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This Week You Need To Know

Congress Swept Up in 'Revolutionary Tide'

by Debra Hanania Freeman

Despite frantic attempts by the Bush Administration to exonerate itself from an avalanche of charges of criminal negligence and malfeasance in the face of the worst domestic disaster in American history, it seems that nothing can stop what Lyndon LaRouche has called the "incoming tide" of a cultural paradigm-shift against the insanity of the Bush-Cheney crowd.

In the week following the devastation wrought by Hurricane Katrina, the U.S. Congress essentially ignored the mutterings of a President who is increasingly being described as "dangerous," "unable to deal with reality," and in "deep denial," and began action on aggressive bipartisan measures aimed not only at providing immediate humanitarian relief for the victims of Katrina, but also at launching reconstruction of the entire region.

Echoing the approach outlined by Lyndon LaRouche in his emergency Sept. 3 webcast, Senate Democratic leader Harry Reid (Nev.) moved upon the start of Senate business Sept. 6 with a proposal for \$150 billion for reconstruction. Despite some initial sniping from the Republican caucus, Judd Gregg (R-N.H.), the Chairman of the Senate Budget Committee, not only defended Reid's proposal, but raised it to \$200 billion. Trent Lott (R-Miss.) and Republican leader Bill Frist (Tenn.) also endorsed the proposal.

On Sept. 7, Democratic Senators Reid and Kent Conrad (N.D.), joined by House Minority Leader Nancy Pelosi (Calif.) and John Spratt (S.C.), sent a letter to their Republican counterparts in which they urged their colleagues to suspend bills before Congress to cut government services (\$70 billion in tax cuts and \$35 billion in cuts affecting Medicaid, food stamps, and student loans), and "instead swiftly consider emergency legislation to address the nation's needs after Hurricane Katrina." The letter, which was initially well received, stated, "Now is not the time to cut services for our most vulnerable, cut taxes for our most fortunate, and add \$35 billion to the deficit...."

[...full article \(pdf\)](#)

Latest From LaRouche

LaRouche on Wisconsin Public Radio:

Will Katrina Bring a 'Cultural Paradigm-Shift' in its Wake?

Lyndon LaRouche gave this interview to the Duke Skorich Show on Wisconsin Public Radio, KUWS, in Superior and Ashland Park, on Sept. 7, 2005. The interview was also streamed on the web at www.kuws.fm. The show, part of the Air America network, was co-hosted by Patty McNulty.

DUKE SKORICH: You're listening to the Duke Skorich radio show with Patty McNulty on KUWS.... Ladies and gentlemen, it's our pleasure to welcome to the program, an internationally known economist, author, and statesman. He has run for the Presidency of the United States on *six different occasions* [sic]. It's my great pleasure to welcome to the microphones, Lyndon LaRouche.

Mr. LaRouche, how are you, sir?

LYNDON LAROCHE: Oh, pretty good this afternoon.

SKORICH: You know, Mr. LaRouche, we were talking at the beginning of the program, some *wonderful* editorials that have been written across this great country of ours: The *New York Times* talking about "waiting for a leader." The *New Orleans Times Picayune* really asking the President of the United States really to apologize, and to step up to the plate, and to take responsibility for what the Federal government has done, or not done, in this case, saying, "Mr. President, we need a President, not a lot of mayors."

Now, I have to assume, sir, that you also found that this government responded in such an incredibly woeful manner, as to, we should be *ashamed* of this government.

LAROCHE: Well—that's true, that's fair. But that doesn't butter the beans. The question is, now, how do we deal with the problem? I'm not surprised at the failure performance of the Bush Administration, nor the President himself.

This was not so much an accident: This was a product of an ideological turn, which we've seen going for some time, but especially under this President. In other words, it was his ideology, it was his philosophy, the philosophy of his administration, which led him down the pathway, to saying "brush this aside," and ignore all the things that are needed in terms of public interest.

The way the scandal comes up, is that, remember, this was the thing that killed off, essentially the re-election essentially, of George H.W. Bush, when the hurricane again was there—Andrew—was the issue. When President Clinton came in, Clinton did an excellent job, in actually rebuilding the FEMA availability, and the whole program. From the time that George came in, this time, in 2001, he began to tear it down, with his changes in policy. And then, with 9/11, he really made a big mistake in the way he went at Homeland Defense, which was cooked up ideological job, rather than strengthening the institutions which should have been strengthened from that experience. We tore down the capability of dealing with a crisis of this type. And George kept clinging to it, because that was his ideology. That was his administration's philosophy.

What has happened here is not an accident, it's not just negligence, though it's all of that. But what's happened is, the philosophy of the Bush Administration ran slam dunk into reality. And it came up looking bad. If this goes on for another week or so, you're going to have what's called a "cultural paradigm-shift": that the United States will go away from this kind of philosophy that the Bush Administration represented, that a lot of people represented inside the Reagan Administration. That turn in philosophy has come to an end.

We're now going back to the Franklin Roosevelt orientation, where we care about our people, where national health, national security, General Welfare, becomes the leading issue. This is perceived not only in the United States, it's

perceived in Europe. And there is a movement in the Senate and elsewhere to push in this direction.

So, right now, it is not a scandal, even though there's plenty of scandal if you want to find it. What there is now, is the challenge of changing from the philosophy which the George H.W. Bush Administration represented, and the George W. Bush, more. That philosophy has now come to the end of the being tolerated. We're now going to have to go back in the direction of Franklin Roosevelt, or else, we're finished.

SKORICH: Mr. LaRouche, you know, George H.W. Bush spent a majority of his life trying to build alliances, and in his heart of hearts, what do you think he thinks about the policies of the neo-cons, the Paul Wolfowitzes, who are really in control of his son, the President?

LAROUCHE: Well, I don't think he's too happy with that. He's got conflict. He's got ambition. He's not the brightest star in the firmament, George H.W. But he doesn't have the problems his son has. He does have some sense of reality, and the people around him in the Carlyle Group and so forth, they do have some sense of reality—they may be a little bit swinish, and so forth, things like that. But, they did not want, for example, to plunge into the war in Iraq. The people behind George W. Bush *intended* to plunge in. The George H.W. crowd said, "Well, let's not." But then it happened, and then they backed down on that one.

And now, he finds himself, where he probably can barely speak to his son—and there is a difference in philosophy, but not that much. The overall drift in the direction that we've been going in, the right-wing tendency in the United States, that continues, and George H.W. Bush is part of it. His son has gotten himself really into the wild-eyed version of this thing. And there is a difference between the father and the son—there's no question of that.

SKORICH: Is it possible that this government can change, with people seemingly not paying attention, and the neo-con agenda is still so much a part of Washington politics, how can we begin to remove those people who have been placed in power, if America won't pay attention?

LAROUCHE: Well, it will pay attention. You have, for example, you have in the Senate, or out of the Senate—since, oh, even Nov. 7 of last year, there was a turn in the Democratic Party, which decided to get up off the floor and realize that a lame-duck had just been reputedly re-elected. So, they began to fight. And out of this process, up through May 23, when you had a coalition of Republicans and Democrats against this "nuclear option," you've had a solid—pretty solid—bloc among the Democrats in the Senate, and also some collaboration between a lot of Republicans in the Senate *and* the Democrats.

So, now we have a new tendency. When this crisis hit, what we've had, is now is that you have a bipartisan approach in the Senate, spilling over into parts of the House of Representatives, pushing in a direction of a paradigm-shift. It's not yet a philosophical commitment on the part of Republicans, but there's a sense of reality, especially out there in the field. People are running for election, you know, next year—they're saying, they can't win this way!

So, there's a general push right from reality, and in the people and so forth, to go in the direction of concern for the General Welfare. So therefore, we're in a situation where we *do* have new leadership emerging. It's sluggish, it's slow, it's hard to deal with this, because of it's institutional: You've got a President who doesn't function!

SKORICH: We have had so many people who have called this radio program, and have written—nationally, now—Gary Hart, in the Washington Post, "who will lead?" "who will say no?" Frank Rich, Maureen Dowd, any numbers of "liberal" perceived columnists, who have taken head on the Democratic Party, and say, "When will somebody stand up?!"

LAROUCHE: It is standing up. But, where I see it, it's largely in the leadership of the Senate, which, from the standpoint of institutions—for example, Harry Reid, the ranking leader of the Senate, initiated this \$10.5 billion emergency fund to get some action on doing something about Louisiana situation, and related situations. That's happened. He clearly has a view that we need \$100 to \$150 billion simply to deal with the problem this represents. And they're pushing for that, from the Senate.

So, there is leadership. There is action.

You've got a jam-up, because you've got a conflict between a Presidency, particularly a White House, that *does not* function: I mean, this is the worst administration I've ever seen, in modern times. In over 100 years, the absolutely *worst* administration I have seen. Totally incompetent: For example, the leadership of the Homeland Defense—absolutely incompetent! Terribly incompetent. But, it's an ideologically-ridden incompetence.

Cheney's dangerous and incompetent, in everything he touches—dangerous, incompetent.

So, you have a problem of institutions: You have a Presidency that *does not function*. We have a Senate that tends to function fairly well. We have a House of Representatives which is not quite up to speed with the Senate. So, we're having a certain sluggishness, in the kind of action we should take, because the action should be coming from the President. This is an emergency! The action must come from the Executive. It's *not*.. The action is coming from the Senate, which means a much more sluggish process.

SKORICH: Our guest on the program at 5:45, is Lyndon LaRouche, internationally known economist, author, statesman; the architect of an emerging new economic order on the planet—we'll get to that in a moment. Also has run for President on *six* different occasions, and is the Founding Editor of the *Executive Intelligence Review*.

Mr. LaRouche, let me introduce you to co-host of the program, Patty McNulty.

LAROUCHE: Hello Patty.

PATTY MCNULTY: Good afternoon, sir. Thank you for joining us.

I'm fascinated with your concept that the country will now make this turn toward a more Roosevelt approach to government. And I'm wondering *how* you actually think that will happen? Because, don't those sorts of things, especially now, have to be driven by public opinion, by voters? And when I look at the makeup, for instance, of the mainstream media, and the strength and power of Fox News, and Rush Limbaugh, and—the list is endless. Who will tell the American people the truth? And how will they find it, when the average person, a year ago, still believed Iraqis drove planes into the Twin Towers?

We've got a media machine, here, that Karl Rove seems to drive. That, as of yesterday, they were still blaming the Governor of Louisiana and the Mayor of New Orleans! "Nothing that George Bush is doing is wrong." How will people find out about this? How will this whole change happen, if it's not driven by the people?

LAROUCHE: You find out, that in the streets, and among the people, that the media, the right-wing media turn, has just lost it. Now, that's not consolidated. But give me another week or two weeks, of the direction things have been going in—and look at the same time at what's happening in Europe: For example, there's a German general election now in process for the next two weeks. There's been a shift in that, on the part of Schroeder. Schroeder's come out and said, openly, and repeatedly, in the past several days, that the failure of performance of the United States in the case of the

General Welfare is an international issue! Because of a superpower.

