme Leader Ayatollah Ali Khamenei, in a letter presented the Russian president by envoy Ali Akbar Velayati, during a February visit to Moscow. He proposed "a cooperation organization in the gas sector similar to OPEC."

In a joint press conference with the Emir of Qatar, Putin said he thought the idea was "interesting" and worth pursuing. He emphasized that this cartel would not, like OPEC, set prices, but rather coordinate policies among producers so as to ensure uninterrupted supplies. Putin said, "It is important to develop common approaches, equal conditions for gas producers, and a system of relations with gas consumers. That is why we are interested in developing relations with Qatar in this sphere." He then announced that at a gas producers' conference in Doha, Qatar, in April, Russia will be represented, for the first time, by its Energy Minister, and will discuss the idea further.

The Saudi monarch was extremely pleased with the visit, and showered praise on Putin. In an interview to the Russian news agency Itar-TASS on Feb. 12, the King stressed the excellent prospects for cooperation among the world's major oil-producing and -exporting countries, especially in energy,

investment, science, and technology. "The two countries," he said, "enjoy huge economic potentials, vast natural resources, and a variety of investment opportunities apart from a distinguished cultural heritage. They also enjoy huge political influence at the world stage. This will contribute to taking our mutual cooperation to new heights within a strategic perspective."

### **Cooperation to Settle Conflicts**

The King went on to say that relations with Russia were not exclusively economic, but also political, and expressed his desire to consult and coordinate with Russia on major regional and international issues. Among these issues, the Palestinian-Israeli conflict looms large, and both countries' political leaders have intervened to find solutions. Abdullah stated the plain fact that "a solution to this conflict will lead to solving many other problems and save a lot of financial resources for the development of the entire region."

Just prior to Putin's visit, King Abdullah had undertaken an extraordinary effort to mediate the internal Palestinian conflict between the Fatah and Hamas factions. In his capacity as Custodian of the Two Holy Mosques, King Abdullah had managed to host talks between Hamas leader Khaled Meshaal and Fatah leader Mahmoud Abbas. Significantly, he organized the encounter in Mecca, the holy city, site of the annual Hajj pilgrimage. Following their stated intention on arrival, that they would not leave until they had reached agreement, the two Palestinian faction leaders hashed out differences, and finally came up with a draft proposal for a unity government. Press coverage of the breakthrough fea-

tured photos of the two men, in pilgrims' robes, performing the Hajj at Mecca.

The Russian government immediately endorsed the agreement and called for the international financial sanctions against the Palestinian Authority to be lifted immediately. Putin had also played a part in the Palestinian issue, when he broke an international taboo, and invited Meshaal to Moscow for talks.

During his visit to Jordan, the third and final leg of his journey, Putin focussed precisely on the Palestinian-Israeli conflict, in discussions with Jordanian King Abdullah II. After two hours of talks on Feb. 13, the Jordanian monarch stated: "President Putin and I agreed that negotiations towards the establishment of a viable, independent Palestinian state should be accelerated. We are witnessing a unique opportunity to restart the effort to achieve a comprehensive Middle East peace," he said, adding that Russia has "an important role to play," as a member of the Middle East Quartet. Putin also held talks with Mahmoud Abbas. Putin noted: "For Russia, the Middle East is strategically important. We understand that this possibility of action must be done in a delicate and balanced manner."

Although not detailed in press accounts, it is to be assumed that Putin also discussed other regional crises with his Arab hosts, from the war in Iraq, to Lebanon and Iran. Here, too, there have been overlapping initiatives from the Saudi, Iranian, and Russian sides to deal with these hot spots. Iran and Saudi Arabia have been coordinating closely to cool down tensions between the opposition and government in Lebanon, which they respectively support, as well as to seek to reduce sectarian conflict in Iraq. On the Iran issue, there have been intensive diplomatic efforts on the part of Moscow.

### Religion and Culture

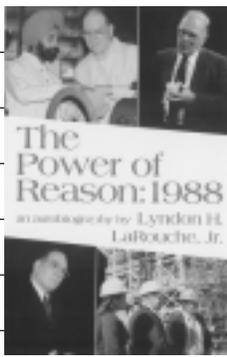
Putin made explicit reference to what he thought Russia's role could be also in regard to the religious dimension of the conflicts. "Russia is determined to enhance cooperation with the Islamic world," he told the forum of Saudi and Russian businessmen in Riyadh. He said Russia was a multi-ethnic, multi-religious country, characterized by the peaceful coexistence of Christians and Muslims, and that the country had experience in promoting cooperation among ethnic groups and religions. "Russia is bent on pursuing this approach in all regions, including the Middle East and the Arab Gulf," he said. Significantly, among the members of his delegation was Mintimir Shaimiyev, the leader of the predominantly Muslim region of Tatarstan, who was given the "King Faisal International Award for Service to Islam," an annual prize worth \$200,000.

For his part, King Abdullah also highlighted the importance of respecting other cultures. "We have to know that all human civilizations emerged from one source and have benefitted from one another," he said, calling for the integra-

tion of civilizations. "We should stand against calls for creating division and discrimination among them."

This is a point Putin had stressed in his explosive speech to the Munich meeting. And it should come as no surprise that, in briefing reporters following his trip to Southwest Asia, he should also reference the significance of that speech. While expressing his satisfaction with the results of his visits to Saudi Arabia, Qatar, and Jordan, he also reflected on the Munich speech, saying that what he stated there was not anything new. "The whole world is saying that," he explained, referring to his condemnation of unilateralism in Washington. "Some countries are doing that rudely, which is counterproductive and unacceptable, and some countries are doing that stealthily. It does not become Russia to have a grudge against someone." One has to state one's position openly, he said, adding that he was glad his U.S. colleagues were on hand. "It is good that U.S. Administration members and senators were seated right in front of me, because it is inappropriate to say such things behind their back."

Indeed, "the whole world is saying that" about the Bush-Cheney madness which is threatening peace worldwide. Nowhere else than in Southwest Asia, are political leaders more aware of the dangers of the policy thrust which the Russian President denounced. Thus their warm welcome to Putin as a political leader of a world power, with a distinctly alternate approach.

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# Eurasian Triangle Leaders: Cooperation, Not Confrontation, Should Govern

by Mary Burdman

The Foreign Ministers of Russia, China, and India held their sixth trilateral meeting in New Delhi, Feb. 14, in a very different strategic situation from that in which any previous meetings among Eurasia's three leading nations had occurred. This meeting, planned since the unprecedented summit of the three nations at the G8 summit in St. Petersburg in July 2006, came on the heels of Russian Federation President Vladimir Putin's speech to the Munich conference Feb. 10 (see articles in this section) and the Chinese space "experiment" to shoot down one of their own outdated satellites on Jan. 11.

In their Joint Communiqué issued Feb. 14, and in every other official statement the three nations made about the meeting, Indian External Affairs Minister Pranab Mukherjee, Russian Foreign Minister Sergei Lavrov, and Chinese Foreign Minister Li Zhaoxing were emphatic that their nations' "trilateral cooperation was not directed against the interests of any other country," but was "intended to promote international harmony and understanding and find common ground amidst divergent interests." The Ministers called for a "world order that would be based on the equality of nations," and said that the "Ministers agreed that India, Russia and China, as countries with growing international influence, can make substantive positive contribution to global peace, security and stability."

In the past, international reactions, especially among the geopolitically minded, to cooperation among the "strategic triangle" of nations, first proposed by then-Russian Prime Minister Yevgeni Primakov in December 1998, have tended towards exaggerated claims that either it was a geopolitical "axis" aimed against "the West," or that any effective cooperation among these three huge and diverse nations, was impossible. These assessments were wrong. At the time, Lyndon LaRouche called the Eurasian leaders, the "Survivors' Club" of nations, which were not willing to go under with the Anglo-Dutch system, and that is how Russia, China, and India are acting today.

One of the most notable points of the Joint Communiqué, is the emphasis put on the role of the Shanghai Cooperation Organization (China, Russia, Kazakstan, Kyrgyzstan, Turkmenistan, and Uzbekistan), which was created as to en-

hance security cooperation among these nations in the wake of the profound political shifts in Eurasia in the 1990s. Now, cooperation is expanding to promote economic, energy, defense, and other relations. The Ministers agreed: "that cooperation rather than confrontation should govern approaches to regional and global affairs. While welcoming India's joining the Shanghai Cooperation Organization (SCO) as an observer country, the Foreign Ministers of Russia and China stated that they would actively facilitate early realization of mutually beneficial contribution of India to the SCO."

The Ministers also stressed "the high potential of trilateral cooperation and synergy in the economic field," including in the areas of "energy, transport infrastructure, health, high technologies, including IT and biotechnology." India offered to host a proposed "trilateral business forum" already this year, as well as a trilateral seminar for officials and scholars on "emerging geo-strategic trends."

## Strategic Cooperation

At the press conference after the meeting, Foreign Minister Lavrov said that the three ministers had discussed a wide range of world policy problems, in particular: a Middle East settlement, the situation in Afghanistan, the Iranian and North Korean nuclear issues, and problems of Iraq. "Today's talks have confirmed that the interaction in a tripartite format is based on commonness of approaches of the three states to fundamental issues of the world community," he said.

Lavrov made the same point even more eloquently two days later, speaking in Abu Dhabi in response to U.S. Defense Secretary Robert Gates's claim that Putin's Munich statements criticizing U.S. policy recalled the "Cold War." What Putin said, Lavrov declared, "has nothing to do with cold war, but simply the expression of responsibility for the world's fate, which we want to decide together, collectively, as there can be no other decision if we want to establish a stable world in accord with everybody's interests."

Chinese Foreign Ministry spokeswoman Jiang Yu had supported President Putin's criticism of U.S. and NATO policy in his Munich speech, during her regular press conference Feb. 13. The official Chinese news agency Xinhua quoted

Putin saying that the United States' "almost uncontained" use of force has led to other countries developing weapons of mass destruction. "As the international situation is filled with opportunities and challenges, all countries should make efforts to create a harmonious world featuring lasting peace and common prosperity," Jiang responded. "All countries should step up cooperation, seize opportunities and cope with challenges." At the same press conference, Jiang said that China, Russia, and some other nations are "actively urging" the Geneva Disarmament Conference to sign a treaty preventing an arms race in space through negotiations. China will continue to make efforts against the deployment of weapons in space, together with the international community, she said. China and Russia are distributing a document at Geneva, saying that efforts by any nation to achieve global military dominance—the stated policy of the Bush-Cheney Administration—are "counterproductive and jeopardize the security of all humanity."

This did not please U.S. Ambassador Christina Rocca, who warned Feb. 13 in Geneva that alleged "emerging threats to our space assets" were cause for concern, and that China had created "large orbital debris" by its Jan. 11 test. When a "small number of countries [i.e., China] are doing things like jamming satellite links, blinding sensors, or launching anti-satellite weapons," then the U.S. would be compelled to defend its "national security" assets, Rocca threatened.

### **'New Chapter' for China and India**

Chinese Foreign Minister Li Zhaoxing called for writing a "new chapter in India-China relations" on Feb. 12, at the inauguration of the remembrance hall for the famous Chinese Seventh-Century traveller Xuan Zang (Huan-Tsang), who had walked all the way from western China to Nalanda, now in Bihar, to study the Buddhist scriptures. The hall is a joint Chinese-Indian project.

Before the trilateral meeting and Li's preceding visit, there was much effort made, including by some shriller elements of the Indian press, to claim that India was highly affronted by China's ASAT test, and that some saw the test as some kind of serious threat. Most certainly there are serious "problems left over from history" between China and India. However, Indian Prime Minister Manmohan Singh gave a clear indication of India's strategic orientation to China, when he said in a Jan. 23 interview that India does want to join the SCO, an organization in which China plays a very influential role. Just before the visit of President Putin to India at the end of January, Singh told Interfax News service: "We would like to be associated with the Shanghai Cooperation. India obtained observer status at the SCO in July 2005. We have conveyed to the SCO member states and to the SCO Secretariat, India's interest in participating in SCO activities that promote economic, energy, educational and cultural cooperation as well as those directed

against terrorism and trafficking in drugs. We are awaiting SCO's response to our request. . . ."

India will be an observer at the upcoming SCO joint military exercise "Peaceful Mission—2007," to be held July 18-25 in the Russian Volga-Urals Military District. The heads of government of all six SCO nations will be in the Ural city of Chebarkul to observe the maneuvers on July 25. Asked about trilateral relations with Russia and China, Prime Minister Singh responded: "In effectively addressing challenges, we should avoid divisive policies and actions driven by the outmoded mindset of balance of power, and instead strive for a more meaningful and inclusive cooperative framework. As Russia, China, and India move ahead of their respective growth curves, a great challenge today is to find means to draw on the vast geo-economic potential that remains unexploited in our common neighborhood."

Energy would be a "critical sector" for cooperation. An article which appeared late last year in *International Strategic Studies*, the journal of a leading Chinese military think-tank in Beijing, indicated that the Chinese side understands that India is maintaining its distance from the overtures of the Bush-Cheney regime. "The United States has been itching to channel India into its global strategic track," authors Zhang Song and Wang Bo wrote. "The U.S. deems that South Asia is of extremely important geo-strategic value," and Washington considers India indispensable for regional security, counterterrorism, "driving a wedge in the traditional Russia-India relations, [and] putting a check to the rise of China."

India also wants U.S. support in increasing its role in the Asia/Pacific region. However, Bush Administration policy is that "support rendered to India by the U.S. is premised, limited and preconditioned," that India cannot challenge U.S. hegemony. This can certainly mean problems, because India pursues its own independent foreign policy, and has made it clear, "that it would not allow any agreement signed with the U.S. to undermine the national security of India," they concluded.

China also must take responsibility to ensure that its national re-emergence sticks to the policy of peaceful development, wrote Lau Nai-keung, a Hong Kong member of the National Committee of the Chinese People's Political Consultative Conference, in a much-noted commentary published in the *China Daily* on Feb. 2. The CPPCC, founded in 1949, is China's most prominent national political association outside the Communist Party. Lau wrote that China's peaceful relations with its neighbors is "of direct relevance of our national security." With growing world consensus about the importance of a peaceful China, "It is now up to us to prove them right." If the gentle giant got mad just once, Lau wrote, "This once might be a disaster too big for the world to afford."

Lau made special note of relations with India, and presented the Chinese view of the 1962 border clash. Although

he did not go through the real background, including the legacy of the British imperial “forward school” policy, and the effect of Bertrand Russell’s and Nikita Khrushchev’s “one-worldist” campaigns on Indian and Chinese policy at this time—the exact time of the Cuban Missile Crisis, Lau did make clear that the “Chinese People’s Liberation Army, after defeating the Indian forces in the Himalayas, immediately announced its own unilateral ceasefire and unconditional withdrawal behind the disputed McMahon Line.” China has stuck with this policy, Lau wrote.

### Transportation Corridors

One other potential which is re-emerging, after close to a decade “on the back burner,” are elements of the Eurasian Land-Bridge. Although none of the Eurasian nations has proposed the New Deal-style national financial policy which would be necessary to get this great project going, China and Russia, especially, are making progress. Even the free-market Russian Economic Development and Trade Minister German Gref said that it would “be great to have a railway corridor between Russia (the Pacific) and India (Indian Ocean) via China,” in an interview with the Indian *Financial Express*, published Feb. 12.

Gref said that the lack of an efficient shipment route between the two nations is “a very serious issue.” The proposed rail corridor had been “frozen” for mostly political reasons in the early 1960s, but “now that relations between India, China and Russia have improved and their economies are actively cooperating, we have all the prerequisites for reviving the transportation project.” Also, when Putin was in India, Vladimir Yakunin, CEO of the government-controlled Russian Railways, held discussions about modernizing India’s railways.

Yakunin was in Rome Feb. 10, where he announced that Russia is planning to build high-speed rail lines linking some important cities by 2012-14. The lines will be Moscow-St. Petersburg, St. Petersburg-Helsinki, Moscow-Kazan, Moscow-Samara, and Moscow-Adler, a port on the Black Sea. Italian state-owned rail companies will participate in the project.

China will be constructing a new railway to link Lanzhou, Gansu province, to Chongqing, the largest city in central China. Lanzhou is an important city on the second Euro-Asian Continental Bridge, the rail line from Lianyungang on China’s Pacific coast, to Rotterdam in Holland. Ultimately, this new rail line will be a direct connection between Central Asia and Southeast Asia.

Also, this Summer, China will begin construction of the extension of the Qinghai-Tibet railroad—the first railroad ever to the “Roof of the World”—from the capital Lhasa to Xigaze. Although many geographical challenges remain to be overcome in these highest mountains in the world, the new rail line will increase the potential for cross-border trade between India and China.

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## The LaRouche Show

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# Cheminade Campaigns For ‘Soul of France’

*This is a slightly edited and abridged transcript of an interview Feb. 3, with French Presidential candidate Jacques Cheminade by Harley Schlanger, host of the Internet radio program “The LaRouche Show,” and with LaRouche Youth Movement members Elodie Viennot in Paris and Natalie Lovegren in Leesburg, Va. The full radio interview is archived at [www.larouchepub.com](http://www.larouchepub.com). The program airs every Saturday at 3:00 p.m. Eastern Time.*

**Schlanger:** As we speak, the world is moving rapidly towards a strategic showdown. In a memo sent out by Lyndon LaRouche today, he said, “We’ve come to the end of an era. The era of preventing nuclear war by non-proliferation treaties is over, due largely to the insanity of the Cheney-Bush-Blair doctrine of preemptive war, including the possible use of preemptive nuclear strikes. It no longer does any nation any good to abide by these treaties, when Bush has said that he will act regardless of treaties.”

So, while resistance against Bush and Cheney is growing in the Congress, and that reflects even more anger from the general population, LaRouche is emphasizing that it’s not enough to “just get rid of” Cheney and Bush, that we need a new generation of leadership, which has qualified itself by re-experiencing the crucial discoveries of universal physical principles in physical science, and in the arts, especially music.

This work has been undertaken by advance teams of the LaRouche Youth Movement, which have been working on Kepler in particular, the scientist Johannes Kepler, under the direction of Mr. LaRouche, and by LYM choruses everywhere in the world. Thus, as we enter a zone of extreme strategic instability, facing a plunge into a dark age directly ahead, it is the LaRouche forces internationally which are uniquely acting to provide a satisfactory alternative, both through mobilizing to end the rule of those who control this deadly Cheney-Bush-Blair regime, but also by bringing back the principles of physical economy, based on real physical science.

To discuss both the deepening of this crisis and the unique LaRouchean solution, we are honored to bring back to “The LaRouche Show,” Jacques Cheminade, candidate for President of France.

**Cheminade:** Thank you. I am very honored to be with you.



EIRNS/Helene Möller

*Jacques Cheminade in Berlin last July. "France is a mess," he told The LaRouche Show. "And my mission is, with the LaRouche Youth Movement, to recover the soul of the nation, and to transform this Roman circus that the Presidential election is, as of now, into a school for the soul of the Republic."*

**Schlanger:** So, Jacques, as the crisis we face is deepening, your campaign has taken on growing importance. How does your campaign look, and what are you doing as a candidate for President of France, to intervene in the crisis?

**Cheminade:** Well, at this point, France is a mess. President Chirac knows very well, with his political experience, what's happening on a world scale, the threat of war, and the collapse of the financial system. I know that from direct sources. But, he doesn't know what to do. And the other Presidential candidates are like a bunch of poor people, absolutely unable—and this is what they have in common—to break with the system of reference which has permitted them to reach a position, and now they are set in the trap.

So, France is a mess. And my mission is, with the LYM, the LaRouche Youth Movement, to recover the soul of the nation, and to transform this Roman circus that the Presidential election is, as of now, into a school for the soul of the

Republic. Because, the way it works in France, is that a Presidential election is something unique in Europe, as in the United States. To run, you have to get the support of more than 500 mayors and elected officials, among a total of 44,000. It's a lot. It's more than 1% of the total.

And I unexpectedly qualified to run in 1995, causing a big scandal then. I was punished by the oligarchy through two legal tricks, in a Venetian style: I was accused, first, of robbing an old lady—exactly as Lyndon LaRouche was accused in the United States; they did exactly a carbon copy of what they had done in the United States. And then, they said in 1995, that my campaign accounts were wrongly presented, and I had to reimburse the state the equivalent of \$100,000. So, they ruined me, they seized my apartment, and they thought that they had put my head under water.

Now, in this campaign with the LYM, suddenly, we reappear on the scene, creating a big, big impact, this time. Why? For two reasons: First, when Chirac put his veto, the French veto, against the Bush-Cheney war on Iraq, those who had attacked France from the United States were the same who had attacked LaRouche at the end of the '80s through the end of the '90s. So, the French realized, suddenly, that there was something with LaRouche which is highly interesting for France. It doesn't mean that the authorities helped us, but there was a certain change in the way they conceived of us.

So, in the field, whereas before the police would chase us all over, now they gave the field [organizers] the freedom to organize.

