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This Week You Need To Know

Secure Peace on This Planet

by Lyndon LaRouche

The following statement was delivered by Lyndon LaRouche as the opening remarks to a group of 35-40 university newspaper editors and reporters, who participated in an international webcast press conference on April 24, 2003.

I'll take up summarily five points here. First of all, on January 2001, I gave a webcast, where I characterized the expected prospects for the early period of the coming Bush Administration. In that, I emphasized two points: the economic catastrophe, which was already in motion by the spring of the year 2000, would hit with greater force during Bush's first years in office. That has happened.

Secondly, I warned that, comparing the present situation with what happened in the world and particularly in Germany between 1928 and 1933, that we had to fear under these circumstances that some forces behind the scene, some desperate forces, would do what was done with Hitler with the Reichstag fire on the 27th of February of 1933, which made Hitler a dictatorship, and essentially caused World War II to become more or less inevitable.

On Sept. 11, 2001, of course, we had our Reichstag fire. We had the bombing in New York and in Washington, D.C. with aircraft, which were steered into those structures. We have since then, at that point, the same day and the following day, Vice President Cheney, who had been Secretary of Defense in the previous Bush Administration, back in the early 1990s, came out with a proposal for a war against Iraq and similar kinds of warfare, which he had made unsuccessfully, as Secretary of Defense under the first Bush Administration, and Bush, then, had turned him down.

Cheney came out with that policy immediately on the day of the Sept. 11, 2001 incidents, and has continued that policy to the present time. Therefore, we are now in a war, which most of our four-star, retired and active service, ground force generals have condemned as incompetent in design, and there is no end to the war.

We have been in Afghanistan. We are not out of it yet. We have gone into Iraq. We're not out of it yet. There are efforts to get peace. The Palestinian-Israeli peace in the Middle East. It's not yet out of the woods. So, the danger of warfare continues to spread around the world at the time that we have a continuing terminal collapse of the present international monetary, financial system.

Now, that's the second point. I have been quite successful in forecasting this for the past, nearly, 40 years, that is on the public record. I have never made a mistake, in terms of a long-term forecast. They have all come true in a timely fashion, as I have forecast.

What's happened is this: Back in the beginning of the 1960s, the world, and especially the United States, was put through

an agonizing experience, which started slowly with the Bay of Pigs incident, went into the major crisis of 1962, the so-called Cuban Missile Crisis, then the assassination of Kennedy, and the plunge into the Indochina War.

This was a great shock. In the course of this shock, two things followed during the later 1960s. One, there was the introduction of a cultural paradigm shift, often associated with the youth counterculture movement on campuses, college campuses, during that period. This shift was part of a shift from what the United States had been, as the world's leading producer society per capita, into becoming a parasitical consumer society, in which we today live largely on our ability to get cheap goods imported to us, without actually paying for them, from other countries, rather than producing ourselves.

So this change was in the middle of it in 1971. Nixon, under the advice of Kissinger, Paul Volcker, and George Shultz, made a decision on Aug. 15, 1971, which destroyed the successful postwar monetary system, and introduced a floating-exchange-rate monetary system, which was the beginning of our economic disaster, as a nation, and which is the root cause of the terminal phase of the present international monetary financial system now going on today.

So, we have two issues: war and the economic crisis. If we solve the economic crisis, I believe we can control the war crisis.

At the same time, in other words, as a third point, during the present period, despite the fact that there are some leading figures in the Democratic and Republican Parties, whom I respect, some of them I respect simply because they are decent people, others I respect because they actually do have important contributions to make to our national political process, but, unfortunately, at present, I am the only prospective candidate for President running, who is competent to deal and is competently addressing the major issues of the war, and the actual issue of the war, and the major issues of the world and national economy at this time.

The key to understanding the problems we face today, especially the problems of youth, goes back to the 1964 cultural change, which is both the youth counterculture change and also the shift from a producer society to a consumer society. As a result of that, people who entered the labor force or universities during the middle to late 1960s, never had an experience of a culture of a successful economy.

