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This Week You Need To Know

LaRouche Keynotes Berlin Seminar:

THE NEXT 50 YEARS ARE OUR RESPONSIBILITY; LET'S START NOW

Here is the keynote of Lyndon LaRouche to the EIR seminar in Berlin, on Jan. 12, 2005. He was introduced by Michael Liebig.

MICHAEL LIEBIG: It's a privilege to welcome you all here, for this strategic seminar here in Berlin, hosted by *EIR*. My name is Michael Liebig. I'm from the EIR office in Wiesbaden. And this seminar, here, today—and tomorrow—Mr. LaRouche decided that the depth of the issues which we are discussing here, necessitates a discussion which goes beyond a one-day event, so the seminar will extend into tomorrow afternoon.

So, the prehistory of this seminar, here, goes back right after Nov. 2, 2004, when Helga Zepp-LaRouche proposed, that in view of what happened then, at the earliest possible time we convene a seminar that discusses Euro-Atlantic and Eurasian relations in the context of the systemic economic, financial, *and* strategic crisis. And having the advantage of what you call in German *kurze Dienstweg*, so Mr. LaRouche, it was agreed, that he would be available in January, and that the topic of the discussion would be extended to address *fundamental cultural-political issues*, which normally, in discussions on Euro-Atlantic and Euro-Atlantic/Eurasian relations, tend to be pushed aside in favor of generalities and slogans. Mr. LaRouche has provided an extensive conceptual framework for that discussion in two articles, the second of which is printed here in the latest edition of *EIR* magazine; and I assume that most, if not all of the participants do have it, and have read it.

Now, what is addressed in the two texts, and what will be discussed today and tomorrow, is an in-depth analysis of the political battleground within the United States. And specifically, the leadership role, both in respect to the Democratic Party and in respect to U.S. institutions played by Mr. LaRouche, and his movement. And that an understanding, an *adequate* understanding of this situation, in the United States, which (and I speak out of personal experience), which does represent a significant problem in Europe—and not just in Europe—where, in spite of a lot of knowledge and insight into the U.S. situation, there simply is a tendency for a not-differentiated-enough understanding, in terms of the internal dynamics of U.S. politics.

So therefore, correlating the understanding of the situation within the United States, to the question of building a new foundation for Euro-Atlantic and Euro-Atlantic/Eurasian relations, on a solid, sustainable, non-sloganeering foundation, will be a central feature for the coming two days.

So, saying that, I would once again emphasize, that we would like to focus on the things that usually are *not* being discussed at such seminars—as I said, in favor of formulas and slogans—things which tend to be taboo issues, which tend to be characterized as "too heavy" for discussions of this sort. And, as we want to do this, we—and that's my hope—we do

it in a Socratic fashion: in the sense that we will have a combination of contributions and free discussion. But, I would implore you all, that this occur in a Socratic fashion, so that we don't have simply the dropping of "idea-packages" or "concept-packages" one after the other: But that we have an actual discussion dynamic, which takes up the core concept evolving in the course of this seminar.

Now, we'll face certain time constraints, frictions, but I think that is the characteristic of any good seminar. And having said that, I would ask Mr. Saini from India to say a few words concerning the tsunami disaster, before we begin with the keynote address of Mr. LaRouche. Please.

MR. SAINI: A large number of people have died in the tragedy in Southeast Asia, particularly India, Indonesia, are the ones which were the worst hit, Sri Lanka, and we must stand for two minutes to pay our last respects to those who have died in the tragedy. We hope that their souls may rest in peace. Can we stand for two minutes?

LIEBIG: So, I want to ask Mr. LaRouche to start off with his keynote address, which is, as we say in German, the *Diskussionsgrundlage* for this seminar. Please.

LYNDON LAROCHE: What I'm going to lay before you, contradicts the diplomatic and related assumptions of discussions around the world today: That, in the coming period, especially with the onrushing financial collapse, which is inevitable now, that what people believe today, will no longer be believed. The system is coming down. The present world monetary-financial system is finished, and *will never rise again*. It's coming on now. Exactly when the official collapse occurs, is uncertain, but it will be soon. And in terms of the system itself, there will be no remedy which will ever allow for its recovery as a system, again, in future history.

So, we're going into a period of either chaos, which could be a Dark Age, or we're going into a period in which the assumptions of relations among states, especially respecting economic and related kinds of relations, will be changed forever—either for the better, or very much for the worse.

We are looking, as I said, at a potential New Dark Age.

Now, this became clear, this process, or this part of the process, became clear on the morning following Nov. 7, 2000, when a Democratic Presidential candidate, Al Gore, earned a loss of a Presidential election by his own foolishness, and brought in a very dangerous factor—not merely a President, George Bush, who is mentally ill, and incompetent, who is essentially a puppet of people such as George Shultz, and more immediately of his Vice President, Dick Cheney; but, a Vice President and a Shultz who are committed to a policy of the use of developing new nuclear weapons as part of a retinue for *global, preventive nuclear warfare*, in which the first nation on the target list—as of the moment that Mr. Cheney was sworn in as Vice President—was Iraq.

Nothing that happened subsequent to that, had any effect on the decision to invade Iraq. It was a predetermined decision, which had been the policy of Cheney since he had been the Secretary of Defense under George Bush I. And he didn't give it up; he worked for it. There's an international group called the "neo-conservatives," who are for it.

Now, these people, to make the point clear—and I exaggerate nothing in what I'm about to say: The force behind Cheney and behind Shultz, is what we knew formerly as the Nazi International. That is without exaggeration. That is not a comparison. That is a fact. The same group, such as Lazard Frères in Paris, the other groups which were involved in the Versailles agreement, which set up the Germany reparations agreements, at Versailles, were part of a plan of a process, which led through the British putting Mussolini into power in Italy, through the instrumentality of Volpi di Misurata, who is the actual author of Italian Fascism, run out of London.

And these people had a plan, by using war reparations against Germany, to crack Europe—that is, Germany would not be able to pay the war reparations, but the war reparations would be scheduled to go to primarily, directly, to France and England, which were bankrupt as a result of the First World War. And that this would create a situation, in which the monetary system would collapse—the Versailles monetary system—as it did; and then they would create a new monetary system, which they created in 1931, called the Bank for International Settlements, which still exists today. A key member of the Bank for International Settlements, was Hjalmar Schacht, who was one of the authors of Hitler's government, who was a British agent: an agent of the head of the Bank of England, specifically.

The plan was to create a new monetary system, based on an international financial cartel. This financier cartel, made up of private banking interests, private financier interests of the Venetian style, became essentially the government of Europe. They planned for a war. They planned to mobilize Europe, under Hitler—putting Hitler into power in Germany—as their tool, to conduct the war which initially was supposed to be aimed directly at Russia, first, at the Soviet Union. But then, because of discussions between the Soviet government and the German government, the Ribbentrop-Molotov agreements as they became, the British had to change their agenda. They first, initially intended that Germany would attack the Soviets, and be caught in depth in Soviet territory; then the French and British would attack the Germans from the rear (which is a favorite British stunt).

But, because of the change—and this, of course occurred in the context of the visit of Marshal Tukhachevsky to France, in particular; and the failure of the Tukhachevsky mission was the signal that this thing was on, even before the treaty, the Molotov pact was signed. So, at that point, the British and French knew they had to bring the Americans in—they didn't want to have the Americans in, because they were afraid that if the Americans were in on the war, the Americans would come out as a dominant force. They didn't want the Americans in the war, until the middle of the 1930s.

But then, after they dumped Edward VIII, who was too close to Hitler at that time, the people who had backed Hitler, from the Anglo-Americans in particular, shifted to an anti-Hitler position—gradually—not all of them. Lord Beaverbrook was still for Hitler in May of 1940. Lord Halifax was still for Hitler, in that period. Remember, Beaverbrook then became the propaganda minister for the British for World War II; Lord Halifax was sent to Washington as the British ambassador to the Roosevelt Administration.

Then, the crowd in New York which had backed Hitler—which included Harriman, the family of Harriman; which included, of course, the father of the present Senator Ted Kennedy, Joe Kennedy; who were, up until this period had been pro-Hitler, gradually changed. They were anti-Hitler. But, they were still part of the international financier cartel, which had created the Nazi overrun of Europe and the war.

And the end of the war, with the death of Roosevelt, the policies of the United States changed, absolutely, strategically, on the day of the death of Franklin Roosevelt, the following day. Roosevelt had been committed to a post-war decolonization of the world. Not merely decolonization, but a specifically American-led program for building up former colonies, into modern nation-states. This had been proposed, for example, at the meeting with Churchill, where Churchill was very upset, on this proposal, detailing what the plans were for Africa, especially Northern Africa, by the United States government at the end of the war. Similar programs for India and other countries.

And the idea was, that we would use the military power, the economic power, that we had developed in the United States for the war: We would convert these industries which had been mobilized for war production, we would convert them into industries to support capital formation in developing countries. The intention was to create a world order among sovereign nation-states, as a replacement for the kind of European-dominated system which had existed before.

This could be considered the Second Treaty of Westphalia prospect: To go beyond what was accomplished by ending religious war, as such, in Europe, with the Treaty of Westphalia—a system of nations, where the nations are each

committed primarily to the common good of all nations, first, and themselves second. And by this kind of commitment, to create an order of sovereign nation-states on this planet, which would be the security system, as well as the promotion of economic growth, for the future of humanity thereafter.

On the day after Roosevelt's death, a very little man — Truman—a very stupid man, a nasty little fellow; just an instrument of Harriman and Company—these fellows did several things. A friend of mine, for example, had been involved in Italy, through the Vatican Office of Extraordinary Affairs, then under Montini who was later Paul VI, in negotiations on behalf of the Emperor of Japan with the United States and other powers, for a peace treaty. The peace treaty depended upon recognizing the position of the Emperor in the post-war period, as the head of state. The argument was, that if the Emperor remained the head of state, Japan would hold together, it would not split apart, and therefore there would be a workable solution.

The death of Roosevelt *ended that*. The Truman Administration suppressed the fact of that agreement, negotiated through the Vatican's Office of Extraordinary Affairs: *in order to drop nuclear weapons—needlessly—on Hiroshima and Nagasaki*. The purpose was, to establish a world empire, based on the assumption of Anglo-American control of nuclear arsenals. It was a policy designed by that great pacifist, Bertrand Russell, an enemy of mankind. Who said, we must use nuclear weapons for *nuclear preventive war*, in order to establish world government, world empire.

Now, that policy, which Truman expressed, by his actions in that period, the Russell policy, has continued. What happened? The Korean War didn't go the way it was planned on the U.S. side. It was discovered that the Soviet Union had a deployable *thermonuclear* weapon, when the United States didn't have one yet. So therefore, they called off preventive nuclear war, for the time being. And there was a shift into "nuclear deterrence," developed, again, under the direction of Bertrand Russell. Which became known as Mutual and Assured Destruction, MAD—which is what I tried to bring an end to, sometime later (not without some success, and not with success—anyway).

So, what happens is, now, with the collapse of the Soviet Union, instead of a new arrangement of the type we sought with the SDI—and, President Reagan was, with all his faults and other questions, was *seriously dedicated to that prospect*. He was dedicated to that, because he was, among other things, among all his faults, he was committed to the legacy of the Franklin Roosevelt Presidency. And therefore, this was his sentiment, and he expressed it sincerely and honestly. I designed the policy, in detail. He adopted it, exactly as I had designed it.

It was turned down by Andropov—and Hell broke loose, as a result. And for me, too, personally. Because, what I had nearly done, had gotten the apparatus so upset, they wanted me out of the way, in any way possible. They just didn't want to take credit for it.

So, with the collapse of the Soviet Union, which was clear in 1989—it took them all by surprise; they didn't foresee it. They say they foresaw it. They *didn't* foresee it. *They didn't understand the situation*. They were blinded by their own schemes.

But, at that time, they immediately responded, with a revival of the Nazi International. And this thing, was not something that was brought out of the grave: The Nazi International never died. For example—the case of Pinochet is an example of this, the Pinochet government. And I'll indicate the importance of this particular event, for what we're discussing today: Allen Dulles had been a key partner, of the international backing for the Nazis, he and his brother John Foster Dulles; and in principle, the younger brother Avery Dulles, the Cardinal—now in Rome—who's relevant to the corruption of the Church.

So, what they had done, on the death of Roosevelt, they had proceeded to bring in large sections of the Nazi system, into the Anglo-American system. And it eventually became an integral part of NATO. The argument was used, that these guys were the best anti-Communists, the best anti-Communist fighters, therefore, you bring them in for that purpose—and you

will look the other way, when you come to looking at their credentials. Many of them went down into South America, through a "rat-line" organized by Dulles, through Schacht's son-in-law.

Then, you come to 1971: George Shultz was a key member of the Nixon Administration, one of the controllers of Nixon at that time—with Henry Kissinger as an also-ran, and people like Paul Volcker. These people, in 1971, in August, pulled off the first step to collapse the Roosevelt-designed Bretton Woods system, the original IMF. The following year, with Shultz at Azores, fighting Pompidou, imposed upon the world a change in the world monetary system, the IMF, from the fixed-exchange-rate system to a floating-exchange-rate system.

Now, that change, and the U.S. government's participation in that change, changed the world. We were on the road to Hell, already at that point. And George Shultz was key.

One of the first products of this change, occurred in Chile: You had two groups who were part of the Synarchist International, actually: Fidel Castro, who is actually a very right-wing character, if you know his background; who changed to a left-wing character when the opportunities required it. So, he was used, with the Allende regime, to create a stunt, including this Kalashnikov display—personal Kalashnikov for Allende; and this stunt was used to create the impression, in the wild-eyed parts of the world, that there was a "Communist menace" about to take over all of South America. And they were going to deal with this first of all in Chile!

So, what they did, is they took Allende, they got him killed by Pinochet and Company; made Pinochet a dictator; and to follow it off, they took the Nazi International—that is, people who were first or second generations part of the SS!—and they organized what was called Operation Condor, a mass slaughter throughout the Southern Cone area of South America.

This was the part of a strategy of tension, which we saw with the unleashing of terrorism in Italy! And the terrorism in Italy was done by the Nazis! It was done by the sequels of SS Gen. Karl Wolff—who ran Gladio for NATO; and who committed the assassinations, the terrorist wave, in Italy, Germany and elsewhere, during the early 1970s.

These guys are the same guys, who, with Shultz involved, who are behind the present Bush Administration. Shultz, in the middle of the 1980s, actually crafted the structure of what became the Bush Administration. Cheney was his number-one man. Shultz represents international finance. He represents the same interests, which we knew as that group of private bankers, that financier cartel, which gave us the Nazi system and so forth, during the 1920s and 1930s. They're back.

The President of the United States is a mental case. This is not a characterization. This is a clinical diagnosis: The man is *mentally ill*. He's non-functionally mentally ill. But he's a puppet. And it is dangerous to have a mentally ill person, in the position of a head of state of a powerful nation, even if he's only a puppet, even if he's chiefly controlled by people like Shultz and Cheney.

So, we are in a period of *incalculable* possibilities, in which the checks and balances of politics no longer can be relied upon. But that does not mean we don't have resources: as in warfare, you have your strategic resources, you have your strategic options. And that's what we have, is strategic options.

Very soon the system will collapse.

Now, where are we right now? I raised these questions with a group of Democrats and others, during the period immediately following Nov. 7, 2000. And that began a process, which more or less directly, leads to what we're discussing here, today, the circumstances we're discussing here today. Early on, parts of the U.S. establishment agreed with me, especially people around former President Clinton. Who has been listening to me, shall we say, a little more and more, as time passes on. We fought a number of issues, with the idea of trying to rebuild the Democratic Party. But, we had strong

opposition to this within the Democratic Party, which has its own Nazi-connected types in there, as well as other things; as well as Republicans.

We also had a network of Republican figures, who are the same variety of Republicans: particularly people who come from the military background, intelligence services, the diplomatic services, or who are out of service, but who still are functioning in that mode, as professors of this, or this or that, in this part of our system—this part of our Presidential system.

So, the ideas, the influence of our discussions spread. When it came to the 2004 election campaign, the determination was to keep me out of this, if at all possible. Well, they didn't keep me out. They tried. It didn't work. At the Boston Convention of the Democratic Party, we reached an agreement, agreement to collaborate. After Sept. 11 of this past year, when Clinton spoke to Kerry, and told Kerry that his present campaign was nonsense, that he had to change his ways, and that I had to be brought in, as an advisor on how to run the campaign.

We managed to salvage a good deal of the campaign. We probably actually won the Presidency, in terms of what we did. However, the other side cheated, and since that was the party in power, it was difficult to overturn it. But, recently, in the past week, we did raise the question: that we, in a sense, declared George Bush a "lame duck," as what we call it in U.S. politics—he's already on the way out, before he's even inaugurated.

Now, we got people to take a stand on that. What we have now, you have probably about 1,500 people who form a network, largely in the Democratic Party, but also Republican pedigrees, who are part of the network that I work with; who I'm in touch with every day, directly or indirectly. That is, the policy discussion among us, passes around the network very rapidly, particularly in these days of internet electronic communications. And therefore, the policies are discussed.

We do not yet have a consolidated control of the Democratic Party. But we have many Republicans, and many Democrats, who are oriented to finding a solution. And since we represent the United States, we think in terms of the American history, our precedents, our capabilities, what we can do, what we must do in the world.

What that means, of course, that we have to take actions that no other part of the world can do.

The problem is this: The present international monetary-financial system is coming down. It can not be saved. It's only a question of when—and when is soon. The system is finished. Now anybody who understands the system *knows that*—including my enemies, at the highest level. Their game is, how are they going to play the situation?

Now, many people say, "Well, if the financial system collapses—It can't collapse! If it collapses, what happens to our money?" This is where this illusion, the brainwashing, about belief in political economy, comes in: Money is not anything! Money is a creation of somebody. And somebody else accepts it; that makes it currency. But there's no intrinsic value to money. Money has value under various terms: Do you have a financial group, such as the Bank for International Settlements, or the bankers associated with that, who run central banking systems—so-called "independent" central banking systems, which are more powerful than governments?

There's not a government in Europe, which is more powerful than its central banking system! The government is a flunky of the central banking system! And they even have a control mechanism, called the Maastricht Agreement of the European Union, which ensures that no country has any sovereignty, no government has sovereignty. Because, as long as you're under the control of an independent central banking system, which is independent of government control, but is controlled by a group of international financier-oligarchs, who's running the world?

Now, of course, government has the intrinsic power to *take that power away* from central banking systems. But, when you look at the political systems of the world, who has the *guts*, among the politicians, to take that, and not be shot in the morning? *Where do you have a concert of political forces, which are willing to rise in the defense of the sovereignty of their nation or of a group of nations, against the tyranny of international central banking systems?*

(We have two of our guests arrived—Dr. Kiracofe and Jeff Steinberg, who arrived by plane, obviously safely. They seem to be uncrippled. And Dr. Kiracofe is familiar with some of background I've just referred to, in his part of the discussion with me.)

Anyway. So, the problem is, the United States is the only nation which was created with a Constitution which is adequate to this situation. And, as in the case of the immediate post-World War II period, where the United States was the only nation, with any integrity as an authority in monetary affairs, so in 1944, at Bretton Woods, President Roosevelt used the American System of political economy—the *anti-British system* of political economy—and shoved it down the throats of the British, including Keynes and others, to set up what became known as the Bretton Woods system, or the fixed-exchange-rate system: based on the power of the United States *to back a gold-reserve-based* fixed-exchange system.

Now, that's the character of the United States. One has to understand, that the United States was created as the first revolution against the establishment of the British Empire; a British Empire, which was established on Feb. 10, 1763, at the Treaty of Paris. This British Empire, which was then an empire of the *British East India Company*, not the foolish British monarch, then used the power it gained by the submission of these countries at the end of the Seven Years' War—which the British had organized! The British organized the powers of Europe, to fight one another, to weaken the nations of Europe, so that the Anglo-Dutch Liberal system of imperialism could prevail!

The one place in which this fight was staged, against this new empire, the British Empire, was in the United States. It started, actually, in that period, in the period of the Seven Years' War; at a time that people in Germany, like Kästner and so forth, from here, were involved in connections to Benjamin Franklin; where leading Europeans were working with North Americans, especially around Benjamin Franklin, to build an alliance, with the idea, that the establishment of an independent republic among the English-speaking colonies of North America, could be a precedent for bringing that effect *back into Europe*, as a precedent.

The French Revolution, which was supposed to occur, in the form that Lafayette and Bailly proposed, would have been the second step, to establish the liberation of Europe, from this kind of system. But the British intervened, because the British *ran* the French Revolution! From July 14, 1789 on. There were British agents who orchestrated it, including Necker. It was run on his behalf.

And you had a British intelligence operation, called the Martinist freemasonic association which *ran* Napoleon! Joseph de Maistre created Napoleon! Invented him! Designed him! Based on the model of Torquemada, the Grand Inquisitor of Spain. Ruined Europe, through Napoleon! And established the power, first of all, primarily, of the Anglo-Dutch Liberal system. And the Habsburgs were soon finished off, and made merely puppets of this Anglo-Dutch Liberal system, thereafter, through financial control.

So, because of that, the United States, which was beleaguered, small, weak; because Spain was collapsed, which had been an ally of the United States; because Spain and France were divided from the United States in the peace Treaties of Paris, 1782-83, by the cleverness of the British under Lord Shelburne—who was probably one of the most evil men of that century—and the creation of the pretty much of the British system, today: because of that, apart from the Bolshevik Revolution and similar events, there has been *no alternative, to the British Anglo-Dutch Liberal system of imperialism on the Continent of Europe, so far.*

There have been thrusts. De Gaulle made a thrust in that direction, with the Fifth Republic, with the heavy franc, which was an act of guts. But, after John Kennedy was killed, de Gaulle was more or less isolated, in point of fact, with no U.S. ally of worth. And therefore, what happened, happened.

So, the United States today has a tradition, a Constitutional tradition, which many Americans know. Those of us who understand the United States, understand it: We are capable of reviving the Franklin Roosevelt precedent, that I referred to. And in the time when the entire international financial system is collapsing, if you have the right government in the United States, the right government in the United States will, preemptively, *act*, to do what Roosevelt did. When all monetary systems are collapsing, the United States will say, "We repudiate the present IMF. It's bankrupt. And we go back to a fixed-exchange-rate system as policy." Under those conditions, we can crack it! And those nations which wish to be free from the slavery of the Anglo-Dutch Liberal system, can then declare their freedom, which has been long awaited.

Now, the world has not been exactly unchanged, during the past 40 years, the 40 years of decadence. In the past 40 years, Europe, and the Americas, have been destroyed: have been destroyed by a process called "environmentalism"; a process called "globalization"; a hatred against technological progress, real technological progress. The substitution of playing or masturbating with computers, as a substitute for technological progress. You're playing with numbers, not actually creating anything—just moving things around, according to the numbers. Bertrand Russell's system.

Therefore, what we've done, is we said: "All right. First of all, we use the IMF"—from 1971-72 on—"we use the IMF to impoverish nations which have been nations." Look at South America! Look at Mexico! Go through the period 1971 to 1982: Look at the transformation in the conditions of South and Central America. We bankrupted them! How? Through London! How? By using the international monetary system of the bankers: Through London, we organized runs against national currencies. We then said to them, "Well" (to the government in question), "you want this run to stop? You better call in the IMF and get some advice—or the World Bank, or both." So, the IMF and World Bank, which were then the "Thief of Baghdad" of the world as a whole, now move in, and advise the country to reduce the value of their currency, arbitrarily—a currency which had been collapsed by a financial warfare attack from the London market, from the concert for the system. They dropped their currency.

Ah! "But," the IMF says, "that's not going to work. You're going to have to create, on paper, a new debt, to make up for what your creditors will lose by your devaluation of your currency." Now, all of the countries of South America and Central America, combined, have more than paid *every penny they ever borrowed! They don't owe anything*, except the effects of this superimposed, artificial debt, dictated debt.

You have a similar situation—this happened, of course, in India, earlier, with the rupee devaluation. Which was intended to break India, and to break the will of Nehru. This is what Mrs. Gandhi dealt with, all the time—till they killed her, too! And her son, too! To prevent a powerful nation from standing up against this.