And second, combined with the campaign to get the support of the mayors, this created a very interesting impact. We have yet to capitalize on it at a higher level, but the impact works in two ways: It's the youth, working on Kepler, working on the chorus, working on Schiller, organizing the population with a higher form of principle. And the French are caught in a Cartesian system: They run around with a box full of tools, and they think that these tools will help them forever.

Suddenly, the issue is no longer the exchange of tools, or using certain tools in a certain environment, but it's a break with a system, *rompre la regle du jeu*, to break with the rules of the game. And this is what the youth are bringing into this debate. As Einstein said, he had made his discoveries, because he had started from principles, trying to validate them experimentally, while the others had started from experiences, trying to synthesize principles, and had failed.

So, we bring this sense of an anti-Cartesian campaign with the youth to the population. And then, with the mayors, we have a unique impact. Because at this point, we have called tens of thousands of them, and 240 have signed; 4,000 are getting our newspapers, and 8,000 are getting our mail. And you have to conceive of the importance of this in European terms, because we cannot, as in other European countries have a direct intervention into the French Parliament, because it is closed to lobbying activities. It's exactly the same as in Germany: You can't go to the Parliament, as you go in Wash-



European Commission

*Neo-conservative Presidential candidate and Interior Minister Nicolas Sarkozy is a supporter of the Bush-Cheney war doctrine.*



Parti Socialiste Français

*Ségolène Royal, the Socialist candidate for President, would deny Iran the right to enrich uranium, even for civilian purposes.*

ington to the Congress, open office doors, and start discussing with people.

Here in France, you have to go through a check-in, you have to go through a special admission proceeding, and so on and so forth. So you can't intervene in the same way.

**Schlanger:** Well, I know there are some Congressmen in the United States who wish they were closed off from the LaRouche Youth Movement!

**Cheminade:** Yes, yes! But, here, they have all this in a mild (or not so mild) police state. They don't want the people to come to the Congress, the Parliament.

So therefore, our organizing of the mayors is our equivalent of your work there with Congress.

**Schlanger:** Now, Jacques, you mentioned that Chirac opposed the war against Iraq. Of course, with little effect, because nothing was going to stop Bush and Cheney from going in there. What is the sentiment today, in France, about the prospect of a new war with Iran? And what about the people? What do the people of France whom we're talking to, say about the United States?

**Cheminade:** First, the main point is that Chirac stopped his intervention, because he didn't want to go into the question of the world monetary and financial system. I have sent a special letter to people close to him, very close to him, and their answer was, they were not going to do that: not go beyond the opposition to the war against Iraq, into the necessity for a New Bretton Woods and a new Eurasian Land-Bridge. They won't go that way.

So, this should be a lesson for the American Congress today, because, by not doing that, they [the Chirac circles] set themselves up, for what's happening to them now: which is, to be in a situation where they are going to be kicked out of power by Nicolas Sarkozy, who is one of them, but became

the traitor. He went to the American neo-conservatives, he went to Washington to adopt the position of Cheney, Bush, and Shultz on the war against Iran. . . . And Chirac did not kick him out of the government! Look at that! He's Interior Minister, he goes to Washington, he endorses the position of Bush, Cheney, and Shultz against Iran, against the policy of his own government, against his own President, and he's still Interior Minister, and he's running in the same party as Chirac.

So, you have this treason at the highest level of the nation, today.

Ségolène Royal, who is the Socialist candidate, on this question, she's an abomination: She said that Iran should not be granted the right to produce, to enrich uranium, even for civilian purposes. Because, she said, civilian purposes are dangerous and they could become military. So, she went *against* the Non-Proliferation Treaty. She's even worse than Sarkozy on this issue. So, you have a total mess!

So, the population, and even the press, react to it, by saying: "This cannot be. We have to stop this move towards war." The mayors react in the same way: They know that it's an issue of war and peace. But, at the same time, they are afraid. They realize it in a certain way, but they are afraid to move, because they are paralyzed by the tradition of the country, this Cartesian block, and the police-state measures, which come from the period of Napoleon and Louis XIV, and the Jacobin measures during the French Revolution.

So, there's a paralysis, while, at the same time, people know what's true. For example: When we go to organize mayors, those who sign are the ones whom de Gaulle called the "men of character," the people who have the will to do something. Even if they don't understand fully our ideas, even if they think that we are wrong on this or that, they understand that our faction, linked to what LaRouche is doing in the United States directly, is what's needed in French politics.



EIRNS/Julien Lamaître

*Cheminade supporters in Paris singing political canons and Classical music. The choral work inspires citizens and mayors alike, with the idea of “unity in diversity,” and the hope that the young people of the nation will do what’s necessary to save France.*

Others, who understand much better the details of our policies, who understand much better what we’re doing, chicken out because they are cowards within the logic of the Cartesian system. So this is why we have to break through.

We also have to break through a certain anti-Americanism which is spreading in the country, as in many other countries, because of what Bush and Cheney are doing. So rationally, we are showing the difference between those who kidnapped the American institutions, the Bushes and Cheneys, and the Founding Fathers and LaRouche. So, this is understood, but at, let’s say, an “intellectual level.” And at the intellectual level, things in France don’t work. You need the emotional level supporting the ideas, but really in depth. This country is a country where this has to be done more in depth. So the most effective way to deal with that, is the evocation of the work of a chorus.

People ask, how could the choral work be political? Has this chorus work something to do with French and American history? And what we explain to the mayors is, first, that this is a discovering of the voice of the other, the principle of cross-voices, counterpoint, the comma. The concept of the “Advantage of the Other” corresponds to this work in the chorus. And then, we show to them—and this is very, very effective, because it gives a sense of time to these people (Cartesianism has paralyzed a sense of time, since the Revolution). So, we give them the sense of time, by saying: “Look, you see when the kids are very, very young, all the voices are sopranos; they’re all the same. So then, they move towards a

change: You have basses, tenors, altos, sopranos, and so forth. And they have to define the unity within diversity. And this is the same philosophical principle as the “unity of the contraries,” and this is the principle of a Republic: an accord of discords, as a French writer put it in the 16th Century—Jean Bodin: *un accord de discord*.

You have also another thing that the mayors appreciate: the idea of rehearsal in public, and then the singing of the piece. And this rehearsal, gives to people in this country—who are shy when something emotional happens in public—encourages people to participate in the chorus and to conceive of the work in progress. Then, when you have started to develop all this, and the mayors see the chorus, and they see the youth, or they see them on a video that we bring to them, how the chorus work happens. Then you have a metaphor of a chorus of sovereign republics. And this chorus of sovereign re-

publics, they see, is the original conception of John Quincy Adams, and today’s conception of Lyndon LaRouche. And the reason why Roosevelt could save the world from Nazism.

So then, these mayors discover that there is a more perfect harmony, that it can exist, that it’s for real. It’s not something beautiful in the sky that cannot come to Earth. And they discover the “Advantage of the Other,” and then they move.

**Schlanger:** Now, in the current political situation in France, is there any echo remaining of the principles of statecraft of Charles de Gaulle? Or has that been pretty much obliterated by the heir apparent, Sarkozy, to Chirac?

**Cheminade:** Well—me! That’s what’s remaining, what I’m doing.

In the others, there are some shadows; and there is something in the mayors of that: It’s the soul of the country. The soul of the country, these mayors—most of them are Boomers at this point, but Boomers that decided to fight for the good of their people. So when they connect their local fight, or their regional fight for the good of the people, with *our* fight at a European-wide, at a worldwide level, then they understand what the Youth Movement is doing in the United States, then they understand why the LYM was a decisive factor, a detonator, in the vote of Nov. 7 in the United States; then they understand that.

And then, in France, they see the youth enrolling in the election lists. There was a big, big movement of the youth. In France, you have to register to vote in the next election, and



*Cheminade on French TV on Feb. 15, showing his campaign publication during a meeting with a mayor. His campaign is gathering thousands of mayoral signatures, in order to qualify for ballot status in the Presidential election, which begins on April 22.*

the deadline for doing that is Dec. 31. So, in December, more than two or three times the number of people who usually do that, registered on the voter rolls, and mainly they were the young people. So there is this move by young people toward something new, and we have to give to that a meaning and an orientation. But the intention is there, and we, together with the mayors whom we have organized, have to catalyze this intention.

It's what I said to people: "I cannot be a leading factor, but I can be, as in a chemical reaction, a catalyst, which becomes a leading factor once the reaction starts."

**Schlanger:** So, we're seeing in France with the youth, the equivalent of what LaRouche called the "New Politics" in the United States.

**Cheminade:** It is, but it is more difficult, in the sense that we have to revive in the minds of people that they have a "second America." It's a funny thing that [LYM member] Elodie Viennot and I started to do when we were in Berlin: Which is, to say to the people: "You have America and you have LaRouche, who represents the true America, to support. But, also, in yourselves, you have in your mind, an 'America' deeply buried, because Europe has made America. And we are here to tickle you, to go inside you, and to get this America out of the grave, into the reality of today's politics. If we don't do that, the French Republic is lost."

**Schlanger:** Well, let me bring in now, Elodie Viennot, who I understand has been doing some of these meetings with mayors and is involved in the French Youth Movement.

Elodie, you've heard what Jacques has said about the mayors. What kind of response do you get, when you sit down and talk to a mayor?

**Viennot:** It depends; you have really different cases. In a way, what I found in the last three days—because I was out in different regions in Normandy, Brittany, and so forth, meeting about ten mayors in the last days—there were several of them who had really something alive, that hadn't been killed by the mechanisms of the system, that end up dulling people. And these respond immediately to the kind of commitment that we have politically. And one thing that struck me, is that at the same time, several of them will be discouraged—because what you see is a lot of people, who are, as Jacques was saying, trying to do something for their population, and more and more, they see there is less and less they can do.

One mayor I met this morning was saying, "It seems like more and more the mayor is just going to be an emblematic figure, but having absolutely no power to do anything." And gradually, throughout the discussion, he started coming out from being really fixated on that, and seeing that that's actually going on for nations, for national governments; it's going on for individuals. That, generally speaking, you have a whole dynamic in the society which is leading towards that. And gradually, as he started to realize that more and more, in a way his mind was moving towards another direction than usual, and starting to see a way out. And he took a lot of documentation to read, to see how can we build another viewpoint, and another world, really, to have a future built up.

So, for example, another one was a farmer. We ended up talking with him, he's about 38 or so, and then his father, who was born on the farm when there were no roads around, and so on. And what he was saying, is that in unions—for instance, he's a cattle grower, so he's in the union for cattle growers—everybody's corrupt. That they all have deals with this or that government, with this or that company; and there is nobody, as a farmer, that you can count on, at all. And he was saying: How in the world can we get out of such a system? And that's when we started telling him about the choral work in the street, with how much [happiness] that brings—because usually people are really shocked when they see us singing in the street, happy! So, they say: "You guys are having fun. What are you doing out here?" It's quite a rare sight in France to see people come out in public doing political activity, and



EIRNS/Helene Möller

*Elodie Viennot:  
“It’s quite a rare  
sight in France to  
see people come out  
in public doing  
political activity,  
and having actual  
fun doing it!” The  
LYM is showing  
them the way.*

having actual fun doing it!

**Schlanger:** Elodie, what is the response from young people when they see the LaRouche Youth saying, “We’re out to elect a President of France, to change the system, but also to break you out of the Cartesian chains of the French system.” What are you getting from the youth?

**Viennot:** Again, there are different types of responses. We’ve been relatively focussed in Paris, for the few deployments we’ve been able to do in the field, out on the streets to meet young people in the last month, because we’ve all been focussed on the mayors’ recruitment. But, generally speaking, a lot of people exactly know what it means to be a Cartesian. And what happens is, that these things come out gradually.

For example, as we’ve been working with the Kepler in particular, what comes out is that Kepler’s view is that you can actually discover how the world works, not as a formula obviously. But you don’t have to be stuck making speculations on how things occur. And usually what that means for people our age, is, you shouldn’t consider yourself as somebody who cannot do anything, because, that’s what comes out the most, including with young people: “But what can we really do? What are we, really? What strength do we have, at all?”

And what happens, usually, is there’s kind of a long mental pause in people’s minds, where they start to actually think that they might be worth something. And bringing that into the political realm, and showing people how that is so much political, with an official candidacy in the campaign today: I think that this is going to trigger a huge reaction in young people in general, and our Youth Movement here is going to really multiply. Especially given that there are more young people who have registered to vote than ever in the last years. It’s like 95% of young people are registered now.

**Schlanger:** Hmm! Jacques, there’s an e-mail that came in

from Eugene in California, who wanted to know, what are the dynamics of the change in France, related to Bush. He seems to be saying that France flipped and is now working with Bush, as opposed to being in opposition. Is there anything to that?

**Cheminade:** No, the French population hates Bush. I know nobody who likes Bush, even among the right-wingers who obey his orders. He’s utterly disliked. In the government, you have a sort of—I don’t know how to call it in English—*pas de deux*: They do something, and then they become afraid, and they come back, and they do something and they become afraid, and they come back. That’s more of their situation.

What Chirac was trying to do, was to send an envoy to Iran to appease the situation, and it was his Foreign Minister Douste-Blazy (Doust-Blazy is a total pig, and an idiot pig!). So, he told Sarkozy, and Sarkozy revealed this mission, and it became public. So Chirac became afraid, and there was this whole story with the interview with the *International Herald Tribune* and the *New York Times*, and the *Nouvelle Observateur*. And Chirac, well, in these situations, he’s not very courageous, so he stepped back.

**Schlanger:** Douste-Blazy is an idiot pig. . . .

**Cheminade:** He’s not even a neo-con. He’s a sucker of the neo-cons.

**Schlanger:** I’d like to bring in [LYM member] Natalie Lovegren, who’s in Leesburg.

Natalie, you heard Elodie’s description of the effect of the singing in France. Is the choral principle a universal principle? Does it work everywhere?

**Lovegren:** Yes, definitely. We’ve had, recently in the past couple weeks, since we began the new Congress, the 110th Congress, the “Week of Action” (as it’s called in Washington, D.C.), where the LYM from the East Coast came to organize on Capitol Hill. The LYM tried a new strategy, a new way to communicate in the Congress, by breaking up into quartets and quintets, to lobby the Congress on a higher level. And because that was so effective, there has been since then, a follow-up in organizing all over the country—on the campuses and throughout the population—where we’re now bringing young people from the deployments, off the campuses and off the streets, straight into the choruses, to rapidly integrate new people into learning how to communicate musically.

In Seattle, just in the last day, there were three new people in the chorus. The Detroit LYM has been organizing in Columbus, Ohio, and they’re bringing at least one new person to each of their choral sectionals each day. You see the same thing in Boston: They’ve been going on the campuses and singing in the classrooms—at Harvard, Boston University, and so on, going in and asking the professors beforehand if they can make an announcement, do a little singing. Then they’ll go in and sing a canon about impeaching Cheney,



EIRNS/Elizabeth Meldel

*The LYM at the University of California at Berkeley. All over the country, reported Natalie Lovegren, “we’re bringing young people straight into the choruses, to rapidly integrate new people into learning how to communicate musically.” Along with this goes intensive work on the scientific breakthroughs of Johannes Kepler.*

usually to the delight and the surprise of the class and the professors, as well.

**Schlanger:** And also, I understand we had quite an impact in Mexico City, with the musical intervention around the “Nuclear Tortilla” song.

**Lovegren:** Right. There was a huge march, there were over 100,000 people in Mexico City, because the price of tortillas has gone up 50% just in the last few months, and this is an existential crisis for the Mexican people. So, the LaRouche Youth Movement in Mexico City wrote a statement called, “Only Nuclear Energy Can Save Your Tortilla.” They wrote a song called the “Tortilla Song,” and they went out to this demonstration, and several times during this rally, they reported, they had up to 300 people singing the “Tortilla Song” with them.

**Schlanger:** Well, this brings me to the Kepler, and Jacques, I’d like to bring you back in on this: What Lyndon LaRouche has been emphasizing in the last few days, is the breakthrough that came out of the group working in Leesburg on Kepler, restoring this principle of real science again. Now, I want to remind you of an event more than 20 years ago, when I joined you in Paris. We had a press conference on the Strategic Defense Initiative, and, you remember, we had about 30 press there. I remember, there was great interest in the French military on LaRouche’s ideas of strategic defense. Now, here we are, some 20 years later, and this issue’s back on the table, following the reports that the Chinese may have used an anti-

missile weapon based on these new physical principles, possibly a laser weapon. Or, if they did not do it, there’s still evidence from a new report that was just released to the Congress, that the Chinese have done extensive work on nuclear missile deterrence, including new physical principles.

Now, this is also a huge issue in Europe, because for some reason, the Bush Administration is insisting on putting their kinetic anti-missile devices in Poland and the Czech Republic. To what extent is there still a resonance on this issue, the SDI, the new science, to break out of the danger of nuclear war, in France, and how does it look in Europe?

**Cheminade:** In particular, for the French, when something new happens, there is a lot of resonance, but most of it under the table; it’s not discussed publicly. To give you a sense of it, I wrote as part of my “project”—I call it a project and not a program, because I don’t want it to appear as an addition of single issues—so, in my Presidential Project,

there is a part on military affairs, and on what sort of army and what sort of military policies for France. And it deals, precisely with this issue of a new strategic situation.

So, it was reported to me by a very key general, who was earlier the chief of staff for the two last French Presidents, including Chirac. He said, “Your program is the best; your military program is the best. It’s circulated all around, and we remember what happened with the SDI. But, you have not the means, you are not supported by the networks, you are not supported by the insiders enough, to make it into a reality.”

So, there is this mixture, in France, of, at the same time, a consciousness of what happens, and pessimism over the incapacity to act upon it. It’s exactly what de Gaulle in the past broke through, and this is what, absolutely, we have to bring in: That France has the capacity in coordinating the work, as we did in the times of the SDI, with what LaRouche is doing in the United States; then France becomes a universal country again. Now, it’s a region of Europe, and it’s a disaster. The only chance for France to become a universal country is through a question like that, and intervening.

And this is what we are spreading through the network, which does exist, of mayors. And some of them are telling me: “I’ll sign for you. But you have to come back. Let’s not stop at this point, we have to organize a movement.” And I tell them, that it’s very urgent, it’s an issue of war and peace, here and now. And that’s the debate.

**Schlanger:** In terms of this question of strategic deterrence,

is there discussion of the role of NATO? Should NATO still exist? I know there's also the question of whether the European Union will survive. So, to what extent is this a living debate in the Presidential campaign, or how do you address this?

**Cheminade:** In the elites, nobody has the right to say that the euro is finished, but *everybody* knows that the euro is finished. It's there . . . it's a very French situation: So, you don't talk about that in public, but in private you can discuss it—like a dirty story.

There are other Presidential candidates: there's a proto-Gaullist, Nicolas Dupont-Aignan, who told me: "I can't attack the euro! But, I can say that great public works, great projects should be done with the euro, and, because it is impossible, then I would say that the euro has to be dropped and we need therefore to come back to the French franc." So, these issues are discussed, and this Dupont-Aignan is like a feeler sent into the scene, in part to preempt the work that we are doing, but he's picking up things and spreading them. So you have this type of very byzantine Venetian situation. I have to be the one who puts his fist on the table, and it should be one fist across the Atlantic.

**Schlanger:** So, you're not exactly part of the polite French discussion?

**Cheminade:** Oh no! I am perceived as . . . impolite, but at the same time, capable of being polite—which is the worst thing you can do in France, at a dinner: Because, if you are impolite because you are impolite, well that's a fact of nature, it's Cartesian. But, if you are impolite on purpose! That's terrible. . . and that's what I have to be.

**Schlanger:** Elodie, I'd like to ask you about the progress of the work on Kepler with the youth, because this does get to the question of putting nations back on the course of physical economy based on real science. I'd like to get a sense from you of how the project is going with the LaRouche Youth Movement in France.

**Viennot:** It's really funny, because we're going through all sorts of crises, basically. Because taking the authority of having an intellectual identity is really a struggle for people coming out of the counterculture from birth. And we've already gone through a lot of ups and downs. But to give you an idea, we read the *Mysterium Cosmographicum* to get a sense of how Kepler was thinking, especially also because he's 25 when he writes it, so it's really personal for us to consider somebody who's the same age. And it really gives you a sense that his approach is that you actually can master how you interact with the world, and you don't have to be doomed by whatever circumstances surround you.

And where it really gets funny, is that now we're reading the *New Astronomy*, and at first we were struggling through the first chapters, trying to understand and go through it. And after having several discussions with people like Natalie and others in the United States, and people in Germany as well,

we took the advice of starting to read the whole thing, all at once.

So, we're now in the process of this, in what's called the "Second Book," and it's quite a marathon, I have to say! But really, what's the most interesting, is you have to, in a way, loosen up and go into the unknown; and not go from the standpoint that you can work on this, because either yourself or somebody else has something that is personally acquired—a knowledge or a confidence in it—but you have to step into it no matter what.

And it really helps to bring back the idea that we're dealing with something universal, and not with something that we try to have as a personal mastery, or something that's "Elodie's idea," or something. But really stepping into what's unknown right now, to go and fight through the economic science. That's something we're working on right now with everybody, including the newer members of the Youth Movement, of why this is key for economics.