We had been, as I said, the most successful producer society in the world prior to that point. We became gradually a consumer society with a consumer-society mentality, much like Ancient Rome, the Ancient Roman Empire, which lived by using its power to extract from other countries what it needed at that time.

We have done the same thing. As a result of that, people in government today, in leading positions in corporations, who are the under-60-years-of-age generation, the so-called Baby Boomer or "Now" generation, have instinctively no understanding, as a matter of instinct, of how to run a producer society.

They have become accustomed to the habits we developed over this period and, really, in large degree, don't know any better.

Now we come along and we have the "Now" generation. The "Now" generation is this generation of the postwar period, who are the pleasure society—"get it now," "it's for me now," "don't worry about the future!"

Well, many of these people in this generation had children. Many of these children of theirs have come of age, in particularly the 18-25 age group, the university age group, in or out of universities, and they find themselves, in fact, in a "no-future" generation. So, therefore, we have developed in our country a generational conflict between those younger people, who are young adults now, who find themselves in a "no-future" generation, and they find their parents' generation

is still in the "Now" generation, the "Me" generation.

So, there is a conflict that has developed in our country between the parent generation, those under 60, who are in most of the top positions running the country, and those in the 18-25 age group, who think like adults, who are trying to master the world as adults, and to cope with the world as adults, who find that they have a different outlook on reality than their parents' generation.

The big problem we have is to take the problems faced by the "no-future" generation, the young people 18-25 years of age, who are willing to master things they must master, but who see no future before them under present conditions, or, if they see a future, they're usually pretty disillusioned about what the future is.

So, our problem is to *move* these younger people. Remember the American Revolution was a youth movement, of this generation, to get the younger generation to *move* politically, in order to bring their parents' generation back into the world of reality by inspiring them to rejoin the human race in terms of building a future for their children and grandchildren.

That is the big political problem. That is the problem that the political parties are not addressing. You look at this in political party meetings. In a sense, the party meetings are a joke. You don't *see* youth in the party meetings. The youth who are organizing with me are often the dominant factor in these meetings among youth because there are no other youth! Or no significant amounts of youth.

So, therefore, you see this generational conflict of the party organizations, which are controlled by the people of the under-60 adult generation, who are trying to hold on to the power they have, who are unwilling to face the reality of the world, which they have contributed to making, and the younger generation, which is turned off from this because they sense that they are excluded, that they have been relegated to the status of the "no-future" generation.

My concern—political concern—is to motivate people in the 18-25 generation to get their *parents'* generation back into the human race, in that sense.

Now, there are solutions to the problems we have today. The present world financial, monetary system cannot be saved. You cannot save the IMF in its present form. The banking systems of most nations are bankrupt. China is, in a sense, an exception, but the U.S. banking system: The major banks are bankrupt. The major European banks are bankrupt. The total amount of debt outstanding could never be paid on present terms, but it is possible for governments to intervene, jointly, to return the world to the kind of measures that Franklin Roosevelt took back in the 1930s, and to create, again, based on the lessons of that experience, a new monetary system, a fixed-exchange-rate monetary system, using the lessons of the 1930s, 1940s, 1950s, to build a system of reconstruction, which will get us out of the mess, and which will build a basis for economic cooperation around the planet under which we can survive.

Presently in Europe and Asia today, you have in Western Europe, you have a group of nations around Russia, as well as Germany and France, and other nations around them, who will tend to agree with them, who are moving in a certain direction toward cooperation, toward solutions.

You have on the other side, in North Asia, in South Asia, in Southeast Asia, you have a movement among peoples looking for cooperation for economic development. You have a movement from Europe, Western Europe, into Asia for long-term cooperation in long-term projects of 25-year, 50-year projects, which can work, and which are the basis for the growth of the world economy.

We can do similar things in the Americas, between North and South America. If we restore Europe and Eurasia to growth,

we can solve the suffering of the peoples of Africa.