You find that the media, generally, the right-wing media especially is *way* behind reality on this one! The White House is nowhere near reality. The President's popularity is collapsing—he's almost headed toward negative numbers! So, the so-called "media changes the public opinion, and public opinion follows the media": *it has now broken down*. The reality of Louisiana, the reality of southern Mississippi and Alabama, that has *broken through*. The spectacle of citizens *dying*—you know, we may have 100,000 deaths coming at us on this one. We certainly have thousands of them, already. But, with the disease potential, in this pocket of disease which has been created by the negligence of the government, in dealing with this situation, we can have all kinds of water-borne and insect-borne diseases coming out as epidemics, out of there! My concern has been to get these people to safety, *out of there*; get them treated; move in, clean the thing up, and let people move back in and rebuild.

And that is what the people want. And any media that thinks they're going to push in a different direction, it hasn't won—that is, the right-wing media haven't won, they haven't lost—but they certainly are taking a beating. And they're taking it internationally, as well as in the United States.

SKORICH: Let's turn our attention in the time we have to the economy: I contend, we have seen what conservatives always worried about, the redistribution of wealth from the top to the bottom—I contend we have seen the *greatest* redistribution of wealth in this country, in I-don't-know how many years, hundreds of years, from the bottom *to* the top! And we hear so much about life in the bottom 80%, where wages have been stagnant for *five years*! Unemployment, the numbers of people who are homeless, the numbers of people in poverty, the numbers of people without insurance, and yet the media and much of America keeps hearing "economic growth, stimulus, things getting better"! How *is* this economy, that George Bush has given us?

LAROCHE: We're about to collapse! Look: We have, actually the turnover in financial derivatives, is about *hundreds of quadrillions* of dollars turnover. Now this is largely in the financial derivatives area. But that's against a world economy, which in physical output, is measured in the order of magnitude of about \$50 trillion.

So therefore, obviously, the entire system is bankrupt. If you look, as we do, at the map of what's happened to the United States, physically, county by county, in all the parameters of well-being: employment, quality of jobs, housing, public infrastructure, everything that counts, you find that the United States has been *going down*, since about 1971; and accelerated since about 1977. That's the pattern.

A small group of people, highly publicized, have a lot more money to call upon. But, they also are heavily indebted at the same time they have a lot more money on their plate. So, if a bubble, of the housing bubble type, collapses, you're going to see the biggest collapse in modern history. We're on a curve, which on a world scale, has similarities to what happened in Germany in 1923: a *tremendous* amount of debt. Every sign of increase in income, is actually matched by a much greater increase in debt. And we're on that kind of bubble: We're on a hyperinflationary bubble. In part, like for example, \$20 to \$30 out of every \$60-odd of the price for a barrel of oil, is purely speculation. And there's now a tremendous impulse to say, "Let's put this under regulation. Let's put a cap on this inflation in petroleum, because it's killing the economy, and killing our people."

So, there has been no prosperity, that's all propaganda. The condition of our people, especially the lower 80% of family-income brackets, the condition of communities—the state of Michigan, look at it! It's a catastrophe. Ohio, a catastrophe; Indiana, a catastrophe; Illinois, a catastrophe; you're feeling it in Wisconsin. The economy is going down! Industries are disappearing. Whole categories of industry are going out of business! And people are suffering.

No, there *is* no prosperity. That is a myth, and the ability to sustain the myth, and cause people to believe in the myth,

that's about running out of steam.

SKORICH: Are the people in this administration incapable of handing this economic crisis?

LAROCHE: Absolutely. Totally incapable.

Our capability lies in some of our institutions; it lies in the Senate. There are a lot of people in government who are professionals, that is, the staffs in government—there're a lot of professional people there. We have a lot of good people in our active and retired military, apart from the screwballs. These people are not only fighters, they're capable of organizing for emergencies, for rebuilding, like the Corps of Engineers. We have a lot of people in government.

But, *in* the elected part of government, the George W. Bush part of government, it's impossible: *They are a failure!*

SKORICH: You know, I'm hesitant to ask this, but—you know: Is this *deliberate* destruction, on their part, of this country's economy?

LAROCHE: Well, the destruction is a result of their intentions. Their intelligence and their ability to judge their own behavior and its consequences, is questionable. I mean, the head of Homeland Defense, he's a screwball—totally incompetent. He's the one who did the most in making a mess of this situation, in Louisiana and so forth. Right through—Karl Rove is insane! He's an ideologue. He's a this and that—but he doesn't know what he's doing. In reality, he doesn't exist.

The President is withdrawn. He's a dirt-biker, he's not a President. Dick Cheney has been more the re-acting president, while the existing President is absent-minded on a dirt bike.

No, this administration is *hopelessly* insane. Hopeless incompetent. But: We can change it, rapidly.

SKORICH: Now, the President has often said, that, of course at some point, somebody will write some history—he doesn't know what history will say about him. What will history, and I don't know if it's 10 years or 20 years, but at some point, I have to believe that somebody's going to write a retrospective of this administration [LaRouche laughs]—what the *hell* could it possibly say?

LAROCHE: Well, the problem is, if you write a true history of the George W. Bush Administration, it's something you will not show to children. [McNulty cracks up]

MCNULTY: You were saying, this is something we can change. How can—or, should—this be changed? How can we turn around the economy? How can we turn around the challenges facing us?

SKORICH: Do we need a WPA, or a CCC out of this?

LAROCHE: Oh, we're going to need more than that! But, what essentially, remember that Hoover was hit by a crash of the markets in '29. And the key thing about him was not the crash, that was not what did him in. What did him in was the way he responded to it.

MCNULTY: Yes.

LAROUCHE: And he responded to it—fortunately—we got Franklin Roosevelt. That was not an accident, because Roosevelt was prepared for the job, by history, by his family history, and so forth. But, if we had not gotten Roosevelt, if Hoover had been, by some miscalculation, elected, we'd have been part of the Nazi system by 1934.

Remember, the planned military coup against the U.S. government, including the head of the Democratic Party National Committee, were involved in a planned coup against the government. So, we would have been in there with Adolf Hitler, and the world would have been saying *Heil Hitler!*, but for Franklin Roosevelt.

It was in our institutions, however, that Franklin Roosevelt got over 100 military people, under Harry Hopkins, in the WPA—including Lucius Clay, who was rather famous in World War II. And these people worked on a project, to rebuild the economy. Eisenhower was involved in it, in that period, in the 1930s—this rebuilding.

These guys were the guys who led us in war. They also were the people who played a key part in organizing the U.S. economy to *build up* the economy, so that when we went to war, we had the most powerful economic machine the world had ever seen, coming out of 10 years of Depression! And that kind of leadership, of course, in a sense was a miracle, but it wasn't: It was built into our tradition and our institutions. The key thing was that Franklin Roosevelt *activated* that tradition, activated those institutions.

You have Harry Reid, as a leader in the Senate, has been moving things, not as a Franklin Roosevelt, but in that direction. He's a very intelligent guy; he's a two-fisted guy, in more ways than one. And he has been acting as a very good leader. And we pulled together *a lot* of institutions, in government, and outside government, which are beginning to march together, in the direction of doing what has to be done.

MCNULTY: But, as we look down, now, in another two years from now, we're going to be in another election cycle. What qualities should the American people be looking for? Who is Franklin Roosevelt?

LAROUCHE: Well, there may be one. I could do the job. I think my experience is such that—

MCNULTY: Are you announcing?

LAROUCHE: No. I'm not. I'm 83 as of tomorrow, so I'm not really "zestful" about going into eight years of a new Presidency! I'm capable.

But, what my concern is, is to pull together crowd, or to catalyze pulling together a crowd of people, who *do* represent a collective group of people, of *leadership*, out of which a new President could come.

SKORICH: I want to go back to this Nazi Germany conversation. And the comparisons that many people have tried to make, between Nazi Germany Enabling Acts, the Patriot Act, and America as we stand today. Is it a fair or unfair comparison, about the events of Hitler's rise to power and what we have seen happen in this country, since 9/11?

LAROUCHE: Well, there is a similarity in philosophy, in direction of philosophy, in these kinds of changes, and the Hitler regime. This came from the economic situation, it came out of the philosophy which came out of World War I, out of the Versailles system. We're headed in the same direction, if it kept going this way.

The difference is now, that, in that time, if you look at the world economy, the world economy was in much better shape relatively speaking, after World War I, than it is today. And when Roosevelt led us in World War II, we were a much

stronger economy than we are today. The world is in a bigger mess than it was when Hitler came to power. So, that's the comparison.

We're moving in the same direction as a Hitler direction, and that's what the Bush Administration now represents, is that direction. But, it's not just here: Sarkozy in France represents that same tendency in France. You have a similar tendency inside the United Kingdom. You have the Merkel—Merkel is not a Hitler, but you have around her, policy-shapers who are moving in the same direction. You have some of the same things in Italy. You have, around the world, the tendency, right-wing tendencies, which by their logic, would tend to lead into something like a new Hitler.

But the opportunities are not the same. Hitler was able to take charge of a still-powerful economic machine, which he lifted up, by funding by the Bank for International Settlements. We don't have that today—we have a *rotten* machine. It's going to a tougher building job. But there are parallels, except one should not make simplistic comparisons. But there are general parallels, in the sense, that there's a tendency now, to move toward global fascism, as there was then. The conditions today are different.

SKORICH: We have not talked today about Iraq. And I just want to ask you whether or not, you think *anything* that the President and Vice President did, in the run-up to the invasion and occupation, would constitute "high crimes and misdemeanors," that might justly serve as grounds for articles of impeachment?

LAROUCHE: There's everything possible. If you want impeachment, all you need is the initiative. The evidence is there. The problem is, people don't understand this Iraq War. They think, and believe that the President thinks, that this is a war to go in, to bring about a peace. That is, to go in and rebuild a country, take the country over and then rebuild it, and leave it. That is not the intention.

The intention behind Cheney and company (I don't think the President knew what he was doing), but behind Cheney and company, is not a tendency to winning wars. Their tendency is to start wars—and keep them going! Globally. This is an imitation of the Roman Empire, this is the mentality. It's an imitation of what happened in the Medieval period, with the Norman Crusades, this kind of thing. This is the idea of running the world, *by means of perpetual warfare*. War here, today; war someplace else, tomorrow. But *perpetual* warfare, to break and prevent any opposition from building up to that kind of imperial government. That's the intention.

That's what we have to realize, the danger is of an actual imperial tendency, in London around Blair, and around Cheney, for example, here. *That's* the thing we have to get rid of. If impeachment is the way to get rid of it, do it that way. But we've got to get rid of it!

SKORICH: Are we better off, at this point pulling everybody out immediately? Sending more troops into Iraq, if it was *your* call?

LAROUCHE: Oh, my call, is, I would go in there, and say, "OK boys, this doesn't work," as if I were President of the United States or something like that. I would say to the Iraqis, "This doesn't work. You know it doesn't work. We know it doesn't work. You're headed toward Hell. Make us a proposal. We want to get out, but we want to get out clean." And, I think, with the help of Europe and some others, it could be done.

The problem is, the commitment on the part of the present administration, is not to get out. And you just can't *pull* out, without creating a catastrophe. We might have to just pull out. But that wouldn't be good. We have to pull out with the *consent* of the people involved. We have to pull out, with a renegotiation of *all* of the concerned people in Iraq—and in the region, too. "Look. We're negotiating. We want to get out. Make us an offer." I think it would work.

SKORICH: Mr. LaRouche, I'm going to ask you to look forward, to the next election—not the off-year election, but I want you to look forward to 2008, or '07—and tell me who's going to be the Republican nominee; who's going to be the Democratic nominee: any guesses?