**Schlanger:** Natalie, you attended the LYM presentations in Washington, D.C., and in Leesburg last week, which Lyndon LaRouche said is a revolution in science. Why is that so?

**Lovegren:** Well, the presentation that was given was the culmination of almost five months of work on mastery of *The Harmony of the World*, by Kepler. The *New Astronomy*, which most of the youth offices in the world are working through right now, is the book where Kepler discovers the principle of universal gravitation, and works through the orbit of Mars. Then, in *The Harmony of the World*, he's actually looking at the way that not just Mars is ordered, but the harmony of the entire Solar System, and the principles that are acting universally to harmonize and to organize our entire universe.

So, the presentation was revolutionary. I have an interesting sense of the work and the anticipation leading up to that, from working in the War-Room, because we've been trying to open up communication among the different LYM offices throughout the planet, and you get a completely different sense, or I guess a greater power, that you are working on universal ideas, when these are expressed through different language cultures. So, we had a conference call a couple of weeks ago—Germany, France, and Sweden—and it's interesting to see that you get the same types of questions, and the same types of problems that come up, even though you're in a completely different culture. But then, you have specific situations: Some people were talking from California and Texas, saying, "Oh, it's important to go and do the physical observations, and stay out the whole night." And you had some guys in Sweden, saying, "Are you crazy! Do you know how cold it is out here?" And we said, "Oh, but you have a better environment. This is the environment that Kepler was working in."

**Schlanger:** Also you have a longer night.

**Lovegren:** Yes! Or, hardly at all a night, depending on what



EIRNS/Will Mederski

*A LYM cadre school in Seattle, Washington. The LYM's revolutionary outreach has gained a crucial new dimension, thanks to five months of work by a team of organizers on Kepler's masterpiece, "The Harmony of the World."*

time of the year, you're in.

So, LaRouche just said today, we're not going to call these the "Animations groups" any more, but the "Minds of Kepler," and the groups that are creating a fundamental revolution in science. And people are very excited now. You have a couple of the members who were in the recent Animations group, who are now back in Washington, D.C., and who are going to be leading the rest of the crew. We already have a meeting set up with a Congressional aide, to discuss Kepler. And we're going to see a situation very quickly, where there's going to be meetings set up, when these aides are being told, by their Senator or their Congressman, "You need to understand Kepler, to be able to understand the economics that's going to get the nation and the planet out of this crisis that we're in."

And even though this may seem impractical on the surface, what you're dealing with, is the most efficient way to understand economics, because you're dealing with the universal physical principles that determine the specific policies that these Congressmen are going to be making. So therefore, Kepler is actually the most practical thing to work on.

**Schlanger:** Well, revolutions never occur because of "practical concerns." I mean, we are at a fundamental crisis.

Jacques, I'd like to draw upon your historical-philosophical understanding that, while you talk about the Cartesian problem in France, actually I know from my study of history, the first modern nation-state was Louis XI in France. And in fact, we're talking about modern physical economy: That came about largely as the result of a collaboration by one of Kepler's followers, Leibniz, when he was in Paris working with Jean-Baptiste Colbert.

So, what's it going to take to win the French population back to, really, its "soul" as you said earlier? Win it back to its heritage?

**Cheminade:** To pick up on what Natalie was saying, there is a big campaign by the French press at this point, to degrade people, and to depreciate the population, to rub their nose in a stinky little world. For example, they are full of articles on the money earned by the candidates, how rich are they? Are they full of money? Have they stolen money?

There is another type of article, "*sexus politicus*," what are the sexual habits of the French candidates? Then there are articles on politics as sport: Are all the neo-cons in a pack with Sarkozy, or in another camp? Would the Socialists' candidate Ségolène Royal hold?

Then, there is exploitation of fear: There is a big conference in Paris at this point on global warming. So, the whole campaign is full of an ecologist undertone. It is no longer a green movement as such—they're losing votes. But it's a green attitude spreading throughout all parties. And at the same time, a move to defend nuclear energy.

So, it's a very interesting conflict. That situation: If you give people a sense of their creative powers, to work on the unknown, the creative power to work on the unknown, and to organize people not on a fixed knowledge but on what you are in the process of knowing yourself, then it's revolutionary. Tomorrow we are going to watch with the LYM in Paris, the presentation given in the United States on the work on Kepler. So, it's our commitment—as you are doing in the United States—to bring that into French politics, here and now: the emotions associated with discovery of a universal physical principle.

It's very interesting, that somehow in the minds of people, because of what you said, because that under Charles V also, in the 14th Century; then Louis XI in the 15th Century; then in the 16th Century, the whole work of French astronomers, around the faction of the *Politiques*, people who were against the wars of religion and who said that there should be a community of principle in the state; then Leibniz's work in the French Academy of Sciences (which was not French, it was European). And the way to see it, is, that you have the Peace of Westphalia, the forgiveness of wrongdoings done by one to the other, the principle of forgiveness, but also the advantage of the other.

So, this was given a real form, in the form of the work of the Academy of Sciences, in the form of giving to people the means to know, discover, and identify the best in themselves, the best in the history of their respective republics in Europe, to bring the best out against this idea of destruction through the wars of religion.

So, that's precisely what we have to bring forth now in France, today, to recover the soul of the country. And the youth, the LaRouche Youth Movement in France, is precisely doing that. It's, in a sense, I think for them, a joy to be young in the middle of such a storm. The storm is terrible, but it's a joy to be young.

So, it's what I told the LYM the other day: Probably I would not be in this country, at this point of history, if they were not there. But probably they are there, because of the



UN Photo/Michelle Poiré

*French President Jacques Chirac, addressing the UN General Assembly in 2003, when he first called for an Organization of the United Nations for the Environment. Now he is calling for an “ecological revolution.”*

work we did. So, it’s a very interesting way of thinking of our history in the future, with the eyes of the future, that we have done so little in terms of what we have to do in this coming period. And it’s really a moment of enthusiasm, in that sense for all of us.

**Schlanger:** I think also the question of restoring real science, versus the quackery which we saw in Paris yesterday with the release by the Intergovernmental Panel on Climate Change, of their report on so-called “global warming.” I mean, it should be obvious: If George Bush supports it, supports the burning of corn and switchgrass, and wood chips, and cow chips, this is going in the wrong direction.

But Jacques, you brought up this question of the green movement in France. What you’re seeing then, in the campaign of the Socialist Party, in the campaign of Sarkozy, is that they’re incorporating this phony science, this pseudo-science?

**Cheminade:** Yes, and also Chirac. Chirac made a big public statement—at the same time that he’s trying to cool down the situation with Iran, he made this public statement calling for an ecological revolution in the world, and creating a United Nations for ecology! So, even the ecologists themselves, at this point, are a bit more sane than the public figures, because there was a resolution from the ecologists in the European Parliament against bio-fuels and against ethanol. They said: “How are we going to do that? We are going to destroy the whole land in Europe and in the United States? We are going to destroy all the corn in the United States, and we are not going to be able to feed people!”

So we are at the point in history, where there is a certain irony in seeing these ecologists being more sane than the actual leaders of the nation!

We are at the end of the end, which is always a very good moment to change things, and to bring forth this idea of the creative powers of the human being. It’s a very, very interest-

ing moment in history, in that sense.

**Schlanger:** Now, Jacques, just for the listeners who aren’t aware of this: When is the election in France? And how much time do you have to get the signatures of the remaining mayors that you have to get?

**Cheminade:** Very little time, and it will be very difficult. But if something happens in the world, for example if you in the United States manage to launch the impeachment of Cheney, in a big way, then it will change everything. And I will be a candidate, and I can break through all the containment raised against me.

So, my message is: Do your best to impeach Cheney as soon as possible. And then, I would give back to you, in the form of the campaign I would lead, all that you have done for me in impeaching Cheney.

**Schlanger:** Natalie, the people who have been in Leesburg for the last five months will be going back out to the regions now, to reproduce the work that they did in Leesburg, and a new group is coming in.

**Lovegren:** Yes, that’s the plan. You have some overlap this past week, where the old group was reading through the book *The Harmony of the World* with the new group, and the new group has realized that they’re going to need to do a lot of work on the harmonies, before taking on how Gauss discovered the orbit of Ceres, which was based on what Kepler had recognized, and had discovered in *The Harmony of the World*.

So, the old group is going back out to the regions now, and they’ll be ready to teach soon, after some recovery.

**Schlanger:** Jacques, I think it’s worth saying, one more time. The relationship between France and the United States, has tended to be somewhat of a bellwether for where the world is going. The French support for the American Revolution was critical. We’ve been allies at key moments in history, on science, on politics. There is anti-Americanism, which is largely generated by Bush and Cheney. How do you see the developments going into this? I mean, if Bush and Cheney are not impeached, is Sarkozy going to end up as President of France?

**Cheminade:** He has a big chance, yes, in this situation. Because the Socialists are so stupid, that they may help him rise to power. So it’s this I don’t even want to contemplate for one second, because it will be for Europe a dark age. If you look at German Chancellor Merkel, she wants to have a transatlantic free trade agreement. She wants to impose a European Constitution, against the “No” vote of the French and the Dutch, and she wants also to have Hartz IV type of austerity throughout Europe, and that’s what Sarkozy would do.

So, I don’t want to even think one moment about that. And I am leading this campaign to prevent that, and I expect that impeachment of Cheney would help me in accomplishing it, as soon as possible. We are going to do something in any case. But, it would be much more difficult, if Cheney is not impeached.

## The 'Financial Locusts' Are on the Defensive

by Paul Gallagher and Richard Freeman

The threat of a global blowup of major hedge-fund losses in the mortgage-based credit derivatives market, was brought to light on Feb. 13-14 in both public reports and private bank advisories. "The Great Unwind" was the ominous forecast of one bank report on the hedge-fund sector, and London's *Financial Times* reported Feb. 14 that the market for derivatives contracts based on sub-prime mortgages in the United States, had "exploded," even as the number of U.S. sub-prime mortgage lenders going bankrupt or suspending their loans went over 20.

While this explosion in the hedge funds' globalized speculative markets was beginning, a fight against hedge-fund looting intensified in several European countries, where governments or popular movements are trying to stop the "leveraged takeovers" of industry, services, and housing authorities. Laws were introduced by the government in Denmark and drafted by the German government, to stop these takeovers and outsourcing, by prohibiting the huge corporate tax evasions which result from them. The *Financial Times* on Feb. 14 attacked the German critics of hedge funds as "anti-Semitic," citing Wall Street fund managers branding such as Vice Chancellor Franz Müntefering as anti-Semites. But the next day, Müntefering answered back in an interview, insisting that his term, "financial locusts," was on the mark. A British parliamentary movement involving 100 members of the House of Commons has sprung up against "the asset strippers," as they call the hedge funds and private equity funds.

In fact, the wealthiest individuals and institutions have been pulling investments *out* of hedge funds in the past two months—while those funds have started launching initial public offerings (IPOs) to draw in the little investors as suckers to replace the big ones. This is the characteristic of the last stage of a financial bubble about to burst.

In the context of the broader strategic/economic policy

shift under way in major nations, the moment may have arrived to stop the hedge funds' and equity funds' looting, or to see them collapse.

### The Great Unwind of Hedge Funds

The ominous "Great Unwind" report was written by Stefan-Michael Stalman and Susanne Knips at Dresdner Kleinwort Wasserstein bank for Dresdner Kleinwort's private banking clients; leaked sections of the report were covered in *Barron's* on Feb. 12. The report's assessment is stark: that the highly leveraged \$1.3 trillion-in-assets hedge-fund sector, and its bank creditors, by following the practices of the deceased Long-Term Capital Management (LTCM) hedge fund, are headed toward a swift unwinding of its leveraged positions, which will result in a financial crash.

The report says that while the hedge funds control only 1-2% of all global assets under their management, they have contracted two-thirds of all worldwide margin debt (borrowing of funds for stock investment).

The authors warn that while it is made to appear "that hedge fund strategies across the industry [are] diversified, there is actually a high degree of correlation," that is, most hedge funds are betting using the same strategy. Further, during periods of high market volatility, the hedge funds had exploited the volatility to make quick, big speculative killings. Various forces have greatly lowered the volatility. Instead, "a clear majority of hedge funds . . . employ long-short strategies—removing market risk with what are essentially spread or arbitrage bets with a relatively low return." This means that these hedge funds will realize a low return for each bet; therefore, in order to compensate, they bet large amounts of money—most of it borrowed (leveraged); i.e., if the yield on a bet is less than 0.5%, but one bets hundreds of millions of dollars on it, one can earn a million dollars.

Many of the bets, which thousands of hedge funds are synchronously following, is to bet on the spread (the difference in interest rates) between a high-yield instrument, such as a junk bond, and a low-yield instrument, such as a normal corporate bond or U.S. Treasury bond. The hedge funds often employ mathematical models that determine what the historical spread between these particular instruments are. In an insane, linear fashion, the hedge funds bet that the spread will return to the historical norm—they exclude those real world crises that diverge from and disrupt the norm.

*This is exactly what LTCM did in 1998: It blew up.* However, this time, the hedge funds have and are investing nearly 1,000 times the assets/money that LTCM had.

### Imploding Sub-Prime Credit Derivatives

The emerging trigger for this “Great Unwind” is the horrific crisis in the market of credit derivatives, which have been built upon sub-prime mortgages. This is not a big market, but its failure has the power to bring down not only hedge funds, but the financial system.

Sub-prime mortgages are the most usurious mortgages. These are mortgages that banks make to individuals and households, that are classified as having poor credit: people who have previously defaulted on home mortgages, credit card debt, etc.; they also, generally, have lower income levels. Such mortgage loans are made at high interest rates. Various sources estimate that, at the end of 2006, the outstanding volume of sub-prime mortgages had swelled to between \$650 billion and \$1 trillion.

There is a market of sub-prime mortgage bonds. Either the bonds are issued by lending institutions that issue sub-prime mortgages, or the bonds are issued against Mortgage Backed Securities (MBS), which the banks themselves have issued against sub-prime mortgages. In turn, as an element of the process of pyramiding, credit derivatives have been issued against sub-prime mortgage bonds. These credit derivatives reflect the cost of buying insurance against default on sub-prime mortgages. The ABX Index, which is an index tracking credit risk on sub-prime mortgage bonds, traded on Feb. 13 at 960 basis points (bp), up from 650 bp a week earlier, and about 250 bp last Autumn. The 960 basis points means that the cost would be 9.6 percentage points above a comparable U.S. Treasury bond. The cost is directly affected by the collapse, left and right, of sub-prime mortgage lenders during the past seven weeks, and its spillover effect on sub-prime mortgage bonds.

A *Financial Times* article Feb. 14, titled, “Loans Warning Raises Concerns Over Sub-Prime Market,” states, “The financial institutions’ warning of difficulties with their portfolios of loans to American [mortgage] borrowers has sent credit derivative investors running for cover. And while the market for credit derivatives on sub-prime mortgages might be small, the extent of the sell-off has raised concerns about the vulnerability of the broader structured finance world.” A Deutsche

Bank analyst reported Feb. 14, that the crisis is so severe, that the instruments in the ABX index are illiquid.

The failure of the sub-prime mortgage credit derivatives market has the ability to bring down both the hedge funds and the \$500 trillion derivatives market.

### When Is Anti-Speculation Anti-Semitism?

In April 2005, as noted above, German Vice Chancellor Franz Müntefering attacked the hedge funds as “locusts.” Then, German Finance Minister Peter Steinbrück proposed this year that the G-8 nations at their June economic summit, apply international regulation to the hedge funds, including registration; under City of London-Wall Street pressure, Steinbrück has since scaled back to a call for voluntary pledges by funds to provide information to national regulators.

On Feb. 14, the German edition of the *Financial Times*, the financier oligarchy’s mouthpiece, smeared Germany’s critics: “On Wall Street, . . . Müntefering’s remarks [are] read as pure anti-Semitism, because many of the private equity firms on Müntefering’s hit list had Jewish names.” On Feb. 13, the self-described “Wall Street tabloid” called *The Dealbreaker* ran a nasty attack on Müntefering, which “joked” that he had “recommended a law forcing hedge fund managers to wear yellow, locust-shaped patches on their suit jackets.”

In the Feb. 15 *Financial Times*, Müntefering hit back at the ludicrous charges, upholding that “financial locusts” was precisely the right description of hedge funds: “locusts that move into a field, eat it to the ground, and move on to the next without looking back. I think it was quite apt. . . . I was never prejudiced. Money in itself is not bad. But there is a finance industry out there, acting worldwide, which has little to do with classical entrepreneurship. We need rules . . . to insure that this industry . . . respects the requirements of the social market economy.”

Yet, the hedge funds slime mold is continuing to advance, moving over the U.S. auto-supply sector, which they did so much to destroy. Ira Rennert’s Renco Group is buying Delphi’s interiors division, and Renco is hooking up with the predatory Cerberus hedge-fund group buying Delphi, to also buy up parts of the assets of parts supplier Collins & Aikman, which is in liquidation, and also some of parts supplier Dana Corp.’s assets. Meanwhile, mega-speculator Carl Icahn’s private equity fund, which already owns Federal Mogul, another auto supplier, is moving to buy Lear Corp. The machine-tool capacity of these companies represents some of the most valuable in the United States; GM estimates that hedge fund owns 20% of its parts suppliers.

On Feb. 9, the Fortress hedge fund issued an IPO—the first time a hedge fund has ever issued public stock. The IPO was oversubscribed, giving Fortress a market valuation of \$12.5 billion, 60 times its net profit. This is not a measure of the company’s worth, but rather, of how far America has veered from reality.

# South Korea Battles Financial Locusts

by Mike Billington

The hubris of the ubiquitous private equity funds and their even more perverse offspring, the hedge funds, has run into a nationalist wall in South Korea, whose government, courts, and business institutions have fought back against the criminal looting by these financial locusts. Several foreign funds have been charged with corruption, and in some cases, their officers have been arrested. The population is increasingly enraged at the speculative theft of the nation's wealth.

The vulture funds swooped into South Korea in the wake of the speculative assault on the Asian currencies in 1997-98 by George Soros and his fellow hedge-fund bottom-feeders, which cut the value of the Korean currency, the won, in half—i.e., doubling the foreign debt in terms of the national currency. At the time, the Korean banks were forced to accept the demands of the money lenders from abroad to escape collapse, selling themselves for a small fraction of their actual worth. Five of the top eight banks fell to foreign control.

The Carlyle Fund, Newbridge, and Lone Star of Texas were some of the major funds buying up the distressed banks in Korea, after the International Monetary Fund (IMF) had first forced the government to absorb all their bad debts. Then, a few years later, the scavengers pulled out, taking massive profits out of the country. Some examples:

- Carlyle and JP Morgan Corsair II bought 36% of KorAm Bank for \$440 million in 2000, after a long fight using Carlyle's substantial political muscle to convince the government that they were not just looking for short-term gain; they sold it to Citibank two years later for a \$2 billion profit.

- Newbridge bought half of Korea First Bank in 2000 for \$420 million, selling it to Standard Charter in 2005 for \$1.7 billion.

- Goldman Sachs put \$500 million into Kookmin Bank in 1999, selling it in 2002-03 for \$1.1 billion. Kookmin became 74% foreign owned.

- Lone Star bought half of Korea Exchange Bank in 2003 for \$1.2 billion, and is now trying to sell it to the (foreign owned) Kookmin Bank for a \$4 billion (!) profit. This was the last straw for the Korean people and their government.

## Lone Star and Other Looters

The government moved rapidly to stop the Lone Star sale of Korea Exchange. At first, it was believed that the government was simply moving to stop the speculative looting of the nation's economy, and to question the way Lone Star had taken advantage of a loophole by buying the bank through a Belgium cutout, using a special Korean tax break for Belgium to avoid paying any taxes on the sale. Newbridge is under investigation for a similar scheme in their sale of Korea First.

However, government prosecutors have concluded that the entire process of Lone Star's purchase of Korea Exchange Bank was fraudulent. Indictments were handed down for the Korean executives, accused of fixing the sales price below its true value, and the government issued extradition requests to the United States for the American owners of Lone Star in December 2006. In February 2007, Lone Star snubbed its nose at the Korean officials, ordering a dividend payout of \$445 million (the first dividend in a decade) despite a 48% fall in the bank's net profits in 2006. This will give Lone Star, which owns 64.6% of the bank, about one-third of its original investment, in one fell swoop.

Despite Lone Star's troubles, other hedge-fund moguls are on the prowl in Korea. The notorious Carl Ichan, together with Warren Lichtenstein of Steel Partners hedge fund, bought 7% of the former government tobacco monopoly KT&G, got Lichtenstein placed on the board, and demanded that the company sell off several factory sites, dump "non-core" assets, and go public with some subsidiaries—typical hedge fund practices to extract loot from corporate entities—and backed up the demands with threats of a hostile takeover. Here, too, Korea fought back, with the state-run Industrial Bank of Korea stepping in to defend the company against the foreign predators. When labor unions demonstrated against the locusts, Ichan finally decided to pull out.