There is hope. There are possibilities. In this process, we have to look at the United States in a very special way. The United States was a unique creation. It was not created by people only here. It was created by people in Europe, in part, who supported the independence of our country, who supported the formation of our Constitution, and they did so from Europe because they knew at that time in Europe, they could not develop true republics under the present conditions of that time there.

So, therefore, they supported us. They contributed their ideas and their assistance to our independence. We became, as a nation, sort of a unique phenomenon in the history of this planet, and despite the division within us, and despite the mistakes we have made, we are still a unique nation on this planet.

We are not to be an empire, but we have the ability, which is embedded within us, within our history, to make a contribution to bringing other nations together to realize on a planetary scale, the kind of purpose for which we were created, to be a catalyst, to create a community of sovereign nation-states, of people cooperating around the planet in different nations to a common purpose.

The function of the President of the United States today, in my view, is to be a person who understands that, who understands the problems, the messes we have gotten into, who reaches out to other nations, who is respected by other nations, who can bring other nations to meetings with *us*, so that *we*, our government and other governments can make the decisions that have to be made now to give us a new monetary system, a new financial system for the world and also a program of general economic recovery.

If we succeed in building around an idea of a general economic recovery of the world, that idea itself becomes an overriding interest, that overriding interest can be the basis for securing peace on this planet.

I believe we can secure peace on this planet. There may be cases in which we would still require the assistance of methods of strategic military and related defense. That could happen, but, in general, the policy of government today *should never be war!*

We may have to fight a war, if it is imposed upon us, but our policy should never be war. Our policy should be cooperation for peace with the means to secure that peace, to defend it if it were necessary.

Latest From LaRouche

Presidential Candidate LaRouche Has Broadest Support, Belongs in Debates

This leaflet was released April 25 by LaRouche in 2004.

The April 15 filings of the Democratic Presidential candidates with the Federal Election Commission (FEC), show that Democratic Presidential pre-candidate Lyndon LaRouche is first among all the candidates in the number of individual contributions recorded by the FEC. LaRouche is also first in the dollar amount of “un-itemized contributions,” which represents money given by persons whose cumulative contributions are less than \$200.

LaRouche Youth Open Campus 2004 Campaign; LaRouche holds inaugural national campus webcast

by Paul Gallagher

Directly calling on the “no future generation” of the nation’s college-age students to build their own future “on the idea of a general economic recovery of the world,” Lyndon LaRouche held the inaugural national campus Internet webcast of his Presidential campaign on April 24.

LaRouche Holds Dialogue with Youth Leaders — And University Newspaper Reporters

The following is a transcript of the dialogue between Democratic Party Presidential pre-candidate Lyndon LaRouche and youth leaders and college editors and reporters during LaRouche's April 24, 2003 webcast. The moderator is LaRouche campaign spokesman Dr. Debra Hanania Freeman.

DR. FREEMAN: Once again, ladies and gentlemen, you are listening to a live webcast of a dialogue between Democratic Presidential Candidate Lyndon LaRouche and participants from college campuses across the United States. We are about to open for questions, what I am going to do is I will take questions sequentially from the various areas of the United States. I will ask you to identify yourself, to ask your question, Mr. LaRouche will answer your question. I will give you the opportunity to ask a follow-up question, and then we will move on to another geographic area. I'm sure that everyone will have the opportunity to ask all of their questions.

For those of you who are participating via telephone, I'm going to ask you when you are not actually speaking, to please keep your mute button engaged, or to do it by pressing star-6. You can then regain your ability to speak on-line by hitting star-6 once again.

I think we will take the first question from a mid-Atlantic state, on the East Coast, does anyone from one of the mid-Atlantic states have a question for Mr. LaRouche? I'll ask you to simply identify yourself by name and by campus, or by location, and then you can go ahead and ask your questions. So, from the mid-Atlantic region of the United States?

This is David Nance here with the LaRouche Youth Movement in Baltimore.