LAROCHE: No guess. Because, what's going to happen is, the events we're going through now, is a cultural paradigm-shift, internationally as well as in the United States. You can not judge by what people have represented up to now, what they will be one year from now, or two years from now, in terms of character. This is one of the kinds of period that *changes people*, and brings the best out of some people and the worst out of others.

What I'm concerned about, is focusing on a group of people who represent a kind of leadership, among political leaders. And out of this pack, hopefully, someone will come forward that we consider by say, late 2006-07, as a potential President. We *don't* have a clear view of anybody who is actually qualified for that, now. But, if we proceed with people who are moving in that direction of leadership, and we have some in the Senate, for example, then out of that pack, or somebody whom they work with, we will probably get a candidate.

SKORICH: Is Senator Biden one of those people who might come to the forefront? Or, is he just another name, on the list?

LAROCHE: No, the guys who are key Senators, senior Senators, and who really mean something as committee leaders, they are all in the running. Whether for President or not. But, you don't run as a Presidency with a single man, usually. You don't have a Napoleon Bonaparte, you don't want that, either. What you have, is a collegium of people, among whom there's one person who either comes into, or is part of it, who steps forward as being qualified for President. The others stay in position, and become the resource which makes a Presidency work.

SKORICH: Is this the time when America might look to a woman, either in the form of Senator Clinton, or maybe Secretary Rice?

LAROCHE: It's premature. It's premature to pose such questions. Wait. We haven't gone through the cultural paradigm-shift we have to go through, yet. As the cultural paradigm-shift emerges, then you'll find out, who's got the stamina. Because, the next President of the United States has to be a real tough bird, because he's got a tough problem to deal with—he or she! And I don't think that any of these prospective candidates have yet *tasted* the water of what they're getting into, with the next Presidency.

SKORICH: Are you comfortable with John Roberts as the next Supreme Court Chief Justice?

LAROCHE: No. I'm not.

SKORICH: Tell me, why?

LAROCHE: Well, first of all, he's not tested, and second, his profile is not what we need. You know, like putting in a Chief Justice for 30 years, and that's a *big buy*—that's buying a lot. Coming out of a nomination by an administration which is no damned good. That's bad! Senator Collins from Maine, proposed with others, that Sandra Day O'Connor stay on, and stay on perhaps as Chief Justice for a period of time. That would make sense. I would prefer that. Then, we could go for another replacement there, for the [vacancy].

But, this Roberts thing bothers me. I don't think he's a *bad* person—I don't see that he's a bad person. But I don't see that he's a competent person for that kind of job.

We're going through the kind of change that Roosevelt represented; you remember the question of Chief Justice Hughes under Roosevelt, was a *real* problem. And I don't think Roberts measures up, quite, intellectually to the level of Hughes. He may be a little bit softer than Hughes, but he doesn't measure up.

We need a Supreme Court that is able to go through an experience and handle *very tough* changes in institutions, which *have* to be made in the coming period.

SKORICH: Mr. LaRouche, we're out of time, and I just want to thank you, so much. And the staff at the *Executive Intelligence Review*. And people can find out, obviously, they know how to visit your website: <http://www.larouchepac.com>. And I thank you so much for spending this time with us, on Wisconsin Public Radio.

LAROCHE: Good to be with you.

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[LaRouche Webcast:](#)

['Pulling This Nation Together Now!'](#)

[by Lyndon H. LaRouche, Jr.](#)

Opening remarks of Lyndon LaRouche to an international webcast on Sept. 3, 2005, and selected questions and answers from the webcast discussion period, which was chaired by Debra Hanania Freeman and Marcia Merry Baker. Over 310 sites around the world tuned in for the webcast, in addition to 50-100 on a conference call hook-up. Participants came from Germany, France, Italy, Philippines, Australia, Canada, and, in Ibero-America, Mexico City, Monterrey, Lima, Buenos Aires, and Neuquen. In the United States, gatherings of participants, especially those of the LaRouche Youth Movement, included Los Angeles, Seattle, Houston, Toledo, Boston, and Chestertown, Md. The full transcript and audio/video archive are available at www.larouchepac.com.

[Congress Swept Up In 'Revolutionary Tide'](#)

[by Debra Hanania Freeman](#)

Despite frantic attempts by the Bush Administration to exonerate itself from an avalanche of charges of criminal negligence and malfeasance in the face of the worst domestic disaster in American history, it seems that nothing can stop what Lyndon LaRouche has called the 'incoming tide' of a cultural paradigm-shift against the insanity of the Bush-Cheney crowd.

[Criminal Negligence](#)

[Hurricane Katrina—Actions, Non-Actions](#)

Aug. 2: National Oceanic Atmospheric Administration (NOAA) issues its 'August 2005 Update to Atlantic Hurricane Season Outlook,' stating that there is 'a 95% to 100% chance of an above-normal 2005 Atlantic hurricane season. . . . Therefore, for the remainder of the season, we expect an

additional 11-14 tropical storms, with 7-9 becoming hurricanes, and 3-5 of these becoming major hurricanes.' ...

Bush and Cheney Culpable

Takedown of FEMA, Disaster Planning

When the Bush-Cheney Administration took office in 2001 with a ideological determination to downsize and privatize much of the programs and services provided by the Federal government, one of its targets was the Federal Emergency Management Agency (FEMA). It was almost universally acknowledged at that time, that FEMA had been transformed into one of the best-functioning government agencies during the Clinton Administration.

Mobilize Public Health Infrastructure Now!

by Christine Craig and Marcia Merry Baker

Two weeks after Hurricane Katrina slammed into the Gulf Coast, the public health emergency in New Orleans, in particular, has entered into Phase II—water-borne infectious diseases—as described by medical and sanitation infrastructure experts. Phase I is the initial medical emergency phase, and Phase III is the insect-borne disease phase.

Super-TVA' Needed, Not Halliburton Profiteering

by Paul Gallagher

The tremendous destructive force of Hurricane Katrina struck the poorest region of the United States, the three states which rank first, second, and fifth in depth of official poverty, and also have a combined 30% African American population. The Tennessee Valley Authority (TVA) was launched by President Franklin Roosevelt both to stop extremely destructive flooding in what was then the nation's poorest area, and within a broader purpose of transforming the power of infrastructure, employment, income, education, and healthcare in the whole nation. So, this disaster should be met with a new, 'Super-TVA,' as then Presidential candidate Lyndon LaRouche proposed it in 2003, and as is now being put forward as 'a new Marshall Plan' by Sen. Harry Reid and collaborators.

Neglected Flood-Control Plans Now Must Be Done

by Richard Freeman

By 1998, a detailed plan, Coast 2050, had been drawn up to deal with the infrastructure needs of the Louisiana Delta, including plans to shunt silt and sediment to restore and rebuild the coastal region, to act as a natural storm-breaker system; and to build a new port, 30 miles south of the city.

Use Military Bases To House Storm-Displaced

by Carl Osgood

Although large numbers of people have been moved out of the storm-stricken area, little consideration has been given to using regional military bases in the manner that Lyndon LaRouche has called for. Instead, evacuees are being scattered all over the country in shelters, like the Houston Astrodome, and National Guard armories, like the one in Washington, D.C, which currently hosts about 400 people from New Orleans. The Federal Emergency Management Agency has not asked the military to provide housing for large numbers of displaced people, nor will the military provide it unless asked by FEMA.

Senators Demand End To Energy Speculation

by Marsha Freeman

When Hurricane Katrina slammed into the coast of the Gulf of Mexico on Aug. 29, oil companies apparently believed that they could use the catastrophe to justify another quantum leap in energy prices. Now, the U.S. Senate is swinging into action to stop this looting of the American people and destruction of the U.S. economy by an increasingly cartelized oil producing and refining industry.

International:

Zepp-LaRouche Is Shaping Crucial Election in Germany

by Rainer Apel

Just ten days before the Sept. 18 elections for national parliament in Germany, approximately one-third of all voters, 20 million, are still 'undecided'

about their vote. Of these, 5 or 6 million are expected to decide for one or the other party and candidate, during the last few days before the election. This high percentage of undecided voters is one of many unprecedented aspects of these elections, which themselves are without precedent. Chancellor Gerhard Schröder of the Social Democratic Party (SPD) decided on the evening of May 22 to call early elections in September, after his party had lost the parliamentary elections in the crucial state of North Rhine-Westphalia. He did so, although he could have stayed on as Chancellor for another year. But Schröder's SPD was down to a rating of 25-27%, mostly because of the population's deep discontent with Schröder's economic and budgetary policies.

Interview: Frits Hoekstra

A Dutch Perspective On Battling Terrorism

Frits Hoekstra is a former officer of the Dutch internal security service, Binnenlandse Veiligheidsdienst, or BVD, which was the forerunner of the current Algemene Inlichtingen Veiligheidsdienst, currently incorporating both the foreign and internal services. He is the author of *In Dienst van de BVD*, the first memoir by a Dutch Secret Service officer of his activities working for the service. Dean Andromidas and Rüdiger Rumpf interviewed Hoekstra on Aug. 31.

Strategic Studies:

OBTUSE ANGLES IN POST-SOVIET IDEOLOGY

Russia's Dark Side of the Spoon

by Lyndon H. LaRouche, Jr.

Shades of Count Witte's shameful relative, Helen Petrovna Blavatskaia! (a.k.a. British agent 'Madame Blavatsky,' the infamous charlatan and Theosophist).

What are the spoon-benders of Russia, doing under today's threat of a looming new dark age, a threat brought forth, once again, in Russia today, in the wake of a rapacious assault led, this time, under the guidons of Margaret Thatcher, the British Foreign Office Tory's favorite, François Mitterrand, and not-so-intelligent George H.W. Bush?

U.S. Economic/Financial News

Housing Bubble Could Burst in a 'Few Short Months'

We might be "only a few short months" from the bursting of the housing bubble, warned Bill Gross, head of PIMCO, the largest bond-trading fund in the world. In his September "Investment Outlook," Gross notes: "I have a strong sense that most of our risk asset markets (and therefore our domestic and global economies as well since they are so asset-appreciation dependent) are substantially past high noon." He points to Fed Chairman Alan Greenspan's warning at Jackson Hole, saying in his opaque way, that present asset prices are unsustainable and, once falling, would cause a wave of "debt liquidation."

Following Britain and Australia, now the U.S. housing market is showing the first signs of stagnation. "If the home asset bubble stops expanding, deflates, or pops anytime soon (and I suspect we are only a few short months from at least the first of these three) then the potential for Greenspan's 'debt liquidation' follow-on is something that investors must begin to prepare for." He calls on investors to get out of all financial titles that are now enjoying low-risk premiums. This includes "real estate, equities, high yield, corporate, and some areas of emerging market debt."

'Policy Leadership' Needed To Handle Financial Crisis

The world needs "policy leadership" for the financial crisis it faces, especially the asset-price bubbles in industrial countries, wrote Mohamed El-Erian, managing director of the world's largest bond trader, Pimco, in the *Financial Times* Sept. 8. Pimco is based in California.