The impact of the financial raiders is summed up in a *Business Week* boast from April of 2004: "The private equity investors have done a world of good for the management of Korean banks. They have largely ceased being the financiers of Korea's huge conglomerates, opened their doors to ordinary consumers seeking retail loans and mortgages, and stopped taking orders from bureaucrats eager to help corporate patrons get cheap credit."

Indeed, several leading industrial *chaebol* (the large, mostly family-owned conglomerates in South Korea) have gone under, including Daewoo, Kia, Jinro, and Hanro Steel, taking with them significant quantities of state-of-the-art production facilities. One result is that much of the foreign hot money going through the banks and the funds now goes into real estate, creating one of the biggest real estate bubbles in the world, which is about to pop, along with its big-sister bubble in the United States.

The target of the global financial institutions has been the largely successful cooperation among the Korean govern-

ment, the banking system, and the industrial conglomerates in South Korea, the *chaebol*. In the eyes of globalist, synarchist financiers, the crime of this arrangement was that the *chaebol* favored productive growth over profitability for shareholders. This structure was blamed for the 1997-98 collapse of the South Korean currency, supposedly because the nationalist system protected production and the national interest against “market forces”—i.e., the speculators who had actually caused the crisis in the first place.

## In Steps Lazard

A popular “anti-*chaebol*” movement was created as a front for the hedge fund and private equity fund vultures, run by Jang Ha-sung, a Wharton School-trained professor and dean of the Korea University Business School. Jang created the People’s Solidarity for Participatory Democracy a decade ago, to go after the *chaebol*. However, Jang has recently given up his cover as a populist “progressive,” fighting against the *chaebol*, to become the local comprador for one of the leading international investment banks involved in leveraged buyouts and raids on corporations, Lazard Frères.

Jang rose to prominence after the 1997-98 crisis, becoming known as the “*chaebol*-sniper” and the “latter-day David,” while also being wined and dined by the World Bank and the Wall Street elite. The IMF “rescue” package for South Korea in December 1997 included the condition that the *chaebol* grant new rights to “minority shareholders,” such as those represented by Jang’s People’s Solidarity movement.

What Jang meant by “the people” in this “People’s Solidarity” was not the poor or the trade unionists, but the minority shareholders who, he argued, were not making a big enough return on their investments. To Jang’s controllers, South Korea’s crime lay in the fact that it has experienced 8% average growth over 40 years—but the stock market isn’t where the action is. Publicly traded companies average a 2% dividend, with “only” 20% of earnings paid out as dividends.

As Jang himself complained in a *Financial Times* op-ed on Nov. 30, 2006: “Korea’s successful economic growth for 30 years from the late 1960s was driven by government initiatives rather than market forces.” But in the 1990s, Jang wrote, Korea “recognized that protectionist policies and government intervention would no longer ensure sustainable long-term growth in a globalized economy.” Jang argued that turning the tightly controlled *chaebol* and the highly regulated banking system over to the ravages of the speculators would create a “160% increase in share prices.” Jang did not mention that this process would also force the downsizing or collapse of highly developed productive industries in steel, auto, and other advanced manufacturing enterprises—as has proven true in the United States and Europe as well.

Jang used “minority shareholder” lawsuits to break open the *chaebol* for the hedge funds, working with such firms as Tiger Management (run by Soros’s partner Julian H. Robertson), Scudder Kemper, and Oppenheimer Global Fund. By 2006, Lazard recognized that Jang offered a perfect way to introduce hedge funds under Korean direction—especially since the foreign hedge funds were under attack by nationalist sentiment.

So, Lazard Asset Management opened an office in Seoul in 2005, and in 2006, officially set up Jang as head of the Korean Corporate Governance Fund, which is known in Korea simply as the Jang Ha Sung Fund. Managed by Lazard, with Lazard’s money, Jang is now buying stakes of about 5% in numerous Korean firms and playing the predatory game of forcing higher dividend payouts, downsizing, and driving up share values at the expense of the long-term health of the firm.

## Supreme Court vs. LBOs

Jang is not fooling anyone with his “friend of the people” rhetoric, as even the financial press has noted that his Lazard-backed firm is simply a hedge fund in its character, out for short-term profits under the guise that “good management” is defined as that which benefits the shareholders.

Another development must be causing headaches for Lazard, the leveraged buy-out kingpin: the extraordinary ruling by the Korean Supreme Court on Nov. 9, 2006, declaring leveraged buyouts (LBOs) to be illegal.

In a case which received little national coverage, and virtually none outside Korea, other than in *EIR*, the Court ruled: “In the case where a person takes out a loan from a financial institution and later provides the asset [of the company being taken over] as collateral, *the so-called Leveraged Buyout method*, to raise funds to take over a company . . . , the company that is taken over bears the risk of losing the asset that is provided as collateral. So, the collateral provision shall not be permitted.”

What does this mean? As *EIR* wrote in the Jan. 5, 2007 issue: “With the 2006 ‘debt-leveraged takeover’ bubble reaching \$4 trillion in ‘market value,’ which is, in fact, largely just new borrowings from commercial and investment banks and hedge funds, this bubble is threatening many nations with corporate debt blowouts in 2007. Fully \$500 billion or more of this ‘market value’ in takeovers was done during December alone.”

The South Korean Supreme Court ruling signifies that, at least in Korea, such “leveraged” creation of new debt, based purely on stealing it from existing productive enterprises or infrastructure, is illegal. If applied internationally (as proposed by *EIR* founder Lyndon LaRouche), this would reveal the state of bankruptcy of the entire banking system in the United States and Europe, which is being kept afloat to a large extent by this massive creation of new debts for leveraged buyouts.

# India Takes Its First Step To Put a Man Into Space

by Marsha Freeman

For more than 40 years, the only nations able to launch men into space were the United States, and the Soviet Union (later Russia). In October 2003, China sent its first astronaut, Yang Liwei, into Earth orbit. Now, India is carrying out the technology development program to become the fourth manned space-faring nation.

Since the Chinese manned launch, a number of nations have been reevaluating their current policy of depending upon the United States or Russia to put their citizens into space. Both the European Space Agency and Japan—two U.S. allies on the International Space Station—are debating whether to develop an independent manned launch capability.

During the 1980s, Japan was designing its reusable HOPE vehicle, for transport to the Space Station, and Europe planned to deploy its Hermes space plane, and possibly the German-designed Sanger space plane. These programs were ended by the mid-1990s as economic shocks, leading to budget cut-backs, eliminated new manned space programs from the scene.

Traditionally, India has focussed its broad-based space program on capabilities to economically uplift its population. It has been a pioneer in distance learning, using satellites for “tele-education,” in order to provide classroom learning to remote villages and rural regions where there are too few teachers. Tele-medicine programs connect these remote regions with medical experts in hospitals in India’s cities, to enhance health care where there are too few, if any, doctors.

India launches its own satellites, which provide meteorological and extreme weather monitoring, Earth remote sensing data of land and oceans, and satellite communications. So, in order to embark on this new path, to develop the array of technologies needed for a human spaceflight program, a change in policy will be necessary.

Last Fall, the Indian Space Research Organization (ISRO) presented a plan to Prime Minister Manmohan Singh for a human spaceflight program, with the first manned flight to take place in 2014. The plan is under consideration, and is expected to be approved by the government, since Indian President Abdul Kalam, who is a former ISRO scientist, is backing the manned mis-

sion program. Initial funding would begin in April if it is approved.

## The Space-Capsule Recovery Experiment

India is already taking steps necessary to carry out human missions in space.

On Jan. 10, India’s Space-Capsule Recovery Experiment, SRE-1, was launched on an Indian-made Polar Satellite Launch Vehicle from the Satish Dhawan Space Center, on an island in the Bay of Bengal. On Jan. 22, the 1,213-pound spacecraft splashed down just seven miles from its launch site. The chairman of the Indian Space Research Organization, G. Madhavan Nair, described the successful experiment as “a humble step towards sending an Indian into space.”

India has had the capability to launch objects into space since the 1970s. Chairman Nair explained, after the spacecraft’s recovery that, sending a satellite into space was “comparatively easy,” but that in bringing back a craft from orbit, “everything was unknown.”

Sending men into space requires that their spacecraft have thermal protection to shield them from the heat of reentry through the atmosphere; it must have an on-board propulsion system to change its speed and orientation in order to allow it to descend from orbit; it must have a guidance, control, and navigation system to guide the return capsule to a precise



Indian Space Research Organization

*The Space-Capsule Recovery Experiment, seen here undergoing prelaunch tests, tested thermal protection materials, which tiles can be seen in this photograph, and the navigation, guidance, reentry, and other fields for manned space flight.*



Indian Space Research Organization

*After a 21-day mission orbiting the Earth, SRE-1 fired its onboard thrusters and splashed down in the Bay of Bengal. A flotation ring has been put into place around the capsule, as it is being brought back to shore.*

landing; and a recovery system must be in place, whether on the ground or on the sea, to recover the spacecraft. With this recent test, India has demonstrated that it is mastering these prerequisites for manned-spaceflight capabilities.

The launch of the Space-Capsule Recovery Experiment was, in itself, a first for India. This Polar Satellite Launch Vehicle, standing 145 feet tall, was the first to orbit a cache of four satellites, two of them with their own payload carriers. One was the Indian Cartosat 2 Earth observation satellite, and the other, the recovery experiment. Two small, secondary satellites were launched for students in Argentina, and the Indonesian space agency.

When a spacecraft descends through the atmosphere to return to Earth, the temperature around it can reach 2,200°C. In order to keep the inside of the capsule cool enough for the electronics, scientific payloads—not to mention human passengers—thermal protection must be applied to the outside of the vehicle.

The earliest manned spacecraft used an ablative heat shield, in which a material applied to the surface of the spacecraft absorbs the frictional atmospheric heat, and as it evaporates (ablates), it carries the heat with it, protecting the inside

of the spacecraft. India's experiment tested a more advanced thermal protection system, similar to that used on the reusable Space Shuttle. The SRE-1 was covered with more than 350 insulating silica tiles, which were designed and manufactured indigenously.

Much of the technology development work is carried out by the 5,000 researchers at the Vikram Sarabhi Space Center, and it is there that a team of 40 researchers produced the lightweight heat-resistant insulating materials. Space Center director B.N. Suresh told *Science* magazine, "The thermal protection system was one of the important experiments being carried out in the space recovery module. This is a precursor for all forthcoming reusable launch vehicles—and in the long run, to the manned mission, too." A back-up ablative thermal insulation system, made of carbon phenolic material, was also tested.

### **Plans for the Future**

An unmanned space vehicle, and even, to a significant extent, a spacecraft that is manned, depend upon both the preprogrammed automatic operation of equipment, and real-time commands sent from Earth-based operators while the mission is in progress. This command and control function for the Indian space program, is managed and coordinated by ISRO's Satellite Center in Bangalore, which tracks satellites and operates India's Telemetry, Tracking, and Command Network. That network is supported by ground stations in India, Indonesia, Canada, and Norway, and by shipborne and airborne terminals.

The command, control, and navigation systems performed very well during the SRE-1 test. Dr. B.N. Suresh reported that "the accuracy with which the Space-Capsule Recovery Experiment returned to the Earth was unbelievable," landing only seven miles from the launch site. An ISRO spokesman said proudly after recovery that "both the launch and splashdown of the space capsule were completed with textbook precision."

SRE-1 carried two experiments, to take advantage of the microgravity environment during its time in Earth orbit. An Isothermal Heating Furnace was used to study metal melting and crystallization. The second experiment, designed by the National Metallurgical Laboratory, studied the synthesis of nano-crystals under micro-gravity conditions to help design better biomaterials, bearing a close resemblance to natural biological products. The SRE-1 spacecraft technology will enable India to bring samples of materials processed in orbit back to Earth.

ISRO chief Nair told *Space News* last November that the ultimate target of India's manned space program will be the Moon, with a landing in 2020. The Moon would be a base for further Solar System exploration, he said, and a source of precious materials, such as the isotope helium-3, which could be used as a fuel in fusion power plants. India will launch its first unmanned mission to the Moon, Chandrayaan-1, in 2008.

# Resurgent Tuberculosis: Deadlier Than Ever

by Christine Craig

Two epidemiological reports released in the last six months on the extent of XDR-TB—extensively drug resistant tuberculosis—in South Africa, are critical warnings of the global threat of this virtually incurable disease, and also of its “companion” ailments, in particular HIV/AIDS. Moreover, TB in any form, is not some rare, exotic ailment, but an illness whose onset and transmissibility have long been understood. With decent infrastructure and living conditions, TB could have been contained and driven back to almost nil incidence. However, with the last three decades of international *decline in economic conditions*, affecting concentrations of people in Africa, Asia, and in localized areas in the Americas, the resurgence of TB, and its deadly mutations, were predictable.

This TB situation is exactly what Lyndon LaRouche warned about in 1974, when he commissioned a research effort called the “Biological Holocaust Taskforce,” to project what the likely results would be in the physical economy, if the anti-infrastructure, anti-development economic programs proposed at that time, called “post-industrialism”/free trade, were carried through. In 1986, an *EIR* Special Report was issued, “An Emergency War Plan To Fight AIDS and Other Pandemics,” stressing the need to reverse the downgrading of living and working conditions, and to build up medical and public health infrastructure. Instead, the population became even more impoverished, and infrastructure ratios—water, housing, and medical care—declined. Today, intervention is needed on an emergency basis.

On Sept. 16, 2006, the Department of Health for South Africa issued a horrifying report on the presence of XDR-TB,<sup>1</sup> including the situation in KwaZulu-Natal (KZN). Certain patients at the Church of Scotland Hospital in Tugela Ferry were found, in the Fall of 2005, to be infected with a

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1. Revised definition for XDR-TB: Resistance to at least the first-line drugs rifampicin and isoniazid (MDR-TB definition), plus resistance to the second-line drug fluoroquinolone, plus resistance to at least one of the second-line injectable drugs, such as kanamycin, amikacin, and capreomycin.

First-line drugs available for treatment: isoniazid, rifampicin, pyrazinamide, ethambutol, streptomycin.

Second-line drugs available: kanamycin/amikacin, fluoroquinolones, cycloserine, ethionamide, capreomycin, para-amino salicylic acid.

strain of TB not responding to *any* treatment. A survey over the following 12 months, turned up 53 patients, almost all co-infected with HIV, who were suffering from untreatable TB which, in the immune-compromised patients, was quickly fatal. All but one of the 53 died within three weeks of diagnosis. Those 53 victims represented 16% of all confirmed cases of XDR-TB globally during 2006.

This bombshell report conjured up images of a catastrophe in the making in the AIDS-wracked areas of South Africa, precipitating a flurry of meetings among international health professionals, and leading to the creation of the World Health Organization (WHO) Global XDR-TB Task Force, which convened in October to address the threat of untreatable TB in the age of HIV.

The Global XDR-TB Task Force found, to its horror, but no great surprise, that, in the renewed war against a strengthening foe, the ammunition was low, and the supply lines were cut. Though warnings had been out since the early 1990s that multi-drug resistant (MDR)-TB was a rising threat, as evidenced by the well-documented outbreaks in the United States and in Eastern Europe during the late 1980s, no agencies had really taken it seriously as a global danger at the time.

XDR-TB is now considered endemic in the KwaZulu-Natal province of South Africa. In the January 2007 issue of *PLoS Medicine*, J.A. Singh et al. presented a truly frightening view of the situation. More than 30 new cases are detected each month, with a total of over 300 cases, and the disease has been reported in 39 hospitals, plus other areas of the province. And that is just the official tally, which most certainly understates the case, as many of the poor never seek medical help.

The authors note: “In recognition of the global threat posed by these factors, on September 9, 2006, WHO urged a response to the outbreak akin to recent global efforts to control severe acute respiratory syndrome (SARS) and the bird flu. . . .”

## Europe’s White Plague

That the Western world would be so shocked and surprised by this turn of events is remarkable in itself, considering that, just two centuries ago, tuberculosis was so virulent



Pieter Brueghel's "The Triumph of Death" (detail, 1560), exemplifies the toll of the White Plague (what we call today tuberculosis) in Europe.

in Europe that many feared it would destroy Western civilization. The list of artists, philosophers, and scientists who suffered or died from TB is endless, including Friedrich Schiller, Percy Shelley, Bernhard Riemann, John Keats, and Vladimir Vernadsky. It is estimated that in 1800, the death rate per year from tuberculosis in Western Europe (and in urban North America) was 1%. At the peak of the long epidemic, perhaps 25% of Western Europeans died of tuberculosis. There was no cure for the disease, nor was the causative agent known at that time.

And yet, over the next two centuries, 'consumption' (what TB was called) lost its grip on the European continent, slowly and steadily receding, even in the absence of any satisfactory medical treatments for the disease. Those with active disease were still very likely to die, but fewer were getting active disease.

It has been just 125 years since the famed bacteriologist and Göttingen-trained physician Robert Koch identified and characterized the miniscule tuberculosis bacillus in his home laboratory in Berlin, in 1881, proving it to be the source of the disease, and giving hope that the TB leviathan then devouring the European populace, could be brought down by science.

It has been almost 100 years since the discovery of the only vaccine ever developed against tuberculosis—the Bacille Calmette Guérin (BCG) vaccine, based on a highly attenuated *Mycobacterium bovis* strain—a vaccine found to give some protection to children against the gruesome childhood killers, miliary tuberculosis and tubercular meningitis.

It has been only some 60 years since the development of the first effective antibiotics against tuberculosis: streptomycin and para-amino salicylic acid (PAS), discovered by Selman Waksman and Jorgen Lehmann, respectively, around the end of World War II.

By 1960, a team led by Dr. John Crofton of Edinburgh, had successfully tackled the recalcitrant tuberculosis problem in Scotland with a remarkable protocol using triple-antibiotic therapy in an 18-month-long treatment regimen, which could successfully cure even advanced pulmonary tuberculosis cases caused by drug-resistant strains. And, under the joint control of the British Medical Research Council (BMRC) and the WHO, trials of Crofton's methods had been carried out in Madras, India among the poor—with astounding success. Policy makers, including scientists, began to believe that TB could be tackled by drug technology alone,

even without costly investments in economic development and public health infrastructure!

A mere five years later, tuberculosis had already been dropped from courses at the Harvard School of Public Health, a disease deemed no longer important in the training of future healthcare professionals. Science had won, and tuberculosis, long the scourge of Europe and the U.S., receded from the consciousness of the populace (**Figure 1**).

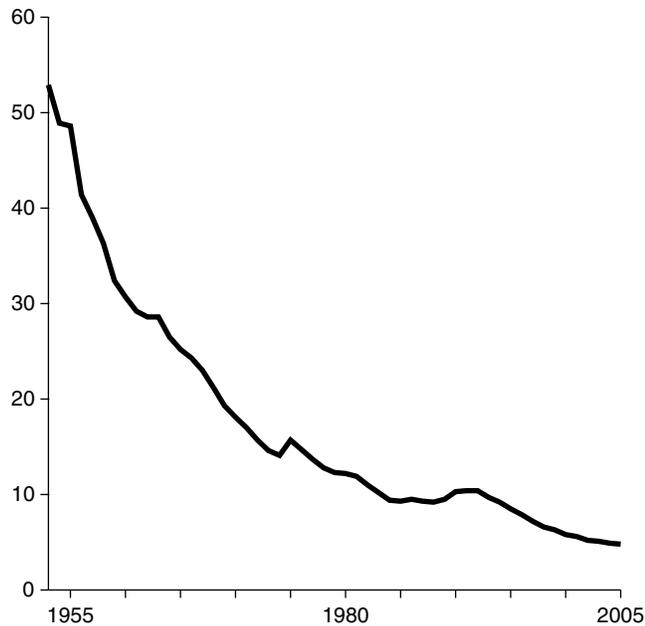
The world didn't really take notice of tuberculosis again as a global problem until the second half of the 1980s, when the long trend of TB incidence-decrease in developed countries was shattered by a sudden upward tick in notifications, noted most strongly in the United States and in post-Soviet Eastern Europe. The situation was documented in great detail in the United States by outraged public health professionals, especially in New York City, where most of the increase was occurring (**Figure 2**).<sup>2</sup>

### The Nature of the Beast

Tuberculosis is usually caused by *Mycobacterium tuberculosis*, an ingenious and insidious organism: a miniscule bacterium hardly bigger than a virus, surrounded by an

2. For a recent look at the New York City situation as it affected public health, see "Impact of NYC's 1975 Fiscal Crisis on TB, HIV, and Homicide," *EIR*, Aug. 25, 2006. Banker Felix Rohatyn was the author of Big MAC. The article in the March 2006 issue of the *American Journal of Public Health* is, "The Impact of New York City's 1975 Fiscal Crisis on the Tuberculosis, HIV, and Homicide Syndemic."