So, what is the situation of the world? Now, we have created desperate nations, which no longer have the ability to develop their own economy. We now offer them, to give us their cheap labor. At slave-labor rates. To allow us *to loot* their natural resources, and their people.

Look what we're doing to Africa.

An example of this, Henry Kissinger, National Security Study Memorandum 200, written in his capacity as the National Security Advisor. Policy for Africa: Africa is overpopulated. Africa has natural resources, particularly the Southern Shield—mineral resources. *We intend to take those resources. They're ours!* We can not allow the Africans to *eat* them! We can not allow so many Africans to live: They will eat resources, that we want for our future. We can not allow them to develop, because then they will use more natural resources, per capita. We can't allow that: *We must conduct population*

reduction against Africa! Sub-Saharan Africa.

And look at Sub-Saharan Africa, since the beginning of the 1970s. It was already started then, clearly. This was the Anglo-American IMF policy, the World Bank policy, all the way through. The IMF and World Bank have become the Adolf Hitler of the planet. They've done more killing—. And the way it works: They would go into a country—the bankers would go in first, formerly; now, it doesn't work that way, they send the killers in, first. The bankers go in first; the bankers induce the country to take loans, under these IMF conditions. The country is then induced to bankrupt itself. Then, the IMF moves in, through its agents, and orders the country to submit to certain arrangements—under the pressure of this debt crisis. As in Indonesia, for example. And then, if the government *resists* these conditions, then members of the Nazi International, or their second or third generation, *move in to kill, assassinate heads of government, heads of state*, and other key figures who are impediments to the good interests of the IMF and the World Bank.

This is the system.

As a result of this, what did we do? We took Europe—great Europe! Great, independent, wise Europe! Great, independent, wise United States—we said, "Ah! We have cheap labor! We don't have to keep paying our wage rates to our people! We can get conditions for free that we have to pay for in the United States. We can close down our factories, and move the production of our materials, to countries where they have cheap labor. And now, we will get these things that we want to consume, from the cheap labor of South America and Asia."

Now, therefore, we have an increase in technological levels of activity, in countries which are beneficiaries of this becoming cheap labor for the United States. But, they're also competing in cutting each other's throat, by undercutting each other with cheapness of labor. And therefore, you have a growth of employment, in Asia for example, in these categories, which may look attractive to people in Asia now—but, it is also *a threat*. It's a threat to do to Asia, exactly what they did to South America and Africa.

India, of course—India and China are the chief targets. And that will express itself, at certain times, in certain ways, as a part of this process.

If Europe were to collapse—and it can collapse, now—Europe is in a state of collapse. Germany has a very successful export program. But the export program is not enough to make up for the loss of employment inside Germany itself. Germany is bankrupt. The European Union is bankrupt. It may, because of political institutions, it may be able to pretend it's not bankrupt. It may have alternatives, political alternatives. But it's bankrupt!

The United States is *hopelessly* bankrupt! Financially.

We have a world system, which is in the order of magnitude of less than \$50 trillion a year, gross product. That is the net of gross product. And we have a financial derivatives complex, in *hundreds of quadrillions!*—of implicit debt.

The system is bankrupt. There's no way you could reorganize the system, in an ordinary way. The only thing you can do, is declare bankruptcy and repudiation of obligations to the system. Then the state intervenes, under the principle of the general welfare, the European principle of the common good, the general welfare—and says, "The state must now act, to defend the general welfare, the common good: That means, to maintain employment, to maintain institutions which are essential to the population, and essential to the future of the nation. They come first. Everything else comes second—or maybe never."

New monetary systems are created.

Now, that's what I want to get to, now. That's where we are, now.

We're at the point, the decision is on the table: Are we going to create a new monetary system, which presumes that a concert of nation-states, sovereign nation-states, will put the existing IMF system—the so-called Anglo-Dutch Liberal system—into *bankruptcy receivership*. In other words, governments would take over these banking institutions, and the financial institutions; take them into receivership, as it takes any bankrupt into receivership; and manage these bankrupt entities, in such a way as to promote the general welfare, first; and then, if there's something left over, maybe some of the claimants may get something back, if they behave themselves. But, nothing on financial derivatives, because we can't afford it. That's number one.

But the world has changed: The world of 40 years ago, no longer exists. We're in a new world.

Right at the present time, as many of you know, the only business, international business of any importance, is speculation in assets in so-called raw materials. The United States is engaged in speculation for seizing control, financial control—that is, future ownership—of raw materials assets.

Europe, in two parts—Continental Central and Western Europe, are engaged in the same game. Trying to reach outward, to get control of assets, mineral assets especially, from various parts of the world, for Europe's future. The British Commonwealth, which is a special predator in this thing, has its own game, as part of the European system. Russia is in territory, with associated countries from the former Soviet Union, is a great raw materials power, in terms of the intrinsic resources lying within that territory.

China is not a great raw materials power, but China is a great bidder, today, in the world, for future raw materials. China has entered into contracts with, say, Brazil. It's entered into contracts with Canada, on tar-sands development. It's just recently added agreements with Argentina. And Argentina's Patagonia has one of the great reserves of mineral resources on the planet. One of the greatest potentials for development, actually, on the planet. Brazil has vast resources, under the Amazon, which the British and others are trying to keep them from developing. And naturally, countries move in these areas.

Now, the question is this: We've come to the point, with the expansion of population—and let's take the case of India and China, who are represented here, at least by citizens who can respond to the interests and sensitivities of these countries: All right. We've got an expanding population. We have over a billion people now in India. And we have probably—moving toward 1.5 billion people in China, or something like that. Most of these populations are extremely poor. Of over a billion Indians, about 700 million are extremely poor, desperately poor. In China we have—society may be more orderly in terms of the poor, but it has a vast amount of poor. They're not developed for modern society; they're coming in on the tail-end. The same situation exists throughout Southeast Asia and South Asia.

What are we going to do? Given this crisis, this raw materials business, and this population growth? Can we provide, to the human race, a guarantee of sufficient availability of mineral and related kinds of raw materials, for the indefinite future on this planet? *Yes, we can. If we do what we have to do, to do it.*

However, this is extremely important, especially since we must lift the poor populations, the poor part of the populations of Asia, out of the extreme poverty, which is merely typified by the situation in India, and the poor in China. If you're going to have a society which can develop itself, protect itself, you have to increase the productive powers of labor intrinsic to the people, by developing the people: developing their education, developing their opportunities, creating new communities where they live a normal life. *We've got to bring the poor of Asia out of poverty!* And we have to do it in a generation. We can not sustain this planet, with this kind of poverty: It must be changed.

Therefore, we have to have a mission-orientation in that direction.

What does that mean? Number one: We have to use the power of governments, to protect the mineral resources of the planet from being seized by private entrepreneurs, or interests or combinations of private entrepreneurs, who *hold them and will use them in speculation against populations*, and use that to tyrannize governments to reduce their populations.

Therefore, we must have an agreement among nations, to say that the question of the planet's common interest, in the management of our mineral resources, of the planet as a whole for the future of humanity, is a principle of the general welfare, and it is not a matter of private interest. Private interest can operate, but private interest must operate *under regulation*. And the regulation must guarantee the access of every part of the world to the needed raw materials, or developed raw materials, they require for their populations and those populations' development for times to come.

Now, when people are talking about a Dialogue of Cultures, we've come to the point, that we must, in particular, we must bring Europe and Asia together: This is inevitable. A division of labor exists, for example, like the German trade with China. The Russian trade with China, and especially with India. A division of labor exists between Europe and the countries of Asia, especially the developing countries of Asia.

Therefore, Eurasia is a reality: It is an emergent economic reality. We have before us, the prospect of a Eurasian culture emerging. Now, of course, Russians have some experience with Eurasian culture, because Russian culture *is* a Eurasian culture; it's become that. But, we have to develop a Eurasian culture.

Now, some people approach this thing, from the standpoint of, "let's get the religions together." I say, "Stop it!" If you try to run the religions together, you're going to get a religious war. Forget it! Don't try to get people to give up their religions. Don't try to get them to compromise their religions.

Take a different approach. The different approach is the *common interest of mankind*. And what we should be aiming for, culturally, is the idea of the nature of man: That the human individual has certain inherent rights, which distinguish the human being from the animal. And rather than arguing about how that should be interpreted religiously, why not deal with the problem as governments can? Practically. Let us affirm the responsibility of government, individually and collectively, for the dignity of the human individual, as expressed by the *right* of that individual, that family, to have for their children and grandchildren, the prospect of an improved condition of life, a worthwhile future, and the recognition of their personal identity, as a person who, in their lifetime, has been given the opportunity to *contribute* to the future of humanity as a whole—to the honor of the past, and to the benefit of the future.

So therefore, my view is, that the way we can get at a Eurasian culture, is take this crisis, right now—the system is coming down—the American System, or return to a Bretton Woods-style of fixed-exchange-rate system, is feasible. But this time, as an integral part of that, we have to recognize, we're up against the point, which, without development of the management of natural resources, we're not going to be able to meet the needs and aspirations of the peoples of the world, as a whole.

And therefore, we must take the fact, that we're at a boundary condition: The planet is being strained by a lack of development. We have population growing, but a lack of development. Our friends in Russia, from institutions such as the Academy, the Geological Museum, Vernadsky Museum, represent a repository of people, who have experience with the Asian aspect, and other aspects, of the problem of managing raw materials, mineral raw materials, for the future of this planet. Russia is a key part of the Russia-India-China partnership for Asia. Russia is a partner, with Western Europe, in these enterprises.

Therefore, is there not, a common interest which has several features? Do we not require, that Western Europe—say,

typified by Germany where we're standing here, today—must go back to becoming a high-technology exporter? Of goods, high-technology goods? *Because Asia needs that technology.* Why should Europe try to compete to get back markets from Asia? It's crazy. Why does not Europe, as the United States, take the responsibility of developing its people, and its capabilities, for the kinds of technological *frontier development in technology*, which is needed for the peoples of the world as a whole?

Why not think of a constructive, mutually beneficial *division of labor*, rather than competition? Why not recognize, that in contributing to the common good, to the general welfare first, as the Treaty of Westphalia prescribed, that we find a greater advantage for ourselves than in trying to compete, in competing advantages against one another in a world market?

Why can't we learn to cooperate?

This means, of course, a change in the way that we look at the individual in society, today. It means the death of what has been called "environmentalism." It was that weapon, of the so-called "environmentalism," as defined by the Club of Rome and others, which has done the greatest amount to help destroy, or to help induce Europe and the United States to destroy themselves. And has also contributed to oppression, which Europe and the United States have imposed, upon so-called developing countries: This has been a piece of unscientific, anti-scientific *idiocy*. We should stop it! We have to stop it, if we want to survive.

We have to now think in terms of what is good for the planet, from the standpoint of the working scientist, who says, we must develop the means to cope with any problem which presents itself to us, or to humanity in general. If we are willing to dump this mysticism, this crazy, Satanic cult of ecology, and get back to becoming what Europe was at its best, a repository of technological and scientific progress, then, we can educate our populations accordingly—and we can do things: We can create new industries.

What we need now is, of course, a series of—in this new period—of treaty agreements among nations, long-term treaty agreements of 25- to 50-year duration, for capital formation. And the way we can muster the capital, is by creating long-term loans, with the aid of governments, to fund, to provide credit to entrepreneurs and others, who will produce what is needed, as capital goods. This must be at low rates; it must be a fixed-exchange-rate system—you can't do it otherwise. If you have a floating-exchange-rate system, you can not engage in long-term treaty agreements. You must have state treaty agreements, state-to-state; or multi-state treaty agreements; 25 to 50 years' term, as blanket agreements which cover a lot of smaller agreements, and smaller projects.

These treaty agreements then become like a banking facility: They issue loans, which they think meet the purpose of their institution, in assisting the progress of this enterprise, that enterprise, and so forth, which they think is going to fulfill the purposes of their agreement.

So therefore, I think that's where we stand.

In trying to get nations together, rather than trying to argue about bits and pieces of cultural this, and cultural that—flotsam and jetsam—why not take the most fundamental thing? The human race is in danger. We have a common interest. We have a common interest, above all in development; in development and management of such things as the mineral resources of the planet. We're now bumping up against the point, there are no wild areas to be raped: We now have to develop whatever we need, to provide our mineral resources.

Therefore, let us take that task, as a task of *common interest*, and let us create agreements, under a new monetary agreement, dedicated that and include that. And then, let us look at each of our countries, and say, "What can each contribute to the general good, in this way? In way of production?" Put the Europeans back to work, in producing what they

could produce, if they're saved in time. Put them back to work! Especially in the high-technology areas, where they can produce a product which would be useful for emerging countries, emerging economies.

And define that as a *common aim of mankind*—the common aims of mankind. And let us, rather than trying to impose a cultural model upon Eurasia, and the rest of the world, why not take the one issue, which best defines our *unified*, common interest, and use that to bring us together, in cooperative ventures? And take two generations, 25-50 years. We can't mortgage the future indefinitely, but the next 50 years is our responsibility. If we start it now, I think that's solution.

And that's what I will be working for, from the United States. I will be fighting for this. It's going to be a big educational fight—but I think we can win it. We can win it, not because people want to be won over, but because they've suddenly become convinced they have no alternative, *but* to be won over.

On the day they perceive, in general, that the system is coming down, that the institutions which they took for granted are no longer there, they're going to scream. If we provide the answer, they'll probably grab then, where they would refuse it, before. If we *don't* provide the answer, then the Devil will!

Thank you.

Latest From LaRouche

*Here is the discussion which followed [**Lyndon LaRouche's Keynote address to an international webcast**](#) on Jan. 5. The discussion was moderated by LaRouche's national spokesperson Debra Freeman. (See *InDepth*, Jan. 11, for a transcript of the keynote.)*

Q: Lyn, we have a couple of questions that have been submitted via email from a variety of institutions. I would like to start with those.

We can start first with a question on the events of tomorrow, because we do have a number of questions that have been submitted in this regard. One very specifically comes from the House side of the U.S. Congress where, once again, the challenge to the certification of the Electoral College vote is being mounted.

The question is, Mr. LaRouche, at this point while we are still involved in intense negotiations, it is the case that there is still no member of the Senate who is firmly committed to sign the resolution that is necessary to actually initiate a full debate on the question of whether or not this vote should be certified. The question that I wish to pose to you today is one which has come up in the course of these negotiations, and that is, when does tenacity become fixation?

The events in Washington State proved that the enormity of the illegitimacy and the suppression of the vote actually was beyond what anyone had previously thought. And, when the Washington State Democratic Party maintained a tenacious fight, it did, in fact, change the outcome of the election. There are some members of the Senate who, while they are sympathetic to the question of voter suppression, still maintain that it was not sufficient to change the outcome of the election. We contend that nobody knows that at this point, and no one will know that unless there is a full inquiry conducted.

Either way, the fact that there was any suppression at all, whether or not it was sufficient to change the outcome of the election, still represented a breach of law, both in terms of the letter of the law and the intent of the law. It is our view that it is still important to make the challenge, but the question has been raised, when does tenacity become fixation? What would you recommend in terms of how we conduct ourselves during the certification debate tomorrow?

LaRouche: First of all, you can not accept what happened in the election, in the election process. For example, let's take the case of voter suppression. The estimate based on counting of votes, that people chose to count, is not a determination of the election. That is, simply recounting the vote is not going to determine what will make right, what was done wrong. People, who were deprived of the opportunity to vote, who wished to vote, who were eligible to vote, who leave no record of having voted, but had an intention and were denied the right to vote—particularly when they were in areas where the Republican Party was acting on the assumption that this was an area of likely Democratic voters—. Now, how can you take the procedure that we've had so far and say, the question of voter suppression was adequately addressed in this process. It was not.

We're now back in the same trap, in a different form, that we were in, back in 2000. Probably Al Gore honestly lost the election. But, there were a lot of irregularities. Now, at that time, James Baker III, who may have reasons to regret it now, stepped in on behalf of the Bush candidacy and pled for finality. And they rushed up to the Supreme Court. They got a corrupt Justice, Scalia, — and when I say corrupt, I say it advisedly — and he intervened to cause the certification, or the process of selection of the President, to go by a way which violated the Constitution, on the basis of pretext of finality, or I think it was more likely shareholder value.

So, in this case, are you going to let the pressure to don't dig your heels in — are you going to allow that to intimidate you into giving up the key issue? The question here is not just this election! It's the next one. If we don't *crush* what we know was done to create a fraudulent election — in other words, this election was fraudulent by virtue of the mass of voter suppression alone, and we know of that — it was a fraudulent election in character. Are we going to make no remedies, make no assurances, set no precedent to ensure that no S.O.B. dares to do that to a U.S. election ever again? Are we gutless wonders, that we find some reason to squeak out like frightened little mice to back off from a fight, in order to look good with people who might criticize us? Or are we going to defend this Constitution? We *don't* have a constitutional government the way it is functioning now. The people of the United States, especially in a time of crisis, need constitutional government. You need, above all, the protection of the general welfare, the protection of the rights of every citizen, including, especially the right to vote. If you lose the right to vote, we don't have a republic any more.

And somebody took a lot of people's right to vote away from them, illicitly. And, it was mostly the Republicans, who were engaged in this voter suppression campaign, which was massive. Somebody has to come up and say, what is the figure for the amount of voter suppression that occurred in this campaign, and, who's going to go to jail for doing it? That's vote fraud. And, if we don't get that, we haven't got anything. If we walk away from this now, we end up with no republic. I believe in tenacity in defending the Constitution. We need tenacity to defend the Constitution.

Q: The next question is from a scientist, actually a biochemist, who's affiliated, previously with the World Health Organization, and who now works in Florida as part of the tropical disease section of the Centers for Disease Control. He says, Mr. LaRouche, I'd like to go back, for a moment, to a thesis that you uniquely developed in the 1980s, when I first met your organization. At that time, you outlined that the policies of the advanced sector had essentially created a giant petri dish or breeding ground for exotic diseases in the developing sector. While I don't wish to address the origin of the HIV virus right now, whatever its origins were, the result, once that virus began to reproduce, clearly knew no borders. For anyone who thought that it would be contained in the developing sector, well, what actually happened is now history.

Looking at the current situation in the Indian Ocean region, I believe that we may be looking at the same danger. The estimates that I've seen are that at least 200,000 people are dead, and if we applied classic public health measures (and I personally believe that these measures are inadequate), we can expect that the immediate deaths as a result of injuries suffered in the tsunami will be at least double the actual deaths that we have already counted. Given the fact that the number of injuries is already estimated to be over 500,000, I think my presumption that this is going to be far worse than the classic sampling would indicate — I do believe that if we do not act quickly, to address the situation in this part of the world, that we may be courting a biological holocaust that will affect that entire region and that will not be limited to the

four nations immediately affected by the tsunami itself. I'd appreciate it if you would comment on this in terms of its implications both in the short term and in the long term.

LaRouche: Well, obviously it is a policy which has been in place for some time. The policy is based on the idiocy of assuming that the Universe contains a number of fixed options, including biotypes; which is obviously insane. When we consider the fact that the very existence of the Solar System is a byproduct of evolution of what was initially a solitary, fast-spinning Sun; that all the higher levels of the Periodic Table above things such as helium and above cyanogen, and so forth, didn't exist in the Solar System until the Sun generated them in a very complex process of self-development. The characteristic of everything we know about the Universe, whether in the inorganic (so-called, as defined by the division established by Vernadsky) or in the abiotic area, is development. We are looking at a Universe of galaxies which is obviously a Universe, not only of our Solar System, but of development. Of a Universe, even in the abiotic area, that is generating things that didn't exist in it before.

The same thing is true with the biological sphere. The development of species, the development of varieties, the development of types of diseases. These were created, They did not exist before. They developed from a natural process which is built into the nature of living processes generally.

We then have man, who is a different category. It's the only creative being walking around. Man has undergone great development. The characteristic of the Universe is development. Now, development goes in various directions. It goes in desirable and undesirable directions. So, science must always look beyond what is presently known, to discover what is about to become, or what may have become behind your back.

And, as far as the general thesis you state, it's true. We did this study back in the early 1970s on the effects of the changes in international monetary policy on Northern Africa. We came up with some forecasts for spreads of disease, of epidemic diseases, and so forth; and they were right. They happened that way. The death rate increased.

And, the death rate is increasing in Africa today, because of the same kind of conditions: *foreseeable consequences of policy*. The question of HIV, foreseeable. All right, we did not have this type of disease in the Human Kingdom, but we had it in the Animal Kingdom. Suddenly, one day we found this kind of infection in the Human Kingdom, where we should have expected it. And carelessness would cause it, would help to cause it. Or favorable conditions would help to cause it. When we got hit with HIV we should have had a program of the type we never developed. But, it cost too much money. So, they said, don't develop it. This was under Reagan. Don't develop it. It came up one day, when the Surgeon General of the United States had to make a decision. He made a decision: don't do it. I was talking about \$40 to \$60 billion in terms of funding in dealing with HIV and its implications, or the care of patients, for the understanding of this problem.

We did nothing about Africa. With the conditions in Africa, it was determined, as you know from your experience of this tropical disease factor, it is a very important factor. And, you have dirt and filth and tropical disease conditions, you're going to have trouble. You're going to have new diseases, new kinds of diseases. And the kinds of diseases we develop in Africa or develop in Southwest Asia are going to be the diseases that hit us next. And therefore, what we are trying to do with our HMO policy, with our health policy, with cutting down the number of doctors, with cutting out the whole medical practice, with restricting what physicians can do, because we don't authorize them to do the things they should be doing, for just this kind of reason. We're insane.

We have to go back to work. Produce a lot more wealth per capita, with the aid of high technology, and spend a lot more money in supporting research institutions, scientific institutions, and just plain health care. If we don't have that, we are not going to survive, because, by not having that, by those who want to save money, save money for them to waste on their entertainment, instead of putting people to work in high-tech jobs and educating people for high-tech jobs, we are making ourselves vulnerable to the unexpected.

And we see this today. Look at what happened with the tsunami. The tsunami is something that was waiting to happen for a long time. These have happened periodically in the known history of mankind on this planet. It happened. We had a policy. It was the Asia-Pacific policy, which I fought against, back in the 1980s. I said, we have to have development in these areas. What did they say? They said, no. We're going to have a policy of investment in tourism, and hotels. What did that mean? Instead of developing Southeast Asia, instead of developing Indonesia, what we did is we created these places, these hideaways, for sex entertainment. We had these at the beaches where they could go swimming and find sex with the sharks, or whatever they wanted. We had people who were very poor people who worked and came to live there, in order to get jobs working around these hotels and entertainment centers, or providing sex for people who wanted it in various flavors and so forth. So we had cheap living, poor living, slum conditions, on the beaches in these areas where the inland areas were not developed. And people were down there to have sexual or other kinds of entertainment, in resort centers. And this was policy!

International policy was, we do not allow these areas of the world to undergo development. This has been U.S. policy and other policies since the 1970s, especially since the 1980s. This is why we did not develop a second, sea-level canal in the Panama region, which could have been had. This is why we didn't develop Mexico, when Mexico was ready for large-scale development projects, inside its borders; and it would have worked. So, what we have done, we have gone with the wrong policy. We have created the conditions of poverty, extreme conditions of poverty and lack of sanitation. We've destroyed the medical facilities and biological weapons to defend us against these kinds of things. And, now we have created, by negligence, in this area of the world we are talking about—and you probably would agree, we are talking about millions of people will die as a result of the effects of this, under present conditions, because we do not have, presently in place, the delivery system to get into those areas in the way needed to arrest the implications of this disaster. Yeah, absolutely. Absolutely.

And we have to take this into our conscience. And we have to, as the United States, be proud of ourselves and do something in the direction and get other nations to join us. We've got to change our policies, so we think about the fact that this Universe is a developing Universe. It is developing good things; it's also developing bad things. And we are responsible for making sure the bad things are detected and taken care of.

Q: We have a pile of questions on Social Security. These questions are coming from state legislators, a couple from Capitol Hill. There's a question from the principal lobbyist of the American Association of Retired People. The AARP representative poses it in a very particular way. He says, Mr. LaRouche, my own view of the thing is that ultimately, the issue which is driving the attack on Social Security is not the impending shortage or emergency in the Social Security Fund. In fact there's a much larger shortage looming in medical funds and no one is addressing that.