El-Erian warns about the dangers posed by the asset price bubbles, especially that of U.S. real estate, to economic stability. "It appears that the world currently lacks a comprehensive approach to challenges that have just been rendered more difficult by Katrina.... There is thus a need for policy leadership that recognizes the interconnected nature of international structural changes, the regulatory dimensions to deflating certain bubbles, and the need to respond flexibly to the evolving challenges of the Katrina tragedy. The longer such leadership is absent, the greater the risk of a pronounced economic slowdown and financial market disruptions."

Wall Street Journal Praises Oil-Price 'Gouging'

"In Praise of 'Gouging'" was the headline on a *Wall Street Journal* editorial Sept. 7, in a strange parody of Jeremy Bentham's "In Defense of Pederasty." After complaining that 20 states—most in the South—have energy anti-gouging laws on the books, the *Journal* complains that people don't understand that price gouging is just the way the market doles out limited supplies. It claims that since Katrina has knocked out 2 million barrels a day of oil production (which is actually 1 million barrels now), consumption will have to be reduced. The Benthamite solution, herein proposed, is to avoid the indignity of gasoline lines by giving access to supposed limited supplies to the upper crust, as sky-high prices make gasoline inaccessible to the poor. Limiting the profits the oil companies can make, they claim, will discourage them from investing in more capacity.

In fact, as Lyndon LaRouche has emphasized, only a re-regulated industry will bring adequate and necessary investment back into the energy sector.

Senators Move Against Price Gouging by Oil Cartels

Senator Carl Levin (D-Mich) introduced the Hurricane Katrina Emergency Temporary Energy Price Freeze Act of 2005 Sept. 7, to give the President the power to freeze the price of gasoline and other petroleum products to pre-hurricane levels. The freeze would end when production is fully restored. "The massive and unjustified gasoline price increase of the last week will not bring on more supply—only more profits for oil companies," Reid stated. He says the recent precedent for this action was the imposition of price caps in 2001, under the Bush Administration (and under tremendous political pressure), by the Federal Energy Regulatory Commission during the California energy crisis.

Similarly, Sen. Byron Dorgan (D-ND) has introduced a "windfall profits rebate act" that would penalize oil companies unless they use their "above-normal profits" for new investments in oil and gas production or refining capacity.

Bankers Fear FDR Reflex from Congress Over Katrina

An op-ed in the Sept. 6 *Wall Street Journal* begins with a strong attack against President George Bush for his miserable performance after Hurricane Katrina, but reveals that the real fear in those corridors is that The Street's entire economic agenda might be at risk. Katrina "poses a threat to [Bush's] entire second term," they say, partly because Americans won't accept lame excuses (blaming local officials, etc.) such as the Bush Administration has been offering. Then, after telling Bush that it's okay to finally drop his "admirable" efforts to impose Social Security reform, they admit that, "What's really at stake in the coming months is the Republican claim to be the governing party."

Bush now needs to make sure Americans understand the "link between tax cutting and the economic vitality needed to fund both Katrina relief and the war on terror." He has to quickly choose a point man for relief efforts, in order to avoid "the liberal/GOP Congressional impulse to throw money at everything." Instead, the entire area should be declared an "enterprise zone" to offer tax incentives and regulatory relief to entrepreneurs, in spite of the danger that the "floating casinos" might benefit from this as well. This is still better than the possibility of "spending \$20 billion or more solely on

the priorities of local politicians."

Or, unmentioned, but clearly an unspoken fear of the Wall Street crowd: someone might raise the "General Welfare" clause of the U.S. Constitution as a guiding principle.

Service Sector Expands as Manufacturing Collapses

The Institute for Supply Management, surveying 370 businesses across the United States, reported Sept. 6 that its non-manufacturing (i.e., service sector) index rose from 60.5% to 65%, July to August.

However, the Institute's index for the manufacturing sectors went down during the same time, from 56.6% to 53.6%. A reading above 50% is supposed to indicate that the sector is expanding.

World Economic News

China To Make Major Investments in Indonesian Infrastructure

While the economic hitmen have unleashed another assault on Indonesia's currency and economy, China is investing billions in Indonesia infrastructure development. The visit to Beijing at the end of August by Indonesian Vice President Jusuf Kalla resulted in agreements totalling about \$20 billion over the next 15-20 years, including a gas transmission line from Kalimantan (southern Borneo) to Java, an iron mine in Kalimantan, an aluminum smelter, housing development, telecom infrastructure, hybrid rice development, and a geothermal plant in North Sumatra.

On Sept. 5, it was also announced that China will build a \$2.1 billion coal-fired power plant in Jambi, Sumatra. This is in addition to \$7.5 billion in energy and infrastructure projects signed during President Susilo Bambang Yudhoyono's visit to Beijing in July.

Indian Gov't Raises Petrol, Diesel Prices

The Indian government raised petrol (gasoline) and diesel prices Sept. 6, because of ever-rising crude-oil prices. Kerosene and cooking gas prices were not raised, however. India public-sector oil companies have lost about \$3.2 billion this fiscal year, due to having to sell fuel below cost; they will now be compensated for still-uncovered fuel costs by the government issuing oil bonds. Without the price hike, public-sector oil retailing firms would have become bankrupt, the Press Trust of India reported Sept. 6.

Costs will rise 3 rupees (about 2 cents) a liter.

Petroleum Minister Mani Shankar Aiyar said that the "government has decided that bonds will be issued to oil companies (IOC, BPCL, HPCL and IBP). The value of bonds, the structure and duration (tenure) will be decided by Finance Ministry in consultation with Petroleum Ministry." Petrol is currently underpriced by Rs 7.45 a liter and diesel by Rs 5.15 per liter.

S&P Puts Squeeze on Indonesia

Standard & Poor's is putting the squeeze on Indonesia, complaining that President Susilo Bambang Yudhoyono has tended to be "slow, reactive, and incremental" in regard to fuel subsidies, which increased from 3% of GDP to 5.3% as a result of

oil price speculation, the *Wall Street Journal* reported from Singapore Sept. 5. Indonesia has shown an "inability to craft and implement appropriate policy measures"—i.e., to lift subsidies, starve the population, and provoke riots nationwide—and thus the outlook has been cut from "positive" to "stable."

Not to worry, says the rating arm of the economic hitmen, if Indonesia takes "credible and timely policy action to alleviate distortions (particularly the fuel subsidy)," they may be so charitable as to restore the positive outlook.

United States News Digest

BRAC Commission Delivers Its Report to Bush

The Defense base Closure and Realignment Commission (BRAC) delivered its final report to President Bush, late on Sept. 8, approving a total of 86% of the Pentagon's original closure recommendations, although rejecting a number of high-profile ones, in particular, recommendations to close the New London, Conn. submarine base, the Portsmouth Naval Shipyard in Maine, and Ellsworth Air Force Base in South Dakota. In total, the commission approved 21 of 33 major closures and a total of 800 facilities will be affected by changes approved by the commission. The report also omits the recommendation to close Connecticut's only Air National Guard unit as the result of an injunction issued by a Federal judge, but Tennessee's request for a similar injunction was overturned by a Federal appeals court judge after it had originally granted by a district judge. Bush has 15 days to decide whether or not to accept the report and sent it on to Congress, or send it back to the commission for further action.

New Indictments of DeLay's Texas PAC

The Travis County, Texas District Attorney's Office, on Sept. 8, announced five new indictments concerning the 2002 Texas elections. These indictments supplement 32 indictments issued in September 2004 concerning involvement of House Majority Leaders Tom DeLay's state PAC, Texans for a Republican Majority PAC (TRMPAC), with corporate money. The trial of TRMPAC Executive Director John Colyandro and other DeLay associates is in progress. One of the indictments charges TRMPAC with illegally soliciting and accepting corporate contributions from AT&T and Alliance for Quality Nursing Home Care.

The other four indictments involve the Texas Association of Business (TAB), which bills itself on its website as "Texas's leading employer organization," which is "on the front lines of the legislative, regulatory, and judicial battlefields." The indictments accuse the Texas Association of Business and DeLay's political action committee of working together in a complicated scheme to circumvent state law. The charges, in light of the results of the 2002 elections which gave DeLay's Republicans a majority in the state legislature with the power to re-draw election districts to the GOP's benefit in Congressional elections, are breathtaking:

- * One indictment charges TAB with 83 counts of illegally funnelling large amounts of corporate money into the elections via mailings and TV ads.

- * Another indictment charges TAB with 28 counts of fraudulently soliciting money from corporations—primarily insurance companies—for the elections.

- * Another indictment charges TAB with 14 counts of illegal corporate contributions, specifically that TAB's president and CEO William Hammond, and its Governmental Affairs Manager Jack Campbell, were paid with TAB corporate money while doing work for various PACs.

The D.A.'s press release says the corporate donors have been unmasked, and many are not even Texas companies.

Cheneyac Bolton on Offensive Against the UN

U.S. Ambassador to the United Nations John Bolton blasted away at the UN, on Sept. 7, declaring that "business-as-usual" is unacceptable, and that "reform" has to "prevent another Oil-for-Food scandal."

Bolton made the statement after a UN commission headed by former Fed chairman Paul Volcker issued its 1,000-page report, which found that about \$1.4 billion of Iraq's Oil-for-Food program was misappropriated, and that about \$8 billion was earned by Iraq in oil sales outside the Oil-for-Food structure, from Syria, Jordan, Egypt, and other countries. These "side" sales were tacitly allowed by the UN Security Council.

However, there is a much bigger scandal that Cheneyac Bolton is ignoring: The U.S. Coalition Provisional Authority (CPA) looted about \$8 billion in "fraud and unaccounted for funds" from the Development Fund for Iraq, which took control from the UN of the Iraq oil money, after the Iraq war began. As one senior staffer in Congress told *EIR*—the U.S. took the oil money for Halliburton et al. in *only 11 months* whereas the Oil-for-Food program covered almost eight years!

Bolton had already begun an effort to paralyze the upcoming UN General Assembly meeting, when he first arrived in August. Bolton submitted six letters rewriting already drafted "reform" documents that have been under preparation for a year. This included Bolton reneging on the "Millennium Development Goals" signed by Bush in March 2002, at a conference in Monterrey, Mexico. Millennium Goals was aimed to fight AIDS, and increase education in the poorest countries, with contributions from the richest nations of 0.7% of the GDP.

Bush Rejects Senate Initiative on Supreme Court

For the second time, President George W. Bush rejected a Senate initiative by nominating John Roberts to be Chief Justice of the Supreme Court to succeed William Rehnquist, who died Sept. 3. After Associate Justice Sandra Day O'Connor announced her retirement, last June, Senate Democrats Mary Landrieu (La) and Barbara Boxer (Calif) and Maine Republicans Susan Collins and Olympia Snowe asked O'Connor to withdraw her resignation and make herself available to be nominated for Chief Justice, a proposal which was supported by Lyndon LaRouche. Senate Judiciary Committee chairman Arlen Specter (R-Pa) had made a similar proposal, which was backed by Sen. Pat Leahy (Vt), the senior Democrat on the panel.

That initiative was revived when Rehnquist's death was announced, and raised by George Stephanopolous on ABC's *This Week* on Sept. 3, to Sen. Charles Schumer (D-NY). Schumer responded: "I think it would be a great idea for President Bush to ask Justice O'Connor to stay on as Chief Justice for, say, a year. She is respected by all sides. At a time when the nation needs unity and stability more than ever, she would bring it."