FIGURE 1  
**Tuberculosis Rate per 100,000 Population, United States**



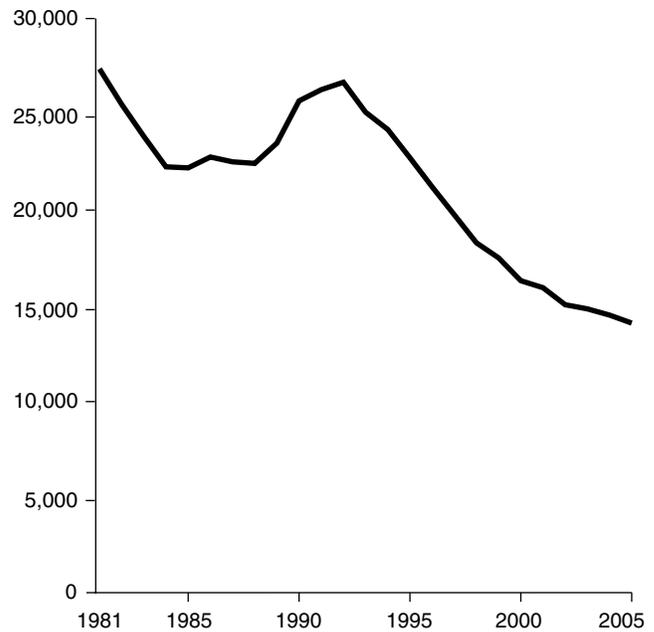
Source: CDC.

impervious waxy coat. In many of its features within the host body it acts similarly to the Human Immunodeficiency Virus (HIV), secreting itself within immune cells called phagocytes, the very cells that would otherwise seek it out and destroy it. Within the phagocyte, the tubercular bacillus hides in the central vacuole, protected from chemical destruction by its waxy coat. Here it grows and reproduces very slowly, and is spread with the phagocytes throughout the lymphatic system. Most often, the disease affects adults in its pulmonary form. Children are often afflicted with primary infections affecting the lymphatic system, or other organs, including a rapidly fatal systemic form called miliary tuberculosis.

During the host's first (primary) infection with TB, a battle with the immune system ensues, and, almost always, the immune system wins, at least in the short term. The infection becomes "latent." Only 5% of primary infections go on to become active diseases within five years, while the lifetime risk of active infection developing is 10% *on average*. Unlike some other disease-causing organisms, however, the immune system's reaction to the TB germ does not confer a lasting immunity on its host. A primary infection which has gone latent does not preclude a reinfection with another TB organism at a later date.

The latent infection is a time-bomb within the host. Under

FIGURE 2  
**Number of Tuberculosis Cases, United States**



Source: CDC.

adverse conditions leading to a weakening of the immune system, a latent infection can and does break out into active disease. Undernourishment, stress, injury, coinfection with other diseases, age, drug or alcohol abuse, lung silicosis—any of these bodily insults can tip the scales in favor of the TB bacterium, leading to a potentially fatal and highly infectious illness. Each active infection (which can persist for years if untreated, especially in the pulmonary form) provides many opportunities to spread the disease. One active TB case under conditions of overcrowding and poor ventilation, can infect whole families, school classes, military platoons, homeless shelters, prison cell blocks, and hospital wards.

Such active pulmonary disease must be detected by microscopic examination of sputum samples, followed by drug sensitivity testing of cultures, a procedure which, at present, can take many weeks.

It has been estimated that perhaps one-third of humans on the planet have been infected with TB. That's over 2 billion human souls carrying little time-bombs around in their bodies ready to explode into action when the scales tip in the balance of power. It is this complex and long-lasting interaction between host, invader, and physical and social environment, that determines the imprint of tuberculosis on any human society. In fact, the burden of tuberculosis within any human social group could be considered a rough measure of the social health of that grouping.

## The Problem of Microbial Resistance

“It is a sad reflection on society’s incompetence that, more than 30 years after the methods for cure and prevention were evolved and before the advent of the HIV epidemic, there were already more patients with active TB in the world than there had been in the 1950’s.”

—Dr. John Crofton, in the forward to his 1994 medical monograph, *Clinical Tuberculosis*.

We are presented with a paradox: On the one hand, even before the advent of antibiotic treatments or vaccination for TB, the disease was steadily declining in previously devastated areas of the world. On the other hand, decades after the advent of effective treatment strategies for tuberculosis, there are alarms sounding that TB might be getting out of control. There are several reasons for this, some more complex than others. On the surface, the easy answer is microbial resistance, a phenomenon as old as antibiotics themselves.

Briefly, resistance to antibiotics and similar agents comes about analogously to the way humans become biologically resistant to diseases. Just as tuberculosis or bubonic plague will kill off susceptible individuals, leaving a population more resistant to the diseases, so do antibiotics. Just as some of these resistance factors in humans are inheritable, and passed on to offspring, so too with microbes within the body. When we attack a disease by administering antibiotics, the very susceptible microbes are soon dead, leaving an altered population of microbes less affected. These are the microbes now reproducing. With continued treatment, most of these can also be killed, leaving the immune system to mop up the stragglers. If, however, treatment is removed early, a large population of more resistant microbes remains in the body. These can be spread to others who, if treated with the same antibiotic, might not be cured. And so the cycle goes.

Microbes have many ways to accumulate resistance factors, including mutations and horizontal gene transfer among various organisms. The almost inevitable end result is: Antibiotics become less effective over time, and must be replaced. Resistance to penicillin is a familiar example.

The problem is much worse with tuberculosis, because TB is much harder to kill within the body. One drug alone is ineffective in most cases, as was found early on with streptomycin, one of the early “miracle drugs” for tuberculosis. Streptomycin would knock the disease down, but it would come back, and was then untreatable with streptomycin. Clinicians found out the hard way that it took three different drugs, administered religiously over 18 months, to cure tuberculosis. This regimen, developed in the late 1950s in Scotland, became the foundation for early WHO tuberculosis control. The rationale for using three drugs was: Organisms resistant to one or two of the drugs would still be killed by the third. Furthermore, one drug worked better early in the infection, whereas another worked best later on. This approach was highly effective in treating individual patients, and was suc-

cessful in certain areas on a population level. Hence, the complaint by Dr. Crofton, quoted above, one of the developers of triple-antibiotic therapy. Why was tuberculosis still such a big problem in the world, given a highly effective therapy capable of curing almost all tuberculosis? The short answer is inappropriate treatment, which hides a host of sins.

Drug resistance in tuberculosis strains is basically caused by poor implementation of TB control programs by countries. This can include poor drug supplies or quality, poor record-keeping, inadequate treatment regimens, and non-compliance by patients. It can also include poor infection-control protocols in hospitals, and lack of laboratory testing facilities capable of identifying resistant strains in a timely manner. The problem boils down, in other words, to lack of an effective health-care infrastructure.

The gold standard of treatment, developed by 1960, included triple-antibiotic therapy for 18 months. Later research led to fine-tuning the therapy to intermittent regimens for six months. Directly observed treatment was an important part of that strategy, to insure compliance by patients. Treatment would be done on an outpatient basis, because poor families could not be without breadwinners for such long periods. Hospitalization was impractical. In several test programs in Asia and Africa, it was shown by the BMRC tuberculosis group that, with proper drugs and well-designed, well-implemented programs, managed rigorously by outside agencies such as themselves, even poor countries could control TB.

Within a decade, however, WHO was not only slashing its own TB program budget and programs, but was trimming away at the treatment methodologies which it had helped develop. It was found much cheaper to give just one drug, isoniazid, for a shorter period. This worked for many people with relatively uncomplicated tuberculosis, but its frequent failure led to widespread isoniazid resistance. Meanwhile, Britain’s premier BMRC tuberculosis unit itself was shut down by 1986, a victim of Margaret Thatcher’s cost-cutting measures.

The developed world basically turned away from the poor countries, leaving them to their own devices, with the inevitable results: Tuberculosis programs became a shambles. During that era of indifference, ironically enough, the heavy-hitter in the tuberculosis comeback quietly joined the fray in Africa. Human Immunodeficiency Virus began, largely unnoticed, to spread throughout sub-Saharan Africa, and rising tuberculosis cases mirrored its rise.

## TB: Into Africa

Tuberculosis has exacted a stiff toll in South Africa over the last 125 years. Before the advent of European settlers, and later, Asian workers, the population groups appeared to have had little experience with TB. Then came the discovery of diamonds in Kimberley, and later, gold on the Witwatersrand. To work the mines required cheap labor. Young African men



WHO/P. Virof

*A tuberculosis patient in Delhi, India, undergoing a World Health Organization-approved treatment.*

were recruited from not only South Africa, but from populations even up into the Tropical zone. These disparate groups were brought together into a few, very concentrated locations run by European managers and foremen, packed like sardines into dorm compounds, where they lived for months with deficient diets, deficient wages, and exhausting labor, with little exposure to the Sun, under dangerously primitive mining conditions. They had no families with them. After a few months they presented with scurvy, syphilis, and tuberculosis, whereupon the mine managers mandated that all sick “natives” should be sent back whence they had come, to die or heal. This constant stream of migrations to and from the mines efficiently spread all the diseases incubated in the mining environment to all the home villages of the laborers, infecting wives, families, neighbors, etc. Such policies remained in place until a few decades ago. The endless flow of recruited black Africans were in effect used up like coal, stoking the engines of the mines—a primitive accumulation of human resources—the very circumstances upon which tuberculosis thrives.

Tuberculosis, having been seeded throughout the entire region of the continent, the far-flung populations began that dance so well known to 18th-Century Europeans: The disease ebbed and flowed with the circumstances of the people, advancing with famine and war; receding with peace and plenty; but always reseeded with returning migrants from the mine or manufacturing that built up around the mining industry.

### **TB in the Era of HIV**

If the WHO had not mothballed most of its TB program throughout a good part of the 1970s and 1980s, including its

surveillance programs in the various regions, it would have noticed the ominous increase in TB incidence in certain areas of Africa, and probably caught on earlier to the new disease that was behind its increase: HIV. By the time WHO began to pay attention, HIV had gained a strong foothold in sub-Saharan Africa, which has now become a stranglehold. Because TB had earlier been spread widely throughout sub-Saharan Africa as the result of colonial labor policies, there was a large reservoir of latent infection ready to smolder into active disease when HIV invaded the body’s immune system. In fact, over 40% of HIV positive patients in the region die, not of AIDS, but of tuberculosis (**Figure 3**).

An example of the synergy between HIV and tuberculosis can be seen in TB incidence in the South African gold mines. According to mine statistics, TB incidence in the mines was stable at about 1% per year up until 1990, whereupon incidence rates began to rise in conjunction with numbers of HIV-positive workers. It has now reached over 4%—a fourfold increase in just over a decade.

When you add to the mix the poverty, economic undevelopment, and lack of health-care infrastructure in the high-HIV-burden countries of Africa, it is not hard to imagine, that attempts to treat the tuberculosis in HIV-positive patients (a much more complicated task than simple pulmonary tuberculosis) under these conditions would lead to the development of resistant strains which could be easily spread in primitive hospital settings. The existence of supplies of second-line tuberculosis drugs in areas of South Africa has led to their use to treat tuberculosis resistant to first-line drugs. Failure to cure with these drugs has led inevitably to the XDR-TB upsurge among the HIV-positive populace.

### **Spread of Drug-Resistant TB in Russian Prisons**

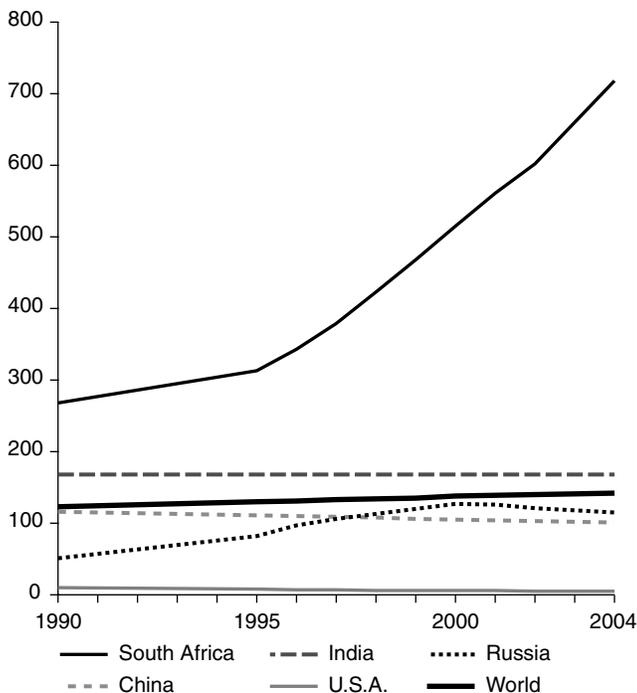
One of the other main locales for re-emerging tuberculosis has been the Russian Federation. With the post-1991 fragmentation of the U.S.S.R., and the dismantling of the Soviet system in favor of Mandevillian looting of the public coffers by private corporations, the huge public-health system was looted and dismantled as well. What medical treatment capability remained was put on a pay-to-play footing at the same time that the populace, long used to guaranteed employment of some sort, was left with rising unemployment and falling wages, and dismal prospects for the future.<sup>3</sup>

Much of the increase in tuberculosis in Russia since the fall of the Soviet Union, can be attributed to the very efficient

3. For a perspective on the post-Soviet economic policies behind the Eastern European resurgence of TB, read Sergei Glazyev, *Genocide: Russia and the New World Order*, EIR News Service, 1999.

FIGURE 3  
**Incidence Rates of Tuberculosis in Selected Countries**

(1990-2004, per 100,000 population)



Source: WHO.

spreading mechanism provided by the Russian penal system. Russia has the highest rate of incarcerations in the world (the U.S. is second), with 630 prisoners per 100,000 population—over 1 million prisoners total—one-tenth of whom are infected with TB, according to a 2002 study by the Swiss Tropical Institute, titled, “Sentenced to Die? Tuberculosis Control in Prisons with a Focus on the Republics of the former Soviet Union.” In the prison system it is estimated that TB rates are 40-50 times that experienced in the civilian population. And at least 20% of prison TB cases are MDR-TB—two to four times the civilian rates. Fully 80% of detainees are estimated to harbor latent TB, and perhaps 80% of prison deaths can be attributed to the disease.

Russian prisons are incredibly underfunded and overcrowded, with poor food quality, poor ventilation, and primitive health services. Most of the incarcerated are young males, and many of these young people become infected while awaiting trial, even before being convicted of a crime. They are unlikely to be eligible for treatment until and unless they are convicted. These unfortunates are warehoused in incredibly cramped pre-trial detention centers, often for many months.

Each year some 300,000 prisoners are released into the general population, and perhaps 30,000 have active tubercu-

losis. Over 6,000 have MDR-TB. These people will take their diseases back to their towns and families, seeding the countryside with forms of tuberculosis unresponsive to most of the drugs available or affordable within the Russian Federation.

According to a 1999 report produced by the Harvard Medical School, “The Global Impact of Drug-Resistant Tuberculosis,” the breeding of multi-drug-resistant strains by the prison system is due to both the high burden of primary and reactivated TB in the prisons, plus poor and incomplete treatment of the infected prisoners, including those released uncured into the general population. The result is many thousands of cases of TB which remain sputum smear positive and infectious long after initiation of therapy with first-line drugs. Only highly supervised and expensive second-line drugs would cure these cases, and those aren’t generally available, especially for the poor and unemployed.

Meanwhile, waiting in the wings is the specter of HIV, spreading quickly among the growing population of intravenous drug-users, and beginning to spread to the general population through sexual contacts. The rate of increase of HIV in the Russian Federation is one of the highest in the world, though the percentage of people affected is still small. If HIV moves significantly into the prison system, the deadly synergy of HIV plus TB will be catastrophic, both in terms of mortality, and in production of drug-resistant TB strains.

To get an idea of the power of that synergy, one need only look back on the New York City MDR-TB epidemic, which was spawned in the prison system. It took over \$1 billion and several years to stamp out the small epidemic of a few thousand cases in one major city—the wages of the sins of deliberately taking down the health-care system in the city, and dismantling social services in general, in the name of fiscal austerity. In March 2006, a thorough, historical epidemiological study was published by the *American Journal of Public Health*, done by New York City disease experts, of the dramatic increase in death rates from TB and other afflictions (AIDS, hepatitis, syphilis, and drug abuse, from 1979 to 1993), as a direct result of the 1975 austerity initiated by what was called Big MAC (Municipal Assistance Corporation), when hospitals and public health were drastically reduced.

Given the state of the present Russian economy, with the major loss of the public-health sector already accomplished, whence would come the enormous resources necessary to quell a major MDR-TB flare-up in the Russian prison system radiating out to the country at large? And how far beyond the borders of the Russian Federation would the epidemic radiate?

### Prospects for the Future

For HIV-positive people exposed to XDR-TB, the future is grim: death within weeks, millions at risk. There are no new drugs ready to roll out, no vaccines we can fly in to

save the day. The last new class of drugs with useful anti-tubercular activity was discovered decades ago. The only vaccine is almost 100 years old. However, many HIV patients can be successfully cured of the garden-variety of tuberculosis, with rigorous techniques using the best treatment regimens. The obvious answer is, don't create XDR-TB. Bad treatment is worse than no treatment at all, when it comes to development of resistance. The next, and even more obvious answer is, if XDR-TB has the potential to kill millions, perhaps some governments need to step in and encourage drug-research and vaccine companies to develop the new classes of tuberculosis drugs and vaccines necessary to keep ahead of the resistance phenomenon. If the amount of dollars being thrown at bird flu drugs and vaccines were earmarked for tuberculosis drugs and vaccines, useful products could well emerge.

These, as well as the elusive AIDS vaccine, would give the world time to do what really needs to be done. The Great White Plague of Europe was largely reversed, not by drugs and treatments, but by the development of public health as part of the economic and scientific development of Europe. Its reversal went hand-in-hand with learning the science of managing large industrial cities so as to make them fit for human beings to thrive. The TB epidemic in Africa, Asia, and other countries with high HIV burdens is not yet nearly as bad as that in Europe and North America in 1800, but it is moving in that direction. Every year a larger percentage of previously rural people move into expanding slums in the cities of the developing world. These slums are lacking in the basic needs of the new urban underclass, making it the ideal breeding ground for HIV, tuberculosis, and the water-borne diseases which kill so many of the very young.<sup>4</sup>

What must be done to keep the epidemic from expanding, is, not just throw a perpetually evolving group of drugs at billions of the poor and starving people, who are crowded into growing slums throughout the developing and undeveloped world. That is a stop-gap measure. And the paradox is, given the well-known natural history of the tuberculosis disease, developing the capability to carry out the arduous and long-term effective drug and vaccine interventions required in the high-burden TB/HIV countries, would require developing sophisticated health, manufacturing, and education infrastructure within those countries, even should such drugs become available in the near future.

The long-term solution to the problem of tuberculosis lies in economic development: clean cities with room to breathe; clean water; modern sewage treatment plants; productive economies running on nuclear energy technologies; plenty of nutritious food from productive farms; and a modern public health system in every nation. Tuberculosis could not long thrive under those conditions.

4. UN-Habitat report for 2006, *The State of the World's Cities, 2006/7*.

## American System Can Protect Germany From 'Predator Capitalism'

by Helga Zepp-LaRouche

*This article appeared in the German weekly Neue Solidarität of Feb. 14. Mrs. LaRouche is the national chairwoman of the Civil Rights Solidarity Movement (BüSo) in Germany.*

Better late than never, there appeared recently unusual warnings from former Chancellor Helmut Schmidt, who wrote, in an article in *Die Zeit*, about the loss of "decency and morality" on the part of the financial managers of private venture-capital companies, and about the "predatory capitalism," which brings with it "global risks": "Because of the transnationally intertwined finance managers, psychoses and domino reactions could develop, whereby any individual failure could spread and multiply. However, only a small number of world finance ministers these days are able assess and limit the financial risk to their own national economies." Schmidt warns in clear words, on manifold grounds, of a possible crash of the system, and that there is presently no institution that can protect Germany from this danger.

In fact, Germany finds itself in mortal danger, because of the inexorably onrushing financial collapse, while neither the



Helene Möller

*Helga Zepp-LaRouche: There is no reason Germans should be ashamed to take council from Franklin D. Roosevelt and Alexander Hamilton.*



EIRNS

Organizers from the BüSo in Leipzig. The sign reads, “Roosevelt Instead of Schacht”—with reference to Hitler’s Economics Minister, Hjalmar Schacht, the “golden boy” of the Anglo-American bankers.

Grand Coalition nor the opposition parties are doing anything to stop the plundering of Germany by the “financial locusts.” Chancellor [Angela] Merkel announced at the New Year’s reception at the Frankfurt Stock Exchange, that there will be no “state orgy” of regulation of hedge funds and venture-capital companies. The younger generation in the Social Democratic Party (SPD), around people such as [Hubertus] Heil and [Andrea] Nahles, carried out a coup against [former SPD Chairman Franz] Müntefering, because he once dared to speak about financial “locusts,” while they themselves are inviting these very companies into Germany as investors in environmental technologies. The Greens have replaced the Free Democratic Party (FDP) as the party of the “high-rollers,” and also want to go in the direction of free-market economic reforms. And “Mr. Locust” himself, alias Friedrich Merz, has lately been accused of wanting to found an outright Locust Party.