My question is this: You contended in your remarks that it's the desire of the Administration to steal approximately \$2 trillion for short-term use on Wall Street. That may be true, but I have a slightly different view. And, I would argue that what is actually at the heart of this is not simple thievery, but also a desire to dismantle the Social Security system. The fact is that the neo-cons have always hated any and all programs associated with the legacy of Franklin Roosevelt. It's a problem that's not simply limited to the neo-cons. It's a problem in both parties, in fact. We all recall the Democratic Leadership Council insisting that it was time for Democrats to turn away from the policies of FDR and to find a third way. More recently, journalist Alexander Cockburn has made it clear that we can not count on Senator Edward Kennedy to hoist the FDR banner for reasons of his family history, despite his own liberal leanings. I'd be interested in your view on this. Is this simply a question of stealing, or are these people actually trying to dismantle the system as we know it?

LaRouche: There's no contradiction between the two motivations. There's just a different—it's a convergence of two different views or two different tendencies. The first thing is that, what has happened here in terms of the George W. Bush initiative, is comparable, as Bush himself has said, to what Pinochet did in canceling Social Security on a similar program in the 1980s in Chile. And that's where the immediacy comes in. Because, you have to realize, that right now, contrary to what some people think on the other motives, this international monetary financial system is doomed. We're talking about

days, or weeks, or months at most. This system is doomed. It is not going to live. The banking system of the United States is bankrupt.

Do you know what that means? Where are your savings? Where are your assets? Your stocks, your bonds, everything? What do you have for assets? How about your mortgage? People of the United States are intensely vulnerable now, and they try to pretend that they're not. They try to pretend that somehow it's going to work out. That somehow the bad things will be limited to this or that. We're talking about a general collapse of the world economic financial system, and a collapse of the economic system unless the government intervenes to deal with that problem the way that Franklin Roosevelt did. What Franklin Roosevelt did was deal with a much less severe problem, but of the same type, not as extreme. The present one is more extreme.

On any given morning this system can go! It can go if the California real estate bubble goes under Schwarzenegger, as it's threatening to go right now. If that goes, the whole Fannie Mae business goes down. The whole real estate bubble comes down. Do you know how much is tied up in the United States and the implications of the real estate bubble? What's going to happen to all those people who thought they had a mortgage or a \$600,000 home, and they find that it has a market value of less than \$100,000?

This is the kind of thing we face. And, therefore, that's the difference, that in the case of Chile, you had one country which is a country within a system. The system was buffered by the international system. The disease was confined, at that point, to that country. Pinochet had a problem. He was about to go belly-up. And, he had good reason not to go belly-up because he had committed so many crimes that he knew he would be tried and executed, for the crimes he had committed against humanity. And, because he was so deeply in bed with the Nazis who had come into his country to help him. So, what he did is that he stole the Social Security funds to tide him over to get him through his lifespan in Chile. And to hold on to the Presidency as long as he could, because otherwise, he was dead.

Now, you've got a similar situation right now in the United States. George W. Bush, whether he knows it or not, the people around him know it, that this thing is coming down. Don't believe the press. Don't believe the stuff about the prosperity around the corner. Don't believe it. The system is dead, it's coming down, now. And, the problem is, we don't have a Franklin Roosevelt in the White House. And, therefore the solution to this problem is to create a mess in the Congress, so that we create a situation in which we can force, under pressure of the American people, we can force measures to be taken, even by this Presidency, which by its total instinct, it didn't want to do, Roosevelt-style measures.

Now, that takes us into the second area. You have people who were for Hitler as long as he didn't try to eat up the British Empire, including many in the United States. People like Harriman, who funded Hitler. It was the Harriman family, and Prescott Bush, the grandfather of the present President, who wrote the paper to a German bank which refunded the bankrupt Nazi Party to have the Nazi Party in place so that Hitler could be made a dictator. And, this was done by Harriman, with the consent of other big bankers from the New York bank crowd. It was done under the direction of the British.

So, they didn't like Hitler for one reason. When Hitler decided to go westward first, instead of eastward, in his war plans, to go against France and England, rather than the Soviet Union first, then the British got upset. That wasn't their war plan. So, they fired Edward VIII, who was a Nazi lover, because they knew they were going to go to war with Hitler, not because they were opposed to Nazism, but because they were opposed to Nazism going westward rather than eastward.

And, the people of the United States also changed their views. They were still Nazi in their sympathies. They were still part of the cartel that put the Nazis into power, du Pont, Morgan, Harriman, and so forth, they were all part of this cartel which came out of the Nazi system *still* owning their assets in the Nazi system. Some of the Nazis were killed but the bankers who owned them were still the bankers that had owned them, in the financial cartel tied around the Bank for International Settlements. They are still a powerful force inside the United States. And the one thing they hate more than anything else is

the memory of Franklin Roosevelt. And all you have to do is ask, who somebody's grandpappy was and how they stood on these issues, on the issue of Roosevelt vs. the Nazis in the United States in the 1930s. I mean Nazis like Morgan, du Pont, Harriman, and so forth. These people hate Franklin Roosevelt. And hate everything he stands for.

And so, you've asked two questions, you're going to get yes to both. You have people, on the one hand, who are desperate now, to try to buy time to hold on to control of their system until they get their dictatorship in place. Then, you have other people who, in any case, have been working, ever since the day Roosevelt died, like Harriman, who destroyed the life's work of Franklin Roosevelt, which includes Social Security and a lot of other things. Fannie Mae, for example also, which had been destroyed, was a Roosevelt creation.

So, both are going. It's a confluence of these two tendencies which creates the force which is expressed by this rape on Social Security now. Two motives are there, not just one. One motive, is the present Administration is not ready to be a dictatorship yet. Cheney, gum-chewing Hermann Goering, Cheney, is not yet a dictator. Therefore they have to try to control the system. To control the system means try to control it in the short term: Steal a lot of money from Social Security to try to make the system stand up for a little bit longer. The long-term objective is dictatorship.

On the other side, you have those Roosevelt haters, who have been moving in the direction of destroying Roosevelt's life's work, ever since the day that Roosevelt died. When Truman came in — remember, Roosevelt was for decolonization. That was an active program of Roosevelt's, it wasn't just a dream. It wasn't just words, it was an action program. The day that Roosevelt died, Truman went the other way for recolonization of areas that had been liberated during the wartime period. Since the day that Roosevelt died and since some of the people who took over, brought the Nazis under protection, in the U.S. and elsewhere, and used them, these guys have been out to destroy the legacy of Franklin Roosevelt and to destroy the United States. So, you have the two things: the emergency and the long-range. And these two things are converging. That's where the danger is.

The point is that this is like a situation in warfare. You have to fight a certain battle. You have to fight a battle against forces which are allied for different reasons, but they're in alliance. But you must win that battle! If we lose the battle for Social Security, or defense of it against the Bush attack, we are not going to have a nation. We are going to have hell! With no chance of getting out of anything.

People who will not fight to defend Social Security won't fight for anything. They are prepared to give up all the way, all the way to the gas chamber. They may not know it now, but they are.

Q: Lyn, the next question is on the topic of Dick Cheney, and it comes from someone who is a senior Senate staffer on the Democratic side. He says, Mr. LaRouche, you're probably best known over the course of the last few months for the expose you did of the circles around Dick Cheney and Cheney's influence in this Administration. And, people frequently see your organizers with billboards that say things to the effect of, "Fire Dick Cheney," or "Impeach Dick Cheney." As we come into this new session of the Congress, what you call bureaucratic rot and inaction in the face of the tsunami, we have since learned was largely exacerbated by Dick Cheney's repeated hammering of Condoleezza Rice, who, regardless of what my opinion of her politics is, is essentially, an otherwise articulate woman, who has been turned into an incoherent fool, and who failed to brief the President adequately. This has been all documented by Sidney Blumenthal and others in the press.

Also, in today's *Washington Post*, we learned that it was not Alberto Gonzales who was the intellectual author of the now-infamous torture memos that led to the atrocities at abu Ghraib, but in fact, the author of those memos was none other than Dick Cheney's lawyer, Addington. I don't think that I have to remind you that tomorrow's joint session of the Congress, where the question of voter suppression will be debated, is one which will be chaired and presided over by the same Dick Cheney. So, I guess my question is, are we still talking about getting rid of Dick Cheney? And, do you think we could do it by tomorrow?

LaRouche: The first thing in fighting war is guts. What we have is a shortage of guts in a whole generation, which is the generation which is generally in the Congress today. They were the generation of the 1960s, the 68ers. And younger. And, when it comes to war, or anything resembling it, they can always find a way to avoid it. They suddenly get struck by a conscience, which they never knew what it was before. Suddenly they get a blow of conscience. The basic thing is they don't want to be involved in the war. Or they don't want to work. Or they think that they are likely to get a lot of sex if they go in this area where people are resisting the war. Or they can have sex with trees, or whatever. Whatever they did. So this was a generation which does not have the temperament of a World War II generation. A World War II generation would not, under present conditions, have put up with what this generation has put up with in the Congress and elsewhere. They'd have fought.

But, remember that this is the generation which was victimized, largely, by the Congress for Cultural Freedom. It's actually, I call it, the Sexual Congress for Cultural Fascism, which is a better term. And, the basic characteristic of the Congress for Cultural Freedom, which was led by a lot of Marxists, among others, who were doing work for the fascists such as Allen Dulles, was that you can't have authoritarian personalities. And an authoritarian personality is a person who makes up their mind based on ideas of principle, from fact. You've got to have people who *don't* have that kind of commitment.

And, the basic argument was, after all, there is no such thing as truth. Nobody knows truth. Nobody could have a monopoly on truth. There is no truth. Therefore, how can you defend something, since you can't define anything as truth? Shouldn't you compromise everything, including yourself, especially your own morals? So, you had a generation, and a political system, as a corruption of the Democratic Party and the Republican Party, both, in which the composition is, the effect of the Congress for Cultural Freedom on the morals and behavior and intellectual life of people in these positions.

Now, under such conditions in past history, only a great shock will turn a bunch of cowards like this into fighters. They will all find a smart way to deal with the problem and try to keep a show, a face of courage, when they actually are hiding cowardice in the seat of their pants. Now the fact that has come, donated to us, that we now face, is a situation where the people of the United States are about to lose their Social Security, absolutely. Absolutely. There's no return. The private social security program, the private Social Security fund, they don't exist. The pensions don't exist. You're going to find pension systems that you thought were private pension systems are going belly-up, now. You have a threat to the airline system, that the whole private pension system of the airline system may go belly-up. Right now.

Now, when people are faced with a shock, like the dropping of the bomb, suddenly they react, and they break free of conditioning. We now have, with the attack on Social Security, the opportunity to break free of the bondage, of — not Dick Cheney. Dick Cheney's just a thug. He works for these guys. The bondage of the people behind George Shultz. The bondage of the people of the Mont Pelerin Society, who are about as Nazi as Nazis can become, the whole pack of them. The Milton Friedmans, one of the worst of them.

So, therefore, we have to say that we are going to fight. And, by having the courage to fight, we are going to give the guy next to us the courage to fight. And, by both of us having the courage to fight, then that guy next to both of us may get the courage to fight. This is the time and the chance to *fight*. You are fighting to save everything, including the Constitution, including our nation. This is the time to fight. Pack all your issues in one, and fight. And don't give up. You can break Cheney. Break him! Take this case of Gonzales. Demand Addington. They withheld information. They lied! They held back documentations on Abu Ghraib, they lied. It wasn't Gonzales. It was Cheney. Cheney's a fascist. Get rid of him. Get him out of there! He's impeachable. You can impeach him twice, once for his incumbent term and one for the one he thinks he's getting next. A double dose.

Impeach him as a candidate and impeach him as an incumbent. But, if you fight, you can win.

But I know the American people, especially the lower 80% of family-income brackets. They've lost their courage, over the

years, since 1977, when the standard of living of the lower 80% was lower, and lower, and lower, and lower. And today, the lower 80% of the family-income brackets have a lower total income than the upper 20%. They don't fight anymore, in politics, for big issues. They pick a little issue, a single issue, or maybe two single issues. Or, they fight about a neighborhood issue. They fight about little things, and try to nag the politicians to give them something. But, they don't fight anymore on principle. They don't defend principle.

They say, well I need money. People have given up civil rights fights, saying, well I need money. I'll give up the principled fight for civil rights, if I can get some money. This is typical of the lower 80% of our family-income brackets today. They won't fight. They're cowards. The stuffing has been taken out of them.

But, we are now at the point, when the lower 80% is about to lose everything, it all. You fight now, or you ain't human no more. This is the opportunity to fight, the best one you've ever had. Let's fight and take it back. Beat these guys on the question of Social Security. Beat the Boykin initiative on the issue of the Addington role, of Cheney. Go for the gut. *Get them out.* And show people you have the courage to fight. And then, maybe, they'll have the courage to join you in supporting the fight. That's our only chance.

Q: We have what are virtually identical questions. One was submitted by a member of the LYM in Denmark, and the other is by a fellow at the Economic Policy Institute here in Washington. The question is regarding the nature of the financial collapse. I will take a certain amount of liberty in summarizing the questions, because the two are so similar. The fellow from the Economic Policy Institute says: "Mr. LaRouche, a few years ago, I probably would have argued with you about the question of the overall bankruptcy of the system. However, today, I can't really make that argument, especially as the dollar continues to collapse against virtually every currency in the world. Let's presume that we are facing a collapse of that type. I've done a great deal of study of Alexander Hamilton. And although Alexander Hamilton does make certain reference to the relationship of the nation's currency to gold, what he discusses, most notably in his *Report on the National Bank*, was the necessity for public confidence in the credit system, in order for the government to be able to increase the amount of credit in circulation.

"My question is, how, in fact, do we restore credibility in a credit system in the immediate aftermath of a dollar collapse?"

LaRouche: Franklin Roosevelt, in 1933, in March, took a number of measures which asserted the authority of the Constitution—particularly the General Welfare principle. And remember, Roosevelt was not just stumbling around with this and coming up with a quick idea to deal with the Depression. In his Harvard graduation proceedings—or that period of time in his life—he wrote on this subject, at Harvard University, as a student there, in the process of graduating. He also was a descendant of Isaac Roosevelt, a New York banker of the Bank of New York, who was an ally of Alexander Hamilton. So, on his side of the family, the Roosevelt family tradition, Franklin Roosevelt was proceeding from a well-informed knowledge of the history of the American System as a system, not just like the British system but with different gimmicks. Our system is not the British system.

As I've written in this most recent paper, which is just being published now, on these kinds of questions, we've got to get away from the fetishism about money, and money systems, and credit systems. Our system, of Hamilton, was a revolution—a world revolution. At that time—in 1763, when the British had used the Seven Years' War to establish a British empire, through the mutual defeat of the nations of Continental Europe who had been played against each other by the British—since that time, the Anglo-Dutch liberal monetary system, which is really a Venetian model, has dominated the world.

The American System, which had its inception before then, in what happened, in particular, in Massachusetts, in the Massachusetts Bay Colony prior to 1688-89, under the Winthrops and then under the others of that group, had established a credit system in the Commonwealth of Massachusetts, which was internal to the Commonwealth of Massachusetts, and

which resulted in a great expansion of growth of the economy of the Commonwealth. Now, the Commonwealth was then suppressed, to a large degree, and the Perkins Syndicate crowd came in afterward. That is, the British loyalists, who came in, and corrupted New England, pretty much. But this was the precedent which Franklin carried from Mather and Co.; and carried down into his work in Pennsylvania, and in contact with people in Europe, such as the famous mathematician Kaestner; on a principled conception of a new type of republic based on this tradition, which started *here* in the United States, in the Massachusetts Bay Colony, prior to 1688-89. That's the root of the thing.

Now, the point was: We do not accept money as having an independent role or existence in the universe. Our view is, as Americans, that money is something which is created only by the government—by no one else. Anybody else who creates money, in the United States, is guilty of uttering, and could go to jail for fake currency. Which makes one wonder about the Federal Reserve System, sometimes.

But, in any case, therefore the credit of the United States must not be corrupted. The credit of the United States must be defended. The credit is the credit we give to one another. We make contracts. We make agreements. We agree to postpone receipt of payment in return for this and that, and so forth. And it is this, by drawing off a part of the total product of society, and drawing it off in the form of *capital*—capital to improve a farm; capital to build an industry; capital which is something which lasts in its effect over coming generations—the formation of useful capital. In other words, instead of just producing, and consuming everything we produce, we withhold from our expenditure for consumption, some part which we use as capital. To improve farms, for public works, all these kinds of things.

These things increase the productive powers of labor, and enable us to charge some kind of interest on the creation of capital, as compensation.

That's the kind of system that works.

So, we're now in a situation where the international Venetian-style monetary system, the IMF-World Bank system—is now hopelessly bankrupt. Therefore, we put it into bankruptcy reorganization. We put it under the conditions of the American System of Political Economy, in which the U.S. government, with the consent of Congress—that is, the Federal Executive with the consent of Congress—is sovereign in matters of money and credit.

And therefore, we *absorb the bankrupt system* into our hands. And we reorganize it on our terms, to the purpose of creating an American-style system of money and credit, of the type that Hamilton is talking about; rather than trying to work within the framework of the present international monetary system.

As I lay this out, in this paper, on this subject, you have to realize that here we are, living, in a sense, physically, in a modern economy; a modern industrial economy, based on—presumably—equal rights for everyone, for opportunity, on the basis of increasing the productive powers of labor, on improving public works, and so forth, for the common benefit. But we are living in a monetary system which belongs to feudalism! It's a relic of feudalism. It's a relic of the Venetian system, where the Venetian financier-oligarchy and the Norman chivalry were dominating Europe in a government-free system.

And that's the point.

So, there is no contradiction in this. What I'm talking about, clearly, is having the guts to establish the American System—again—as what was the intent of the Constitution; and to say to Europeans: "Come in and join us, and do the same, and we'll cooperate with you."

That is the only way out of this crisis. We're going to take most of the monetary aggregate—the monetary claims which exist in the world today—they're going to disappear, one way or the other. Now, either we engage in a mercy killing, or we

have a general slaughter. We propose a mercy killing.

We take these assets. We take them in. We look at them. We decide which ones are justifiable, which are not. Those that were justifiable, those claims will ultimately be paid. And nobody is going to suffer unjustly because of the collapse of the system.

That's the way we do it. That's the American System. And we just have to have a clear understanding of this, and get out of our heads, the idea that we have to play within a notion of money, which is taught in every university and so forth, generally, in the world today, which is absolutely nonsense. It's feudalism! It's not modern society. It's not capitalism. It's feudalism! We want to get back to the American System.

And if we think in those terms, there really is no serious contradiction. There's a great challenge. And I ran for President because I have the guts to do it, and the knowledge to do it. That's why I ran for President.

So, there are people, such as me, who have the guts and knowledge to do this. And I'm prepared to do it. And I'm prepared to help anyone who *is* President of the United States to do it, if he doesn't know how to do it already.

Q: The question that I'll end with, is a question that's been submitted by a large number of the young people who are gathered here today, and are also listening from around the country.

But first, I want to pull together a composite question—we're getting questions from all over the world, on a recent paper that Lyn has authored, that has been posted on the website: "For a New Treaty of Westphalia."... We can't possibly take all of them.

Imani Jones, who has had Lyn as a guest on her show a number of times, and who's from Cleveland Talk Radio, says: "Mr. LaRouche, with regard to some of your current writings, I wanted to call to people's attention, an interesting passage in the Scriptures—which I know I take great risk in bringing up, because your people don't like to quote Scriptures. But in *James 5*—and I would urge people to look at it. She said, there exists there a warning to rich oppressors. And I, actually, will read it because it is a good passage.

"Now, listen, you rich people, weep and wail because of the misery that is coming upon you. Your wealth has rotted, and moths have eaten your clothes. Your gold and silver are corroded; their corrosion will testify against you, and eat your flesh like fire. You have hoarded wealth in the last days. But look, the wages you failed to pay the workman, who mowed your fields, are crying out against you; the cries of the harvesters have reached the ears of the Lord Almighty. You have lived on Earth in luxury, and self-indulgence; you have fattened yourselves in the day of slaughter. You have condemned and murdered innocent men, who were not opposing you."

My question, Mr. LaRouche, is, how long can this nation's so-called solvency rest upon the backs of the poor, coupled with these outlandish interests rates, and attacks on Social Security? Further, in some of your recent writings, you've talked about a new Treaty of Westphalia, concerning the current situation. How can we succeed in agreements with these countries, when we are in a state of such deep crisis? How can we have a concrete union among nations, which from their past, to the present, have done nothing but seek profit, and power?

LaRouche: That's what I'm working on; exactly what I'm working on, with my discussions internationally with various circles. This involves exactly what I've written about. The solution to the problem is described in a number of things I've written; the problem is, today, we are conditioned to beliefs about human nature, which are not human nature. The ability to deal with this, lies with those of us who are not afraid of the word *immortality*. The problem is, see, most people are

concerned with, say, 'What do I get in my mortal life, that I can experience and enjoy in my mortal life, which, as a bribe, would induce me to accept this deal?' That's the way it goes: 'What's my gratification? What's the payoff? What do I get out of this?'

Now, among normal, healthy, moral people—who did, believe it or not, used to exist—parents would sacrifice for themselves and their grandchildren, taking their satisfaction from the fruit of their labor, as expressed in the accomplishment of their children and grandchildren. They had a sense of *immortality*, or an intimation of immortality, in this sense: That the purpose in life was what they *used their life for*; not what they got out of it. It was not a gambling deal; it was not a tradeoff.

The problem we have today, is, most people who are leaders of government, who are in leading positions, most of the time, are of that morally inferior type like Hamlet. Remember the Third Act of Hamlet, the soliloquy, where he can not fight, because he's afraid of immortality—the uncertainties of immortality. And only people who—as I am—who are *not* afraid of the uncertainties of immortality, are capable of going all the way with a fight. And only people who have that quality in themselves, can inspire other people to confidence to do the kind of thing that must be done today.

We have a world of frightened people, and they're going to become much more frightened *fast*. Therefore, we need leaders; we need people who will step forward, with a sense of immortality: who devote their life to the outcome of what their life means for the future of humanity; not for what they get out of it. Only people who are of that type, are capable of *responding*, in this kind of situation. I can do it; I want others to be able to do it. I would hope that the youth movement will produce the kind of people who can do that. That's one of the goals of my work with the education work on the youth movement—to concentrate on that problem.

If we don't do that, then we're looking at a Dark Age.

So, you have two things: you have the fact that there are solutions; there are remedies; they would work. What will it [take] to get people to agree to these remedies? What had made them agree to the Treaty of Westphalia in the first place: they had seen the impossible pit of horror in the Thirty Years War. And, because of their *horror* of that experience, they're willing to do what Cardinal Mazarin, the chief inspirer of the Treaty of Westphalia, proposed they do. Read the Treaty of Westphalia—the original one. Study the original document; the original resolution. Take into mind the circumstances under which that was done. And remember, that what you heard done by the youth, the chorus, the *Jesu, Meine Freude*, was an expression of the explosion of joy in the people of Germany, at relief from the Thirty Years War; something which continued into Bach's lifetime, which was, of course, more than 60 years later, when he did his versions. And what you heard, as *Jesu, Meine Freude*, was an expression of mankind grasping the fact, that it had achieved something: it escaped from a terrible evil, 'the old dragon'—the abyss.

And that's what you need today, and you find that, when people work in the *Jesu, Meine Freude*, as a motet, and actually get on the inside of it, they find there's something that is very awesomely mysterious about it. There is something in it that can not simply be explained by formalities. It is something that Bach understood, as to how to communicate these higher orders of ideas.

And, that's really the answer. We have to have leaders who understand that we must do it. And we'll do it, because we must do it, the way the Treaty of Westphalia was brought about as an agreement. And, we need enough leaders who will agree to that, to get the others to go along. And they'll go along, not because they really have insight, or they have belief, or competence, [but] because nothing else is going to work. And that's the way you're going to bring about a new Treaty of Westphalia now on this planet. When people realize, in coping with things like we've seen with this incident of the tsunami, that they are faced with forces beyond their ability to control—and that's only one example of it—the forces of the collapse of an international financial-monetary system, beyond their individual control—things that can destroy whole civilizations,

beyond their control—and, for that reason, men and women unite to common purpose, to develop the power to deal with these things, which are frightening beyond belief. That's the answer.