Bush Sneaks in Another Recess Appointment

President Bush used a "recess appointment" Aug. 31, to name Alice S. Fisher (a protege of Homeland Defense Secretary Michael Chertoff), who has no prosecutorial experience, to lead the Justice Department's Criminal Division. Sen. Carl Levin (D-Mich) had blocked the nomination because he wants to question Fisher about her knowledge of FBI complaints about torture and illegal interrogation methods used at Guantanamo. An FBI e-mail lists Fisher as a participant in discussions of military interrogation tactics which the FBI considered to be in violation of the Federal anti-torture statute.

Pentagon IG Resigns; Suspected of Blocking Criminal Probes

Department of Defense Inspector General Joseph Schmitz announced his resignation, on Aug. 31, to be effective Sept. 9, saying that he was taking a job with the private security firm Blackwater USA. Schmitz's announcement comes as Sen. Charles Grassley (R-Iowa) is investigating allegations that Schmitz blocked two criminal investigations, and issued false press releases about them. One of those investigations was of John Shaw, the former deputy undersecretary of defense for technology security, who is accused of trying to manipulate a contract award to a telecommunications company whose board included a friend of his. The second investigation involves Mary L. Walker, the general counsel of the Air Force; Grassley says Walker may have lied under oath, either about Air Force Academy scandals, or about the Boeing tanker scandal. Grassley had also reprimanded Schmitz this year for planning a ceremonial trip to Potsdam, Germany, which would have cost taxpayers \$16,000, which Schmitz later cancelled under the glare of publicity.

Ibero-American News Digest

LaRouche Warns Brazil: Wake Up! Act vs. 'Moonie' Invasion

Alarmed government officials and diplomats from a number of South American nations have demanded of Lyndon LaRouche over the last week: Will the Brazilian government and national institutions not act to stop Dick Cheney's drive to start a war in the heart of South America? Brazil is the only country in the region powerful enough to do anything about it, the distraught officials reported; if they don't act, we are in no position to resist.

Lyndon LaRouche responded to the South American pleas, with the following public comment:

"I am concerned about the lack of courage shown in certain quarters in Brazil, especially in the wake of the conveniently timed corruption scandals against President Lula. Brazil has to wake up to reality. It has to understand the importance of the defense of its sovereignty, and that of its neighbors, against the Moonie- and British-run invasion, or the whole continent—including Brazil—is going to go down the tubes."

Argentina Insists General Welfare Must Determine Economic Policies

The U.S. and Argentina went head to head over the need for a general welfare policy, at the latest meeting of the Summit of the Americas preparatory group, held in Buenos Aires Sept. 8-9.

As the summit pre-meeting opened, international agencies reported that 130 million Ibero-Americans are unemployed (including those in the "informal economy"), and 220 million live below the poverty line.

Argentine Vice Foreign Minister Jorge Taiana opened the meeting with a speech denouncing the economic policies adopted since the 1990s for creating growth rates less than half of what they had been in the region from 1950-1980, weakening labor markets, increasing "informality," and leaving growing numbers of people without access to health care, education, or social protection, nor often a place to eat or sleep. This failure to meet basic social needs is what is causing Ibero-America's crisis of governability, and outright loss of human life, he charged. Reiterating that the international financial architecture must be discussed, Taiana insisted: "We must advance towards national and international economic systems based on the principles of equity and inclusion," and that requires re-evaluating the impact of regional trade accords and negotiations with the international financial bodies.

Bush's ambassador to the Organization of the American States (OAS), Project Democracy hatchetman John Maisto, heading the U.S. team in Buenos Aires, in his speech and a special press briefing held at the embassy, replied with

arrogant sophistry: Let us not discuss the past, but only look forward, and economic growth is the responsibility of every nation alone, not the result of international conditions. This, he said, is "what some call sovereignty." His message is that the summit must focus on measures that nations can take, and forget issues such as "debt, deficits, and global forces beyond their control." And, he threatened, every Summit of the Americas declaration issued since 1994 has had a paragraph endorsing a Western Hemisphere Free Trade Accord—and this one will *not* be any different.

Regional Defense Matters, Also, at Summit of Americas

The Nov. 3-5 Summit of the Americas will also discuss regional security and defense matters, according to Argentine Foreign Minister Rafael Bielsa. Speaking at the conclusion of the Rio Group meeting Aug. 26, at which both he and his Brazilian counterpart Celso Amorim were asked about U.S. Secretary of Defense Donald Rumsfeld's Aug. 16 trip to Paraguay, Bielsa remarked that the issue of regional defense is "sensitive," given such matters as the U.S. demand that its soldiers be granted immunity when they participate in military exercises in foreign countries. Argentina, Bielsa said, hasn't granted this immunity.

In the same press conference, Brazil's Amorim pointedly stressed that it would be very "useful" for South American nations to "strengthen" their cooperation on regional defense and security. To the degree they do this, he said, "it will be easier to create the mechanisms to avoid any extra-regional presence"—an obvious reference to U.S. troops currently operating in Paraguay.

Central America Hit by Energy 'Tsunami'

The nations of Central America declared themselves in a state of "maximum alert" over the energy crisis provoked by the rising price of petroleum, at the conclusion of a regional meeting held in Nicaragua Sept. 4-5. Said Salvadoran President Antonio Saca: "The consequences of the world oil crisis we are faced with are pretty much like that of an earthquake or a tsunami." The Economics Ministers of the Central American countries plan to soon travel to Venezuela and Colombia to ask for help, specifically, a revision of the San Jose Pact, to provide them with more favorable oil prices to enable them to weather this "energy tsunami." The San Jose Pact, sponsored by Mexico and Venezuela, allows for supply of crude oil on credit, but does not offer preferential pricing. The Central Americans are hoping to receive the help they need, if they act together as a bloc.

LYM Educates Ibero-American Presidents

LaRouche Youth Movement organizers last week personally challenged the Presidents of Chile, Argentina, and Colombia to listen to Lyndon LaRouche, and take action to defend their nations. Chile's President Ricardo Lagos received LaRouche literature, and instructions to read it, on Sept. 2, during a visit to Bogota.

The day before, LYM organizers in Neuquen, Argentina spoke briefly with President Nestor Kirchner for the third time in four months, when he and members of his cabinet visited the province of Rio Negro. Argentina must help create a New World Economic Order by supporting LaRouche's New Bretton Woods, including at the upcoming Summit of the Americas meeting, he was told. You have our support in this fight, the two LYM organizers told him, as they gave him *EIR's* expose on Cheney's South American war plans.

Then, on Sept. 6, Colombian LYM member Sidarta Melo debated economics with President Alvaro Uribe, in front of an audience of more than 500 Colombian and international scientists, government and military officials, and university students and professors attending a commemoration of World Physics Year in Bogota. When President Uribe opened the floor to questions, Sidarta took the microphone: "Mr. President, I would like to know concretely, what are the great

projects in state-of-the-art science and technology that your government is carrying out, in view of the fact that in a field like telecommunications, some already want to sell off the state companies where something of science could be developed?" (This last was in reference to Uribe's statements that various state telecom companies are going to be privatized.) "Here it says that investment in science programs is 0.3% of the national budget, and might be raised to 1%. Why not use the 30% now allocated for payment of debt service, or the international reserves that are being used to pre-pay the debt, something which seems stupid to me?"

Uribe looked at Sidarta for a moment, before answering: "Young man, when you reach my age and have the gray hairs that I have, you will learn that there are two paths one can take: one is to make populist, radical decisions and close the doors internationally. This is what should not be done in economics. The other option is to do things as one should, step by step, and recovering the confidence of the private sector and of the foreign sector, and to do that, we need to fulfill the obligations that the nation has acquired; that is what we are doing. Foreign capital has increased and is now coming in based on more confidence in the country. Regarding state bonds, they're being bought up like hot cakes; international reserves have grown and are being used appropriately. It's not a question of stealing money, but with this prepayment, the nation is saving much money on the debt of the future. With regard to telecommunications, rates have come down.... Further, the state cannot intervene in the economy, because what could happen is what is happening to a neighboring country [Venezuela? Ecuador? -ed.], which, in the future, is going to reheat its economy."

Sidarta responded: "That is not true, because if the nation were to issue credit for great infrastructure projects, this will generate jobs and development, like Franklin D. Roosevelt did in the United States. This can be done without indebting the country."

Uribe: "That would generate inflation, something which the Central Bank fears a great deal."

Sidarta: "These theories are false. Inflation occurs when money is printed without any relation to the physical production of a country, but when the emission is focussed on industry, this doesn't generate inflation. Anyway, if the goal were to combat the inflated costs generated by non-productive activities, the government would control the stock exchange, which is dedicated to selling paper, like bonds and derivatives, without producing anything."

Uribe: "Young man, in what university did you study economics?"

Sidarta: "None! I have studied the ideas of Mr. Lyndon LaRouche."

Uribe: "What then is your view of the economy?"

Sidarta: "The physical economy."

And then, with a touch of sarcasm, Uribe said, "Young man, I am an open-minded person. So if you convince me of your view of economics and science, we will talk with the Central Bank. Write something and send it to me."

Sidarta: "I accept the challenge."

Western European News Digest

German Media Condemns Bush's Mangling of Katrina Disaster

A review of German media on Bush's botching the Katrina crisis declares Bush as having "Disqualified himself for office." "In Germany, no politician could stay in office for much longer, had he acted like Bush." These comments, which reflect what many Christian Democrats think, were made Sept. 7 by Baden-Wuerttemberg State Social Affairs Minister Andreas Renner at an election campaign event.

The media in Germany instantly attacked Renner because he used the term, "he should be shot down" (*der gehoert abgeschossen*). Refusing to capitulate to demands for his resignation, Renner said he was admittedly "boiling over, when we talked about New Orleans," but that he just used a well-known popular saying which means to force someone out. Renner added that he knows he just said what many in Germany think about Bush. (This is definitely true also for the CDU, and this implies a factor of nemesis which will strike, when the time comes, also against CDU neo-con Chancellor candidate Angela Merkel).

Italian Economist Endorses Zepp-LaRouche's Candidacy

Italian economist Nino Galloni, a supporter of LaRouche's New Bretton Woods proposal, and former General Director of the Italian Labor Ministry, endorsed Helga Zepp-LaRouche's election campaign and program on Sept. 5. Galloni, who is now the auditor in the largest public employees pension fund (INPDAP) in Rome, wrote: "I am following with deep interest the evolution of the German election campaign and I share fully the program of Helga Zepp-LaRouche. In substance, the Maastricht agreements are blocking Europe because they were imposed, ignoring the fact that, when the economy stagnates, and there is no advantage to private interests in promoting large investments, it is necessary to launch productive state investments, also through the creation of new debt. I do not believe that the euro will have a future if the monetary sovereignty is not given back to the representatives of the citizens."

German *Financial Times* Announces Death of 'Swedish Model'

Whereas the establishment parties in Germany keep pushing their own, only slightly different, variants of the "Swedish Model," various German media, notably the German edition of the *Financial Times* Sept. 7, report on the worsening economic situation in Sweden.

A massive wave of layoffs in big industrial firms like SAAB (owned by General Motors) and SCA (paper) has already caused as much new unemployment during the first six months of 2005, as during the entire year 2004. With an unemployment figure of 1.6 million, one out of every four Swedes of working age is without a job. The Central Bank reports that foreign direct investments have dropped to zero, during the first six months of 2005, and domestic investments are down.