At the present time, there is only one political force that is bringing real concepts into the discussion and has a realistic perspective of how Germany will be able to protect itself against hostile takeovers by unscrupulous speculators, and that is the BüSo. When [Finance Minister Peer] Steinbrueck has reached the conclusion that at the coming G-8 summit, a decision should be made for greater “transparency” of the hedge funds and venture-capital companies, what is to be done with the data that they collect?

### Franklin Roosevelt’s Legacy

There is only one chance to save the world from the consequences of an uncontrollable systemic crash, and that is the potential for a return of the Democratic Party in the United States to the tradition of Franklin D. Roosevelt, who suc-

ceeded not only in pulling America out of the Depression with his New Deal policy, but also advocated the national interest and the common good, repeatedly and effectively, against the depredations of Wall Street. It was Roosevelt’s firm view, that the system of colonialism should end at the conclusion of the Second World War, and be replaced with an alliance of sovereign nation-states; a plan which, because of his untimely death, could not be implemented.

Roosevelt’s 125th birthday was on Jan. 30. It should give us in Germany pause, that influential representatives of the Russian elite commemorated this anniversary with a conference titled “The Lessons of the New Deal for Russia and the Entire World.” The conference was held at the Institute for Foreign Relations, which is associated with the Foreign Ministry.

Vladislav Surkov, the deputy chief of staff of the Kremlin, gave the most sensational speech, in which he compared President Putin’s tasks today to those of Roosevelt, who had to use the greatest possible Presidential power to overcome the crisis. Roosevelt too had taken on political leadership at a point at which the population felt hopeless, and the media and the finance sector were controlled by oligarchical groupings. Roosevelt inspires Russia to this day, and for the majority of Russians, he remains the greatest of the great Americans.

Other speakers, such as Boris Titov, chairman of “Business Russia,” described the New Deal as the most successful economic program in the history of mankind. Russia’s experience since 1991, when it was left to the free market, showed that this led not to a “market,” but to wild capitalism and the crisis of 1998.

This discussion is completely lacking in Germany’s official circles. Germany is currently being torn to pieces by irresponsible profiteers, the fate of whose victims is about the same as a tissue that they just use and then throw away.

### Another Birthday: Alexander Hamilton

That brings up the ideas of the day’s second “birthday boy,” whose 250th birthday was on Jan. 11: Alexander Hamilton. The father of the National Bank of the American System created not only the foundation on which a nation can exercise sovereignty over its currency and credit-creation; he was also the leading mind in the discussion published as the *Federalist Papers*, which was carried out in the young American Republic over the question of what kind of Constitution to have, by means of which a society can govern itself.

It is precisely this, which we urgently need in Germany. How can we protect our national interests, at a point in time when Germany is in an existential danger? What must we do, to develop more citizens who are conscious of their responsibility for laying the foundations for future generations? Can we govern ourselves? We have no reason to be ashamed, to take council with Roosevelt and Hamilton on these questions.

## The Smell of Impeachment Keeps Getting Stronger

by Nancy Spannaus

The House of Representatives' four-day debate on President Bush's war in Iraq, which concluded with a decisive 246 to 182 vote of disapproval for the "surge" escalation now under way, marks the beginning of the reassertion of the Congress's Constitutional authority. If the American people utilize this occasion to escalate their own pressure on the Congress to act according to the truth, this process will surely end in the early impeachment of Vice President Dick Cheney, and then of the President as well.

Nothing like the Feb. 13-16 debate has been seen in Washington since at least 1970, when the Congress voted to overturn the Gulf of Tonkin resolution that was used to justify the Vietnam War. The resolution, which had been co-sponsored by Republican Walter Jones (N.C.) and the Democratic leadership, was comprised of two parts, one of which expressed support for the U.S. troops, and the other, which disapproved of Bush's plan to send 21,500 additional troops to Iraq. While the resolution's opponents made a big deal out of the fact that it was "non-binding," the reality is that the vote puts the President on notice that he does not have support for his escalation, and that more actions will certainly follow.

The fact that political reality is closing in on the Cheney-Bush war party was underscored in the extraordinary Saturday vote called in the Senate Feb. 17, the day after the House vote. Whereas only two of the Senate Republicans had broken from the leadership to support a vote on the anti-surge resolution the previous week, this time, seven Republicans voted with the Democrats to proceed with a vote on a Senate version of the House Resolution. Because it takes 60 votes to cut off debate, and move to a vote, however, the Republican leadership was still able to block action in the Senate.

The continuing stalemate in Congress underscores the need for an even greater mobilization throughout the population, which is way ahead of their Representatives in opposing not only the surge, but the war. This mood is reflected in an

intense mobilization by veterans' organizations, and by the introduction of resolutions against the war in at least 22 state legislatures. Resolutions have passed in at least one house of the legislatures in Vermont, Iowa, and California. When Members of Congress return to their districts for the Presidents' Day recess, they can expect to get an earful, including from the Democratic grassroots being organized by the LaRouche Youth Movement.

### The Debate

More than 390 of the 434 members of the House of Representatives participated in the historic debate on the question of war and peace. Seldom in recent decades has there been such serious concentration on a crucial issue of state in the nation's capital.

The quality of the speeches given varied widely, of course. The Republican leadership had adopted a policy of attack which seemed to be taken directly from the Cheney playbook. It called for Republicans to accuse the resolution's proponents of "giving in" to the onslaught of "Islamic terror" which is allegedly threatening to destroy Western civilization. Some Republicans went back as far as the days of the Barbary Pirates, others to the Khomeini Revolution of 1979, others even further back, in order to claim that the enemy the United States is fighting in Iraq is out to spread an "Islamic caliphate" throughout the world. Such rhetoric was geared to build up the Islamic enemy-image in anticipation of Cheney's war against Iran, as well as to inflame the debate.

A significant portion of the Republican Party broke from this jingoism, however. Twelve leading Republicans, of the 17 who ultimately voted with the Democrats, rose to speak to the body on Feb. 14, with passionate appeals for listening to the wise military leaders, and abandoning the disastrous course which the President has chosen. The leader of this grouping was Rep. Walter Jones of North Carolina, who



EIRNS/Elizabeth Mendel

*The decisive vote in the House of Representatives Feb. 16 against the escalation of the Iraq War can quickly lead to the long overdue impeachment of Vice President Dick Cheney. Here, members of the LaRouche Youth Movement organize in Oakland, California Feb. 5 to speed that process.*

comes from an area full of military families, and who has been outspoken against the war for more than a year.

One leitmotif of the arguments made by those supporting the resolution was the value of the Baker-Hamilton Commission's recommendations, which have been virtually thrown in the trash by the President and Vice President. We need a "surge in diplomacy," as one Representative put it; we need to talk with Syria and Iran. Another major theme was the Constitutional responsibility of the Congress for war-making in this democratic republic. It was noted repeatedly that this was the first full debate on the war in the nearly four years it has been in process, and that it is Congress which has the Constitutional responsibility over the conduct of the war.

### The Next Steps

Many Congressmen made the point in their remarks that this resolution is only the first step in the process, especially if the President refuses to heed their views. That he will proceed with his disastrous plan, the President has already made clear, so moves are already being taken for further action.

Drawing the most attention is the plan by Rep. John Murtha (D-Pa.), who held an Internet press conference on Feb. 15 to lay out his strategy. Murtha, head of the Defense Appropriations Subcommittee, said that he was "working

with his committee to draft a resolution that would restrict troop redeployment and some of the elements would include not sending troops to Iraq that have had less than one year at home, and troops could only be sent to Iraq after they were shown to have all the needed training and equipment, and the Army and Marines could not extend people anymore, and the resolution would stop the stop-loss policy."

Murtha said that "the resolution could contain language stating that President Bush would have to get Congressional approval before going ahead with an attack on Iran. He also said that the resolution would be brought before his committee "on March 14 and then sent to the House floor for a vote." Murtha said, "the resolution would limit the number of troops available for deployment without cutting off funding."

Because Murtha is so closely identified with the military, and began his drive against the war in November 2005, he has been the target of much of the pro-war lobby.

### To Stop War on Iran?

While Congress moves slowly toward opposing the President's suicidal strategy, as Democratic Majority Leader Sen. Harry Reid (Nev.) has pointed out, the Administration is moving rapidly on its escalation. There is little

question that the immediate target is an expansion of the war to Iran.

On this front, much too little was said in the House debate, although there are bills in the works to insist that the President take no action against Iran without coming to the Congress for explicit authorization. In the Senate as well, numerous Senators have insisted that the President admit he has no authority to attack Iran, on the basis of the September 2002 Use of Force resolution, which authorized the U.S. attack on Iraq. The Administration has refused to answer explicit queries, and at this point, Sen. Joe Biden (D-Del.) is openly considering revoking the Use of Force resolution.

Of crucial help in this process will be the intervention of local Democratic and other constituency groups, who demand impeachment of Cheney immediately, *before* any outrageous provocations against Iran are taken. Exemplary, was the passage of a resolution by the leadership of one of the largest Democratic Party organizations in the United States, the Los Angeles Democratic Central Committee, calling for the state party as a whole to move aggressively to support bipartisan efforts for the impeachment of Cheney. The resolution was submitted by the LaRouche Youth Movement, and states that "the Democratic Party of the State of California lend its support for bipartisan efforts to remove the Vice President from

office as quickly as possible.”

The environment for Cheney’s removal is likely to be greatly improved this coming week, as the trial of his former chief of staff Lewis Libby comes to a conclusion. The trial has featured nothing, if not Cheney’s systemic attempt to cover up his lies about pre-war Iraq intelligence, which are in fact impeachable crimes.

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## Documentation

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*Below are excerpts from the House debate on the Iraq War resolution (House Concurrent Resolution 63) on Feb. 14, 2007, as reported in the Congressional Record.*

### Rep. Walter Jones (R-N.C.)

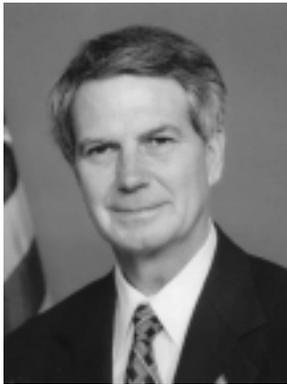
I want to start my comments by sharing with the House that I met with a real marine general hero that very few people on the floor know his name; his name is General Gregory Newbold. And I want to quote him from *Time* magazine, April 9, 2006, “Why Iraq Was a Mistake.” I will be brief.

Two senior military officers are known to have challenged Defense Secretary Donald Rumsfeld on the planning of the Iraq War. Army General Eric Shinseki publicly dissented, and found himself marginalized. Marine Lieutenant General Greg Newbold, the Pentagon’s top operations officer, voiced his objections internally and then retired, in part out of opposition to the war. Here, for the first time, General Newbold goes public with a full-throated critique. I want to quote this to the House from General Newbold.

“I was a witness and therefore a party to the action that led us to the invasion of Iraq, an unnecessary war. Inside the military family, I made no secret of my view that these zealots’ rationale for war made no sense, and I think I was outspoken enough to make those senior to me uncomfortable. But I now regret that I did not more openly challenge those who were determined to invade a country whose actions were peripheral to the real threat, al-Qaeda.”

I mention that, Mr. Speaker, because today this is an important debate. And, yes, my friends on the other side I respect and have great love and affection for. But I remember in 1999, when we were on the floor as the majority party criticizing President Clinton for going into Bosnia, that was a nonbinding resolution.

That is what the Congress is about: debate, disagreements, agreement, debate. That is our constitutional responsibility. . . .



### Rep. Wayne Gilchrest (R-Md.)

. . . Mr. Speaker, I am going to vote for this resolution for many reasons that I will explain, but this resolution is not a retreat from Iraq. This resolution is understanding the new phase that we find ourselves in with the war in Iraq and the war on terrorism. So it is a step forward in the right direction.

I want to begin by commending our American troops and the intelligence community for their bravery, their professionalism, and their stunning competence in Iraq and Afghanistan under very difficult circumstances. Those young men and women have eliminated terrorist training camps and gotten rid of Saddam Hussein and his band of terrorists, who for years have brutalized the Iraqi people and many people, many thousands of people in the region.

They have eliminated the potential for weapons of mass destruction, these young men and women, and we are proud of that. The Taliban is disbanded and al-Qaeda is on the run. These are our troops and the intelligence community.

Where are we now? We find ourselves now, the war on Iraq, and the global war on terrorism, in a new phase; the President understands that phase. The Congress is grasping with that phase. We now know the war in Iraq is in a new phase, and a global war on terror continues, so how do we respond?

How do we approach this new phase? Let’s look at the recent past. Let’s go back to the 1950s. President Eisenhower said, for the United States to be safe and secure we need a strong military, the best intelligence, and consensus and dialogue.

President Eisenhower implemented all of those practices, especially after Nikita Khrushchev pounded his shoe at the podium of the United Nations and pointed to the Western diplomats and said, “we will bury you.”

Eisenhower’s response? He invited Khrushchev to the United States for a dialogue.

President Kennedy was told there were armed nuclear warheads in Cuba. What did President Kennedy do? Proceed with dialogue and talking with the Soviets. We did not go to war. Nixon went to China.

Who during that period of time did we not have a dialogue with? It was Ho Chi Minh; 53,000 Americans died in the Ten Thousand Day War. Hundreds of thousands were wounded, and millions of Vietnamese were killed. What if we had a dialogue with Ho Chi Minh about ending the French colonial period and encouraging Vietnam to have self-determination, that which we fought for in World War II? What would have happened?

Fifty-three years of dialogue with North Korea just now may be yielding results, 53 years of dialogue. Ask yourself this question. Is a century of dialogue without resolution better than one day on the battlefield? Don’t be quick to answer that, but ask that question to yourself.

The world, rich and poor, the people of the world, are intimately familiar with American history, especially with the

following man. They know the words of Thomas Jefferson. "We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness."

They know Lincoln's words, "with malice toward none and charity for all." They know Martin Luther King, Jr.'s, words, "You should be judged by the content of your character."

America is the race of races. The melting pot has become a common heritage with the world's people. Our enemies are ignorance, arrogance, and dogma. Monstrous certainty has been and is the tragedy of mankind. The new phase of the war in Iraq and the global war on terror not only includes the military, it not only includes the intelligence community, but in this instance it must include a surge of diplomacy, to integrate the Middle Eastern countries in a diplomatic dialogue about the stability of the region, including reconciliation, economics, trade issues, medical and educational exchanges, etc., etc. This must be and is a necessary part of that complete strategy to make America safe and secure. The blueprint, the starting point, is to vote "yes" today on today's resolution.

The second phase of that is to understand the words which are the blueprint for this new phase, the Iraq Study Group. What do we do with U.S. troops in the Middle East? There are strong recommendations for that. What do we do about training and equipping the Iraqi Army and making them prepared? That is in the Iraq Study Group.

What is the framework for cooperation with the Iraq people, the Iraq Government, and the problems with sectarian violence? That is in the Iraq Study Group.

What about a new diplomatic initiative with all of Iraq's neighbors, including Iran and Syria? How about consultation with Congress? Vote for this resolution, and we can move on to end the violence, the sectarian chaos, the foolish, bitter electronic exchanges between countries, electronic exchanges, instead of face-to-face conversations. That effort, fully implemented, will bring our troops home sooner. They will have a brighter future, and the generations to come for the people in Iraq and Afghanistan.

We as Members of Congress are at the controls. We are able to control the policy. How? With our vote. Do we know how to use the military? Do we know how to use the intelligence community? Do we know the possibilities of consensus and dialogue with all the countries of the region? If our young men and women are brave enough to go into Iraq and Afghanistan, then we as Members of Congress must be brave enough and informed to start a dialogue in Damascus, in Tehran, in the entire region, to hasten peace.

The first step is an "aye" vote on this resolution.

#### **Rep. Walter Jones (R-N.C.)**

Mr. Speaker, first I would like to thank Chairman Skelton and Chairman Lantos for allowing me to be part of this resolu-

tion, H. Con. Res. 63.

Also I want to thank the 10 Republicans who came to the floor to join me today to support this resolution. In closing, I want to again say this resolution is simple and to the point. The most important point is to say, thank you, men and women in uniform; you are great, you are magnificent, we are behind you 100%.

The second part deals with the surge. . . . I quoted five generals that have said in the last six months this surge will not work, it is not the right policy answer. . . .

Mr. Speaker, as I close, and this is my close, let's pass this resolution. Let's work with the President to find an end point to the strategy, and let's not put our men and women in the middle of a civil war to make them referees.

God bless America, and God bless our men and women in uniform. Please, God, continue to bless this country.

#### **Rep. Ron Paul (R-Tex.)**

Mr. Speaker, I thank the gentleman for yielding, and I rise in support of the resolution and in opposition to the escalation in Iraq. . . .

Mr. Speaker, this grand debate is welcomed, but it could be that this is nothing more than a distraction from the dangerous military confrontation approaching with Iran, which is supported by many in leadership on both sides of the aisle. This resolution, unfortunately, does not address the disaster in Iraq. Instead, it appears to oppose the war while at the same time offering no change of the status quo in Iraq.

As such, it is not actually a vote against a troop surge. A real vote against a troop surge is a vote against the coming supplemental appropriation which finances it. I hope all my colleagues who vote against this surge today will vote against the budgetary surge when it really counts, when we vote on the supplemental.

The biggest red herring in this debate is the constant innuendo that those who don't support expanding the war are somehow opposing the troops. It is nothing more than a canard to claim that those of us who struggled to prevent the bloodshed and now want it stopped are somehow less patriotic and less concerned about the welfare of our military personnel.

Osama bin Laden has expressed sadistic pleasure with the invasion in Iraq, and was surprised that we served his interests above and beyond his dreams on how we responded after the 9/11 attacks. His pleasure comes from our policy of folly, getting ourselves bogged down in the middle of a religious civil war 7,000 miles from home that is financially bleeding us to death. Total costs now are recently estimated to exceed \$2 trillion. His recruitment of Islamic extremists has been greatly enhanced by our occupation of Iraq.

Unfortunately, we continue to concentrate on the obvious mismanagement of a war promoted by false information, and ignore debating the real issue which is this: Why are we determined to follow a foreign policy of empire building and pre-emption which is unbecoming of a constitutional republic?

Those on the right should recall that the traditional conservative position of nonintervention was their position for most of the 20th Century, and they benefited politically from the wars carelessly entered into by the left. Seven years ago, the right benefited politically by condemning the illegal intervention in Kosovo and Somalia. At the time, the right was outraged over the failed policy of nation building.

It is important to recall that the left in 2003 offered little opposition to the preemptive war in Iraq, and many are now not willing to stop it by defunding it, or work to prevent an attack on Iran.

The catch-all phrase, the “war on terrorism” in all honesty has no more meaning than if one wants to wage a war against criminal gangsterism. Terrorism is a tactic. You can’t have a war against a tactic. It is deliberately vague and nondefinable in order to justify and permit perpetual war anywhere and under any circumstances. Don’t forget, the Iraqis and Saddam Hussein had nothing to do with any terrorist attack against us, including that on 9/11.

Special interests and the demented philosophy of conquests have driven most wars throughout all of history. Rarely has the cause of liberty, as it was in our own Revolution, been the driving force. In recent decades, our policies have been driven by neo-conservative empire radicalism, profiteering in the military-industrial complex, misplaced do-good internationalism, mercantilistic notions regarding the need to control natural resources, and blind loyalty to various governments in the Middle East.

For all the misinformation given the American people to justify our invasion, such as our need for national security, enforcing U.N. resolutions, removing a dictator, establishing a democracy, protecting our oil, the argument has been reduced to this: If we leave now, Iraq will be left in a mess; implying the implausible, that if we stay, it won’t be a mess.

Since it could go badly when we leave, that blame must be placed on those who took us there, not on those of us who now insist that Americans no longer need be killed or maimed, and that Americans no longer need to kill any more Iraqis. We have had enough of both.

Resorting to a medical analogy: A wrong diagnosis was made at the beginning of the war, and the wrong treatment was prescribed. Refusing to reassess our mistakes and insisting on just more and more of a failed remedy is destined to kill the patient. In this case, the casualties will be our liberties and prosperity, here at home, and peace abroad.

There is no logical reason to reject the restraints placed in the Constitution regarding our engaging in foreign conflicts unrelated to our national security. The advice of the founders and our early Presidents was sound then, and it is sound today.

We shouldn’t wait until our financial system is completely ruined and we are forced to change our ways. We should do it as quickly as possible and stop the carnage and the financial bleeding that will bring us to our knees and eventually force us to stop that which we should have never started.

We all know in time the war will be defunded one way or another and the troops will come home. So why not now?

**Rep. Joseph Courtney (D-Conn.)**

Mr. Speaker, today we are here, exactly 100 days after a historic watershed election in this country, in which the American people spoke loudly and clearly that they wanted a new Congress to rise to its constitutional duty and hold this Administration accountable for its war policy in Iraq. The day I was sworn in as a new Member of Congress, I accepted this responsibility, and I rise today in opposition to the President’s escalation of the war and in support of H. Con. Res. 63.