Q: The last question, which has come in many different forms from the young people gathered here, is, "Lyn, our task and our mission this week was clearly defined and clearly focussed, around today's activity and around tomorrow's debate. We still have a couple of more days of the Week of Action to get out the remaining allotment of the 50,000 pamphlets we were given, but after this week we will no longer have the forces in D.C. that we have had thus far. What's the next crucial point in our mission? Is it the Inauguration? Is it the ICLC Conference? Please help us to define the mission, and tell us exactly what you want us to accomplish here in Washington."

LaRouche: Washington, D.C. is not just a population center, it's the nation's capital. Therefore, you want to change the policy of the nation, its government? You've got to pay direct attention to the nation's capital. Therefore, the intensity of concentration on the nation's capital must be primary.

Now, we have certain areas I've laid out in the United States, which we now have, are able to concentrate significant forces to do enough. Some with youth movements, and some with other parts of an organization, the adulterated part of the organization, shall we say?

So we have a Boston base, which has to be developed. It must go on. New York City is a major center, and I have a lot of supporters up there, who have to be organized, and they will fight. Remember, New York did not give up. Many other parts of the country were more fearful after 9-11 than the New Yorkers were. The New Yorkers have shown more guts about 9-11 than the people outside New York. And I know why. I understand New Yorkers. They have a terrible situation up there. Terrible economic situation. It's hard to live, but they have a certain manner. So, that's important.

We have to get Jersey out of the mud. You used to have Jersey mud, you took it for intestinal diseases. Now we've got to get the Jerseyans out of the mud, and get them functioning.

Philadelphia is doing what it's doing. Washington, D.C. is crucial. What we have in Texas is crucial. The Midwest is crucial. We've established a position there, we've not going to give it up. The Michigan-Ohio area. We'll organize there.

Texas, we have that, and it's also a border connection, important. California, we have a powerful situation. From Washington State into Oregon, California. It's a very ripe situation. All right, we'll concentrate there.

Now, what have we got? We now have, what we're doing is engaging other organizations, other networks, as you've seen in the fight around Social Security. The way we will spread is not by trying to spread ourselves all over the landscape. We have allies! Allies in a common cause. The common cause typified by Social Security and other things. Therefore, we are going to associate ourselves within the orbit of the Democratic Party, where we're already established as part of the Kerry campaign assembly, but also with Republicans who are sane people. There are many sane Republicans! They don't all think like George W. Bush, or Dick Cheney!

So, we are going to have a kind of networking arrangement, around common cause, around the nation, with groups which are fighting for these causes, and our work will be, marker-buoys in all situations, where we are sitting the pace, and our operation in Washington, D.C. is key for maintaining the pace-setting center, by which we try to tie all these organizations, most of which are oriented to Washington anyway, as lobbyists, or whatnot, or have lobbyists, to try to create a national movement, in which we are a catalytic element, an independent but catalytic element, in bringing together many kinds of forces that are coming together with us now, so we don't have to be every place simultaneously. They're are not enough of us.

But there are people who will work with us, with whom we will discuss, with whom we will come to agreement on policies and tactics. We will spread these networks, overlapping networks, throughout the nation, and that's the way we're going to change the nation, if we're going to change it at all. And that's the way to go.

Take the areas that we have. Understand how each part of the area functions, what function it performs. We're functioning as a keystone of a network of organizations which are coming together around our initiative. The position of initiative we've gained because of the last two months of the recent Presidential campaign, and because at November 9th on, we pulled the Democratic Party off the floor, and got it into some kind of semi-living motion again. And so, that's where we are.

Take the objective situation. We're going to build our networks, and they're going to be national. We're not going to be proprietary, because we're going to work with them, but we're going to build our own organization at the same time. And what we do, in limited areas in the United States, is going to be crucial for what many people do in all areas of the United States.

EXCLUSIVE *EIR* INTERVIEW WITH SCOTT HORTON

BUSH ADMINISTRATION, GONZALES REVIVE NAZI LEGAL ARGUMENTS

Nuremberg Tribunal Rejected Rumsfeld's 'Rotten Apples' Defense

Scott Horton is chair of the Committee on International Law of the Bar Association of the City of New York and lecturer in international humanitarian law at Columbia University. During 2002 and early 2003, when civilian lawyers in the Pentagon, working with White House lawyers such as Alberto Gonzales and David Addington, and Justice Department lawyers in the Office of Legal Counsel, were developing policy positions declaring that the Geneva Conventions did not apply to the Afghanistan conflict, and were loosening restrictions on methods of interrogation so as to violate U.S. military law, Horton was contacted by top lawyers in the military services who opposed these new policies, but whose voices were not being heeded.

EIR Law Editor Edward Spannaus interviewed Horton on Jan. 14, 2005.

EIR: Scott, the most famous of the Gonzales memos, is the Jan. 25, 2002, which talks about the war on terrorism being a new kind of a war, and that this renders provisions of the Geneva Conventions obsolete, and so forth and so on. Is this argument—that this is "a new kind of a war"—actually a new argument? Or, is this a rather old argument?

Horton: It's an absurd argument, actually. Only a person with very little background in history could make such an argument. The major launching point for modern international humanitarian law, is the 1907 Hague Convention. And, at the time that Convention was being negotiated and was being drafted, the United States and Europe were in the midst of a wave of terrorism, which people at the time said was "completely unprecedented"! Which people said, had "never occurred before in human history!"—and, of course, that was principally the Anarchist movement.

The Anarchists were systematically targetting leaders of the intellectual community, and the political community; the American President had been assassinated, an extremely traumatic event in this country; numerous political figures all across Europe had been assassinated—the Empress of Austria, the Prime Minister of Russia. And then of course, leading into World War I itself, we have the Archduke Franz Ferdinand.

EIR: Yes, exactly.

Horton: So, these documents were drafted against the backdrop of a wave of terror, in fact, which bears parallels to what's going on today.

Then, when we get to 1949, there was a realization at the end of the war, which I would say started with the Americans, that the old Geneva Convention and the Hague Convention didn't go far enough; that *horrible* things had happened that hadn't been adequately covered by the law: crimes that had been committed by the Nazis. There was a need to move away from the old model, which was based on very technical rules of the law of war, and required declarations of war, and things of that sort; and that operated on a model of "just war"—to move away from that, to something that was *much more* encompassing, and was designed to protect, in particular, also, civilian populations, not just combatants.

And so, when you get the 1949 restatement of the Conventions, that is the major transformation that occurred. So, it was really a sweeping expansion of the old Convention.

EIR: Now, the general way the administration talks about this, is that the Geneva Convention is the question of prisoners of war, and that if someone, say, al-Qaeda or Taliban, is not entitled to be classified as a prisoner of war, therefore they have no protections whatsoever.

Horton: Well that sounds like someone has derived their understanding of law from watching Hollywood movies. That's not the way the Geneva Conventions operate.

EIR: How do they operate?

Horton: They operate on the basis of application to conflicts. So that a conflict is either covered by, or is not covered by, the Conventions. And, of course, in 1949, things were redrawn with the notion that *all* kinds of conflicts would be covered, in some respect, by the Convention: Whether it's a civil war, or an international conflict, there would be some level of coverage by these Conventions.

EIR: So, if someone's not classified as a prisoner of war, what are they entitled to?

Horton: Well, there's a comprehensive plan of categorization and treatment under these Conventions. And, a major focus, of course, is the rights of prisoners of war. But, we have combatants who are *not*, who are not entitled to that treatment under the Convention, and the specific category label for them is "spies and saboteurs."

By the way, the administration is always saying, "These Conventions don't cover 'unlawful combatants.'" And, can you *think* of a combatant that is more unlawful than the spy or saboteur? Of course, they're covered! They don't have the extensive protections that POWs have, privileges against coerced interrogation, for instance. But the unlawful combatants still have a basic right to humane treatment. There are also specific categories for civilian noncombatants. There's a special categorization and treatment of humanitarian aid workers, like the Red Cross—who have very particular rights and responsibilities, in connections with conflicts. The intention of the people who drafted the '49 Conventions (as distinguished from the 1864 Convention, the 1906 amendments and the 1907 Hague Convention, which were not all-encompassing), was to cover every actor and every non-actor, and any fair reading of the text reveals that.

Nazi-Era Precedents

EIR: Now, are there any other precedents from the World War II period, or going into it, to what's happening now?

Horton: Well, I'd say in the course, really, of the last two years, a very great number of scholars are finding sweeping precedents across-the-board, between things that happened and the years leading up to World War II and during World War II, to what's happening now.

EIR: Some examples?

Horton: And that would be, for instance, Fritz Stern, former Provost at Columbia University, probably the nation's leading historian of the Nazi state, who gave a major speech recently, in accepting the Leo Baeck Award, in which he paralleled the interaction between the Bush Administration and the Religious Right, to the political campaign that the Nazi Party launched in 1933, and its exploitation of religious values. Stern gave a sustained and convincing comparison which raised so much comment that it was reported in the *New York Times*.

It's not an exact parallel, obviously; it's not a *complete* parallel. But, nonetheless, it's clear, that there are very strong similarities.

And then other scholars, in the legal area, which is of course is my major field, people have been noticing for quite some time, that legal policy advocates in the Bush Administration produce arguments—particularly about international law—that are startlingly similar to the arguments that Nazis international law scholars articulated. For instance, Sanford Levinson at Texas, Detlev Vagts at Harvard and Robert Bilder at Wisconsin—three very important scholars who are actively writing and speaking on this subject now. But to the comparison: they're similar in content; they're similar in style of presentation; they include a strident voice of ridicule; a strong sense of a paramount national interest that overrides any international obligation; an insistence on preservation of unilateral prerogatives for the executive.

There is a tendency to have an asymmetrical pattern of interpretation that is to say, the United States has rights under these Conventions, which it may enforce against others—but it has no corresponding obligations. Or, the United States has all these rights, but other nations don't have corresponding rights. Completely asymmetrical. And also, the asymmetry is consistently based on a notion of countries being friends or enemies: and the friends have rights, but the enemies don't. And, if we look at the Nazi international law scholar Carl Schmitt, that was the core of his writing, and his theories. That's exactly the path he took in addressing almost every significant issue.

All Power to the Leader

EIR: We've written—that is, Mr. LaRouche and others in our publications—about Carl Schmitt, in particular; and his notion that everything is justified by the state, or the interest of the state. And those arguments seem to be popping up very much, again.

Horton: It's not just the interest of the state—of course, if you look at Carl Schmitt, it's the "interests of the nation," I think is the way the Nazis would put it. And that they would have more of an ethnic understanding to it. So, that's an area where there's a bit of a difference, obviously, between our times and their times.

But, there would be a strong focus on the powers and prerogatives of the leader—specifically. And a very disdainful attitude towards the liberal core values of modern democracy. They would say that the "spirit of the nation" is reflected in the "leader." And therefore, it's essential to vest all power and all prerogative in that leader, and therefore, you work very, very hard to overcome any limitations that could be imposed on your leader's prerogatives and rights, under international law.

EIR: Now, that sounds strikingly similar to some of the arguments made in the Justice Department torture memos, about the so-called "inherent powers of the commander-in-chief in wartime" that can't be subject to any limitations.

Horton: That's right. One of the things that was typical of writers in the Nazi period—like Carl Schmitt, for instance—is that even on points where the law was really quite well settled, and there was an international consensus, that no argument was *too ridiculous*, to avoid being presented by the Nazis.

It seems that their volume and the stridency would make up for the absence of logic in their arguments. That also, as a style, as a certain redolence to America, today; I certainly know of talk show hosts on cable TV who use this model.

EIR: There has been—and we wrote about this, some of my colleagues—a revival of Carl Schmitt, in the U.S., in the past decade or more. Is there any seepage of that, explicitly into this sort of conservative theory about the "unitary executive" and the "strength of powers"?

Horton: No, we don't see explicit citation of it anywhere. But, I think most people who read some of these things, and I think—you know, you can go to recent meetings of the Federalist Society, and listen to some of the speakers talk about these things.

It's just a fact that their approach to belittling international law, international legal scholarship, and so forth, is remarkably to similar to the writings of Carl Schmitt. Both in style and substance. No one ever doubted that Carl Schmitt was a brilliant writer and thinker; but it was a very dark brilliance, to put it mildly.

One thing that is different is racism. Carl Schmitt would stand up and say, "Jews!" "They're all Jews!" And he would have long lists of the professors who themselves would become targets. That is not an element of the current debate. But, aside from that, we are seeing a wholesale revival of ideas which appear largely banished from legal scholarship since the end of World War II.

This idea of the "paramount power of the Presidency" is a critical element. Scholars purport to cite *The Federalist Papers* and Alexander Hamilton, and other—I would say—conservative, strong-central-government writers, from the American tradition—purporting to cite these people for views which are *totally contrary* to the views of Alexander Hamilton and his contemporaries.

EIR: Absolutely.

Horton: Absolutely contrary. On the question of international law—or, as they would have said, "the law of nations"—there's no question whatsoever, that Alexander Hamilton, for instance, felt that was a binding and very important part of the law. And something that just never would have been questioned.

EIR: In fact, the Constitution says that.

Horton: They are suggesting, frequently, that the "law of nations" exists to *usurp* the Constitution, or the Constitutional authority of the government. Frequently, they ask derisively, "What *is* this 'international law'?"

And if you look at the Constitution, and you look at the writings of the Founding Fathers, they had little doubt about it: There was a law of nations, an integral part of the law. There wasn't a really extensive body of law of nations, but there were rules. And those rules were binding, and had to be observed!

And one of the major areas, certainly, at the time of the Constitution—1789—was "the laws of war." Another was the law governing "piracy." Pirates were in a sense the terrorists of their day. But of particular importance to the drafters of the Constitution was the current question: How do you treat—as the Constitution calls them—"captures," in time of war?

EIR: So, this is not something new.

Horton: Absolutely not! I mean—it was so important, that it was, in fact, one of the *expressly* articulated prerogatives of the Congress, not of the President! Congress was given the right to set the rules implementing the law of war, including treatment of detainees. And for a military person at the end of the 18th Century, this was important, for many reasons. I would say the concerns weren't entirely humanitarian: The concerns were also a matter of deciding who got the benefit of a ship or wagon-train that was seized!

'Terrorist Conspiracy'

EIR: Now, moving ahead to the 20th Century, the types of arguments that are made—which have been made in the context of the current, so-called "war on terrorism," there are echoes of that, also, in the Nazi period, or going into World War II.

Horton: No doubt about that! I think if you look at the Nazi climb to power, starting from 1933, that climb to power was driven by fear-mongering on what might be an historically unprecedented scale.

Fear-mongering was used as the tool to change the law, to undermine civil liberties. So, where the constitution was changed, the code of criminal procedure was changed in this period, and extraordinary powers were vested in the Executive, including police powers; the powers of an independent judiciary were destroyed. And, this was all done based on a "terrorist menace." And exactly what the menace was, shifted from time to time during the Nazi period. It was a matter of opportunism, or convenience.

But clearly, 1933, at the beginning, if you look at the campaign speeches in the elections to the Reichstag, probably the number-one target is the "international Bolshevik conspiracy." So, it's multi-ethnic, rooted in ideology, it's all around us, you never know if your next-door neighbor isn't a member of this conspiracy—but it is also tied to a local political party. And they're definitely labeled as a terrorist conspiracy.

The seminal event for the Nazification of Germany, the so-called *Gleichschaltung*, was, then, the burning of the Reichstag building—1933. And, again, that event occurred a matter of months after the new government was formed. It was seized upon *immediately* by the Nazi leadership, as a pretext for strengthening their control of the state and rooting out the liberal democratic protections of the Weimar Constitution and of German law.

EIR: On the specific military questions that have come up—on treatment of captives, prisoners of war, enemy combatants, and so forth—what kind of parallels are there in that respect?

Horton: Let's just start at the threshold question: Do the Geneva Conventions apply to the conflict? From the outset Nazi leaders talked dismissively of the Geneva Conventions and looked for ways to avoid them.

They looked for technical exceptions. And the arguments that were advanced, are essentially identical to the arguments that are made in Judge Gonzales's memorandum of Jan. 25, 2002: First, the adversary didn't sign the Convention, and therefore the adversary is not entitled to its protections. And in this case, you have the Soviet Union, which, of course, was not a state

party to the Geneva Convention.

And then, secondly, all the demonization of the Russians as "Bolshevik terrorists" was trotted out: That these people, they are terrorists, and therefore, in the language of the Geneva Convention, "they don't abide by the rules of war." And therefore, you can not fight a modern war against terrorists, under the rules of this Convention. And we see a specific argument being trotted out, about the "obsolescence" of the Convention; it's being described and denigrated as the "product of a notion of chivalry of a bygone era."

EIR: Who said that?

Horton: That was Gen. Field Marshal Keitel.

And he said that in response to the famous memorandum that was written by Helmuth von Moltke.

German Military Opposition

EIR: Yes, can you say something about that? Let's talk about the opposition that arose within the German military to this.

Horton: I think the German military was viewed as one of the few places in German society, where there was a sort of internal emigration from the Nazis. Because while the Nazi Party took control of almost all the important institutions of German life, and that included professions, and trade unions, and government offices, and universities, the Army as an institution always remained outside of it. In fact, the Nazis seemed to be intimidated by the Army to a certain extent. And while they did appoint people loyal to them to the upper echelons of the Army, for the most part, they focused on creating their own parallel militarized structures, the SA, SS and Gestapo.

And, at the top of the Army, we had a number of aristocrats, mostly North German aristocrats, but some from all over the country. And these people were well educated, and they had a very strong sense of military tradition; they had the German military tradition. Quite a few of them also had international exposure in education.

And one of the most significant of those was Helmuth von Moltke—Helmuth James von Moltke we should say—who was half-English. His mother was an English aristocrat. Well, her family actually had a very prominent position in South Africa; her father had been a judge in South Africa for some time. And von Moltke therefore was raised in a completely bicultural, bilingual environment—speaking English and German; going to university in Germany and England; and studying law. And he studied law with some of the most important international law scholars of his age in Germany. He also was at Oxford; and he also became a barrister, in London. And his own convictions—it would be too strong to say he was a pacifist. That's not right. And he was a strong believer in the curative power of international law: that international law would provide a way, over time, to make the brutal consequences of war milder and milder. And ultimately also, provide a way to bring an end to war.

EIR: What was his response to the Nazi trespass, so to speak, on these concepts?

Horton: He courageously opposed what he saw was going on. He was legal counsel to the Abwehr, what we would call Military Intelligence. And, he, in this capacity, was being briefed about things that were going on on the Eastern Front and the Western Front, and about legal orders that were being by the government. Whenever he saw what was transparently a violation of international law, he raised very loud objection to it.

And I think he was careful to pick things which were the most egregious of violations: So, in the case of the Russians, for instance, he wrote a memorandum, presenting the case for giving Soviet soldiers POW treatment. And, in fact, the arguments in that memorandum are close to identical to the arguments that are made by Gen. Colin Powell, in the letter that he sent to Alberto Gonzales.

Moltke acknowledges that there are "technical" legal grounds for saying the Convention doesn't apply and for excluding Soviet soldiers from POW protections; but, he says, we have strong interests in giving them those protections. Those interests are, to protect our own soldiers, who might be captured in battle, whether in this war—or in future wars—because it creates a tradition of compliance with the Geneva Conventions, and that tradition, that historical practice, protects you, under the terms of the Conventions themselves.

He also said, this is necessary to maintain discipline, and order. If you lead the soldiers to believe that the Geneva rules and Geneva protections don't apply, what you get, is mayhem, violence, and chaos, in dealing with the detainees, which is very bad for military discipline and order.

EIR: How much support did von Moltke have among the military lawyers?

Horton: I'd say he had broad support from the small circle of international law lawyers. That includes people like Berthold Schenk von Stauffenberg, and Peter Yorck von Wartenburg. And Admiral Canaris backed him, of course.

But, then, I think when we get generally into the broader General Staff, there he met with derision, and disrespect. I would say, in his case, of course, I think people were a little bit reluctant ever to show disrespect, because his name was a powerful one to someone in the German military; imagine in our world someone whose grandfather was Robert E. Lee and whose father was Douglas MacArthur. Moltke's great-uncle was *the* most important figure in German military history, and his father was the Chief of General Staff of the Army in the First World War. That protected him.

EIR: What eventually happened with him?

Horton: It only protected him so far. Because, there was an enormous struggle over control of counterespionage and intelligence that went on between Nazi leaders and Admiral Canaris. And that led to raids on people who worked for Admiral Canaris, and he was arrested. He was arrested over really nothing of consequence. But then, the investigations began, and it became clear that there had been a whole conspiratorial group and that he was in the center of it. And ultimately, he was executed.

His conspiratorial group include Count von Stauffenberg, and others who actually carried out the attempt to assassinate Hitler. Now, Moltke himself had actually been arrested before any of those plans were finalized. And he always insisted that he had never been involved in any plans to assassinate Hitler. But, he and his group had been involved in discussions all along, about how to deal with this "dilemma," as they put it. And the "dilemma," of course, was Hitler.

Prostituting the Legal System

EIR: Now, these were the military lawyers, the equivalents of our JAGs. What about domestic lawyers, the equivalent of our Ashcrofts, or Gonzales (the would-be Attorney General), and so forth?

Horton: A very sad story there: By and large, the legal profession in Germany, consisted of a small group of lawyers, who were courageous to oppose the Nazis, and almost all of whom fled the country. A large number of them came to the United States, in fact. And others, who stayed behind and were coopted. And the process of cooption started with the professional

organizations, and also with the civil service. They were all forced to swear oaths of loyalty to The Leader, and to accept new notions of law based on Nazi legal ideology: under which the apex of legal system and of legal authority was The Leader.

EIR: You've talked about Franz Schlegelberger, in this regard. Can you say something about him? [Franz Schlegelberger served in the Ministry of Justice from 1932 to 1942, was its Director in 1941-42.]

Horton: Schlegelberger, I think, just offers you a perfect counterpoint to von Moltke. Because, von Moltke is someone who had a profoundly ethical sense of the lawyer's responsibilities to society and to mankind. On the other hand, Schlegelberger approached the profession the way a plumber approaches repairing a broken pipe-he viewed his role as doing the client's bidding and enforcing the law as written. Moreover, he ultimately bought into the Nazi political and legal ideology. As the judgment in his case in Nuremberg stated, he "prostituted an entire system of justice to a totalitarian dictatorship."

EIR: What was his formal position?

Horton: He had been a judge for many years, and afterwards he was the Minister of Justice. And Schlegelberger, when he was tried at Nuremberg, he defended everything by saying, "Well, under our system, the Führer was the source of all law and all authority." And he gave a complete articulation of this notion, known as the "*Führerprinzip*".

I think, not a few people who look at this today, and then look at the memoranda prepared by John Yoo (I guess two of them, now), in which he argues that the President has unlimited authority, is not beholden to international law, or to Congressional enactments and see a certain intellectual similarity. In fact if you had to render the notion advanced in Yoo's memo-the notion of the supremacy of the Executive-into German, the word almost certainly would be "*Führerprinzip*".

There are important distinctions, of course. Yoo's notion limits it to certain areas of competence, and as commander-in-chief authority in time of war. But then, the other thing we have to keep in mind, is that they've introduced a new definition of "war," which seems to be without any limitation in time, or in terms of space.

EIR: Right.

Horton: So that all we have, is "in times of war" today.

And that's certainly not the way the Founding Fathers viewed war and peace, and not the way it's described in the Constitution.

The Nuremberg Tribunals

EIR: Absolutely. Now, let's jump ahead to Nuremberg Tribunals. Just describe what happened there, please.

Horton: Well, at the end of the war, there were a whole series of trials dealing with the worst Nazi abusers. And I guess the trials that had the most immediate bearing on international humanitarian law and the Geneva Conventions, were the Wehrmacht trials, and right in the center of that, was the case against Gen. Field Marshal Keitel. And, in that case, you had a very, very long charge-sheet against him.