In this situation, the conservative opposition parties have no better idea, other than calling for more cuts in the social welfare and labor market budgets, and more administrative pressure on long-term jobless to accept deeper payment cuts or take minimum-wage "jobs."

In what mirrors the development in Germany, the governing Social Democrats are almost certain to lose the next national elections, scheduled for September 2006, if they don't turn things around and stop the drastic loss of confidence.

German Catholic Labor Movement Attacks Kirchhof Model

In sharp contrast to other sections of the Christian Democrats which should have protested, but did not, against the Merkel-Kirchhof plan (CDU Chancellor candidate Angela Merkel and her neo-con economic adviser Paul Kirchhof) for a flat tax, the Catholic Labor Movement (KAB) did protest. KAB national chairwoman Birgit Zenker said in an interview with her

organization's newsletter, that Kirchhof's model of the capital-market-based pension system is "a hostage of the conjunctural ups and downs of the economy, and of the speculations with stock prices on the financial markets. A [new] Sept. 11 with all the disastrous after-shocks on the world stock markets, would put in question the regular earnings from revenues. The American funds just recently had that experience."

The problem is not, as Kirchhof claims, the labor costs, but "the decline in productive work volume" and certain burdens of German reunification that were laid on the social security funds, but especially the problem is that "more money is made today from rent, monetary speculation, and stock market operations, than from productive work," Zenker said.

"Privatization [of social security] as called for by the member of the management-tied Initiative for a New Social Market Economy, Paul Kirchhof ... desolidarizes the society and widens the divide."

Neo-Con Evans-Pritchard Calls For 'Anglo-German Condominium'

In an op-ed in the *Telegraph* Sept. 5, neo-con Ambrose Evans-Pritchard, which assumes Angela Merkel and Paul Kirchhof will take over in Berlin, wrote that alleged German "economic success" under the euro regime, will break the euro, forcing out Italy and, eventually, even France. Evans-Pritchard claims that Germany "has overtaken America to become the world's biggest single exporter," with a huge trade surplus bigger than China, Japan and India combined have, and corporate profits of over 33% of national income.

Britain should learn from this "great Teutonic rebound," Evans-Pritchard wrote. This includes the great asset buy-out by George Soros and "fellow hedge funders." Other EU nations, led by Germany, "have all starved the public sector over the past decade, while Britain swells ever fatter," and Britain "could soon be Europe's sick man again," choked by big government. But France is also "sick," and Jacques Chirac "is drawing up lists of strategic sectors to be defended against capitalist predators." But, claims Evans-Pritchard, "this sacred model" of state protection, "is bust."

"It is hard to see how the EU's Franco-German axis can survive as the two wheels begin to spin apart." Germany is achieving "higher productivity"; German firms are "sweeping southern Europe like conquering Goths. A senior economist at the European Commission told me that German success would ultimately break the euro itself, starting with the ejection of Italy. But France may not be spared either."

If the Franco-German axis falls apart, the "task of holding Europe together may now fall to Britain, since no other EU state can possibly do it. Or Britain could opt for the entirely different strategy of Anglo-German condominium, creating a fresh EU axis, this time run on free-trading, pro-American lines—and let the Latin chips fall where they may. Unwise perhaps, but very tempting."

Russia and the CIS News Digest

Ukraine's 'Orange Revolution' in Disarray

As could be expected, given that last year's regime-change in Ukraine involved synthetic constructs, packaged and sold to an economically savaged nation, recent weeks' political in-fighting Kiev has exploded into a full-fledged government crisis. On Sept. 8, following the resignation of Security and Defense Council chief Peter Poroshenko, in an ongoing corruption scandal, President Victor Yushchenko fired the entire cabinet of Prime Minister Yulia Tymoshenko. The following day, Tymoshenko denounced the President for betraying the ideals of the "Orange Revolution"—as the fall-winter 2004 movement was packaged—and announced that she would lead a separate slate in next year's parliamentary elections.

Several leaders of the "Orange" movement, which got Yushchenko elected by forcing a re-running of the Presidential election, jumped ship in the first days of September, accusing Yushchenko of failing to crack down on Poroshenko for corruption. Those who quit included Yushchenko's own chief of staff, Alexander Zinchenko, followed on Sept. 7 by Vice Premier Mykola Tomenko, who said, "I don't want to bear common responsibility for people who have created a corrupt system." Behind these lofty sentiments, is a seething battle involving the economic interests of sugar-magnate Poroshenko, fights over the possible de-privatization, and then re-privatization of Ukraine's steel industry, and other economic brawls, many of them involving Russian corporations, as well.

Yushchenko appointed as acting premier Yuri Yekhanurov, an economist who served under former President Leonid Kuchma, then worked closely with Yushchenko on his campaign last year. Serving, most recently, as governor of the Dnipropetrovsk industrial region, Yekhanurov supports Ukraine's remaining in the "Common Economic Space" established by Russia and some other former Soviet countries.

Asked about the Ukraine events during his Sept. 8 press conference in Germany, Russian President Vladimir Putin said he had been in touch with President Yushchenko by phone, and urged against "overdramatization" of the situation.

Putin and Schroeder Sign Gas Pipeline Deal

Meeting Sept. 8 in Berlin, the Russian President and German Chancellor Gerhard Schroeder issued a joint statement, pledging increased cooperation between the two countries in economic relations, especially energy. They watched as representatives of Gazprom, the Russian natural gas giant, and the German companies BASF and E.ON signed the anticipated agreement to go ahead with a new sea-floor pipeline in the Baltic Sea, which will deliver Russian gas directly from Russia to Germany.

Much press coverage of the meeting focussed on its timing, just ten days before the German elections, and on the geopolitical dimensions of the pipeline deal. Radio Free Europe's Paul Goble (a long-time promoter of the destabilization of Central Asia and manipulation of Central Europe, as ways to keep Russia in line), in a recent commentary for RFE/RL Newsline lamented the Vyborg-Greifswald pipeline deal, as showing "Moscow's 'Power' Politics in the Baltics." The pipeline will circumvent Poland and the three Baltic countries (Estonia, Latvia, and Lithuania), whose relations with Moscow are tense, thus decreasing their leverage. In addition, Moscow has made clear that it will raise natural gas prices for customers in Eastern Europe. Negotiations between Gazprom and Ukraine's oil and gas company are stalled right now, because the Russians want to more than triple natural gas prices for Ukrainian purchasers next year.

At a press conference, both Putin and Schroeder spoke with confidence about the economic benefits of the deal, and Putin told jokes and also slipped into speaking German for part of his remarks. The Russian President also spoke emotionally about Germany's aid to Russian pediatric oncologists, as the two leaders announced plans to open a new center in Russia for children with cancer, wholly financed by Russian organizations, but with expertise from Germany. Substantial excerpts of the press conference were aired on Russian state television today.

Putin said that the 1,200-km pipeline will include spurs to Sweden, Finland, and Kaliningrad Oblast (formerly East Prussia, separated from the rest of Russia by the Baltic countries), with options to extend it to the Netherlands and the UK. The first stage of the pipeline is a \$2 billion project and will carry 20 billion cubic meters of gas annually; by 2011, it will carry 55 billion cubic meters, with a total construction price tag of \$5.7 billion. Putin stressed that the planned volume of Russian natural gas exports to Germany and other major European customers cannot be handled by existing networks. He said, "We are not pushing anybody out of our energy business in Europe; we have the greatest respect for the economic interests of our partners who are transit countries and their geopolitical position, realizing that they should and will play a significant role in Europe's energy dialogue." At the same time, Putin was unapologetic about building the direct pipeline: "We reserve the right to defend our interests." He charged that Ukraine had deep-sixed a planned natural gas consortium of

Russia, Ukraine, Germany, France, and Italy. He also made a point that Russia is placing a great priority on extending its pipeline network into the Asia-Pacific region, as well.

Putin also mentioned auto industry cooperation (unfortunately however, in the spirit of globalization: German auto companies will take advantage of Russia's cheap labor by locating assembly plants there); pointed out that Russia's early retirement of its Paris Club state-to-state debt has brought \$6 billion to the German treasury; and stressed the importance of youth exchanges. As to whether he were "supporting Mr. Federal Chancellor in the elections," Putin laughed, "You know, I have a meeting planned with Mrs. Merkel. Why don't you think that's support for Mrs. Merkel?" He did meet Merkel at the Russian Embassy, then departed for a visit to Greece.

Putin: Danger of 'Chaotic' Changes in Former Soviet Area

During a two-and-a-half-hour meeting with Western journalists at the Kremlin Sept. 5, President Putin warned against the danger of "chaotic" changes in countries that were part of the Soviet Union, and the Western role in such changes. "We are not against any changes in the former Soviet Union," Putin said, according to British reporters who were present. "We are afraid only that those changes will be chaotic. Otherwise there will be banana republics where he who shouts loudest wins." If Western countries back such processes, he continued, "Our foreign partners may be making a mistake." He said that he didn't think that Western governments, as such, "either European or the United States, are working against the Russian Federation," but that certain non-governmental organizations, financed by foreign governments, had played a detrimental role in Ukraine and elsewhere.

Putin said that "only an idiot" would imagine that Russia was trying to restore its empire.

He insisted that he will not attempt to run for a third term in 2008, which would be against the present Russian Constitution.

Putin: Relations with China Best in 40 Years

In his Sept. 5 discussion with foreign press and analysts, President Putin said that Russia's relations with China are currently better than they have been in 40 years. The previous day, Putin spoke by phone to Chinese President Hu Jintao. In the discussion, the Presidents "praised the success of the first Russian-Chinese joint military exercise in history, which serves as clear evidence of solid partnership between the two countries," a Kremlin press release said.

More Sino-Russian diplomacy took place in Moscow the first week of September (see [Asia Digest](#)).

Southwest Asia News Digest

Russia Opposes Anglo-American-French Threats on Iran

French President Jacques Chirac is pressuring Iran to reconsider the European Union "offer," on nuclear fuel, and if Iran does not, the matter could be referred to the UN Security Council. The exchange was reported in Iranian and French news services on Aug. 29.

Bringing Iran to the UNSC, for an "ultimatum," similar to the pre-war build-up of a case against Iraq, has long been the strategy of the Bush-Cheney regime, and of Britain's Tony Blair.

However, following the ending of talks between Iran and the EU in early August, Iran has said it will now negotiate only with the International Atomic Energy Agency (IAEA). This is an important decision by Iran.

Egyptian professor, Dr. Mohammad Selim, pointed out in TV interviews in Cairo, that the EU negotiating process with Iran took the entire issue out of the Nuclear Non-Proliferation Treaty (NPT), making it possible for the Europeans to make demands that the IAEA, by law, could not have made. (See *EIR* Aug. 5, 2005, for Dr. Selim's address to *EIR*'s June 28-29 Berlin seminar.)

And, lurking behind the EU negotiations has always been a threat by the Dick Cheney neo-conservatives, and the war-hawks in Israel, to use military action for regime change, and destruction of the nuclear energy program in Iran. The attacks on Iran have been on the drawing board since the 1996 neo-con strategy paper, "A Clean Break."

But the UN threat made by the U.S. and Britain, and now France, has run into Russian opposition.