Make no mistake about the significance of what is happening this week. America’s new Congress will go on record for the first time in opposition to the Bush Administration’s four-year legacy of mistakes and misjudgments in Iraq. This will be in sharp contrast to eight months ago when the prior Congress did exactly the opposite. That Congress lined up in lockstep with a war resolution written by and for the White House.

That resolution completely brushed over the misleading and manipulated intelligence that got us into this conflict, the strain of this war on our brave men and women in uniform, and the drain on our Nation’s military readiness that is undercutting critical efforts in Afghanistan and our overall defense infrastructure. Instead of doing their constitutional duty, the 109th Congress instead just rubber-stamped the Administration’s rhetoric and failing policy.

Opponents of today’s resolution are claiming that it will damage our troop’s morale. As a member of the Armed Services Committee, I believe the opposite is true.

Let us be very clear about where the 20,000 new troops will come from. President Bush cannot simply dial 911 and 20,000 fresh new troops appear. This escalation can only happen by extending the deployments of soldiers already in Iraq, beyond their promised commitments, or accelerating the arrival of preexisting rotations. Upon close examination, it is clear that the impact of this surge lands squarely on the backs of our men and women in uniform who have already borne an unfair burden.

As we debate this resolution, there are nearly 1,900 men and women from my State of Connecticut, including 962 from Connecticut’s National Guard, serving in Iraq and Afghanistan. They have all honored our Nation with their service and sacrifice, and they have done all that has been asked of them and more, and their families have shown awe-inspiring strength in their absence.

Earlier this month, I was forwarded an e-mail from a constituent serving in Iraq which demonstrates the consequences of these unsustainable policies. In it he described how the morale in his unit fell when they found out that their tour was being unexpectedly extended another four months. . . .

Letters like these demonstrate the real impact on our troops from the President’s policy. And they are reinforced

by the testimony I have heard at Armed Services. Over and over again, we have heard about the deterioration of our military readiness caused by overdeployment of our troops. Consider that today, as a result of the strain of the war, we currently have no active duty or Reserve brigades considered combat-ready in the Continental U.S., leaving our Nation dangerously unprepared and vulnerable if needed to respond to other global threats or domestic emergencies. . . .

Yesterday, I read the new classified National Intelligence Estimate on Iraq. What I found in this report was the same as the unclassified version that has been reported in the press; that we have a deteriorating security situation in Iraq whose fundamental causes were identified as political, not military. This finding completely dovetails with the findings of the Iraq Study Group who came to the exact same conclusion.

Instead of absorbing the recommendations of the Iraq Study Group report and the National Intelligence Estimate and surging diplomacy and political solutions, the President instead has opted to escalate the war by sending 21,500 more troops into the middle of a violent sectarian conflict. . . .

President Bush has made his choice. Now it is Congress' turn as a coequal branch of government to make ours. I firmly believe that the passage of this resolution will go down in history as the first stirrings of life from a Congress that has been in an Iraq stranglehold for four long years. It is an honor to be part of this history on behalf of one of the districts that had the courage to vote for change last November, 100 days ago, and I will support resolution 63.

**Rep. James Oberstar  
(D-Minn.)**

Mr. Speaker, this is the moment that a majority of Americans who voted last November have been waiting for, a time when Congress does something about Iraq. And that something that the people asked of us, is to get us out of Iraq. The resolution before us will not of itself get U.S. forces out of Iraq, but to paraphrase Winston Churchill, if it is not the end, it is at least the beginning of the end.

Our President is having trouble understanding the message from the American people. It is a simple message that I hear every time I go back home to Minnesota: Time to bring our troops home with honor. The people are telling me our mission in Iraq is accomplished. The President already declared victory. The goals of the U.S. invasion have been met.

Iraq's army was defeated, Saddam Hussein removed from power and brought to judgment. The Iraqi people held elections to establish a new government. Mission accomplished. Time to bring the troops home with honor.



No weapons of mass destruction were found, despite extensive searches. The Iraqis have a government, they have an army, a police force. There is no further purpose of American policy to be served by a continued military presence in Iraq.

What remains in Iraq is religious warfare between Sunni and Shi'a, with our troops caught in the crossfire. This is not the job our troops signed up for. This is not the war President Bush sold to Congress. People are telling the President, it is time to bring the troops home and to do it with honor.

President Bush has said he is concerned this resolution is prejudging the outcome of our involvement in Iraq. I would say the outcome is not in doubt. We have spent and are continuing to spend \$9 billion a month in Iraq; 3,122 of our servicemen and women have been killed; 23,550-plus have been wounded; tens of thousands more Iraqis killed and wounded. The violence is escalating, our troops are the targets.

I do not think this resolution prejudices anything. The facts speak for themselves. And the people are saying bring the troops home with honor. I did not support this war at its outset. We had Saddam Hussein contained. Al-Qaeda was not in Iraq. We had a job to do in Afghanistan. I supported going into Afghanistan to capture Osama bin Laden. But I saw no clear rationale for sending troops into combat in Iraq.

The resolution does offer a statement of support for the troops. Their service is an extraordinary gift. They volunteer to leave their homes and families, and risk their lives every day, at the order of the President. All they ask is that we never ask them to go to conflict unless that conflict is absolutely necessary and in the national interest.

Lieutenant General William Odom, in a recent article in the *Washington Post* said, about the question that we have to continue to fight in order to support the troops, has anyone asked the troops? During their first tours, many may have favored staying the course. But now in their second, third, fourth tours, he writes, many are changing their minds.

We see no evidence of that in the news stories about unhappy troops being sent back to Iraq. The strangest aspect of the rationale, General Odom writes, for continuing the war is the implication that our troops are somehow responsible for deciding to continue the President's course.

That political and moral responsibility belongs to the President, not to the troops. Didn't Harry Truman make it clear that the buck stops in the Oval Office? The President keeps dodging it. Where does it stop, General Odom asks, with Congress? And that is why we are here today to say it is up to us to make a definitive statement with this resolution, a statement that it is time to end the U.S. involvement in Iraq, to bring the troops home with honor. And then if the President does not heed, then we must take more vigorous steps, steps that I voted for in coming to end the U.S. involvement in Vietnam over 32 years ago.

If that is what it takes, then we have to say that the buck stops with us in the Congress to stop the U.S. engagement in Iraq.

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## Book Review

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# Britain's Assault on America Revisited

by Jeffrey Steinberg

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### **The Anglo-American Establishment**

by Carroll Quigley

New York City: Books in Focus, Inc., 1981

354 pages, paperback

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Professor Carroll Quigley (1910-1977), the noted Georgetown University historian, completed the writing of *The Anglo-American Establishment* sometime during the late 1940s. Yet the book was never published until 1981, four years after the author's death. Since the publication was delayed for more than 30 years, it is not at all inappropriate to publish a review of this important work 26 years after its first publication. In fact, one would be hard-pressed to find a more useful moment to review this invaluable account of the British oligarchy's assault on the United States.

Since the inauguration of George Bush and Dick Cheney in January 2001, the United States has been under relentless attack from within. Many a sage Bush-Cheney critic has observed that the current Administration has done more damage to the United States than any foreign enemy could ever inflict. From the Iraq War, to the looming preemptive attack on Iran, to the collapse of the physical economy, to the disintegration of conditions of life for the vast majority of the lower 80% income brackets, and the assault on Constitutional rights, the Bush-Cheney Administration has successfully turned most of the world against the United States, and turned millions of Americans against their own elected government—and against the very idea of government acting on behalf of the general welfare.

Yet few critics, with the exception of Lyndon LaRouche, have raised the specter of a foreign hand behind the Bush-Cheney wrecking operations. This is largely explained by the fact that the vast majority of Americans, including within the political class, have lost a true sense of history. They perceive the consequences of the government's actions from the more limited standpoint of relatively near-term cause and effect, or from the vantage point of a specialist's limited historical lens.

Moreover, they all generally accept the false notion that the British hand in world affairs has been vastly reduced, and that the impulse towards empire has been abandoned or suppressed, due to England's "diminished" condition. One need only read the inserted special report in the Feb. 3, 2007 edition of the *Economist* to recognize that the City of London is now celebrating "another British imperial moment," centered around the successful promulgation of yet another devastating myth: that globalization is an irreversible, driving force in world economic and political affairs.

It is in this context that the present review of the Quigley book is written. For what Professor Quigley recounts, with impeccable documentation, is a more than 100-year assault upon the American Constitutional republic by a conspiracy of leading British imperialists, who saw the survival of the British Empire in apocalyptic terms: Either the United States would be coopted back under London domination, or the Empire would crumble. Based on this assessment, a tight-knit group of leading British oligarchs launched a series of projects, aimed at recasting the British Empire as a "Commonwealth of Nations" and drawing the United States, forever, back into the fold.

The project documented by Professor Quigley, involved the philosophical assault on the American republican outlook, and the gradual establishment of an alternative ideology, based on the "Anglo-American" or "English-speaking" vision of the world. This so-called "Anglo-American" vision was, in fact, the outlook of the Venetian Party of Anglo-Dutch bankers and aristocrats, who believed in world government, under the control of a tiny elite. That this is the antithesis of the American System outlook is self-evident to anyone who has studied the history of the American Revolution, the Constitutional Convention, the evolution of an American school of foreign policy by John Quincy Adams, and the development of the American System of political economy of Alexander Hamilton and Mathew and Henry Carey.

The obliteration of the true history of the United States, and its replacement with a false history of Anglo-American shared world vision ("free trade and democracy") is, perhaps, one of the greatest and most underestimated achievements of the conspirators profiled by Quigley. Unfortunately, in his *Anglo-American Establishment*, Quigley himself fails to draw out the fundamental distinctions between the American and British systems, and thus misses the most fundamental point of his otherwise most valuable exercise in historiography.

### **The Venetian System**

Ironically, Professor Quigley's book begins with a very precise description of the Venetian "Doge" system. The original Cecil Rhodes conspiracy, launched in the late 19th Century, was precisely and consciously modelled on the Venetian system of secret government, run by a self-selected and self-perpetuating committee. Here is Quigley's introduction to the



*Professor Carroll Quigley's (left) groundbreaking historical work recounts the more than 100-year assault on the American Constitutional republic by a conspiracy of British imperialists, leading among them: Cecil Rhodes (center) and William Stead (right).*

formation of the conspiracy, which he then details, from its origin in 1891 through to 1945:

“One wintry afternoon in February 1891, three men were engaged in earnest conversation in London. From that conversation were to flow consequences of the greatest importance to the British Empire and to the world as a whole. For these men were organizing a secret society that was, for more than fifty years, to be one of the most important forces in the formulation and execution of British imperial and foreign policy.

“The three men who were thus engaged were already well known in England. The leader was Cecil Rhodes, fabulously wealthy empire-builder and the most important person in South Africa. The second was William T. Stead, the most famous, and probably also the most sensational, journalist of the day. The third was Reginald Baliol Brett, later known as Lord Escher, friend and confidant of Queen Victoria, and later to be the most influential advisor of King Edward VII and King George V.

“The details of this important conversation will be examined later. At present we need only point out that the three drew up a plan of organization for their secret society and a list of original members. The plan of organization provided for an inner circle, to be known as ‘The Society of the Elect,’ and an outer circle, to be known as ‘The Association of Helpers.’ Within the Society of the Elect, the real power was to be exercised by the leader, and a ‘Junta of Three.’ The leader was to be Rhodes, and the Junta was to be Stead, Brett and

Alfred Milner. In accordance with this decision, Milner was added to the society by Stead shortly after the meeting we have described.

“The creation of this secret society was not a matter of a moment. As we shall see, Rhodes had been planning for this event for more than seventeen years. Stead had been introduced to the plan on 4 April 1889, and Brett had been told of it on 3 February 1890. Nor was the society thus founded an ephemeral thing, for, in modified form, it exists to this day. From 1891 to 1902, it was known to only a score of persons. During this period, Rhodes was the leader, and Stead was the most influential member. From 1902 to 1925, Milner was leader, while Philip Kerr (Lord Lothian) and Lionel Curtis were probably the most important members. From 1925 to 1940, Kerr was leader and since his death in 1940 this role has probably been played by Robert Henry Brand (now Lord Brand).”

Using historical archives, and cross-gridding an enormous amount of data, Quigley traced the evolution of the conspiracy. He identified the original Cecil Rhodes Trust as the first institutional expression of the conspiracy. The Rhodes Trust, as spelled out in Rhodes’ last will and testament, established a scholarship program, aimed at recruiting leading young Americans into their Venetian scheme. The Rhodes Trust spawned a larger organization, known as the Milner Kindergarten, which, in turn, established the Round Table, a public journal for the conspirators, and the Royal

Institute of International Affairs, which, in turn, spawned a series of institutions all over the British Empire, and in the United States (the New York Council on Foreign Relations). At all times, the extended Rhodes-Milner group controlled the editorial policy of the London *Times*, and used All Souls College at Oxford as their private finishing school, and research and propaganda hub.

The details of this evolution need not be summarized here. The purpose of this review is not, after all, to provide a Monarch Notes summary of the findings of *The Anglo-American Establishment*, but, rather, to take the reader beyond the conspiracy as spelled out by Quigley to a deeper level, more appropriate to the present crisis in U.S. political affairs.

Instead, it is worthwhile to merely highlight several of the leading “facts” presented by Professor Quigley and then move on to the deeper point, which these crucial facts help to explain.

### **The Milner Group ‘Writ Large’**

In his chapter dealing with the Royal Institute of International Affairs, Quigley provides a blunt summary: “The Royal Institute of International Affairs (RIIA),” he wrote, “is nothing but the Milner Group ‘writ large.’ It was founded by the Group, has been consistently controlled by the Group, and to this day is the Milner Group in its widest aspect. It is the legitimate child of the Round Table organization, just as the latter was the legitimate child of the ‘Closer Union’ movement organized in South Africa in 1907. All three of these organizations were formed by the same small group of persons, all three received their initial financial backing from Sir Abe Bailey, and all three used the same methods for working out and propagating their ideas (the so-called Round Table method of discussion groups plus a journal). The similarity is not an accident. The new organization was intended to be a wider aspect of the Milner Group, the plan being to influence the leaders of thought through *The Round Table* and to influence a wider group through the RIIA.”

After detailing the founding meeting of the RIIA “at a joint conference of British and American experts at the Hotel Majestic on 30 May 1919,” Quigley noted that, “The American group of experts, ‘the Inquiry,’ was manned almost as completely by persons from institutions (including universities) dominated by J.P. Morgan and Company. This was not an accident. Moreover, the Milner Group has always had very close relationships with the associates of J.P. Morgan and with the various branches of the Carnegie Trust. These relationships, which are merely examples of the closely knit ramifications of international financial capitalism, were probably based on the financial holdings controlled by the Milner Group through the Rhodes Trust. The term ‘international financier’ can be applied with full justice to several members of the Milner Group inner circle, such as Brand, Hichens, and, above all, Milner himself.”

Lord Brand, whom Quigley identified as the head of the

Rhodes doge system, from 1940 until his death in the early 1960s, was the chairman of the London branch of Lazard Brothers Bank. Lazard was at the epicenter of the entire Rhodes/Milner/Round Table scheme, and was, as *EIR* has documented in recent years, a key bridge to the continental European fascist operations known in France as the Synarchy (the Banque Worms Group), and to Wall Street. Lord Brand designated his replacement at the head of London Lazard as his successor, as well, within the Round Table group, thus carrying the conspiracy well beyond the time frame covered in Quigley’s book. Further highlighting the role of Lazard in the still-ongoing Venetian scheme, Quigley appended a “Tentative Roster of the Milner Group,” including the Society of the Elect, the Association of Helpers, and a small list of foreign members. Quigley only listed four Americans, clearly reflecting his meticulous attention to detail, and his refusal to draw any speculative conclusions that could not be substantially backed up by historical records. The four Americans were: George Louis Beer, a wealthy tobacco magnate who wrote a series of late 19th- and early 20th-Century laudatory histories of the British colonial system and its role in shaping American policy; Frank Aydelotte, the President of Swarthmore College, a Rhodes Scholar, and the historian of the first 40 years of the Rhodes Scholarship; Jerome Greene of Columbia University; and Clarence Streit.

Streit was a leading American proponent of union with Great Britain. He wrote a famous tract, *Union Now*, and launched a movement to bring this about. The fact that Professor Quigley named him as one of only four proven American members of the Rhodes/Milner inner core is of significance in its own right. The revelation that Streit was the father-in-law and leading mentor of Lazard Brothers banker Felix Rohatyn is invaluable, in that it opens a window into the Round Table schemes, extended up to the present day. Rohatyn, along with his longtime collaborator George Shultz, personifies the present efforts of this Anglo-American apparatus—an effort that is at once viciously aimed at the destruction of the United States as a sovereign power, and sophisticated. Shultz was the architect of the current Bush-Cheney Administration, and has been the guiding hand behind every hideous policy to come out of the White House since 2001. Rohatyn, for his part, has been a one-man wrecking ball inside the Democratic Party, operating behind the scenes from his boutique Wall Street investment house to destroy the last shreds of the U.S. high-tech industrial base and promoting the take-down of the government role in the maintenance and development of the nation’s vital infrastructure.

### **What Quigley Didn’t Write**

Virtually any criticism of Quigley’s masterful work must fall within the domain of what he did not say. This reviewer is not in a position to judge whether Quigley failed to distinguish between the American and British systems because of a genuine lack of familiarity with the subject, or because he chose

to leave certain historical principles unstated and implicit. Perhaps former President Bill Clinton, a Georgetown University student of Professor Quigley, could shed further light on this. For now, it is vital to rescue Quigley's work from the grips of American populists, by filling out certain crucial summary matters that complete the picture.

During the last decades of the 18th Century and throughout the 19th Century, it was widely recognized that the newly established American Constitutional republic represented an alternative to the European oligarchical model of rule by a small elite. Following the groundbreaking work of the first U.S. Treasury Secretary Alexander Hamilton, the American System of political economy came to be associated with national banking, sovereign credit, the investment in critical infrastructure, and the use of protective tariffs to defend the development of a national agro-industrial economy to promote the general welfare. Nineteenth-Century American economists like Mathew and Henry Carey, and some European students of the American System, like Germany's Friedrich List, developed the American System as the alternative to the British System of free trade, slavery, and suppression of colonial development.

From the moment that the American Revolution succeeded in freeing the North American colonies from the British imperial yoke, leading British circles, typified by the Baring Bank and British East India Company's Lord Shelburne, sought to recapture the United States. Following their military defeats in the War of 1812 and the U.S. Civil War, the British elites were forced to begrudgingly accept that the United States had emerged as such a leading agro-industrial power, that reconquest was no longer remotely possible. Following the completion of the Trans-Continental Railroad in 1869, the United States consolidated a continental republic, further underscoring the strength of the U.S.A. and the American System.

At that point, leading British circles determined that the only path to reconquest was to destroy the United States, politically, economically, and philosophically, from within. The launching of institutions like the Rhodes Trust and the British Fabian Society, aimed precisely at this objective, and the task was set out over a succession of generations.

At the same time, the post-Civil War U.S.A. was busy spreading the American System around the world, particularly in continental Eurasia. By the final decades of the 19th Century, the American System had taken root in many parts of continental Eurasia, from the Germany of Bismarck, to the Russia of Count Witte and Mendeleyev, to the Japan of the Meiji Restoration, and the China of Sun Yat-sen.

While Professor Quigley focussed his attention on the British efforts to subvert and recapture the United States, the British also took very aggressive action to kill off the American System thrust into Eurasia. Under Prince Edward Albert ("The Prince of the Isles"), later King Edward VII, the British launched a series of manipulated wars—in the Balkans and

in the Far East—that led shortly to World War I. The purpose of all of these efforts was to defeat the spread of the American System. Virtually no account of the Balkan Wars, the Sino-Japanese War or the Russo-Japanese war makes any link to the extraordinary late 19th Century spread of the American System into Eurasia. This is a major weakness in the histories of this period.

Beginning in 1901, following the assassination of President William McKinley by a British-sponsored anarchist, Presidents Theodore Roosevelt and Woodrow Wilson promoted the idea of an Anglo-American alliance, British Fabianism, and other manifestations of the Round Table project. By the mid-1920s, the United States had entered into a period of cultural and economic disintegration, brought about by the promotion of free trade, unbridled speculation, and a variety of culturally degenerate projects.

### **FDR Revives the American System**

Nevertheless, when Franklin Roosevelt was elected President in November 1932, he was able to revive the American System and rapidly reverse the decades of degeneration. Had FDR survived to serve out his fourth term, there is little doubt that he would have devoted his post-World War II efforts to the dismantling of the European colonial empires, as he vowed in a series of confrontations with Churchill during the war-time summit meetings in Halifax, Casablanca, Tehran, and Yalta.

The deeper lesson for the British in the successful FDR revival of the American System was that the cultural underpinnings of the American republic were strong enough, still, to carry forward the fundamental principles of the American Founders, even after years of erosion, and even with deeply flawed, and even traitorous figures in the Presidency.