But, at the beginning of it, is his disrespect for the Geneva Convention and the Hague Convention. And the fact that he was

behind what was called the "Commando Order," which had provided for the summary execution, or, let's say in the first instance, refusal to provide Geneva Convention protections to Allied commandos captured behind lines. And, the so-called "Airmen Order," under which airmen who were captured and who were "guilty of terrorist acts," were to be treated as terrorists and not as prisoners of war. And therefore, were to be subject to summary executions—

EIR: So these were British, French, American?

Horton: Absolutely.

Then, the so-called "Commissar Order," which had to do with the execution of Russian political leaders, again, justified on the grounds that they were terrorists. Although political officers would also have been uniformed officers of the Red Army, because the Red Army units had political leaders and military leaders, side by side.

So, this series of orders he gave, had direct bearing on the interpretation of international legal obligations. And in every case, Keitel came and justified the decision he had made—in a technical sense, he would say, "Oh yes, but of course, the Soviets were not a party to the Geneva Convention, so of course, they were not entitled to these protections anyway"—and, moreover, he justified what happened on the basis of terrorism! That they were engaged in terrorist conduct.

Ditto with the airmen. He said this didn't apply to all airmen. It applied to airmen who had bombed and strafed civilians. And bombing and strafing civilians is, and was, conduct inconsistent with international humanitarian law, and was consistent with international legal definitions of terrorism, and therefore, these people will be labelled as terrorists, and therefore they weren't entitled to any protections.

And on and on, in this nature.

Then, he also went on to say, that, "Well if abuses occurred, it wasn't a result of *my* instructions." Because all soldiers were given a service book, a service pamphlet, which had at the very beginning of it, a statement of what the rules of the Geneva Convention were and how they were to be applied.

EIR: Isn't that somewhat similar to the defense that's raised, today?

Horton: It's absolutely similar. It's what we would call today, the "rotten apples defense." He was saying, "Oh yes, well, those who did it are an affront to the military as a whole, I can't be held accountable for these rotten apples."

And the Tribunal absolutely rejected each of these defenses. I would say, to start with, this idea that you would interpret the Geneva Conventions in a niggling, technical way, and deny protections based on highly-technical interpretations of something that was rejected: The view of the Tribunal was, that, whether a country is a member or not, this is international customary law, accepted by all the nations of the world, and you have to observe it. So, they dismissed that pretty quickly. They also dismissed, absolutely, all these notions that these people were terrorists, and therefore to be segregated out and treated differently: That was viewed as inhumane, and not justified. In any event, such a determination could only be made by raising charges against the detainee and trying him through a military tribunal, as provided in the Geneva Convention.

And then, when, we came to sentencing, the fact that he had talked about the "obsolescence" of the Geneva Conventions, was specifically cited as a reason for seeking and the death penalty.

EIR: And he did receive the death penalty.

Horton: Yes. He was executed in 1946. But, I would say, his ideas, obviously, are not dead.

Ministerial Accountability

EIR: Now, you hear, also, from the administration—Rumsfeld and others—that these memos, drafted up there in outer space, or in the ether some place, have no connection whatsoever, to what happened in Abu Ghraib, or Guantanamo. Was that type of argument raised also at Nuremberg?

Horton: Absolutely! First of all, there was evidence given at Nuremberg, that there had been one meeting at which Keitel had said: All these matters are so dangerous that let's avoid creating paperwork to deal with them. We will have orders, and make decisions orally, and we won't leave a paper trail.

This is something he talked about very explicitly, so as to limit the amount of paper. And all paper that was generated about this, was to be very tightly guarded, and kept very secret. Does that strike you to having any parallels to recent developments?

And then, of course, they made this argument: We may have had policy discussions about this thing, or that thing, or the other thing. But there's no evidence that shows that these policies were transmitted into orders directly at the front anywhere. Where's the paper trail showing that?

And the Tribunal was utterly unimpressed with these arguments. They took the view, that if the policies were made at the top, and you saw the results of it out in the front line, that was quite enough. And they moved forward with a notion of almost absolute ministerial accountability: That is, in this case, with respect to the Army, that those in senior command positions—and the ministerial position, of course, would have been Keitel; he would have been the equivalent, effectively, of the Secretary of Defense—they had a responsibility, positively, to enforce the Conventions, and a responsibility to *train* people, and a responsibility to *punish* people who failed to enforce the Conventions.

So, if we see that a consistent pattern of violations going on on the front lines, grave war crimes have been committed and the Minister (in our case Secretary of Defense) is held to account for them. And by "held to account," I do not mean that he goes in front of camera and says "I am responsible," but then suffers no punishment of any sort. No. I mean the death penalty.

EIR: This is exactly the opposite of what seems to be happening right now, in this country.

Horton: Certainly the United States, in 1946-49, in the Nuremberg trials, articulated very firm and harsh rules; and during the International Criminal Tribunals for Yugoslavia and Rwanda, the United States repeated the Nuremberg rules—that was only a few years ago, in fact. Now under President George W. Bush, all of that seems completely forgotten, and the rule seems to be: scapegoat a few enlisted men, but no senior official or senior officer will be held to account for anything. It's the total abnegation of the Nuremberg rule.

EIR: Just to emphasize what you just said: You're saying, that if those standards, that were used by American prosecutors at Nuremberg, were applied today, then Rumsfeld and so forth, would have to be held accountable for what has happened on the front lines.

Horton: We should start by noting that the crimes for which Keitel was convicted dwarf anything that has ever been alleged against US forces in Iraq, Afghanistan and Guantanamo. What Keitel did had strong implications of genocide and involved the death of millions, and of thousands of uniformed soldiers. By comparison the abuses and war crimes in the

current war seem minor. But who can take solace in the fact that these abuses are less than the darkest chapter in the history of mankind? We have 50 deaths in detention and a good dozen or so raise serious questions of torture. That's grave enough.

Applying the Nuremberg rule, let's ask some questions: Were there policy memoranda created that opened the doors for abuse, that advocated or blessed unlawful conduct?

Absolutely. No question about it.

Did the abuse occur?

Absolutely. No question about it.

Was it widespread and systematic?

We have internal Department of the Army investigations that can be cited for that proposition. The number of "rotten apples" went from six to a dozen, to sixty, to several hundred, and the number is always climbing. Moreover, the nature of the abusive acts is so similar that the criterion of "systematic" has been met! And we have a number of other reports that they've been sitting on, nervously, not releasing.

Those facts, alone, would be enough, to establish a *prima facie* case under the Nuremberg standards. But the facts are not yet fully developed; much is unknown. The United States has prosecuted some offenders, which counts as intention to enforce and uphold the law. Keitel never did this. And of course, we would have to hear a defense from the accused. Unlike Secretary Rumsfeld, I believe in a presumption of innocence.

Let's keep in mind that in that Jan. 25, 2002 memo, Judge Gonzales seems to be driven by one particular fear: prosecution of members of the administration for War Crimes. Based on what has happened, it certainly seems his concern is well founded.

InDepth Coverage

Links to articles from [*Executive Intelligence Review*](#).

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Feature:

[Wall St. Insists Bush Take Social Security; LaRouche Says No](#)

[by Paul Gallagher](#)

A shift has taken place in the U.S. political arena since Election Day. The dramatic breakthrough of Jan. 6 achieved by Democrats, in challenging and forcing Congressional debate over suppression of Democratic votes in President Bush's re-election, blew a hole in Bush's 'mandate' in the eyes of Americans, and greatly strengthened the coherence and spirit of his Congressional opposition. Lyndon LaRouche's LPAC political action committee played a key role in the strategy which led to the Jan. 6 result.

LaRouche PAC Pamphlet

Bush's Social Security Privatization: A Foot in the Door for Fascism

The introduction to the LaRouchePAC's pamphlet, released in December 2004. We also include excerpts from the pamphlet's discussion of the Chile 'model,' and profiles of two of the 'economic hit men' behind the privatization swindle, John Train and George Shultz.

- **Chile: A Synarchist Showcase**
by Dennis Small and Cynthia Rush

If President George W. Bush and his controllers have their way, the United States will soon be following in Chile's footsteps —straight into hell. Bush himself has been explicit. In Santiago, Chile for a Nov. 19-21, 2004 summit of APEC, he stated that 'Chile provides a great example for Social Security reform.'

- **Truth Behind the Myth**
by Dennis Small

The myth that the Chilean economic model put in place by the bloody Pinochet coup of 1973, was a great success—a myth much-vaunted by the Bush Administration—is dispelled by the three graphics shown here.

- **Profile: John Train**

Portrait of an 'Economic Hit Man'

by Jeffrey Steinberg

José Piñera, the former Minister of Labor and Mining in the fascist regime of Chilean dictator Gen. Augusto Pinochet, and the architect of that country's wholesale theft of workers' pensions, has friends in high places in the Anglo-American Establishment, despite his role in a regime vilified worldwide for war crimes.

- **Profile: George Shultz**

The Man With the 'Chile Model' of Fascism

by Richard Freeman and Paul Gallagher

No one figure is more responsible for the drive to privatize and loot Social Security than George Pratt Shultz of Bechtel; senior 'fixer' of the Republican Party; senior recruiter of the George W. Bush White House team, 'the Vulcans'; and, like Robert McNamara before him, a preeminent 'economic hitman' of the Anglo-American financial order on the international stage.

Memorandum by EIR Staff

Looting of Nations by Pension Privatization

Ibero-America

Eleven countries in Ibero-America have privatized their social security systems, under pressure of the International Monetary Fund and their creditor banks. Chile was the model for the others, both in privatizing its system in 1981, and in its spectacular failure over the long term—so much so, that all forces in the country now agree it must be radically reformed. The Chilean government itself will be submitting a proposed reform to congress in early 2005.

History:

The Plot Against FDR: A Model For Bush's Pinochet Plan Today

by William F. Wertz, Jr.

The three most prominent historical models for the kinds of economic and financial warfare operations carried out by the financial oligarchy as described in John Perkins' recent book *Confessions of an Economic Hit Man* are: 1) the Venetian empire during the period leading into the Hundred Years War and the Dark Ages of the 14th Century; 2) the Venetian-style empire established by the British East India Company following the Treaty of Paris at the conclusion of the Seven Years War in 1763; and 3) the Anglo-American-German cartels established in the 1920s. The purpose of this report is to examine the latter as the most immediate precedent for the current danger presented by a private financier oligarchy bent on world domination under the guise of 'globalization.'

- **What Is Synarchism?**

by Lyndon H. LaRouche, Jr.

'Synarchism' is a name adopted during the Twentieth Century for an occult freemasonic sect, known as the Martinists, based on worship of the tradition of the Emperor Napoleon Bonaparte.

Economics:

Bush/USDA Mad Cow Malfeasance Exposed; Food Cartels Threaten Public Health

by Marcia Merry Baker

Even before Congress reconvened this month, several Senators and Rep. Henry Waxman (D-Calif.) challenged the new U.S. Department of Agriculture(USDA)rule announced Dec. 29, which would lift the U.S. ban on Canadian live cattle imports as of March 7, a ban imposed 19 months ago when a Canadian BSE case was found in May 2003. Congress has the right to modify or cancel such an administrative rule, and such actions are being pursued. Republican Sen. Conrad Burns (Montana) has called for the USDA to delay opening the U.S. border to Canadian cattle.

State Budgets In Crisis, Need FDR Approach

by Arthur Ticknor

Shedding crocodile tears while blaming financial 'constraints,' Tennessee Gov. Phil Bredesen announced on Jan. 10 that he was eliminating health-care coverage for 320,000 of the state's sickest, uninsurable citizens. Widespread medical hardship is in the offing, as half of the adults are being dropped from TennCare, Tennessee's Medicaid managed care program that provides health care benefits to about 22% of the state population. The same budget axe is falling on essentials all over America, as after two years of the George W. Bush's 'Hoover recovery,' state budgets remain wrecked, from New York's and California's \$6-10 billion deficits, to Colorado's 16% drop in tax revenues since 2002.

Shultz's Hit Man, Fischer, to Head Bank of Israel

by Steven Meyer and Dean Andromidas

Stanley Fischer, vice chairman of Citigroup, was named the eighth Governor of the Bank of Israel on Jan. 10. As Deputy Managing Director of the International Monetary Fund (IMF) from 1994 to 2001, Fischer oversaw the financial meltdowns in Asia, Russia, and Argentina, and his new appointment signals that the IMF considers a major financial blowout of the Israeli economy possible.

Energy Cooperation

Myanmar, Bangladesh, India Clinch Deals

by Ramtanu Maitra

Enhancing their steadily developing relations, India and Myanmar have agreed to jointly explore the off-shore and deepsea gas and petroleum fields in Myanmar. This was discussed on Jan. 11 by India's visiting Oil and Petroleum Minister, Mani Shankar Aiyar, during his meeting with Myanmar Prime Minister Lt. Gen. Soe Win. It is apparent that the Manmohan Singh government has come to the conclusion that it is of strategic interest for an nation like India, which lacks oil and gas resources, to acquire a stake in Myanmar's surplus oil and gas fields.

Ghost of Schacht Haunts Germany

by Rainer Apel

The German government's 'Hartz IV reform' of wage and social welfare cuts represents the worst threat to the living standards of millions of citizens since the founding of this republic in 1949. Named after its initiator, government advisor Peter Hartz, the 'reform' pares down traditional unemployment and welfare compensation. The package went into effect on Jan. 1, and affects more than 4.5 million long-term unemployed and welfare recipients.

International:

Rumsfeld Prepares 'One, Two, Many Pinochets' in the Americas

by Gretchen Small

With the Bush Administration advocating the use of indefinite detention without trial, torture, and the use of 'hunter-killer' death squads to hunt down terrorists wherever they be, should it come as a surprise that the same Administration has begun laying the groundwork for a return to military rule in the Americas? Or, that it is out to transform the militaries of its neighbors from being national institutions into regional divisions of the Administration's modern version of the foreign legions of Hitler's Waffen SS?

South African President Mbeki, in Sudan, Scores British Colonialism

by Lawrence K. Freeman

South African President Thabo Mbeki carried out a brilliant flanking maneuver against the legacy of British colonial/imperial practices when he spoke before the Sudanese National Assembly on New Year's Day. For several months, members of the United States Congress, British Prime Minister Tony Blair, and Western media outlets have been attempting to whip up popular opinion into a frenzy against the government of Sudan over allegations of genocide in Darfur, in western Sudan. Instead of picking sides in this conflict, President Mbeki instead accurately changed the topic to the methods used by the British Empire against people of Sudan and South Africa in the 19th and 20th Centuries, which set up the present-day conflicts in the first place, pitting 'Arab Muslims' against 'indigenous Africans.'

Elections in Palestine: 'Democracy Under Occupation'

by Michele Steinberg

On Jan. 10, in Washington, D.C., Dianna Buttu, a legal advisor to the Palestine Liberation Organization's peace negotiators, gave a powerful, and grim picture of what really happened on the ground in the Jan. 9 elections that gave PLO Chairman Abu Mazen (Mahmoud Abbas) the Presidency of the Palestinian Authority by a broad victory of 62% of the vote. There were seven candidates for the Presidency, and humanitarian aid leader Mustafa Barghouti came in second, with just under 20%.

Book Review

The Sphinx and the Gladiators: How Neo-Fascists Steered the Red Brigades

by Claudio Celani

La Sfinge delle Brigate Rosse (The Sphinx of the Red Brigades)

by Sergio Flamigni

Milan: KAOS Edizioni, 2004

362 pages, paperback, 19 euros (\$23.18)

Former Senator and anti-terrorist expert Sergio Flamigni's latest book reveals new evidence that the Red Brigades terrorist group, which was responsible for assassination of Christian Democratic leader Aldo Moro in 1978, and other murderous acts, was directly steered by Gladio-NATO circles. These circles were headed by the late Edgardo Sogno, an agent of the Anglo-American intelligence and special operations network, which was put together in Europe after World War II, by Allen Dulles, director of the OSS (Office of Strategic Services) and the CIA.

National:

Gonzales Must Be Questioned About Rumsfeld Death Squads

by Edward Spannaus

New revelations coming out about the 'death squads' being created by Defense Secretary Donald Rumsfeld make it imperative that the Senate Judiciary Committee recall Alberto Gonzales for questioning concerning his role in providing the legal justification for these hit-teams.

From the Congress

Conyers Report: 'What Went Wrong in Ohio'

The following is the Executive Summary of 'Preserving Democracy: What Went Wrong in Ohio,' a report by the House Judiciary Committee Democratic Staff of Jan. 5, 2005. The full report, 102 pages long, is available at the Committee's website.

- **Lautenberg Legislation**

Don't Let Election Officials Suppress the Vote

The following press release was issued by Sen. Frank Lautenberg (D-N.J.) on Jan. 6, titled 'In Response to Serious Concerns Over Presidential Vote in Ohio, Lautenberg Announces Measure to Prevent Partisan Activity by Election Officials: Ohio Sec. of State Ken Blackwell Was Also Co-Chairman of Bush/Cheney '04 Campaign.'

Eye on Washington

by William Jones

A Sublime Moment

The Jan. 6 debate in the House of Representatives challenging the Presidential election, stunned Washington observers.

Schwarzenegger Submits Killer California Budget

by Harley Schlanger

Before the text has been parsed or the numbers crunched, it is clear that the budget submitted by Arnold Schwarzenegger to the California legislature on Jan. 10 will increase the death rate among the poor, the elderly, and the disabled in the state.

GOP Tightens Its Grip on the Congress

by Carl Osgood

The House Republican leadership wasted no time renewing its assault on the U.S. Constitution on Jan. 4, when the 109th Congress convened. As their first piece of legislative business, the GOP proposed changes to the House rules that tighten their control of the House, weaken the ethics rules, and redefine what it means to have a quorum. However, the Republicans were forced to back down on measures intended specifically to protect House Majority Leader Tom DeLay (R-Tex.), including an internal Republican caucus rule that would have allowed him to continue to serve as Majority Leader even if he is indicted in Texas for violating state campaign finance laws.

U.S. Economic/Financial News

Dollar Falls on Record U.S. Trade Deficit

The U.S. trade deficit for the month of November rose to an all-time high of \$60.3 billion, up 7.7% over the October figure which had been the previous monthly record. The release of the news by the Commerce Department sent the dollar into a tailspin, falling by almost 2 cents against the euro within an hour. The dollar also fell against the yen and other currencies.

The record U.S. trade deficit brought the total for the first 11 months of 2004 to \$561.3 billion, far above the previous record deficit of \$496.5 for the 12 months of 2003.

Bush Denies Private Pension Crisis While Inventing One in Social Security

Labor Secretary Elaine Chao spoke at the National Press Club on Jan. 10, claiming to be presenting another of George W. Bush's "plans to strengthen" the Pension Benefit Guaranty Corporation, which backs up private-sector pension plans. Chao denied that there is any immediate problem, much less a crisis, with the PBGC, despite the fact that it recently announced its own insolvency, with a \$23-billion deficit of assets vs. liabilities, and since then, has had the bankrupt airlines' pensions start to fall into its lap. But the Press Club moderator contradicted Chao before she began, citing "PBGC officials who say that the number of beneficiaries in defined-benefit pension plans now exceeds the number of workers employed in these industries." (Contrast to this, the better than 3-1 ratio of contributors to recipients of Social Security, which is claimed by Bush to constitute an immediate crisis.)

Obviously, the PBGC is indeed in a bankruptcy crisis, and only a broader policy-shift of protection and creation of industrial employment, backed by a bridge of additional support from Congress, could save the drastically shrunken private

pension system.

But what Chao proposed instead, was a roughly 50% increase in the insurance premiums which corporations pay into the PBGC, with large additional "risk premiums" above that, placed on those companies which are now underfunding, or not paying their plans, or which have impaired credit ratings. This, and penalties against over-promising on pension plans, would be backed up by much stiffer enforcement under Bush's "strengthening" plan, Chao said. Hardly a plan likely to stop the plunge of the PBGC toward bankruptcy.

The contrast to the invented "WMD" Social Security crisis couldn't have been more blatant; however, a question pointing this out, submitted by *EIR*, was passed over by the moderator during the Q&A. Discussions with journalists later, found that a number of them were thinking, or would have liked to submit the same, or very similar questions, but did not.

PBCG Deficit Real and Growing

A plan announced Jan. 10 by Labor Secretary Elaine Chao, for a 58% increase in the premiums that corporations pay to the Pension Benefit Guaranty Corporation, left no doubt that the PBGC soon expects to absorb the pensions of already bankrupt United Airlines and U.S. Airways, as well as the remaining "legacy" carriers.

PBGC Executive Director Brad Belt testified before the U.S. Senate Commerce Committee on Oct. 24, 2004 that United Airlines' pension plans were then underfunded by \$8.3 billion on a termination basis, of which \$6.4 billion is guaranteed by the PBGC. On Dec. 30, the PBGC went to court to take over the United pilots' pension plan before its liabilities increased.

Belt also testified then, that U.S. Airways had suspended all contributions to its pension plans, which were already underfunded by \$2.3 billion on a termination basis, "almost all of which—\$2.1 billion—would be guaranteed by the PBGC," he stated. Belt warned the Senators that the total exposure of the pension plan participants and the PBGC to the airline industry was, in the event of termination, a whopping \$31 billion at the end of 2003.

Belt delivered his testimony at same time that the PBGC, which guarantees the pensions of employers with "defined benefit plans" (plans which pay set monthly amounts for the lifetime of a worker, and often a spouse), doubled its deficit to \$23.3 billion (from 2003 to 2004), due largely to the PBGC's takeover of the pensions of the nation's former steelmakers.

As in the savings-and-loan debacle, if the PBGC were unable to meet its obligations, the U.S. government would be politically forced to pick them up.

The airline industry's pensions are underfunded because the airlines are bankrupt. Plans to make near-bankrupt airlines "catch up" on pension funding, or pay "high-risk" premiums, such as announced by Chao, are dead on arrival, because all the non-budget airlines are within a hair of bankruptcy. The decision of third-largest Delta Airlines to cut fares by 50%-60%, and the other major carriers to follow suit—and thus lose another \$2-3 billion in revenue in 2005—will only hasten their demise.

Meanwhile, on Jan. 13, United Airlines flight attendants accepted a tentative deal with the carrier that calls for a 9.5% pay cut. The agreement which was made available to the members of the Association of Flight Attendants doesn't include provisions related to the termination of pension benefits.

GM Again Cuts U.S. Workforce; 8,000 Jobs To Go This Year

General Motors will cut its workforce by about 7% over the next 12 months, chairman and chief executive Rick Wagoner

told the Detroit Free Press Jan. 10, the fourth straight year of cuts. The cuts represent about 8,000 hourly and salaried jobs, which will be eliminated through attrition and retirement. Since George Bush came into office in 2001, GM's U.S. workforce has been gutted by 45,000 jobs—nearly 23%!—falling from 198,000 hourly and salaried workers in 2000, to 153,000, today.

Failed Labor Movement Grist for Mergers, Backed by Soros Bucks

A so-called "left-wing" opposition centered around Andy Stern, president of the Service Employees International Union, will challenge John Sweeney for the AFL-CIO presidency in the July election, according to Thomas Edsall of the *Washington Post* writing Jan. 3. Stern has been a longtime critic of Sweeney, and of the AFL-CIO's support for Democratic Presidential candidate John Kerry; in July, Stern told the *Post* that if Kerry were to win, it would be a "hollow victory," that would "hurt" the dialogue needed for reform of the Democratic Party and the labor movement.

Stern is a leader of five unions called "the New Unity Partnership," which includes SEIU; the Laborers; the Hotel and Restaurant Employees, who are merged with UNITE, (the needle and textile unions); and the Carpenters, who quit the AFL-CIO a few years ago. The Teamsters and the United Food and Commercial Workers also support a challenger to Sweeney—possibly John Wilhelm, head of the "Hospitality Division" of United Here, according to the *Post*.

Stern advocates mergers of unions, so that workers who work for the same employer, or in the same industry, join together, "so that every union has responsibility for some part of the economy," rather than continuing to allow unions to organize any group of unrelated workers, just to keep up membership numbers.

The first such merger was announced Jan. 12, in a merger of the United Steelworkers of America with PACE (Paper, Allied-Industrial, Chemical and Energy Workers International Union), to form a union of 850,000 active members, with 400,000 retirees, making it the dominant union in North America. The merger will be voted on by the union memberships in May, and, if passed, USWA President Leo Gerard would head the new entity.