In a Sept. 5 press release, the Foreign Ministry of the Russian Federation (which has veto power in the UNSC), said, "We see no grounds for transferring to the UN Security Council a matter that is being actively and productively handled by the International Atomic Energy Agency at the present time—meaning the monitoring of Iran's nuclear program. The Foreign Ministry statement cited IAEA director Mohammed ElBaradei's Sept. 2 report, which noted that Iran's renewal of work on enriching uranium was taking place under IAEA monitoring. Iran is cooperating with the IAEA, said Russia, and ElBaradei's report "provides a good basis for continuing professional, not politicized work to resolve this problem quickly in the framework of the Agency."

White House Meeting on Syria: Neo-cons Call for Bombing Damascus

A special White House meeting was held on Aug. 30 to discuss the question of Syrian cooperation in the investigation of the assassination of former Lebanese Prime Minister Rafik Hariri. The meeting included U.S. National Security Advisor Stephen Hadley, Secretary of State Condoleezza Rice, Chief Diplomatic Advisor to French President Jacques Chirac, Maurice Gourdault-Montagne, and UN special envoy for Lebanon and Syria, Terje Roed-Larsen.

The meeting took place just as Dick Cheney's neo-cons were ramping up the propaganda campaign for bombing Syria.

Coinciding with this meeting, and with anti-Syria diatribes at the UN by temporary U.S. Ambassador John Bolton, his old friend from the American Enterprise Institute (AEI), William Kristol, editor of the *Weekly Standard* called for a limited invasion of Syria, accompanied by a massive bombing of that country.

In an article that was posted on Aug. 30, Kristol insists that neither the Iraq war, nor the "war on terror" can be won without attacking Syria. Furthermore, he complains that both Republican members of Congress and the Senate, and Bush advisers at the White House have become "wobbly" over the Iraq war. Ever the utopian chicken-hawk, Kristol *rejects* the analysis that the U.S. military is overstretched with the occupation of Iraq, and bombing of centers of insurgency, and argues that the U.S. military is strong enough to drop bombs on Syria, and can occupy the border towns, and this is the way to stop terrorists from invading Iraq through Syria. He adds that leaving Iraq is not an option, that the war on terror must be won there.

Omri Sharon Indicted; Is Ariel Next?

Israeli Attorney General Menachem Mazuz filed a criminal indictment Aug. 28 against Omri Sharon, the son of Israeli Prime Minister Ariel Sharon, *Ha'aretz* reported. The indictment is over the "shell companies affair" which involves the

illegal use of shell companies to finance Ariel Sharon's 1999 primary campaign for control of the Likud. Although Mazuz had dropped Sharon, Sr. from this case, new evidence could be presented at Omri's trial, and with Benjamin Netanyahu, the Likud's right-wing hero, trying to unseat Sharon, the corruption scandal could be used to bring about new elections.

Right Wing Blames Sharon for New Palestinian Attack

The Israeli right-wing parties that opposed the withdrawal from Gaza, are demanding that Sharon be removed from power, in the wake of the Aug. 28 suicide bombing at a bus station in Beersheba, Israel, which has been claimed by Islamic Jihad. The right wing claims that a Palestinian terror wave will continue as long as Sharon is in power, because he "capitulated" on Gaza.

Palestinian Authority President Mahmoud Abbas, who met on Aug. 27 with the Labor Party chief Efraim Sneh, to discuss the Israel-Palestine peace process, condemned the suicide bombing, and called for calm. The chief Palestinian negotiator Saeb Erakat likewise condemned the attack, and spoke of how the recent killing of five Palestinians by Israeli right-wingers may have led the militant groups to abandon the truce.

Arafat Nephew Killed by Palestinian Faction

Moussa Arafat, a former Palestinian Authority security chief in the Gaza Strip, was killed by members of the Popular Resistance Committees on Sept. 8. The Committees are comprised of militants, mostly former members of the Fatah organization, who opposed accommodations with Israel, and are considered a grass roots movement.

Moussa Arafat was the nephew of deceased Palestinian President Yasser Arafat and had recently been dismissed from his security position by Palestinian President Mahmoud Abbas. He was still a senior official on the Fatah Revolutionary Council.

The PRCs had accused Arafat of corruption, and moral crimes. Manhal Arafat, the son of Moussa, was also kidnapped when PRC gunman attacked Arafat's home. According to a PRC spokesman, the organization was "questioning Moussa's son Manhal, over his father's crime and he will be sentenced according to Allah's laws."

The Palestinian Authority has called the murder an attack on its government, and has issued a security alert.

Two background factors should be taken into account. First, according to the analysis of the late Israeli strategic analyst, Maxim Ghilan, who had a close working relationship with the PLO for over 30 years, the stability of the Palestinians after Yasser Arafat's death required the leadership of Marwan Barghouti, who has been sitting in an Israeli jail for over three years. Ghilan's view was that Barghouti, the head of the Tanzim militias, has both the security experience, the respect, and the leadership ability to keep factions in line.

Secondly, because of the longstanding failure to protect Palestinians from wanton killings by the Israeli security forces, and because of the continuing abject poverty and lack of jobs, even after the Israeli withdrawal from Gaza, the militants are continuing to gain support. An Egyptian source who is well-informed on Palestinian developments in Gaza, told *EIR* that the militant groups, including Hamas, are expected to do extremely well in the January 2006 elections for Palestinian Legislative elections. In particular, Um Mohammed Rantisi, the wife of assassinated Hamas leader Dr. Abdel Aziz Rantisi is heading the slate of women candidates. Hamas is not giving up arms, but is going to be putting their arms "in storage" and taking a more active political position, the source said.

The "corruption" allegation by the militants against Moussa Arafat concerned his being too cooperative with the Israelis,

the source added.

U.S. Pressures Arab Nations To 'Stabilize' Iraq

The Bush Administration is pressuring Arab governments to send ambassadors to Baghdad, and to open an office there of the Arab League—in order to do what the U.S. has failed miserably to do—"bring stability" to the occupied country. However, such measures would only be a "fig leaf," that would not only fail to stabilize the situation, but would exacerbate security threats to the Arab nations. The first Arab envoy to Baghdad—from Egypt—was killed by kidnappers in Iraq, earlier this year, and Algerian contract workers were also kidnapped and brutally killed for collaborating with the occupiers.

One Arab source told *EIR* that the U.S. pressures aim at having an Arab League meeting convoked, to discuss sending Arab "peacekeeping" troops to Iraq, as well as dispatching ambassadors to Baghdad, as a show of solidarity with the puppet government. Iraqi President Talabani attacked Arab states for not doing so. Many Arab governments are upset about the wording of the Iraqi constitutional draft, which denies Iraq its Arab identity.

Asia News Digest

Chinese Farmers' Living Standards Lag Behind Urbanites'

Chinese farmers' living standards are a full ten years behind those of the urban population, National Statistics Bureau deputy director Qiu Xiaohua announced, *Peoples Daily* reported Sept. 8. Qiu, speaking at the 21st Century Forum in Beijing, said he was "shocked" by this situation. "Generally speaking, the overall consumption power of the huge farming population still lingers at the early 1990s stage of their city counterparts. The gulf has yet to be bridged," Qiu said. He said the gap threatens China's development.

Nearly 60% of China's 1.3 billion population—800 million people—live in rural areas. At end-2004, some 26.1 million people were still living in extreme poverty, and 49.77 million were classified as "low income," which means just barely able to nourish themselves properly.

There are also big inequalities in health and education. Some 42% of the urban population have government medical care, but only 10% of the rural population do. There are also 43.8 times more college graduates come from urban than rural areas.

Government investment in the rural economy gradually shrank between the late 1970s and 2003, although it has increased since. In 1978, the government invested 13% of total expenditure in the countryside, but this declined to 7% in 2003.

The *Peoples Daily* quoted a message posted on a popular Internet site, Sina, saying: "It's not so beyond the imagination that, generally speaking, China's city population are much better off than their rural siblings. We prefer concrete measures to better farmers' lives over appalled officials."

Arroyo Impeachment Fails in Philippines Congress

The Philippines House of Representatives failed to get the needed signatures to send the impeachment of President Gloria Macapagal-Arroyo to the Senate, the *Inquirer* reported Sept. 5. The House could have sent an impeachment petition directly to the Senate for trial, despite of the fact that the Judiciary Committee had rejected all three of the filed petitions, if

79 Congressmen (one-third the total) would sign on. Sept. 5 was the final day for gaining the 79 signatures, but the opposition announced they had not reached that number.

Nonetheless, the effort, led by House Minority Leader Francis Escudero, has one more chance later in the week, and was buttressed today when former Speaker of the House, Rep. Noli Fuentebella, whose Nationalist People's Coalition is part of the government coalition, resigned from his position as vice chairman of the Judiciary Committee and announced he would sign the impeachment petition. Fuentebella expressed his disgust at the stunt in the Judiciary Committee, in which President Arroyo's supporters used a technicality to throw out the competent impeachment petitions, accepting only a phony petition presented by Arroyo's forces. Fuentebella called this a "violation of the rules of the Constitution."

Chinese Textile Industry in Crisis

The Chinese Textile Industry Association is warning that if the Sino-U.S. disputes about textile imports, which have been going on for three months, are not resolved, some 100,000 Chinese textile workers will lose their jobs within a year, reports a Xinhua article Sept. 5.

Chinese manufacturers are "making the bridal gowns for other brides," as a Chinese saying goes, Xinhua reported. Chinese textile manufacturers earn no more than 10% of the total profits of their clothing exports to the U.S. "The remaining 90% is shared by foreign brand-owners, wholesalers, and retailers, mostly Americans." U.S. limits on Chinese imports will hit textile producers hard, but this will also hit U.S. cotton exports. Last year, China bought \$1.6 billion of cotton from the United States; China is the biggest cotton importer in the world.

Russian-Chinese Meet on Nuclear Issues

The Russian-Chinese subcommssion on nuclear issues met in Moscow the first week in September, according to Xinhua and Novosti Sept. 7. Among issues under discussion were the schedule for constructing the Tianwan Nuclear Power Plant; constructing a reactor for the fast breeder plant; and cooperation on building floating nuclear power plants. The two sides have also signed a protocol for cooperation in space nuclear energy, according to the Russian Federal Atomic Energy Agency Rosatom.

Joint Russian-Chinese construction of the China Experimental Fast Reactor (CEFR) will be finished by the end of 2006.

Chinese-Russian Talks on Military Cooperation

Chinese Defense Minister Cao Gangchuan called for new areas of military cooperation during his talks with his Russian counterpart Sergei Ivanov yesterday in Moscow. Cooperation should expand after the successful first China-Russia military exercise Aug. 18-25.

Today, Russian President Vladimir Putin met Cao, and said that: "My friend [Chinese President] Hu Jintao and I believe that Russian-Chinese relations today are at one of the highest points in their entire history."

China To Make Major Investments in Indonesia

China is moving ahead with nearly \$30 billion in investments in Indonesia. While the economic hitmen have unleashed another assault on Indonesia's currency and economy, China is investing billions in Indonesian infrastructure development. The visit to Beijing at the end of August by Indonesian Vice President Jusuf Kalla resulted in agreements totalling about \$20 billion over the next 15-20 years, including a gas transmission line from Kalimantan (southern Borneo) to Java, an

iron mine in Kalimantan, an aluminum smelter, housing development, telecom infrastructure, hybrid rice development, and a geothermal plant in North Sumatra.