DR. FREEMAN: Okay, David, go ahead.

DAVID: All right, Mr. LaRouche, I wanted to ask you a question, regarding this conception of a youth movement because, I mean, this is something that hasn't been seen in this country since Eugene McCarthy's Presidential campaign, and it is something that has really not been seen since the 1960s, a campaign actually run by youth, who are going out and actually recruiting people around a Presidential candidate's conception of what this republic should be, so, I was wondering what were your thoughts on the Youth Movement, and why you are running a campaign of this sort.

LAROUCHE: Well, of course, I've done some special things on the Youth Movement. I've been working at this for, actually, about four years. It started with a process on the West Coast. I knew this was needed, but it took time to get a cadre together to set a pattern around which other people could respond and organize.

It is a subject in itself, which I have written about. My view is that when you have a situation where the "Now" generation has cut itself off from a sense of primary concern for what they are doing today for the benefit of their children and grandchildren's generations that there is a break in what used to be called "traditional morality," or intergenerational morality, and, therefore, youth today are face with a special kind of problem—that their parents' generation really is not committed to the future in the way in which previous generations in the United States were because of this cultural change called the "cultural paradigm shift," and, therefore, youth today can organize quite effectively, and we have proved that, experimentally, shall we say, in the field, but it requires a concentration on *truth* as opposed to *tradition*, that today you cannot organize youth around so-called "appealing to tradition."

They may respect tradition, but they don't have any confidence in it. They will have confidence in themselves if they themselves have the sense that they know some truth, have a sense of what truth is, and they will struggle to find the *truth* about any matter they confront. My view is that young people of the, particularly of university age, or who should be in

universities, if we had good ones—there may be a few surviving around there—that they have a concern for truthfulness. They don't care about tradition, about what people think about them, and so forth, because they know it doesn't mean much any more.

What they want to know is: "Who am I?" And, if they have a sense that they understand truth, that truth is understandable, it can be shared, they can get more of it, or they can do that, we find, with our work, that this functions. We have the fastest growing youth movement in the United States, which has been based on my insistence on that principle.

I am a very permissive guy in many ways, but not on the question of truth. But, when it comes to youth, let them go. Let it rip! As long as we stick to the idea that there is a standard of truth, and I think that the idea of pursuing a standard of truth, as opposed to a standard of opinion, or acceptable or unacceptable opinion, is the key to rebuilding the morals of this country.

I think that the older generation, those between 50-60, so forth, today, that that generation will be inspired to find that the generation of their children, or their children's generation, is moving in that way, and I think that the older people from the so-called "Baby Boomer" generation, the "Now" generation, will often come back to life inspired by the fact that their youth, or the youth generation, is going ahead someplace around truth.

DR. FREEMAN: Lyn, thank you. David, do you have a follow-up question?

David: Not for the moment.

DR. FREEMAN: Okay, I'm now going to move to the West Coast of the United States. I'll take a question from California, if we have one.

Hello? I'm from California. I'm actually from a group here at UCLA, and I had a question regarding Mr. LaRouche's thoughts on the Palestine-Israel quagmire. That's it.

LAROCHE: I've been at this business for a long time. In 1975, in particular, I went to Iraq and, at the same time, dealt with people in various Arab countries and Israel on this question. At that point, I had a lot of sympathy and cooperation from leading circles in the Labour Party in Israel, and others. We thought we could possibly move for an economic approach to a fraternity among peoples in the Middle East, not just Israel and the Palestinians, but a fraternity, and develop ideas of cooperation, which would bring about peace.

Now we have had many frustrations over the years. Many meddlers of various kinds, and fascists, and what not, who have intervened in that. We have now come to another crosspoint in this process. The Secretary of State of the United States is apparently playing a useful role *again*. His impulses earlier on, I thought, were useful. The work of Gen. Zinni, the retired Marine Corps General, I thought was useful. It failed.