Enter pro-drug moneybags George Soros, who, according to the Jan. 11 *Financial Times*, is the leader of a group of "billionaire philanthropists," who will "invest in the intellectual future of the left"; through a "joint investment to build intellectual infrastructure" to rival the Heritage Foundation, AEI, etc. Besides Soros and his son, Jonathan, billionaires Herb and Marion Sandler, of California S&L fame, Peter Lewis, and Stephen Bing, will contribute double-digit millions. Andy Stern is trying to sell the labor movement to Soros.

New York Fed Head Warns of Potential Financial Shocks

New York Federal Reserve president Timothy Geithner warned of financial shocks and called for action to mitigate risk, in a speech Jan. 13 to KRI's Global Operational Risk Forum. He prefaced his list of recommended "policy actions" with, first, glib praise for how the "economic landscape" may not appear too bad, with the IMF projecting a 4% rate of "real global GDP growth," and the fact that the "global economy has weathered the oil price shock well." But then Geithner identified four "challenges," stressing that their "combined mix" is very serious:

- * "fiscal sustainability problems [meaning committed social benefits are exceeding tax revenues];
- * "large external imbalances [meaning, the U.S. is borrowing "at an unprecedented scale, between 5 and 6% of GDP in the case of the U.S. current account deficit"];
- * "the tension in the existing exchange-rate system [meaning the disparity in currencies]; and also, the fact that India and

China are integrating into the world system and this creates "adjustment pressures," and "creates the risk of unanticipated shocks to financial prices, even in a context where monetary policy credibility is strong."

What are policy makers to do? He offers a list of actions:

First, commit to using the Fed funds rate to "keep inflation expectations stable at a low level," and to allow flexibility so that we can "confront future shocks that have the potential to cause damage to the financial system and the economy."

Second, build more confidence that a better balance will be achieved in the U.S. between "commitments and resources." Watch out, or there will be a "decline in the willingness of foreigners to acquire claims on the United States in the present scale."

Third, encourage "evolution in the international monetary system" to handle currencies with care, in particular, in Asia.

Fourth, some private financial institutions are getting too big and risky, with no cushion. Any shock will be magnified if this doesn't stop.

World Economic News

German State Rail Plans Further Cuts

According to the latest financial report, which Deutsche Bahn state rail chief executive Hartmut Mehdorn presented to the company's supervisory board a few weeks ago, the German railway operator will drastically reduce its lines, in particular, for freight transport. Currently, Deutsche Bahn maintains a railway net of 37,000 kms. As some of these routes include more than one track, the total length amounts to 65,000 kms. Of these, 5,200 kms are supposed to be idled, according to the new cost-cutting scheme. In addition, Deutsche Bahn plans to abolish 22,800 out of 88,200 existing switches—this means that one-quarter of all the devices necessary to switch tracks will go out of operation.

While Deutsche Bahn claims that these cuts in physical infrastructure will not significantly affect German freight transport, the federal association of transport companies VDV warns there will be another sharp increase in railway bottlenecks. An internal VDV study, so far, not published, reveals that recent cuts in the Deutsche Bahn railway net have already led to a critical situation in certain locations, such as for freight transport around Duesseldorf and Kiel.

Deutsche Bahn is still state-owned, but is in the process of privatization. The company wants to go public soon, however, the IPO had to be postponed several times. In order to become more attractive for future stockholders, Deutsche Bahn has already cut back its infrastructure investment programs for the coming years.

United States News Digest

Conyers, Waxman Cite Vote Suppression on Election Day

Representatives John Conyers (D-Mich) and Henry Waxman (D-Calif) wrote a letter Jan. 12, to the Government Accountability Office (GAO) on long waits in line to vote on Election Day, Nov. 2, 2004. Lyndon LaRouche has condemned these "irregularities" as cases of voter suppression, a violation of Federal law. The letter cites nearly 1,400 reports of excessively long lines at the polls in 32 states. The letter requests that the GAO investigate the reports, identify the voting jurisdictions where the long lines occurred, and identify the issues that need to be addressed to reduce the

waiting times.

Washington State GOP Can't Get Over Gregoire Victory

Democrat Christine Gregoire, the former state Attorney General, was inaugurated Jan. 12 as the new Governor of Washington state, but the Republican Party is refusing to accept the final recount verdict in which she won by 129 votes. This seems to conflict with GOP demands on the floor of Congress Jan. 6, that Democrats "get over it" (the outcome of the Presidential election), and forget challenging vote-suppression in Ohio.

The Republican Party has filed suit in a state court in a sparsely populated, heavily Republican county in eastern Washington, seeking to have the entire gubernatorial election annulled and run over again. Suddenly, the Republicans have discovered that the election was flawed by fraud and irregularities in King County (Seattle), which they had not noticed when it appeared, before the final recount, that their candidate Dino Rossi had won. The Republicans are trying to get an order for a new election, which would then have to be decided by the state Supreme Court, and possibly, by the Legislature. Meanwhile the Building Industry Association of Washington and other business groups are running radio and TV ads which say, "We don't even know who our legitimate Governor is."

The determination of the Republicans to fight Gregoire's victory in Washington indefinitely, even though they lack any of the kind of evidence of fraud against the election which Democrats and others gathered in Ohio, is a useful lesson to those in the Democratic Party who counselled polite submission after John Kerry's concession speech.

Supreme Court Throws Out Mandatory Sentencing

Reflecting the institutional assertion of the U.S. Supreme Court against Congress and the Executive Branch, the Court Jan. 12 threw out the mandatory sentencing guidelines which, for the past 10 years, had all but eliminated judges' discretion in sentencing. Henceforth, according to the Court, the sentencing guidelines enacted by Congress in 1984, will only be "advisory," rather than mandatory.

There were two related, and at times contradictory rulings, with only one Justice (Ruth Bader Ginsburg) being in the majority in both cases. One ruling said that the guidelines violated the Sixth Amendment's guarantee to trial by jury, because judges are required to increase sentences by considering factors which were not decided by the jury. The other said that the guidelines should remain in place, but that they should be regarded as advisory. A sentencing determination is still subject to review by an appellate court.

It is not yet clear what the effect will be on the Federal courts and prison system. Some observers predict a flood of appeals, while others say that they don't expect things to change very much. The Justice Department said it was "disappointed" by the ruling, and it urged judges to follow strict sentencing guidelines. It is expected that Congress, under control of right-wing Republicans, will rewrite the sentencing laws, perhaps trying to get around the Supreme Court ruling.

Judges who have been angry about Congressional restrictions on their ability to use their judgment and discretion were generally pleased, according to reports. "I'm really elated, and I think more judges will be, too," said Judge Jack Weinstein of the Federal court in Brooklyn, New York. "It gives us the discretion to deal with individual cases without being unnecessarily harsh. This is now, if Congress leaves it, a marvelous system."

Barry Scheck, president of the National Association of Criminal Defense Lawyers, said, "For 20 years, Federal courts have been forced to impose unjust, irrational sentences based upon unproven allegations, speculative calculation and the worst kind of hearsay. Congress should welcome this opportunity to create a just and fair sentencing system, not a quick fix."

Bush Picks Right-Wing Zealot To Head Homeland Security

Right-wing zealot and former Federal prosecutor—and Whitewater persecutor of President Bill Clinton and First Lady Hillary Rodham Clinton—Michael Chertoff was nominated by President George W. Bush on Jan. 12, to head the Department of Homeland Security.

Background: Chertoff worked for former New York Mayor Rudy Giuliani (then U.S. Attorney for the Southern District of New York) as a Federal prosecutor in the 1980s, prosecuting organized-crime cases. He then went to the U.S. Attorney's Office in New Jersey, and became U.S. Attorney there in 1990, until 1994. He then became special counsel for the Senate Banking Committee's trumped-up Whitewater investigation, where he became known for his aggressive and nasty pursuit of the Clintons.

DOJ role: In 2001, he was appointed to head the Justice Department's Criminal Division, where he oversaw the round-up and detentions of over 1,000 people after Sept. 11, mostly Arab and Muslim males. Out of all these detentions, only one man was eventually charged with a terrorist offense.

In June 2003, the DOJ Inspector General issued a report, after reviewing the cases of 762 suspects detained on immigration charges after 9/11. None of these was ever charged with a terrorism crime, but they were held an average of 80 days each, many under extremely harsh conditions. The rule was "guilty until proven innocent." This was part of Ashcroft—and Chertoff's—shifting of DOJ and FBI policy, from investigating and prosecuting crimes, to "prevention" and "disruption" of alleged terrorist networks.

He also helped to write the Patriot Act, and participated in the drafting of loosened investigative guidelines for the FBI.

Chertoff also oversaw the prosecutions of so-called "al-Qaeda sleeper cells," in the U.S. (see below)—in which Federal prosecutors have used the threat of draconian prison sentences to coerce guilty pleas and cooperation from targeted Muslim defendants. In none of these cases, was any of those targeted actually engaged in serious planning acts of terrorism against the United States.

Why now? In 2003, President Bush named Chertoff as a judge on the Third Circuit U.S. Court of Appeals. Many observers are asking why he would step down from a lifetime appeals court appointment, to head such a notoriously dysfunctional agency as DHS. One theory is that he craves a Supreme Court appointment, and that may be part of the deal offered him. As Bush noted, since Chertoff has already undergone three Senate confirmation hearings, the White House expects him to breeze through another one. His most recent confirmation vote was for the Third Circuit; the vote was 88-1, with Sen. Hillary Clinton the only opponent.

Howard Dean Enters Race for DNC Head

Former Vermont Governor, failed Democratic Presidential candidate, and Internet fundraising champion Howard Dean formally entered the race for chairman of the Democratic National Committee, on Jan. 11.

"The Democratic Party needs a vibrant, forward-thinking, long-term presence in every single state, and we must be willing to contest every race at every level," Dean wrote in his letter to the party.

Also running are former Indiana Rep. Timothy Roemer, former Texas Rep. Martin Frost; former Denver Mayor Wellington Webb; Simon Rosenberg, founder of the New Democratic Network; Donny Fowler, son of former DNC chair Don Fowler; and David Leland of Ohio.

Doris Matsui Will Run To Replace Her Husband

Mrs. Doris Matsui will run for the Congressional seat that her recently deceased husband Robert held for 26 years, the *Sacramento Bee* reported Jan. 11. Mrs. Matsui is a political figure in her own right, having been both a Washington lobbyist and a Clinton White House official.

More Signs of Intelligence Shutdown

The new CIA Director, Porter Goss, has cut what used to be the daily meeting of the counterterrorism task force, down to three times a week, the *Washington Post* reported Jan. 10. These sessions were initiated by then-director George Tenet and were held at CIA headquarters every evening. One official said this causes the staff to "lose the immediacy" that the daily briefings created. He further described how the FBI and Pentagon are "beginning to eat into former CIA areas," and carry out their own operations, instead.

Bush Admin. Bribes Media To Promote 'Education' Program

In an exposé that the White House has assured *EIR* is not "the norm," Armstrong Williams, a conservative black media personality, has admitted being paid \$240,000 to promote President Bush's so-called education policy, "No Child Left Behind." The payments were made to a production company Williams owns, and they made radio and TV ads featuring Education Secretary Rod Paige promoting Bush's number one domestic program. Williams is a former aide to the late South Carolina Senator Strom Thurmond (R), and later to Clarence Thomas, before he became a U.S. Supreme Court Justice.

Hardened Criminals Treated Better than Gitmo Prisoners

A lawyer representing 12 Kuwaiti detainees held at the U.S. prison camp in Guantanamo, Cuba, told reporters in Washington Jan. 6 that the conditions the detainees are being held in "do not comply with international law or any law in the U.S.," since they have "never been tried or convicted of anything." Kristine A. Huskey, of the Shearman and Sterling law firm, went to Guantanamo near the end of December to meet her clients for the first time. There were no signs of physical torture, she said, "But I can tell you that these people have been there for three years. They had no access to lawyers. They have not been able to talk to their families. They have been in isolation and, from what I saw, they had no reading material, maybe the Koran. They had very little bedding and they get very little exercise, day after day, month after month. And that to me is torture under any law in the United States and in international law... You could see it in their eyes that they have gone through hell."

The families of the Kuwaitis are demanding that the U.S. government put the detainees on trial so that they can prove their innocence.

Ibero-American News Digest

LYM Launches Campaign To Defend Mexico's Social Security

The LaRouche Youth Movement (LYM) in Mexico launched a new flank in the international campaign against social security privatization and on behalf of the general welfare principle, with the distribution beginning Jan. 11, of a new leaflet, entitled "Regarding the Reform of the ISSSTE Law: Don't Be Screwed by Pinochet's Chile!"

The Social Security Institute in Service of State Workers (ISSSTE), which covers over 2 million state worker affiliates, half of whom are teachers, is the next target of the privatization fascists. The proposed reform is to offer privatized pension accounts to young workers entering the state sector work force, and to leave existing workers with the dwindling public pension funds.

On Feb. 1, the Mexican Congress will begin its debate on the ISSSTE "reform," and so the Congress, political parties, trade unions, and others, are the first that will be blanketed with the new LYM leaflet, which reads in part as follows:

"With the beginning of 2005, an agreement was struck, according to which, pension fund administrators may now invest up to 20% of those funds in the international speculative casino. Further, in the upcoming regular sessions of Congress, the plan is to reform the ISSSTE Law, in order to be able to also appropriate the savings of 2 million Federal employees, for the purpose of injecting that capital into the moribund international speculative financial system. With this, a new phase in the great swindle was launched, which will end—as with the international speculative system itself—in bankruptcy and, perhaps, in the loss of those funds.

"This effort is part of a drive to impose global fascism led by the government of George Bush and Dick Cheney, who also seek to privatize social security in the United States, stealing the pension funds to refinance the bankrupt Wall Street banks, even at the cost of killing their elderly."

Argentine Debt Restructuring Underway

The Argentine government formally launched its program Jan. 14 to restructure \$82 billion in defaulted debt. Investors now have several weeks in which to decide whether or not to exchange the bonds they hold, now in default, for the new bonds offered by the government, which involve a write-off of over 50-60% of their value. In a Jan. 12 press conference, Finance Minister Roberto Lavagna warned that debt which is not swapped "may remain indefinitely in default." Were there to be a 50% level of bondholder acceptance, he would "consider the operation concluded," as this would mean that at least two-thirds of the defaulted debt would be restructured.

Lavagna noted that while Argentina was discredited when it defaulted, prior to 2001, "it had become a guinea pig. While the foreign debt expanded without limit, Argentina enjoyed very great prestige, and it was like a happy little place to do business.... But you don't earn prestige satisfying economic or ideological powers. Recovery occurs when the country has growth and permanently creates decent jobs, obtains investment, and doesn't resort to new indebtedness, but rather reduces it, as we do now."

IMF Director for Italy, Pier Carlo Padoan, however, repeated the threat that both the IMF and Group of Seven have made: If there isn't at least a 75% acceptance rate, "it can't be said that [Argentina's] debt problem is resolved." Nicola Stock, head of the Italian bondholders association Task Force Argentina, and co-chairman of the vulture fund front group Global Committee of Argentina Bondholders (GCAB), is screaming bloody murder, charging that the restructuring proposal "was the culmination of the most transparent scam in history." Stock testified before the Italian Parliament Jan. 12, urging legislators "to support us strongly in our campaign against Argentina." But Italy's CONSOB securities commission, and the U.S. Securities and Exchange Commission (SEC), have both given a green light for the Argentine restructuring, and many banks and investment funds say they intend to participate, if for no other reason than that they want the process to be concluded.

Separatist Oligarchs, Cocaleros, Launch Campaign To Oust Bolivian President

George Soros's favorite *cocalero* leader in Bolivia, Evo Morales, issued a call for early Presidential elections on Jan. 13,

piggy-backing his bid for power upon the Santa Cruz oligarchy's parallel drive to force the President to grant the province autonomous control over the gas reserves in its territory, or leave office.

Ever ready to take full advantage of chaos, Morales broke his opportunist alliance with the President on Jan. 13, declaring President Mesa "the greatest enemy of Bolivia." Morales called for Presidential elections to be moved up from 2007, declaring "I am ready to be the President," and announcing he will give a televised address to the nation on Jan. 16.

Bolivia's political crisis swung out of control this month, after the government raised the gasoline price by 10%, and that of fuel oil by 23%—as demanded by the International Monetary Fund. On Jan. 4, transportation workers went out on a 24-hour strike in most parts of the country, blockading some primary access routes as well as the country's major east-west highway. This was followed on Jan. 10 by a national strike led by the Bolivian Labor Federation (COB) and other civic organizations. Demanding also that the government cancel the contract with the foreign company which provides water and sewage services to it, El Alto, the impoverished city adjacent to the national capital, joined the national strike. Simultaneously, but under separate political control, a 48-hour civic strike was held in the southeastern provinces of Santa Cruz and Tarija, on Jan. 11-12, in protest against the fuel hikes.

Mesa responded that he would resign, rather than employ force against the protesters, "with the certainty that that violence could cost human lives." This was a clear reference to the way that deposed President Gonzalo Sanchez de Lozada tried to smash the mass strike that occurred in October 2003, which finally forced him out of office. On Jan. 11, Mesa's government then announced they would cancel the contract with the corrupt French company that had failed to provide adequate water at reasonable rates to the city of El Alto (see note below). The strike in El Alto was halted as a result.

Despite the momentary calm in El Alto, various community organizations in La Paz have blocked streets, demanding the cancellation of state contracts with the electricity company Electropaz, the Spanish company Iberdrola, and the Italian-run Telecom. Trade union and neighborhood organizations in the central city of Cochabamba are organizing new marches to protest the fuel price hike, and in the *cocalero* base of Yungas, peasants are threatening to shut down highways next week, also to protest the fuel rate hikes.

Although the strike in Santa Cruz also came to a close, the top 50 business leaders—the Civic Committee of Santa Cruz—are now entering into a hunger strike against the Mesa government, with the goal of breaking away and forming an autonomous government. The Santa Cruz region in Bolivia's southeast is considered the center of the country's "oligarchy," and the area where the bulk of the country's hydrocarbon wealth is centered.

Saner elements within the trade-union movement warned *EIR* that the removal of President Mesa would be extremely dangerous. Were he to resign, he would be replaced by Hormando Vaca Diez, currently the President of the Senate, whose separatist tendencies are well known.

Privatized Utilities Slammed for Failing To Provide Contracted Services

Two Ibero-American governments moved this week to rein in the privatized utilities which have been looting their nations.

Faced with a national strike over various demands, the Mesa government of Bolivia moved to satisfy one major demand of a part of the strikers, by cancelling on Jan. 11 the contract of the French company, Suez Lyonnaise des Eaux, to provide water to the neighboring cities of El Alto and La Paz. The Bolivian subsidiary of the French company, Aguas del Illimani, began operating in Bolivia in 1997. Its contract specified that the company was to provide universal running water and sewage service to the poor, largely squatter city of 800,000 in El Alto. Protesters have shut the city down, demanding the company's contract be cancelled, given that 200,000 people still have no running water, and the company charges exorbitant rates to connect homes to running water. Citing the company's breach of contract, the Mesa government agreed.

On the same day, Jan. 11, Argentine Planning Minister Juli De Vido called a press conference to announce that the government was slapping fines on three energy companies and a water company—all private, and foreign owned—for failing to provide adequate service, as contracted. The government did not accept the electricity companies' claim, that several neighborhoods in Greater Buenos Aires were blacked-out Jan. 3-6, due to a summer "heat wave." Rather, the government charged that the companies' failure to invest in the capacity required, was responsible. In addition to monetary fines, the companies were given ten days to present an investment plan to resolve the shortages. Likewise, the water company, Aguas Argentinas, was slapped with a 2 million-plus peso fine, for a recent cut in provision of running water, failing to adequately inform the affected population, or provide emergency services.

Humala Fascists Brag About Chavez's Support

Violence "is the only way to defeat a President like this one," threatened Isaac Humala, father of former Army Major Antauro Humala who is now in jail for his Jan. 1 seizure of a police station, in demand that Peruvian President Alejandro Toledo be overthrown. Proclaiming his son to be a hero, he told the daily *Correo* on Jan. 2 that a patriot must be a subversive. "Christ was, and we are too."

Four days before his New Year's Day takeover of a police station in the town of Andahuaylas, Antauro Humala gave a raving speech at Lima's National Engineering University (UNI), warning that "to obey the law is stupid.... [I]t is necessary for the students to take to the streets, to burn tires, to take the universities, to put on Spiderman masks.... [T]hat's the way it has to be. If the rules of the game aren't changed, then burning tires, taking over schools and protests are just.... The only solution is to destroy the farm and behead the farmer, so that the pig can be regenerated into a citizen.... Insurgency is now a historical necessity in the country, so we don't have to wait for another 500 years."

This is the movement backed not only by the oligarchic Hitler-lovers based at the *La Razon* daily (see Ibero-America Digest, Jan. 11), but financed as well by Venezuelan synarchist Hugo Chavez. Humala's former girlfriend, Nora Bruce, told Peru's *Caretas* magazine last week, that Humala had revealed to her that Chavez particularly helped finance the "ethno-nationalist" movement and its newspaper "at the beginning," until the publication was able to finance itself. Bruce added that between August and September of 2004, Antauro had invited her to travel with him to Venezuela, and indicated at that time that he intended to stage a rebellion in Peru. The editorial of the Dec. 25, 2004 edition of Humala's newspaper *Ollanta* issued "A Call to Arms, Citizens!" and formally announced its "second mobilization," warning that the "ethno-Cacerists" swear "to again take up arms when the Fatherland requires it, and hell, it requires it now!"

Chavez's regional "Bolivarian" movement is also mobilized behind Humala's movement. Ecuador's National Indigenous Confederation (Conaie) backed Humala for boldly rising up against injustice and the Toledo government. Bolivian terrorist Felipe Quispe sent Humala a public "revolutionary and fraternal greeting from Bolivia," on Jan. 10, stating that all "multi-ethnic" forces in the region must, like Humala, stand up to the servile governments which oppress them.

Western European News Digest

Cardinal Pio Laghi Reveals Bush's Broken Promises

The Italian Cardinal sent by Pope John Paul II in 2003 to try to dissuade President Bush from invading Iraq, said on Jan. 10 that Bush had promised that the U.S. operation would be "quick." Cardinal Pio Laghi visited Bush at the White House on March 5, 2003, to relay the Pope's position that dialogue, not arms, should be used to resolve the crisis over Iraq.

"When I went to Washington as the Pope's envoy, just before the outbreak of the war in Iraq, [Bush] told me: 'Don't worry,

Your Eminence. We'll be quick and do well in Iraq," Laghi told the Italian TV station Telepace, which was broadcasting the Pontiff's annual address to diplomats.

When the United States went to war in Iraq, Laghi called the attack on Baghdad "tragic and unacceptable." "Unfortunately, the facts have demonstrated afterward that things took a different course—not rapid and not favorable. Bush was wrong," he told Telepace. Laghi had been the Vatican's first envoy to Washington in the 1980s, and established a friendship with Bush's father, President George H.W. Bush.

French Minister Calls for New Relationship with U.S.

In an interview with the Jan. 10 *International Herald Tribune* French Foreign Minister Michel Barnier echoed recent statements of President Jacques Chirac. Barnier reaffirmed France's intention to test the ground for a renewed Trans-Atlantic partnership. Barnier called for a new relationship with the U.S., the first test of which would be whether George Bush and his European allies could advance a Mideast Peace within the next six months. "For me, President Bush has an historic responsibility.... [T]hat responsibility is to bring Israel and Palestine to a negotiating table, ensure a successful Israeli withdrawal from the Gaza Strip, and engage in talks based on the Road Map toward peace, which envisages Israeli withdrawal from the West Bank. It's the test and the moment in the coming five to six months."

France, said Barnier, is keen to forge a better relationship with the U.S. and to meet every three or four months with Administration officials, members of Congress, and others. The Bush Administration should "reorient its priorities" in the Mideast. "I say there is no reform and no democracy in this great region, if we don't make peace.... The road to Baghdad leads through Jerusalem, not the other way around." Iraq would not be the catalyst to a democratic transformation of the Middle East, rather Iraq's own chances would be transformed by an Israeli/Palestine accord, Barnier said. "France will support the Jan. 30 elections, which needed to be as credible as possible and sensitive to the Sunni minority." The key for Iraq would be the prospect of total recovery and sovereignty.