On Sept. 5, it was also announced that China will build a \$2.1 billion coal-fired power plant in Jambi, Sumatra. This is in addition to \$7.5 billion in energy and infrastructure projects signed during President Susilo Bambang Yudhoyono's visit to Beijing in July.

Africa News Digest

In Africa, Agriculture Shrinks as Cultivators Die of AIDS

There are large reductions in the cultivated land area in some parts of Sub-Saharan Africa, because of AIDS. "In areas of Kenya there has been a 68% reduction in cultivated land and a decline in cash crops such as coffee, tea, and sugar," according to a Reuters paraphrase of Ann-Marie Kormawa, of the System-Wide Initiative for HIV/AIDS and Agriculture (SWIHA), speaking at the British Association of Science Festival in Dublin, Ireland, Sept. 8.

Reuters, citing Kormawa, also reports, "Some parts of Rwanda have experienced drops in the farm labor force of 60-80% because of [AIDS] sickness and deaths, while in Malawi, 70% of households suffered labor shortages following the death of a male. In Burkina Faso, 20% of rural families cut agricultural work or gave up farming because of HIV/AIDS."

In Sub-Saharan Africa, at least 25 million people have HIV.

SWIHA, headquartered in Cotonou, Benin, was launched by the Consultative Group on International Agricultural Research (CGIAR) through its Africa Rice Center in Cotonou.

West Africa Becoming Hub for Drug Cartels

Ibero-American and Asian drug cartels are increasingly using West Africa as a hub for smuggling, working with criminal networks from the region, according to the UN Office on Drugs and Crime (UNODC), which published "Crime and Development in Africa" in June. The U.S. State Department's "International Narcotics Control Strategy Report" (INCSR) for 2005 is consistent with the UNODC report: The INCSR recognizes that Nigeria and Togo are transit points for drugs going to neighboring countries, South Africa, and Europe; that the traffic is increasing; and that Ibero-America and Asia are sources.

The Scotsman July 29—citing the UNODC study and remarks by Antonio Mazzitelli, the head of UNODC's office for West and Central Africa in Dakar—makes these points:

* Shipments of cocaine come mainly from Ibero-America through the Cape Verde Islands (300 miles off the coast of Senegal), Ghana, Nigeria, and Togo, and are re-exported, especially to Spain, Portugal, and the UK.

* Spanish authorities seized nearly three tons of cocaine on a Ghana-registered vessel in international waters off the African coast July 24, arresting 12 Ghanaians, four Koreans, and two Spaniards. Spain said the vessel had obtained the drugs from Ibero-America.

* The chief of Brazil's anti-drug efforts, Ronaldo Martins, said a ship carrying 2.2 tons of cocaine was raided by police 700 miles south of the Canary Islands just days before the seizure of the Ghanaian ship, and was linked to the Colombian

FARC.

* Major shipments of heroin from southern Asia are flown by air couriers from Kenya and Ethiopia to West Africa, especially Cote d'Ivoire.

This Week in History

September 13 - 19, 1797.

Lafayette Gains His Freedom from the Prison of Olmutz

"We left for Hamburg on September 19th, 1797. It was five years and one month since my father's arrest and twenty-three months since we joined him. The prisoners were accompanied by an Austrian major till they arrived at Hamburg, who usually drove in a carriage ahead. Our road, particularly at Dresden, Leipzig, Halle, and Hamburg, was one continual triumph. Throngs gathered to see my father and his companions. The prisoners, who at first could not bear [being] outdoors, grew stronger every day, but my mother's health prevented any real joy. The fatigue of the journey was too great in her state of exhaustion and illness; nevertheless, she made efforts to take part in the general joy and to respond to the numerous marks of respect shown to her."

So wrote one of Lafayette's daughters of the events which followed the release of the famous "Prisoners of Olmutz." Lafayette's incarceration as a political prisoner had become the *cause célèbre* of Europe and America, but the heavy hand of British Prime Minister William Pitt kept the hero of the American Revolution and his two companions incarcerated in Austrian dungeons for as long as could possibly be managed. British vengeance against Lafayette had begun to bear fruit in August of 1792, when the British-sponsored Jacobin faction in France succeeded in charging Lafayette with rebellion and treason, and put a price on his head, dead or alive. Lafayette and a group of his officers who supported the ideals of the American Revolution fled north toward Holland, hoping to sail to America.

But they were captured by the Austrians, and Lafayette was shifted from prison to prison, so that his friends and supporters would not know where to find him. When it was finally learned that he and two fellow officers were held at Olmutz, an unsuccessful rescue attempt was made. After that, Lafayette's conditions of imprisonment became even more stringent and unbearable. The two would-be rescuers, American medical student Francis Huger and German doctor Erich Bollmann, after themselves suffering eight months' captivity at Olmutz, sailed to America and briefed George Washington on the terrible conditions at the prison.

Lafayette's wife, Adrienne, who remained in Paris, was targetted by the Terror. She sent their son, George Washington Lafayette, to America to be protected by President George Washington, who sent the boy to live with Alexander Hamilton in New York. After retiring from the Presidency, Washington brought his namesake to live at Mount Vernon, and tried to help Adrienne by sending money to her via Holland, but it never reached her.

Adrienne managed to send her two daughters to safety with relatives before she was arrested and imprisoned by the Terror in November of 1793. Her mother, grandmother, and sister were sent to the guillotine, but even then, the name Lafayette gave her captors pause. The American Minister to France, the future President James Monroe, worked unceasingly to have her released. He and his wife Elizabeth, whom Paris had dubbed "*La Belle Americaine*," designed an operation to gain the good will of the fickle Parisians in Adrienne's favor. They had a coach painted with bright colors, and Elizabeth dressed in her most stylish clothes. She set out for Adrienne's prison, but took a long, slow route to attract attention. When she arrived, followed by a curious crowd, she asked for Adrienne to be brought out to see her, and when the two greeted each

other, the onlookers applauded and wept at the sight.

Sentiment in Paris gradually turned in favor of Lafayette, and Adrienne was released in January 1795 after more than a year in prison. The Monroes took her into their home and nursed her back to health. Once recovered, Adrienne's goal was to reach Olmutz and share her husband's captivity in order to protect him against possible assassination. Accordingly, she and her two daughters boarded a ship, ostensibly for America, but the ship turned north according to plan and landed them in Hamburg.

No French citizen was allowed to enter Austria, because a state of war existed with France. But the American Consul in Hamburg, John Parish, issued a U.S. passport to Adrienne in the name of Madame Motier, a resident of Hartford, Conn. During the Revolution, Lafayette had been granted citizenship by a grateful City of Hartford, and Motier was one of his family names. Travelling under this passport, Adrienne and her daughters reached Vienna and remained incognito until Adrienne could obtain an audience with the Emperor Francis II. This was possible because Adrienne's family, the de Noailles, had served as French Ambassadors to the Austrian Court.

When she asked the Emperor if she could share her husband's captivity, he replied that she could, but "as to his liberty, that I can not give, my hands are tied." He was referring to pressure from the British Empire not to release such an ardent republican and international figure as Lafayette had become. On Sept. 29, Lafayette's family left Vienna for Olmutz.

His daughter described their journey: "We arrived at Olmutz the next day but one, at eleven o'clock in the morning, in one of those open carriages that one finds at all post houses, for ours had broken down. I shall always remember the moment when the postillion pointed out to us the far-away steeples. My mother's emotion is still visible before me. For some time she was suffocated by sobs, but when she could speak, she blessed God in the words of the canticle of Tobias: 'Blessed be God that liveth forever, and blessed be his Kingdom.'

"We got out at the house of the commandant of the city. We did not see him. He sent the officer who was charged with keeping the prison, to conduct us. After we had gone through the first gate we passed down long corridors to two padlocked doors that opened into my father's room. 'I don't know,' my mother said the night before, 'how I can support what we are going to feel.'

"My father had not been notified of our coming. He had been given no letter at all from my mother. Three years of imprisonment, the last passed in complete solitude (for since his attempt at escape he had not seen his servant), anxiety for all he loved, sufferings of all kinds, had deeply affected his health. The change in his looks was frightening. My mother was hard hit by it; but nothing could diminish the delirium of her joy except the bitterness of her irreparable losses.

"My father, after the first happiness of reunion, did not dare to ask any questions. He knew of the reign of terror in France, but he did not know the names of the victims. The day passed without his daring to question her concerning his fears or her being able to muster strength to tell him. Only in the evening, after my sister and I had been shut into the next room, not connected, did she tell my father that she had lost on the scaffold, her grandmother, her mother, and her sister."

For the next two years, the Lafayettes shared the rigors of prison life. They were forced to eat filthy food, for which they had to pay. Adrienne was forbidden to write to her son, because "they did not wish any news concerning the prison to reach the United States." The stench from the latrines next door was unbearable, and then Adrienne fell ill. Her arms and legs became painfully swollen and she suffered from a constant fever. She asked permission to visit a physician in Vienna, but was told that if she left the prison she could not return, so she stayed with her husband.

Finally, the German republican movement, which the Emperor greatly feared, succeeded in getting in touch with Lafayette

through the Rector of the University of Olmutz. He smuggled news to the prisoners, and arranged for correspondence to be smuggled across the Austrian frontier, and returning letters to be delivered to the prisoners without inspection by the jailers. Thus the outside world received news of the prisoners' status and the international pressure on the Austrian Emperor and the British Government continued to mount.

George Washington wrote a personal letter to Emperor Francis, telling him that Lafayette would be welcome in America. Consul John Parish and Gouverneur Morris also worked to obtain Lafayette's release. Lazare Carnot, on behalf of the French Directory, advised Napoleon that the Emperor should be urged to free the Prisoners of Olmutz. Napoleon added a codicil to the final agreement, stipulating that Lafayette should not be allowed to return to France.

Finally, the prison doors opened and the famous prisoners made their way through the German states to Hamburg. When they arrived, all the American ships in the harbor were flying their flags and pennants in celebration, and the Lafayettes were invited to dine aboard an American ship. They were then rowed across the river and moved slowly through the great crowd of people who had come to cheer them, reaching at last the home of John Parish.

Parish wrote that "An immense crowd of people announced their arrival. The streets were lined, and my house was soon filled with them. A lane was formed to let the prisoners pass to my room. Lafayette led the way and was followed by his infirm lady and two daughters. He flew into my arms, his wife and daughters clung to me. A silence—an expressive silence, took place. It was broken by the exclamations, of 'My friend! My dearest friend, my deliverer! See the work of your generosity! My poor, poor wife hardly able to support herself!'

"And indeed she was not standing, but hanging on my arm imbued with tears, while her two lovely girls had hold of each other. The scene was extremely affecting and I was very much agitated. Again the Marquis came to my arms, his heart overflowing with gratitude. I never saw a man in such complete ecstasy of body and mind. He is a very handsome man, in the prime of life, and seemed to have suffered but little from his confinement."

As part of the release agreement, the Lafayettes were only allowed to stay in Hamburg for 12 days. Because of the precarious state of Adrienne's health, it was impossible to make a winter voyage to America. So the family went to stay with relatives in Holstein, and Lafayette began to reestablish his contacts with the republican movement in America and Europe, against the day when he would be able to return to France.

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