The FDR legacy, particularly in the form of the Bretton Woods System, had to be gutted, and the industrial foundations of the United States destroyed altogether, if the Round Table agenda was ever to be realized.

In 1960, when John F. Kennedy was elected President, on the basis of a promise to revive FDR, the British again moved to literally exterminate the threat. Kennedy was assassinated, along with brother Robert Kennedy and Rev. Martin Luther King. Richard Nixon became President in January 1969, and within two years, under the guiding hand of British Round Table agents Shultz and Henry Kissinger, Nixon dismantled FDR's Bretton Woods System, and opened the U.S. economy—and the world—to a 35-year period of looting and disintegration.

Now, with the Bush-Cheney Presidency in its waning months, the greatest threat to humanity is that the British "invisible hand" behind this regime will move to finish off the United States—from within. It is for this reason, above all, that Cheney must be removed from office as the first step towards restoring the American System tradition, and proving the durability and superiority of the republican system.

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## The American System

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# When President-Elect Franklin Roosevelt Narrowly Escaped Assassination

by Pamela Lowry

On election eve—Nov. 7, 1932—Franklin Roosevelt made the final radio broadcast of his Presidential campaign. In the course of that speech, Roosevelt told his audience that, “A man comes to wisdom in many years of public life. He knows well that when the light of favor shines upon him, it comes not, of necessity, that he himself is important. Favor comes because for a brief moment in the great space of human change and progress, some general human purpose finds in him a satisfactory embodiment.”

The four months between the Presidential election and Roosevelt’s inauguration in early March were momentous and troubling ones. As the worldwide Depression continued to deepen, fascist political parties and groupings had gained strength in Europe, many of them, such as Mussolini and Hitler, backed financially by Wall Street financiers. On Jan. 28, 1933, German President von Hindenburg appointed Adolf Hitler as Chancellor. The Reichstag Fire, which led to Hitler assuming dictatorial powers, followed quickly on Feb. 27.

In the United States, the banking system was in complete collapse, and the strain of feeding the millions of unemployed had overmatched both private and public charitable organizations. President Herbert Hoover, however, sent President-elect Roosevelt a series of letters, pressuring him to continue the disastrous economic policies which had turned the 1929 stock market crash into a self-feeding spiral of destruction. This, despite the fact that the American public had voted for Roosevelt in order to change those policies.

In meetings with Roosevelt, Hoover particularly focussed on the upcoming World Economic Conference which was to be held in London in the Summer of 1933. Hoover wanted Roosevelt to endorse any delegates that he might choose, and to support the policy of Britain to “solve” the worldwide Depression by making piecemeal changes to the gold standard and trade agreements. Roosevelt refused to be drawn in to trying to patch up a failed system, especially when the patches benefitted the European colonial powers at the expense of other nations and territories.

President Hoover also pressed Roosevelt on the question of foreign debts owed to the United States, specifically war debts which resulted from the Versailles Treaty ending World

War I. Hoover and his monetarist Secretary of the Treasury, Ogden Mills, felt that money from these debts would cure America’s domestic economic problems. Roosevelt sharply disagreed. He favored emphasis “on practical steps on a wide front at home, supplementing a broad domestic program with protection for the American dollar in international exchange.” As Roosevelt wrote later: “When the whole machinery needed overhauling, I felt it to be insufficient to repair one or two minor parts.”

### Commitment for Building Infrastructure

On Jan. 19, 1933, Roosevelt left New York for a meeting with President Hoover in Washington, and then travelled to Warm Springs, Georgia. There, he met with the British Ambassador, Sir Ronald Lindsay, concerning the arrangements for the coming conference on Versailles war debts in Washington. A few days later, Roosevelt visited Muscle Shoals on the Tennessee River and then Montgomery, Alabama, where he announced the massive water management and hydroelectric power project which would be developed by the future Tennessee Valley Authority.

“Muscle Shoals,” said Roosevelt, “gives us the opportunity to accomplish a great purpose for the people of many States and, indeed for the whole Union. Because there we have an opportunity of setting an example of planning, not just for ourselves but for the generations to come, tying in industry and agriculture and forestry and flood prevention, tying them all into a unified whole over a distance of a thousand miles so that we can afford better opportunities and better places for living for millions of yet unborn in the days to come.”

On Feb. 3, Roosevelt embarked with some of his friends on a fishing trip and returned to Miami on the evening of Feb. 15. It had been announced that the President-elect would be visiting Bay Front Park, where a meeting of the American Legion was taking place, and people from a hundred miles around streamed into Miami to have a look at the new President.

One person who had travelled even further to see Roosevelt was Anton Cermak, the Mayor of Chicago, who was

not Roosevelt's political ally. During the 1932 Democratic Convention in Chicago, he had taken his orders from John Raskob of Dupont and General Motors, a wealthy conservative who became chairman of the Democratic National Committee. Raskob was determined to stop Roosevelt's nomination, and Cermak had hired a noisy clique to hoot down any support for Roosevelt.

But now Roosevelt was the President-elect, and Chicago could not afford to pay its 20,000 school teachers. A Chicago alderman, Paddy Bauler, urged Cermak to mend fences with Roosevelt, to see what the Federal government could do to help the city. "I don't like the S.O.B.," replied Cermak, but he nonetheless travelled to Miami to talk things over with Roosevelt.

Roosevelt's motorcade arrived at Bay Front Park, where the President-elect sat on the back of the open car and gave a short informal speech into a microphone. When he finished, Mayor Cermak climbed on the car's running board and Roosevelt, lowering himself into his seat, told him they could discuss Chicago's problems at his private railroad car in an hour.

### **The Assassination Attempt Failed**

Just then, five or six shots rang out, and Cermak slumped to the ground. Roosevelt, with his heavy braces, was physically incapable of ducking down, and the driver of the car started to move it forward to get him out of danger. But Roosevelt ordered him to stop, and told the Secret Service to put Mayor Cermak in the car with him. At that point, no one knew how many people were shooting, or whether there would be more shots fired. Roosevelt held Cermak in his left arm and used his right hand to feel for a pulse. When Cermak seemed to regain consciousness, Roosevelt said, "Tony, keep quiet—don't move. It won't hurt you if you keep quiet."

While Roosevelt's car sped to the hospital with Cermak, it was discovered that a New York detective and the wife of the president of the Florida Light and Power Company were both in critical condition from gunshot wounds, and that another woman and child had been slightly wounded. The shooter, Giuseppe Zangara, had jumped up on a bench only 35 feet from Roosevelt's car, but when a Miami housewife named Lillian Cross saw his gun, she reached up and grabbed his arm, partially deflecting his aim.

Zangara, a relatively recent immigrant from Italy, was a bricklayer who later declared in jail that he hated all kings, presidents, and rich people. He also claimed that when he lived in Italy, he had been involved in a plot to assassinate the King of Italy. A newspaper clipping which he carried in his pocket was a description of the assassination of President William McKinley at the Pan-American Exposition in Buffalo, New York in 1901.

Immediately after Zangara's shots had rung out, members of the crowd contended with the Secret Service and police to capture him. A member of the American Legion punched him in the face, and shouts of "Kill him!" and

"Lynch him!" were heard. Two policemen put Zangara on the luggage rack of one of the cars in Roosevelt's group and knelt on top of him so that the crowd couldn't get at him. Even when he was taken to the Miami jail, the crowd outside yelled "Give him to us!"

Whether this was overzealousness in the heat of the moment, or a more sinister coordinated effort to eliminate Zangara before he could be thoroughly investigated is an unanswered question. The leadership of the American Legion, founded by the Mellon interests in 1919, had close ties to Mussolini's Fascist regime. The Legion's National Commander in 1922-23, Col. Alvin Owsley, told his audience not to forget "that the Fascisti are to Italy what the American Legion is to the United States."

In 1931, the American Legion Executive Committee passed a resolution praising Mussolini as a great leader, and the Legion's National Commander of that year, Ralph O'Neill, presented a copy of the resolution to Mussolini's Ambassador to the United States. The existence of the "Business Plot" of 1933-34, which involved a plan to mount a quasi-military coup d'état against President Roosevelt, was later confirmed by a special U.S. House of Representatives investigative committee, the McCormack-Dickstein Committee. Marine Corps Gen. Smedley Butler testified that he was asked by a leading member of the Legion to recruit a fascist army, much of it from the ranks of the Legion.

Whatever was the intent of elements within the crowd at Bay Front Park that night, Zangara lived only 33 days after the shooting. He was tried, convicted, and then executed for the murder of Mayor Cermak on March 20.

The day after the assassination attempt, Roosevelt visited Cermak at the hospital and they had their meeting about the Chicago teachers. The President-elect also visited the other shooting victims, all of whom survived, and he sent a grateful telegram to Mrs. Cross.

The World Economic Conference was held in London in July 1933, and President Roosevelt sent the delegates a cable insisting upon larger objectives than mere currency stabilization among a few nations. He stated that, "The sound internal economic system of a Nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other Nations. . . . The Conference was called to better and perhaps to cure fundamental economic ills. It must not be diverted from that effort." Due to pressure from the British Empire and its European allies, the Conference did not act as Roosevelt hoped, but 11 years later, in 1944, his ideas were brought to fruition at the Bretton Woods Conference in New Hampshire.

Two days before he died of complications from his wound, Mayor Cermak listened to President Roosevelt's Inaugural Address on the radio. Roosevelt took the oath of office while placing his hand on a 1686 Dutch Bible that belonged to his great-great-great-grandfather. He had opened it at the 13th chapter of First Corinthians: "And now abideth faith, hope and charity; but the greatest of these is charity."

### Senate Brings FY2007 Appropriations to a Close

On Feb. 14, the Senate passed, by a vote of 81 to 15, a \$463 billion continuing resolution that funds most of the government for the rest of fiscal year 2007. The resolution, which passed the House on Jan. 31 by a vote of 296 to 140, was necessitated by the fact that the GOP-controlled 109th Congress passed only two of the eleven appropriations bills: defense and homeland security. Republicans were irked by the fact that the Democrats took up the bill without allowing amendments, but decided to avoid risking a government shutdown. Minority Whip Trent Lott (R-Miss.) said “We’ve got to get it done and move on.”

That moving on will be to the fiscal 2008 budget and the fiscal 2007 war supplemental request, both of which arrived on Capital Hill on Feb. 5. That budget plan asks for \$93 million for the Iraq and Afghanistan wars for the rest of FY07 and \$141 billion for FY08, on top of a \$481 billion baseline budget for the Pentagon. At the same time, the budget plan calls for austerity in almost everything else, holding non-defense discretionary spending to 1% growth, less than the rate of inflation, and calls for reducing Medicare spending by \$66 billion over the next five years. It also proposes discretionary spending caps like those of the 1990s, which caused problems for Medicare providers during that period.

### Miller Answers Question On Capital Budget

On Feb. 6, Rep. George Miller (D-Calif.), the chairman of the House Education and Labor Committee, appeared with his Senate counterpart Edward M. Kennedy (D-Mass.), organized la-

bor officials, and four other House members to announce the introduction of the “Employee Free Choice Act,” which would crack down on employers who refuse to permit their employees from forming a union. One factor in the “middle-class squeeze,” Miller said “is the difficulty that workers experience when they want to earn the right to bargain for better wages, benefits, and working conditions.” Citing a recent speech by President Bush, in which he claimed that the U.S. economy is doing “great,” Kennedy noted that, instead, “Today, the economy works for Wall Street, not for Main Street.”

During the question period, a member of the LaRouche Youth Movement asked Miller why the relevant House committees have not begun discussions on a capital budget, “to create large-scale infrastructure projects, to bring high-paying productive jobs back into the economy, for Main Street families?” Miller replied, “We may do it. There’s a lot of things we have to clear up. There’s a lot of red ink left over from the previous Congress.” He added, smiling, “Remember, the Democrats have been in for all of one month.” And then, “There’s some very interesting stuff on the capital budget!”

### Use of Military Contractors Coming Under Scrutiny

During the years that they controlled the Congress, the Republicans, with a few exceptions, largely gave the Bush Administration a free pass on its heavy reliance on military contractors. Now that the Democrats are in control, that free pass may be expiring. Rep. Henry Waxman (D-Calif.), chairman of the House Oversight and Government Reform Committee, held two days of

hearings on military contracting in Iraq, and questions about the use of contractors are also being raised in the House Defense Appropriations Subcommittee, chaired by Rep. John Murtha (D-Pa.).

Waxman’s first hearing, on Feb. 6, featured Paul Bremer, who ran the Coalition Provisional Authority in Iraq from May 2003 to June 2004, which famously lost track of \$8.8 billion in Iraqi funds. Waxman had also intended to call veteran foreign service officer Tim Carney, who was posted to the CPA in 2003, but quit in disgust after only two months. The Bush Administration, however, conspired to keep Carney from testifying by sending him out of the country, ironically, to Iraq, where he is now the point person on Iraq reconstruction.

The next day, Waxman held another hearing, this one focussing on security contractors in Iraq, such as Blackwater employees, who make \$500 to \$1,600 per day, while an Army sergeant doing the same job makes \$156 per day. During a Feb. 13 hearing of the Defense Appropriations Subcommittee, Rep. Marcy Kaptur (D-Ohio) reported that Aegis Defense Systems is the second-largest force in Iraq, with 20,000 people on the ground. She expressed concern about the morale of U.S. troops when they meet “some of these characters and see what they are earning.”

### Waxman Proposes Ethics Reform for Executive

On Feb. 12, House Oversight and Government Reform Committee chairman Henry Waxman (D-Calif.), with co-sponsor, ranking Republican Tom Davis (Va.), introduced the “Executive Branch Reform Act of 2007,” which would make illegal certain

practices that have become commonplace in the Bush Administration. Waxman noted, in a statement the following day, that, in the wake of the Jack Abramoff lobbying scandal, he and Davis came to agree on the need to bring “greater transparency to meetings between the private sector and executive branch officials by requiring all political appointees and senior officials in federal agencies and the White House to report their contacts with private parties seeking to influence official government action.”

Aside from requiring government officials to report to Congress on their contacts with lobbyists and other private individuals seeking to influence the government, the Waxman-Davis bill also prohibits lobbyists who enter the government from handing out favors to their former clients. It also, among other things, lengthens the prohibition on former government officials lobbying the government from one year to two, ends the use of “pseudo-classifications” such as “sensitive but unclassified,” and requires the government to disclose its use of covert propaganda.

Waxman and Davis had introduced a similar bill last year, but then-House Majority Leader John Boehner (R-Ohio) never scheduled it for floor action. This year promises to be different, with one House Democratic Leadership aide telling *The Hill* newspaper Feb. 13, “This leadership is supportive of this bill and it will come to the floor.”

## **Leahy, Bond Fight Bush Over National Guard**

Leaders of the Senate National Guard Caucus are fighting to repeal legisla-

tion bills that would make it easier for the President to declare martial law and assume control of the National Guard. On Feb. 7, Senators Patrick Leahy (D-Vt.) and Kit Bond (R-Mo.), co-chairmen of the National Guard Caucus, introduced a bill to revive the previous authority on the domestic use of the military.

Leahy said in a statement that, “Expanding the President’s powers under the Insurrection Act was a sweeping, ill-considered and little-noticed grant of authority to the executive branch, at the expense of the National Guard and the governors.” That change in longstanding law treads heavily across basic constitutional issues relating to the rights of the people, the separation of powers, and state and local sovereignty.

Bond said that, as a former governor, he was concerned not only that state governors now have less control over their Guard units, but that the President is now provided with unnecessary and unprecedented power to invoke martial law. “Our bill will provide a critical fix to legislation that was pushed through Congress without the consultation or advice of the governors,” he said.

A Pentagon source told *The Hill* Feb. 9 that the National Guard Bureau is leaving the fight to the governors. He added that the bureau did not know about the changes and was surprised to see the language in the defense authorization bill. “It makes it much easier, more politically palatable for the President to declare an insurrection,” said the source.

## **Senate Panel Democrats Skeptical of VA Budget**

For the past two years, the Veterans Administration has proposed in-

creased enrollment fees and prescription drug co-pays for certain categories of veterans in the VA health-care system, and it assumed that those fees, along with “unspecified management efficiencies,” would bring in about \$700 million. However, Congress soundly rejected those proposals in both 2005 and 2006. Critics in both parties charged that the VA was trying to drive thousands of veterans out of its health-care system. This year, the VA is proposing the same increases, but without assuming any benefit to its budget, hoping that the proposed fee hikes will find more traction in the current Congress.

However, the response of Senate Veterans Affairs Committee Democrats indicated otherwise, during a Feb. 13 hearing. Sen. Patty Murray (D-Wash.) expressed concern that “this budget closes the door [to the VA health-care system] on thousands of veterans.” She charged that the VA is still underestimating the numbers of new veterans who will enter the system, and that the budget assumes an actual decrease in the number of mental-health inpatients, when as many as one-third of Iraq and Afghanistan war vets are seeking psychiatric care in the VA system.

Another point of contention is the actual meaning of the 77% increase in the VA’s health-care budget since 2001. Ranking Republican Larry Craig (Id.) argued that these spending increases demonstrate the Bush Administration’s commitment to veterans and show that “veterans are the clear winners.” Sen. Bernard Sanders (I-Vt.), on the other hand, attributed the 77% increase to two factors: the rising cost of health care, and the fact the United States is at war. “The issue is,” he insisted, “is the amount of money adequate to take care of the needs of veterans?”

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## Editorial

### *Britain's New War*

Warnings about the imminent danger of a U.S. attack on Iran, or an “accidental” provocation leading to conflict between Iran and the United States, are hard to miss these days. Equally frequent are the Bush Administration’s outright denials that they intend to go to war against the Islamic Republic.

There’s more than one explanation for the Administration’s denial. On the one hand, as in the case of the buildup to the Iraq war, they could simply be lying—especially since they find it very uncomfortable to have an international spotlight shown on their machinations. On the other hand, there is a certain ironical truth to the Bush Administration statements. For the fact is, that it is the *British imperial faction* which is actually planning the war against Iran, and simply using the Cheney team in the White House as their useful tools.

We are not speaking metaphorically. Take the case of the latest pretext for Administration sabre-rattling against Iran, the alleged smuggling of Iranian-manufactured Improvised Explosive Devices (IEDs) called EFPs (Explosively Formed Penetrators) into Iraq.

After a loud buildup, the Bush Administration held a press conference in Baghdad on Feb. 14 to announce that it had evidence that these deadly devices, which have killed and maimed a large number of American troops in Iraq, were being smuggled into the country from Iran, by members of the Al-Quds organization, which is allegedly closely connected to the Iranian Revolutionary Guards. So hush-hush was the press briefing, that the briefers would not identify themselves—not to mention their sources. Thus the “evidence” being cited was shrouded in mystery, and, especially in light of the Administration’s record with “evidence” of Saddam Hussein’s WMD, even the establishment press was more than skeptical.

The skepticism grew even greater when the chairman of the Joint Chiefs of Staff, Gen. Peter Pace, indicated that the revelations did not necessarily imply that the Iranian government itself was involved in supplying such weaponry. While this fact doesn’t create a problem for the simple-minded President Bush, who says we’ll “go get ‘em” anyway, it does raise questions to serious people, who understand the cataclysmic results that would come from a war against Iran.

Much light is shed on the subject, however, when you look at non-mainstream press sources, including Radio Free Europe. On Feb. 15, RFE had a report from David Claridge, a weapons expert from Janusian Security Risk Management. Claridge writes: “My first recollection of their [EFPs] use was against a private security company in the [Al-Basrah] area and then, fairly rapidly afterward, against British security military patrols there. And, to my recollection it was the British MOD [Ministry of Defence] that first highlighted, first of all, the use of the weapons, but also their potential connection to Iranian technology.”

An Iranian source reached in Tehran by *EIR*, when asked about this said: “We must remember that Tony Blair accused Iran in 2005 of the same thing [sending weapons to southern Iraq], which are used against British forces in Basra Province. His government failed to prove the allegation and he had to withdraw the allegation in January 2006, admitting that the allegation was made in haste and weapons can easily be bought from the black market in the Middle East. The new allegation by U.S. seems to be but the revival of the same failed British attempt.”

It’s par for the course for the Cheney-Bush Administration to fall for such a British ploy. From the time of President Franklin D. Roosevelt’s death, the British imperial faction has been attempting to destroy FDR’s legacy, and the national sovereignty of the United States, by not only economic means, but also by setting up the U.S.A. for a series of conflicts which would destroy it. Look at how successful this has been in the case of the war in Iraq! And that’s nothing compared to what would happen should Cheney get his wish of launching attacks on Iran.

Of course, once the Cheney-Bush team provoked the war, the British would be the first to distance themselves from the action. This is classical imperial manipulation—not an Anglo-American alliance.

There are some in Congress who have the smell of the disaster brewing in preparations for war against Iran. It’s time they got wise to the whole geopolitical game, and stopped it short. That starts with removing Cheney from office, *before* a war against Iran begins.