Barnier further spoke about the need for a strong Europe, which would require an autonomous defense within the framework of NATO, one that respects alliances but is capable of autonomy. The second point to raise with the U.S. is terrorism. "We think to fight terrorism correctly, you also have to fight on the ground where it grows, and that ground is poverty and injustice."

Asked if France doesn't have too many pretensions on the world stage, Barnier replied, "We don't have pretensions. We have ambitions, we have ideas."

Britain's Old-Age Pension Model Under Scrutiny

"A Bloody Mess" is the title of a long article on social security privatization in Britain, appearing in the February 2005 *American Prospect*, and on its website. Written by a *Financial Times* senior reporter, the study delineates the disaster and scandal which resulted from Prime Minister Margaret Thatcher's 1984-88 series of laws which forced privatization of a part of Britain's public old-age pension system, after which, "on average, fees and charges [reduced] pension lump sums by up to 30% on retirement." The scandal of the privatization became so great by the 1990s, that the Blair government passed a law which compelled insurance companies who were managing the private funds to pay 12 billion pounds in compensation to workers for the money their private accounts had lost!

The British government's old-age pension system was similar to that established by President Franklin Roosevelt, in the United States, though set up after World War II. It was Thatcher's first government which cut the benefits—surprise, surprise—by re-indexing them from wages to inflation. Having cut them, Thatcher's second government bribed (with expensive tax rebates from the public treasury) and hyped (with a huge advertising campaign) millions of Britons to shift

into private accounts, similar to 401(k)s, instead. By the 1990s, it became clear that most of those who switched, were doing much worse toward retirement, than if they had stayed in the public system, cut though it had been.

With successive stock collapses since the 1990s, imagine the situation now: "According to the Department for Work and Pensions, in 2004 alone, 500,000 people abandoned private pensions and moved back into the state system. Government actuaries expect another 250,000 to contract back in this year." In 2004, the Association of British Insurers urged all its member firms, to avoid further liability, to warn those still "contracted out" that they "might have made a bad choice" for their retirement.

"It was the biggest scandal in the United Kingdom to date," the article concludes.

A Jan. 12 Reuters wire pointed to the Chile model of pension privatization, and in a very superficial review, emphasized that Pinochet's privatization "pumped up the Santiago Stock Exchange," with high fees, very high profits for the AFPs, and low pay-outs to retirees. The wire puts the *average* pay-out to a retiree at just above the *minimum* pay-out of \$130/month.

1953 London Debt Deal Revisited in Tsunami Disaster Talks

In the context of ongoing negotiations on the debt of tsunami-stricken nations, church-related circles in Germany have called for a new approach to settle the debt issue on a general level. They point to the 1970 debt talks between the Club of Paris and Indonesia, which were mediated by an independent expert—Hermann Josef Abs of Deutsche Bank.

Abs has been chosen because of his constructive role in the 1952 talks on the German pre-war debt, which led to the 1953 London Debt Agreement that forgave more than half of Germany's debt. It seems that the Indonesian government just recently tried to get the same mediation approach arranged for the Jan. 12 Paris talks, but the Club (except for, maybe, France and Germany) was not open to the idea.

The 1953 agreement is of interest, because it removed a big burden from the beginning postwar reconstruction in Germany, and granted Germany access to international loans again. The German contribution to this at that time was that its main orientation in economic policy was industrial reconstruction and production, with the aim of full employment as well. The present government of Germany is, unfortunately, far from that traditional orientation.

Deutsche Bank Boosting Private Pension Schemes

In a new study, titled, "Significant pension gap despite reforms," Deutsche Bank Research, headed by the bank's chief economist Norbert Walter, states that recent social security reforms by the German government are completely insufficient to defuse the ticking "demographic time bomb." The paper notes that for many decades, governments were just repeating the phrase "pensions are secure." This has definitely changed in recent years. Everybody has learned, says the paper, that the state-run pension system GRV will soon no longer be able to guarantee the living standards of older people. In particular, those who are now young will have to face the fact that further cuts in pension outlays and longer working years are unavoidable.

Within the next 30 years, public pensions will decline from 70% currently, to less than 50%, of the last net income. Therefore, says the study, only solution to maintain living standards of older people is private pension schemes. It doesn't call for shutting down state-run social security. But on top of the contributions to the GRV, every employee should allocate at least another 3% to 5% of his or her income to private pensions. And Deutsche Bank would be glad to take care of these additional money flows.

Russia and the CIS News Digest

Security Council Expects Population Plunge In Russia

On Jan. 13, the Russian Security Council acknowledged, during a webcast press conference, that the country is about to suffer catastrophic shrinkage of its population. In reply to a question, the Security Council posted a statement that, "Forecasts show that Russia's population will fall by about one-third, to 100 million people, by the middle of the 21st Century. Russia's internal demographic situation is extremely unfavorable. It might worsen even further in the near future." The main factor, according to the Security Council, is an abnormally high death rate.

Feshbach Documents Russian HIV/AIDS Threat

Russia's future is threatened by an explosion of HIV/AIDS, according to a just-released report written by Murray Feshbach of the Woodrow Wilson Center. The report, underwritten by USAID, compared Russian and international statistics, and found that Russia's HIV/AIDS epidemic differs from the disease in North America and Western Europe in terms of the age groups affected. "In the West, ... some 70% of the population afflicted ... are over 30 years of age." But, "in Russia ... over 80% are under 30 years of age." One example cited, is that of potential army conscripts, who are now testing positive for HIV at a rate that has increased 25-27 times in the last five years.

Demographer Feshbach, who has investigated public-health problems in the Soviet Union and Russia for several decades, writes in the report, "If the leadership continues to pay only lip service to the issue [of AIDS], ... then the consequences in the very near term of two to three years, and certainly a decade from now, will be devastating to the society, to family formation, to the military, to productivity of labor, to continued growth."

Protests Flare Over Russian Entitlements Reform

From St. Petersburg, to cities in the Ural and Siberia, the days following the end of Russia's new holiday season were marked by angry demonstrations, as pensioners, police and others were hit with the full force of the replacement of their "benefits"—free transit, medical care, utilities discounts—by very modest cash payments. Hundreds, in some cases thousands, of pensioners blocked major highways and center-city streets, in the Moscow region, Kaliningrad, Samara, Izhevsk, Penza, Kazan, and Almetevsk in Tatarstan, Bashkortostan, Chita, Barnaul, Vladimir, and other locations. There were reports of retirees refusing to pay tram and train fares, and isolated incidents of their physically attacking fare-collectors. Disgruntlement has also been reported on the part of police forces, whose right to ride free on public transit was ended, though funds for their fares were not budgeted and their own salaries don't stretch far enough to cover the fares.

The Russian government position is that the problem belongs to the regions, which are supposed to make the cash disbursements. Russian TV reported a number of concessions, ranging from the Yekaterinburg mayoralty's pledge to continue free transit for all those previously eligible, to various stop-gap versions, such as 50% subsidies, or continuing the entitlements until April. At the same time, showing the seriousness with which the unrest is being viewed in Moscow, Health Minister Zurabov, First Deputy Prime Minister Zhukov and several other cabinet ministers were dispatched to a Jan. 13 executive meeting of the majority United Russia party in the State Duma. Press was barred from the session, which was to deal with better informing the population and cooling out the protests.

Another indication that the protests, and the hurt underlying them, are serious, was the statement issued Jan. 13 by Patriarch Aleksii II of the Russian Orthodox Church. He said, "Changes must not under any circumstances deprive people of the possibility to use transport and communication tools, keep their housing, and have access to medical aid and medicinal drugs. If this is not the case, a tragedy is inevitable for millions of our citizens who have worked for the good of the country

all their lives and now need protection and care." Patriarch Aleksii called on the authorities "to give people what they are entitled to under the law and the higher moral law as soon as possible," and he urged people affected by the cuts "to keep a peaceful spirit and provide help [to find] an equitable resolution to the conflict."

Russia Seeks Chinese, Indian Involvement in Oil Industry

Russian Energy and Industry Minister Victor Khristenko's Dec. 20 web-posted remark about the likelihood of China's national oil company, CNPC, purchasing a 20% stake in Yuganskneftegaz (the Yukos Oil production unit, recently sold to the state-owned company Rosneft) was not confirmed by any Chinese sources. The weekend of Jan. 8-9, however, Khristenko made a low-profile visit to China, according to Russian and Western sources cited in a Jan. 12 *New York Times* article. Some observers noted that a larger stake in Yuganskneftegaz might be of more interest to China. In addition, India's *Business Standard* reported Jan. 7 that Subir Raha, chairman of the large Indian oil company ONGC, has confirmed that his company is prepared to invest \$2 billion for a 15% stake in Yuganskneftegaz. "We are in touch with the Russian entities concerned, about the Yukos assets and other opportunities in Russia," Raha said.

On Jan. 6, Italian Minister of Industry Antonio Marzano said during a trip in the Persian Gulf, that Italian energy companies are interested in the Yukos assets, remaining after the sale of Yuganskneftegaz. These include other west Siberian and Volga basin oilfields. Pravda.ru named ENI as the likely Italian buyer.

Putin Stresses Strategic Partnership with Germany

Speaking at a Jan. 14 ceremony to close a series of events called Russian-German Cultural Meetings 2003-04, Russian President Vladimir Putin noted that the 60th anniversary of the end of World War II will be marked during 2005. "Our peoples found themselves at the epicenter of the most terrible tragedy in the entire history of humanity," Putin said, "but our countries proved that they are capable of overcoming the heavy heritage of the past. We have learned not to speculate on past troubles, not to infect each other with vain pride and chauvinism, but to demonstrate a sincere wish to meet each other half-way." He added that this experience helps Russia and Germany in building "entirely new relations of strategic partnership, which helps our countries and the entirety of greater Europe move toward a safe and successful future."

Russian Defense Minister Visits Washington

Russian Defense Minister Sergei Ivanov was in Washington Jan. 12-13, for talks with President George W. Bush, Secretary of Defense Donald Rumsfeld, Secretary of State Colin Powell, and National Security Advisor Condoleezza Rice. The official agenda included preparations for the Putin-Bush summit in Bratislava this coming spring, and an agreement on joint efforts to curb the trade in hand-held anti-aircraft missiles.

At a press conference, Ivanov was grilled about alleged Russian talks on selling Iskander ballistic missiles (also known as the SS-26) to Syria, reports of which have been vigorously protested by Israel. Ivanov denied that any such talks had occurred (details in Southwest Asia Digest).

Ukraine Election Commission Declares Victor

On Jan. 11, Ukraine's Central Election Commission finally declared Victor Yushchenko the victor in the Presidential election, with 52% of the vote, and an eight-point lead over his challenger, Victor Yanukovich. The same day, however, the Supreme Court disallowed publication of the official results until it rules on a new complaint by Yanukovich, concerning the alleged suppression of votes by people who wished to vote by absentee ballot. The maneuver delayed Yushchenko's inauguration, preventing it from taking place the week of Jan. 10.

Ukraine Pulls Out of Iraq

Outgoing Ukrainian President Leonid Kuchma on Jan. 10 ordered steps towards withdrawing Ukraine's contingent from Iraq, following the death of eight Ukrainian soldiers and wounding of six others, in an unexplained explosion the previous day. The blast at first was reported as an accident, but then Ukrainian officials said it was resulted from a planned attack. *Interfax* reported Jan. 11 that the Ukrainian Foreign Ministry and Defense Ministry have started joint consultations on effecting the withdrawal during the first half of 2005.

Victor Yushchenko, who is expected to be inaugurated as Ukraine's new President within the month, took the occasion to reiterate his own commitment to pulling Ukrainian forces out of Iraq.

Southwest Asia News Digest

U.S. Follies: 'We Are Losing' in Iraq

"Making the world safe for poppy cultivation" was the description of U.S. policy in Afghanistan expressed at the Jan. 11 panel discussion presented by the Middle East Policy Council, the well-respected think tank, which has opposed the group-think tyranny of the Cheney-Bush Administration. The panel, "Iraq, Afghanistan, and the War on Terrorism," held in a Senate hearing room, was a feisty, honest condemnation of the Bush Administration, delivered with irony and a deadly sense of humor that the neo-cons despise. Chaired by former U.S. Ambassador to Saudi Arabia Chas. Freeman, the speakers were Michael Scheuer, the ex-CIA author of "Imperial Hubris," [Anonymous]; Col. Patrick Lang (U.S. Army ret.), retired Middle East officer of the Defense Intelligence Agency; Dan Byman from the Brookings Institute; and Anatol Lieven, a British journalist, now at the Carnegie Endowment.

One anecdote set the tone for the discussion. This week, a very high-level official (who was not named at the event) of the Bush Administration just returned from the Middle East, and was invited to the Oval Office. He was asked about Iraq, and replied, "We are losing." He was then promptly asked to leave the Oval Office. *EIR's* sources report that the official referred to, is Richard Armitage, and that the incident is "clear proof" that the Administration has learned nothing from the disaster in Iraq, and will not admit its mistakes.

Lang, author of an article called "Drinking the Kool-Aid," about the lies going into the Iraq war, said, in his opening remarks, that the Iraq war "is not about Iraq, it is about us." Defining a split in the U.S. institutions where the present Bush government is driven, not by "reality," but by the future they are determined to shape, Lang said, "Instead of invading the Iraq that is, the government invaded the Iraq of our dreams...." The U.S. went in "with a set of dogmas instead of a set of plans," and because of this, we destroyed the Iraq state. The government "ignored the counsel of the best" in the military and the intelligence services. He said it is the height of arrogance for the U.S. to dictate what kind of world it wants to create, likening this kind of thinking to the brutish "Sergeant" character in the Stanley Kubrick movie, "Full Metal Jacket," who tells a recruit, "Remember, inside every gook, there is an American struggling to get out." Now, the question is "who's next," for this Administration, "Egypt, Jordan, Syria?"

Three broad questions posed by members of the audience led to further important comments. Michele Steinberg of *EIR* asked for comments about the Alberto Gonzales nomination for Attorney General; Dr. Robert Hickson, a retired Special Forces officer, asked: Where has the morality of the active duty military gone?—they never spoke up, and out, against the war; and Jim Lobe from Inter Press asked what the panelists would do in Iraq, if they were President.

Freeman replied to the Gonzales question, with another question: Can you expect anything other than an Alberto "Torquemada" Gonzales, from the Administration that kicks a high-ranking official out of the Oval Office for telling the

truth about Iraq, and fires everyone from the cabinet, except those responsible for the Iraq war.

When Byman made a half-hearted defense of the Abu Ghraib interrogations, saying that "counterinsurgency warfare is dirty warfare," Lang countered, saying, "That's crap!"—to blame the Abu Ghraib abuses on this or that type of warfare. Lang suggested that anyone concerned about the torture policy should read the book *Battle for the Casbah*, where the French tortured prisoners to get information, got the information, and then killed them anyway ... and lost. "If you go down that path, there is no return." Lieven—in typical British fashion—first said that the Americans had behaved, overall, "with restraint"; but then he told the bare truth: the Gonzales appointment is a "slap in the face" to every democrat in the Middle East, and to every European who wants to help in the war against terrorism. It is grotesque to have the Americans practicing torture, and condoning it, but then waving around a call for democracy.

On the failure of morality in the military? Freeman said that this very question was what he and others on the panel had been grappling with.

Scheuer said that question goes to the *heart* of the problem: The 9/11 Commission, the Goss and Roberts intelligence committees, were all failures! No one in Bush's government, or in Congress, was willing to "tell the emperor that he has no clothes." He said that analysts cannot tell if their work is being studied, and understood. Former CIA director George Tenet wanted to be the top briefer; it's a farce when somebody has to warn the President every day that the country is in danger. Lang cited his "Drinking the Kool-Aid" piece, and said that if officers don't speak up to tell the truth, then why do they even exist? He drew the analogy between the American military leaders' relationship to George W. Bush and Hitler's relationship to General Keitel—who was executed at Nuremburg.

On getting out of Iraq: Lang said that "the cargo has already fallen off the cliff," and nothing can save it. But, taking a regional, long-term, U.S. mission approach, he said the U.S. must commit a force large enough to provide a protective shield for any elected government to get itself organized, and to gain the credibility with the population to accept it as a government. It must have time to do this—a long time. The U.S. destroyed Iraq, but is responsible for protecting the population and letting the country rebuild.

Scheuer disagreed vehemently: He said that the U.S. "has no interest in Iraq," whatsoever, because the U.S. had destroyed any potential for an interest; there is no reason to waste any more lives on Iraq; the 1,300 people who died there already, died for nothing, because the policy was rotten. Freeman concluded that the U.S. *must* fix the mess—Iraq is only hopeless because of this Administration's policies and pigheadedness, and agreed with Lang that the problem is "here," in Washington.

Syria at Center of Russian-Israel Crisis

The "cause" of the mysterious "crisis" between Russia and Israel, which has been mentioned in the Israeli press recently, was finally revealed on Jan. 12, when the Moscow daily *Kommersant* claimed that Israel is angry at alleged intentions of Russia to sell Syria the Iskander E missile. The latter is a very new, and highly capable, ballistic missile with a range of 280 kilometers which can hit most targets in Israel. Israel reportedly briefed the U.S. on the issue, but did not ask the U.S. to intervene.

These complaints by Ariel Sharon's Israel come in anticipation of Syrian President Bashar Assad's scheduled visit to Moscow on Jan. 24, when he will meet Russian President Vladimir Putin and ask for the missiles and other weapons.

Israeli commentator Amir Oren, writing in *Ha'aretz*, on Jan. 12, indicated that Israeli and U.S. policy is responsible for what could be a replay of the type of East-West rivalry and arms race in the region that was seen in the 1970s. First, he points out that Israel's flaunting of its military power in the face of Syria's weakness, including bombing targets in Syria and

Syrian targets in Lebanon, as well as conducting overflights over Assad's Presidential palace, has prompted Assad to seek Russian help in upgrading Syrian air defense systems.

Oren compared these strikes to 1969 and 1970, when during the "War of Attrition" between Israel and Egypt, Israel launched deep air strikes against Egypt, prompting then-Egyptian President Gamal Abdel Nasser to acquire sophisticated Russian air defense systems, which inflicted very heavy losses on the Israeli air force in the 1973 Arab-Israeli war.

As for Russia, Oren writes that Putin is angry at Bush because of the U.S.'s establishment of military bases in Central Asia, the expansion of NATO, and the recent Ukrainian elections. He reports that the Israeli Foreign Ministry's own think tank has been warning recently of the formation of a "Sino-Russian Axis as a counterweight to the American supremacy in the world, which would have a bad influence on Israel's strategic position."

Following protests by Israel, U.S. State Dept. spokesman, Richard Boucher told reporters at the regular State Dept. briefing of Jan. 12, "We're against the sale of weaponry to Syria ... which is a state sponsor of terrorism.... The Russians know about this policy. They know about our views." Powell also brought the issue up in discussions with Russian Defense Minister Sergei Ivanov, who was in Washington, and denied that such a sale is being planned by Russia (see Russia digest).

Is Israeli Complaint Over Russia-Syria Arms Sales a Ruse?

Israeli complaints about the alleged Russian missile sales to Syria may be a ruse to back up new neo-conservative propaganda to attempt to get the U.S. to attack Syria.

UPI journalist Richard Sale reported in a Jan. 12 wire story that there is a drumbeat from the military commanders in Iraq, and the neo-cons in Washington, to blame the Iraq insurgency on Syria. Helping that campaign along, is an ex-intelligence official from Israel, Gal Luft, and the *Middle East Intelligence Bulletin (MEIB)* run by Islam-hater, neo-con fanatic Daniel Pipes. The *MEIB* reported that Syria is the base for ex-Ba'ath officials, and secret agents of the Mukharbarat, Saddam Hussein's intelligence service. *MEIB*'s Gary Gambrell also claims that a top deputy of Abu Musab al-Zarqawi is headquartered in Syria, from where he runs the insurgency.

Some Pentagon hawks are pushing for military strikes against so-called terrorist camps in Syria to "stop" the Iraq insurgency, reports Sale. But, Martha Kessler, a retired CIA analyst, and one of the most knowledgeable experts on Syria, said that, "Damascus is *not* the heartbeat of this Iraqi insurgent movement." In fact, Syria has offered help to the U.S. in fighting al-Qaeda, but "has been snubbed," Kessler said.

Sharon Orders All Contacts With Mahmoud Abbas Ended

It did not take long for Ariel Sharon to give Palestinian Authority President Mahmoud Abbas (Abu Mazen) the "Arafat treatment." On Jan. 14, just five days after the Abbas election, Sharon's spokesman, Assaf Sharif announced that all contacts by Israelis with the Palestinian Authority are suspended; and "Israel informed international leaders today that there will be no meetings with [President] Abbas until he makes a real effort to stop terror." Palestinian officials say it is ridiculous to hold Abu Mazen responsible for the attack—he only took office on Jan. 15.

The excuse for suspending all contact, is a joint attack carried out by Hamas, the Popular Resistance Committees, and the Al-Aqsa Martyrs Brigades on Thursday, Jan. 13, at the Karni checkpoint crossing between the Gaza Strip and Israel. An explosion at this facility, which is a large depot for transporting of food, merchandise, and other supplies, including medicine, killed six Israelis, and seriously injured four others.

Israeli sources report that a large explosion blew up a door that separated the Israeli and Palestinian sides at the Karni crossing, and then, Palestinian gunmen opened fire. Three Palestinians were killed by Israeli security guards who returned fire. Israelis counterattacked massively on Jan. 14, including by firing two missiles from an Israeli Air Force helicopter at a Palestinian medical center in the Deir el Balah refugee camp in the Gaza strip. The Israelis claim that the medical center is run by a charity, Al Salah, that is linked to Hamas.

On Jan. 14, Israeli Defense Minister Shaul Mofaz, and IDF chief-of-staff Moshe Ya'alon imposed a total lockdown of all crossings in the Gaza Strip that provide access to Egypt and Israel, "until the Palestinians take steps to fight terrorism." That is, until Sharon and his generals *say* that the Palestinians have taken steps to stop terrorism.

The world knows that Hamas, the Islami Jihad, and other militant groups boycotted the Jan. 9 elections, and that after three years of invasion, occupation, and thousands of Israeli tank and airstrikes on Palestinian Authority facilities, including police stations, and government records, there is no way that the PA can handle "security" matters.

The Sharon cancellation of all contacts with the Palestinians has been praised by right-wing extremists in Israel and Washington, D.C., as a sure sign that Washington will follow suit, and that Bush will once again sideline the Palestinian people.

Asia News Digest

India-Iran Sign 25-Year Liquefied Natural Gas Deal

India and Iran have reached an agreement whereby India will buy 5 million tons of liquefied natural gas each year for the next 25 years. The LNG supply to India will begin in 2008-09. "We have reached an agreement. The deal will be signed on Jan. 10," Iranian Oil Minister Bijan Namdar Zanganeh told the *Press Trust of India*. As per the deal, Tehran will also give India 20% stake in the development of its biggest on-shore field, Yadavaran. The Chinese company Sinopec will be the operator of the Yadavaran field with 50% share and National Iranian Oil Company will have 30% share. Yadavaran oil field is expected to produce 300,000 barrels per day.

India Protests U.S. Weather Station at Trincomalee

The deep-sea port of Trincomalee is in the news again. For years the United States Pacific Command has been trying to set up a naval base at Trincomalee, located on Sri Lanka's eastern coast and hit hard by the tsunami, and considered the fifth-best deep-sea port in the world.

The United States did not succeed in setting up the base all these years because of Indian vigilance, and also due to the civil war in Sri Lanka. But with the rise of Chinese power, China's growing dependence on Persian Gulf oil, and Trincomalee's location on the heavily trafficked Persian Gulf-Pacific Ocean route, Washington never gave up its quest for Trincomalee.

New Delhi has conveyed to Colombo that the United States, while doing the noble work of helping the tsunami victims, is also involved in setting up a weather monitoring station. From the look of things, New Delhi does not consider this "kosher," apparently fearing that the U.S. will be monitoring more than just the weather. Washington, for its part, claims that, in order to set up a tsunami early warning system (ostensibly requested by Colombo), a weather monitoring station would be an absolute necessity.

Sri Lanka Needs \$15.6 Billion To Build New Towns

In a report issued by Sri Lanka's Finance and Planning Ministry's Department of National Planning on Jan. 10, Colombo said it plans to build 12 large, 20 medium-sized, and 30 small towns to house those whose villages and homes were devastated by the Dec. 26 tsunami. These would be built by the Urban Development Ministry and would include complexes to be built by the Fisheries and Aquatic Resource Ministry for fishing communities. The amount of \$15.6 billion would be required to add on to the expenses that Colombo would incur to achieve the goal.

At the same time, Colombo has announced that it would make a formal request to the Paris Club, which plans to re-convene on Jan. 12, to allow it to delay debt payments to help pay for the reconstruction projects. Sri Lanka's annual debt payments are between \$552 million and \$600 million, said Sri Lanka's Treasury Secretary P.B. Jayasundera. Most of the Sri Lankan borrowings were from the 19-member Paris Club.

New Threats Challenge Pakistan's Musharraf

Pakistani President Pervez Musharraf, who is increasingly becoming a denizen of a bunker, now faces a new series of threats from the Baloch tribes. On Jan. 12, Pakistani authorities shut down a natural gas plant, and security forces took control of it, after angry tribesmen fired rockets, blowing up a gas pipeline, and triggering a battle that left eight people dead. The security forces took control of the gas plant in Sui, Balochistan, 350 km southeast of the Baloch capital, Quetta.

The situation in Balochistan has been deteriorating for months. To appease the U.S., Musharraf has given unlimited access of the province to the Americans—special forces, Air Force personnel, and FBI—to seize al-Qaeda and Taliban militants since 2002. Quetta is a major Taliban and al-Qaeda center.

The presence of Americans, and the privileges they enjoy, has upset the tribesmen. Earlier, they had bombed buses that carried the Chinese engineers who were involved in the development of Gwadar Port in southwest Baloch coast. It is likely that the tribesmen are supported by the Taliban, al-Qaeda, and those in the tribal areas along the Pakistan-Afghanistan borders whose houses have been destroyed by rockets and missiles used by the Pakistani as well as the American armed forces. Needless to say, the noose is now around Musharraf's sturdy neck. He will have to depend more and more on the Americans to survive.

Bomb Blast Injures Five in South Thailand

Five people, including two policemen, were injured when a home-made bomb exploded Jan. 11 in Yala province, in southern Thailand, *The Nation* reported Jan. 12. The two injured officers suffered shrapnel wounds, while two women and a man were also injured in the blast.

The explosion damaged nearby storefronts and left a crater in the ground where the bomb had exploded.

In Songkhla, a local policeman riding his motorbike to work was shot dead by an unknown motorcycle gunman.

Philippines Ceasefire Holds, Despite Violence

A two-year-old ceasefire between Muslim separatist members of the Moro Islamic Liberation Front and the Philippines government remains in force, despite clashes in which 21 people died Jan. 10, said Malaysia's Deputy Prime Minister. Thirteen rebels and eight government soldiers were killed when members of MILF attacked an army outpost on the island of Mindanao. At a Jan. 10 press conference, Malaysian Deputy Prime Minister Najib said, "We don't consider [the attacks] as a breakdown of the ceasefire. It could be isolated incidents. As far as we are concerned, the ceasefire still remains." Najib is also Defense Minister of Malaysia, which is helping to monitor the ceasefire along with Libya and Brunei. Some

50 security officials from mainly Malaysia, Brunei and Libya are in southern Philippines as part of an international team monitoring the ceasefire.

Indonesia Welcomes Debt Moratoria—But Without Conditions

Indonesian Vice President Jusuf Kalla welcomed the offer of debt moratoria from the Paris Club—but without conditions. Indonesia, which has pulled out from under the IMF program imposed on them after the 1997-98 speculative assault on the rupiah, is not willing to again go under the knife that nearly killed them. The last debt rescheduling by the Paris Club required a deal with the IMF.

Kalla said, "In principle, if we can get a debt moratorium, let's say for around 30 trillion rupiah (about \$3.5 billion), that's not bad." Both Foreign Affairs Minister Hassan Wirayuda and Minister of Development Planning Sri Mulyani Indrawati will go to the Paris Club meeting on Jan. 12. At this point, while the Group of Seven agreed to a debt freeze at the Paris Club last week, and possible cuts later, the conditions have not been spelled out.

The *Financial Times* of London reported that an Indonesian official who refused to be named said that Jakarta would request restructuring of their Paris Club debt, in addition to the offer of a moratorium, but would not accept another IMF program.

The division among the creditors at this point: In favor of a moratorium: Canada, France, Germany, Japan, and the U.S.; for debt reduction: U.K., Belgium, and Italy; for no debt relief: Australia. Indonesia has about \$4.5 billion in debt service on Paris Club debt (government to government debt) due in 2005.

Indonesia Confirms: No Strings on Debt Moratoria

An Indonesian government representative told *EIR* on Jan. 10 that Indonesia will not accept any debt moratorium or forgiveness which carries either IMF conditions or any other negative implications for the nation's creditworthiness. He said that their message to the U.S. was, that if the U.S. believed that granting a debt moratorium was in some way against the nature of the market, that Indonesia requested that they at least not obstruct the other members of the Paris Club who were making the offer without conditions. As to the private rating agencies, they will do whatever they want, the representative said, but Standard & Poors had indicated that they would not implement any downgrade based on a debt moratorium. He emphasized that this idea for debt relief came from the donor countries, not from Indonesia itself, and that it was a form of disaster relief, rather than a reflection of any inability to meet debt obligations, and thus it would not be accepted with any strings.

Thailand Wants Technical Assistance, Not Cash

Thai Foreign Minister Surakiart said Thailand does not want cash assistance to help with reconstruction following the tsunami, but rather, seeks technical assistance to rebuilt and rehabilitate the natural environment, *The Nation* reported Jan. 11.

Thailand wants the U.S. and other foreign donors to divert monetary assistance to other cash-strapped countries which were hit by the tidal wave, Surakiart said.

Prime Minister Thaksin Shinawatra said the refusal of cash donations was part of his international strategy to avoid reliance on foreign assistance.

"We work with the international community equally. We don't want to receive money and become a lackey," he told reporters.

"We do not totally reject foreign assistance, but we have a clear policy not to take in cash, but to be open to technical assistance. We welcome and thank all of the experts who come to help us," he said.

However, a Japanese group yesterday handed over \$50 million to Deputy Interior Minister Sutham Saengprathum to help tsunami victims. Japan also sent a team to examine damage caused by the tidal wave in southern Thailand, and is willing to help install an early-warning system to prevent further damage, Sutham said.

Former Ambassador Lobbying for Indian Contract

Former U.S. Ambassador to India, Robert Blackwill, who is now working with the Barbour, Griffith and Rogers law firm, is using his Indian "connections" to get for the BGR the lobbying contract in Washington, D.C. India is now without a lobbying firm, having fired the Akin, Gump, Strauss, Hauer and Feld, because of the lobbying firm's failure to lobby effectively in the U.S. Congress against the F-16 fighter-bomber sale to Pakistan. Akin Gump was brought on board by former Sen. Bob Dole (R-Kans), who had developed a close relationship with the former Indian Ambassador.

Blackwill, who was virtually the number two in the NSC looking after Iraq, had to leave abruptly last November, following a nasty incident at the Kuwait airport. Secretary of State Colin Powell, who never liked Blackwill, called for an inquiry, while National Security Advisor Condoleezza Rice, an alleged protégé of Blackwill, did not protect him.

Following his departure from the Bush Administration, Blackwill joined the BGR and was telling the Indians about his differences with the Administration over the sale of F-16s to Pakistan.

Africa News Digest

Sudan North-South Peace Formally Signed in Nairobi

The formal, ceremonial signing of the agreement between Khartoum and the Sudan People's Liberation Movement/Army (SPLM/A) took place Jan. 9 in Nairobi's Nyayo National Stadium, promising an end to 50 years of war interrupted by a decade of peace. Two million died in the second part of the war (1983-2004) alone.

Sudanese VP Ali Osman Taha and SPLM/A leader John Garang signed the accord in the presence of Sudanese President Omar al-Bashir, Colin Powell, Algerian President Abdulaziz Bouteflika, Rwandan President Paul Kagame, and Arab League chief Amr Moussa. Kenyan President Mwai Kibaki and Ugandan President Yoweri Museveni signed as witnesses.

There was spontaneous singing, dancing, prayer, and ululating in the stadium. The proceedings were carried by radio to all of Sudan.

The terms of the accord include these:

* The current government in Khartoum will form a national unity government in which Garang will be Vice President and 30% of civil service positions will be filled by Southerners. There will be decentralization to give more power to the Federal states. Arabic and English will be the official languages.

* The two armies will remain separate forces and will be treated equally as Sudan's National Armed Forces. Coordination and command of both will be the work of a new Joint Defence Board of top officers from both sides. During the six-year interim period, each army will contribute equally to Joint Integrated Units to be deployed in Khartoum (3,000) and southern Sudan (24,000). North and South are defined by the 1956 boundary.

* Southerners will have 26% of positions in the intelligence service.

* Only the North will be subject to Shari'a (Islamic law).

* Oil revenues (the oil is mostly in the South) will be split 50-50 between North and South.

* The South will vote on unity or secession in 2011.

Optimism Over the Signing of the Sudan Peace Accord

The most optimistic statements in connection with the signing of the Sudan peace accord were those of John Garang and Sudan's Vice President Taha. At the Jan. 9 signing, Garang said, "This peace agreement will change Sudan forever.... Sudan cannot and will never be the same again as this peace agreement will engulf the country in democratic and fundamental transformation instead of being engulfed in wars. If this does not work, then we will have to look for other solutions, such as a split in the country. But we believe that a new Sudan is possible, *for there are many in the North who share with us ... a belief in the universal ideals of humanity*" [emphasis added].

For his part, Sudanese Vice President Ali Osman Taha told Al-Jezirah TV interviewer Mohamed al-Kabir al-Qutbi, on Jan. 8, "The situation in southern Sudan was the result of backwardness, scarcity of resources, people's dissatisfaction, and shortage of services. The agreement calls on the Sudanese people to pool their resources rather than fight politically on empty slogans and struggle over power. Thus, the emphasis and the priority would be on taking care of the poor classes, returning of the refugees, and ensuring essential services for the citizens, including health care, education and job opportunities for productive manpower.... [I]n the end we would subject all this experiment to an open public test through the referendum ... in southern Sudan, so that it would give a testimony to the validity of the experiment, and thus ensure the unity of Sudan."

Taha, to whom President Bashir gave responsibility for the negotiations, is himself a Southerner from Nile State who first joined the Islamist National Islamic Front (now the National Congress Party) as a student. He was Foreign Minister until promoted to Vice President in 1998.

Garang Draws on Original SPLM/A Program

John Garang has recently made statements that bring to mind his very positive, original program of the SPLM/A of 1983, to make Sudan as a whole into an "industrial and agro-industrial" nation.

In a wire of Dec. 31, 2004, AFP quoted from its interview with Garang in Rumbek earlier in the year, in which he said, "Our priority begins with infrastructures, because really, if things cannot move, the economy cannot function. We haven't had tarmac roads since creation [not one road—ed.]. We have to open a waterway for navigation of the Nile, so that we link with the North, and we must rehabilitate the only railway line we have.... We're going to have to fight. But this time without weapons."

The "waterway for navigation of the Nile" is a reference to the massive Jonglei Canal project, three-quarters already built

when war began in 1983. The canal is a bypass of the Sudd section of the Nile which—in addition to avoiding a huge loss of water by evaporation in the large surface area of the Sudd swamp—permits navigation; the Sudd is impassable.

In his Iowa State University doctoral dissertation of 1981, Garang supported the construction of the Jonglei Canal provided it were the basis for a corridor of development, and not simply the means to get the water to Egypt and northern Sudan. He held to that view when he initiated war in 1983. He also envisioned large-scale, mechanized agriculture in the Nilotic plain. How much of his original program, is Garang willing to fight for?

If Garang were removed from the scene, however, the SPLM would likely to be taken over by others with a southern separatist outlook that is implicitly faulty in its understanding of the development process—individuals whom Garang has criticized for their "littleness."

Sudanese President Promises Development of South

"We will build schools and hospitals and provide clean drinking water, electricity, and development projects," Sudan's President Omar al-Bashir told a crowd of 15,000 mostly Christian Sudanese in the city of Malakal Jan. 11, according to AP. The war had raged in and around Malakal for years. "From now on, there will be no more fighting, but development and prosperity," he said. We need to end dependence on foreign relief and become self-sufficient by cultivating our own arable land, he said.

He was made chief of a local tribe by its elders.

Bashir is on a tour of the South, which began when he spoke before a crowd of 10,000 in Juba Jan. 10. He also visited outlying villages, where hundreds greeted him.

Garang Will Be Pressured by Oil Interests to Work for Secession

John Garang will face "a lot of pressure to spend the next six years preparing to separate from the North," said Melvin Foote, founder and Executive Director of Constituency for Africa (CFA), a U.S. NGO, in an interview with the Pan African News Agency, based in Dakar, Senegal. The interview is cited in a PANA wire of Jan. 12.

Foote said that part of this pressure on Garang and his movement will come from oil interests. There are many different agendas in the South, and different groups "will be pitted against one another for profits for external forces," he added. Foote also said that the tensions between the SPLM and Riek Machar's forces (and other southern armed groups) should be kept under control. (Machar split with the SPLA in 1991 after marrying a English aid worker, Emma McCune. Machar brought his forces back into the SPLM/A in 2002.)

"The road ahead will be treacherous for the Sudanese, both in the North and South," he said, emphasizing the importance of promoting development in southern Sudan to prevent the collapse of the peace agreement.

Foote, after visiting northern and southern Sudanese leaders in 2001, briefed U.S. Secretary of State Colin Powell, the National Security Council, and the House Subcommittee on Africa, and proposed a shift from the existing pro-South policy to a policy of comprehensive peace, which he says Powell was then responsible for achieving. Foote faults the "Republican-dominated Congress," however, for failing to join in the shift, causing "a continuation of the war, and continuation of the suffering."

Foote's CFA, of which Ron Dellums is chairman, has been fighting for an AIDS Marshall Plan for Africa.

Annan Calls for Action: Fighting in Darfur Is Worse and Spreading

In a report to the UN Security Council Jan. 7, UN Secretary General Kofi Annan called for new international action to halt the fighting in western Sudan, of which he said, "The armed groups are re-arming and the conflict is spreading outside Darfur. Large quantities of arms have been carried into Darfur in defiance of the Security Council decision taken in July. A build-up of arms and intensification of violence, including air attacks, suggest the security situation is deteriorating.... I am concerned that we may move into a period of intense violence.... The pressures on the parties to abide by their commitments are not having a perceptible effect... [W]e need to reconsider what measures are required to achieve improved security."

Two nominally independent armed groups have appeared in Western Kordofan State—adjacent to Darfur—since Oct. 1. One of them, the Sudanese National Movement, led by Ali al-Shandi, claimed to London-based *Al-Hayat* Dec. 21 that it had "seized the oil wells in the Sharif region, 30 km from the main Abu Jabirah oilfield ... and killed 120 government soldiers."

The other, Al-Shahamah (nobility) Movement, was led by Mussa Ali Muhammadein, former Governor of Al-Rashad province in Southern Kordofan State, who was removed for his loyalty to Hassan al-Turabi. Muhammadein died in November. But former Governor of Western Kordofan, Al-Tayyib Mukhtar, claimed to *Al-Khaleej* (U.A.E.) about Oct. 21 that Al-Shahamah is part of the Justice and Equality Movement (JEM) of Darfur, and that Muhammadein persuaded the JEM to shift resources to Kordofan.

Israelis Confess: Sent Weapons to Darfur Rebels

Three Israelis interrogated by Jordanian authorities confessed to supplying weapons to the two main insurrectionist movements in Darfur, the Sudan Liberation Movement and the Justice and Equality Movement, according to the Sudanese press Jan. 8. Sudan's State Interior Minister Mohammed Haroun was quoted in the press confirming the story, according to a PANA wire that day. The fighting in Darfur has been worsening in recent weeks.

Sudanese radio had carried the story Dec. 26, naming Wayid A'a Mose Jolan as the mastermind. The broadcast claimed Jolan confessed to running a weapons factory in Tel Aviv and having a consultancy office for supplying weapons to secessionist movements, special agencies, and security companies. The Jan. 8 press reports said his firm provides training for unnamed military forces in Africa.

According to the radio report, sources said the arrests included "an individual working directly with Dan Yatom, youngest son to a former director of Israeli intelligence, who also served as one of the advisers in Ehud Barak's government."

The men were arrested in the week ending Dec. 25. As early as Dec. 19, the Sudanese Minister for Humanitarian Affairs, Ibrahim Hamid, said in a statement, "The material and moral support Israel provides to the Darfur rebels discloses the size of the foreign conspiracy for realizing a particular agenda in the region.... Israel's supply of such an amount of arms to the Darfur rebels must have a particular hidden agenda that is now coming to light." The government of Sudan has repeatedly accused Israel and Germany of supplying weapons to the insurgents.

Polio Cases Worldwide—Most in Africa—Rose by Half in 2004

Polio cases worldwide rose by half in 2004 after a vaccine boycott in Nigeria led to a resurgence of the disease across Africa, according to the World Health Organization. The number of cases in 2004 reached 1,185 compared to 784 in 2003.

Most of the cases were in Africa. During the boycott, the polio virus spread to neighboring Benin, Chad, and Cameroon, as well as eight other countries. Children were infected in formerly polio-free countries. WHO had been conducting a campaign to eradicate polio completely by Dec. 31, 2005. The boycott in Nigeria resulted from the claim made by Islamic clerics there, that polio vaccination was part of a U.S.-led plot to render Muslims infertile or to infect them with the AIDS virus. Vaccination programs were restarted in Nigeria in July after local officials ended their 11-month boycott.

This Week in History

January 17-23, 1801

Benjamin Latrobe Designs the first American Steam-Powered Municipal Waterworks

John Latrobe recorded in his journal, that on the night of Jan. 21, 1801, his father Benjamin, "with three gentlemen, his friends, and one of his workmen, kindled a fire under the boiler, and set the ponderous machinery in motion while the city was buried in sleep." In the morning, "the streets of Philadelphia were flowing with water from the gushing hydrants." That city had enjoyed a safe and efficient supply of water during Colonial times, thanks to the improvements wrought by Benjamin Franklin's organizing efforts. By 1776, public pumps dotted the curbstones, and produced a steady flow of clean water. But, as the population grew from 25,000 in 1776, to more than 70,000 as 1800 approached, water from the shallow wells became polluted.

Beginning in 1793, Philadelphia had been decimated by yearly yellow-fever epidemics, causing the Federal government and much of the population to flee the city. Philadelphia's doctors began to wonder if there was a connection between the water supply and the yellow-fever outbreaks. In 1797, hundreds of Philadelphia's citizens petitioned the City Council to install a municipal water system.

Benjamin Latrobe, newly arrived from Virginia, submitted a plan in December of 1798, which called for a steam engine, of which there were then only three in the new nation, to pump water from the Schuylkill River through underground tunnels for nearly a mile to Central Square. From there, another pump, hidden in a white marble Grecian temple, would raise the water to a reservoir. The water would then flow downward and into the city through buried wooden pipes. Nicholas Roosevelt, whose works were located on the Passaic River in New Jersey, gave assurances that his machine shop could build the required steam engines.

Oliver Evans, inventor of the first automated flour mill, and pioneer in steam-engine manufacturing, objected that the reservoir was just barely adequate for the city's current needs. He argued that a reservoir should be built in elevated country north of the city and should hold many thousands of gallons of water. Latrobe was awarded the contract, due partly to his study of British waterworks, and partly to his experience in supervising complex projects and large work crews in Virginia, where he had improved the navigation of the Appomattox and James Rivers, and worked on draining the Great Dismal Swamp.

Latrobe began construction in May 1799, and finished in January 1801. The project gave Philadelphia the first, and for many years the best, water system in the nation. Two tunnels, six feet in diameter and nearly a mile long, were cut through granite rock and lined in brick to carry the river water to the marble temple, now the site of Philadelphia's City Hall, but, in those days, a meadow, which was made into a park. For the construction, Latrobe gathered craftsmen and mechanics from all parts of America and from Britain, who then fanned out to other cities to replicate what they had built in Philadelphia.

The Roosevelt steam engines performed well, pumping water at 12 strokes a minute. A contemporary described the innovation which Roosevelt had developed: "The air pump is an improvement upon that used by Boulton and Watt;

consisting in its evacuating the condenser twice at every stroke, thereby creating a much better vacuum, and of course adding considerably to the power of the engine, in proportion to the diameter of its cylinder without increasing friction."

The waterworks became a showpiece in the midst of a park where Philadelphia's Fourth of July celebrations were held. Even Oliver Evans used the Greek temple as the background for a demonstration of his steam-powered river dredger. The waterworks continued in operation until Sept. 7, 1815, when they were replaced by the Fairmount Waterworks, built by one of Latrobe's pupils. As Evans had proposed, a larger reservoir was built north of the city, and one of the steam engines that pumped the water was designed and built by Oliver Evans's Philadelphia machine shop, the Mars Works.

Benjamin Latrobe continued his service to the nation in his capacity of surveyor of the public buildings in Washington, D.C. He supervised the construction of the south wing of the U.S. Capitol, and it was he who devised the "American order" of maize for the capitals of the columns. He worked on the White House for President Thomas Jefferson, and was appointed Engineer of the Navy Department, in which capacity he designed the Navy Yards at Washington and New York. After the British burned the Capitol during the War of 1812, Latrobe was called in to rebuild the House and Senate Chambers. For the vestibule of the Senate, he designed capitals based on the flowers and leaves of the tobacco plant, to complement the maize capitals of the House.

When the War of 1812 suspended his government work, Latrobe went into partnership with Robert Fulton, Robert Livingston, and Nicholas Roosevelt to build steamboats adapted to navigate the Ohio River. Although Latrobe moved his family to Pittsburgh, the death of Robert Fulton stopped the project and put Latrobe heavily in debt. He was forced into bankruptcy, but he wrote to one of his creditors: "Your claim on me is of a nature which no legal release can absolve—the field of productive activity before me is such, as to assure me—if I live—of the certainty of not disappointing your confidence in me."

Latrobe was consulted about building a water supply for New Orleans, and he sent his son Henry to supervise the project. During the War of 1812, Henry took part in the defense of the city and began construction of a lighthouse at the mouth of the Mississippi. When Henry died of yellow fever in 1817, Benjamin Latrobe brought his family to New Orleans and was pushing the construction of the water system to conclusion when he, too, was stricken with yellow fever and died in September of 1820.

Latrobe's two surviving sons, however, carried on his architectural and engineering tradition. John Latrobe, a West Pointer, combined his father's tradition with law by serving as counsel to the Baltimore & Ohio Railroad. It was he who recognized the importance of Samuel Morse's invention of the telegraph, and recommended it to the B&O president, who in turn granted Morse the privilege of stringing the first telegraph line between Baltimore and Washington along the railroad's right of way. As a writer of some note, John Latrobe also served on the committee which awarded a prize to Edgar Allan Poe for "A MS. Found in a Bottle."

John's brother, Benjamin Henry Latrobe, worked in the engineer corps of the B&O Railroad, and in the early 1830s, he designed the Thomas Viaduct at Relay House, southwest of Baltimore, which is still in use today, and successfully carries modern railroad equipment. He then surveyed and built the railroad from Point of Rocks to Harpers Ferry, and then from Harpers Ferry to Cumberland. In 1847, he laid out the line all the way to the Ohio River and supervised 5,000 men and the 1,250 horses they used for hauling away the rocks they blasted out with black powder. His crew built 200 miles of railroad, including 113 bridges and 11 tunnels in less than four years. His son, Charles, also became an engineer and designed a railroad for the Peruvian government which featured a bridge which spanned one of the deepest gorges in the Andes. The bridge was framed in the United States, taken apart for shipment, and re-framed in Peru in ninety days.

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