Clinton, I thought, failed in one sense at Camp David, but I think his other efforts came very close to success. We have had efforts in that direction by Carter, and so forth, earlier.

So, I think the time has come again, where the very horror of what the prospects might be for the Middle East, once again revived in the United States and elsewhere, an effort we must finally find a peaceful solution to this conflict, not only for the sake of the Palestinians and Israelis, but we must find it for the entire Middle East is being inflamed by the spread of this conflict throughout the entire Middle East.

My view, of course, is that the key to this is water. How can you have people living at peace together, if the Israelis have gone to various aquifers—the Jordan, the Litani, the Golan Heights, and so forth, in desperate search of water for their population, when there is not enough water left for the people of the area as a whole.

So, therefore, the development of water resources in water management for that reason is one example of the things that *must* be done because if people cannot live, they may tend to fight, and water is a symbol of life. Water, energy, food, opportunities for expression in a useful way are necessary. These are being denied in the Middle East, and, therefore, I think the United States, as a power, as an influential power, with support from Europe, which recognizes this problem, and from others, that we must make one more big effort yet again to get the peace in the Middle East, for which I have been working, personally, in an active way, since 1975.

DR. FREEMAN: Do you have a follow-up question? Los Angeles? Okay, if there is no follow-up question from Los Angeles, then we are going to move to the south. If anyone in the south has a question from Mr. LaRouche, we'll take it now.

Charlie [surname unclear]: Tuscaloosa, Alabama.

DR. FREEMAN: Okay, what's your question?

Charlie: I wanted to know Mr. LaRouche's take on Sept. 11, the causes, and effects thereof?

LAROCHE: There are some things I know, and some things I don't know. I'm fairly good at intelligence work because I have been at it for a long time, partly, in my own defense. What happened on Sept. 11 was planned coup by somebody against the United States' system. The purpose of the coup was obvious. The purpose of the coup was to bring into play what Cheney represents in terms of his policies and his friends' policies *now*.

Who did it, I don't know. I know it had to be a very high-level capability. It was not a slop-job done by a bunch of ambitious Arabs or someone. That was not the case. Somebody who was really sophisticated, with tremendous resources for planning an operation like this over a year to a year and a half, or more, did the job.

It was something I expected. Not what happened, but I expected something. I expected a Reichstag fire type of phenomenon to occur in the immediate period, following the inauguration of President George W. Bush, and it happened. What happened as a result, happened.

Now I have talked to many people of relevance inside our institutions on this question. I can say we do not have an answer now as to who exactly did it. Most of the explanations don't make any sense from the standpoint of technicalities of how operations are run, but there is no question about what the result was. The result was to embark the United States on the kind of policies, which Dick Cheney had pushed, exactly, as Secretary of Defense back in 1991-92, and which he is pushing today.

Those policies were *dead* until Sept. 11. Cheney revived them with others on Sept. 11 and Sept. 12, and we have been going in that direction every since, especially since the President was convinced in the beginning of 2002 with his crazy "Axis of Evil" address in his State of the Union message to go with this kind of policy. This is a menace. It must stop.

There are other ways to go at this problem. What the President has done so far as policy, *is wrong*.

We're in Afghanistan. Are we ever going to get out? The situation in Afghanistan is worse today than it was when the U.S.

troops went in. The situation in Iraq is worse today, from a strategic standpoint, than it was before the U.S. troops went in. The plan of operations coming out of Rumsfeld was incompetent. The ground force generals, the four-star people with the boots on the ground, knew this was wrong.

They did the job they were ordered to do, but we have a mess on our hands with incalculable ramifications. We don't know where it is going to go, and where it is going to go next. *This is wrong!*

We have a tendency in the United States toward dictatorship, typified by the proposals of John Ashcroft, the Crisco kid. Our country is being destroyed, as former President Clinton has emphasized aspects of this. Senator Ted Kennedy has emphasized aspects of this, as others have emphasized this. Our country is being destroyed and undermined from within by the way we are responding to Dick Cheney's crazy formula. We have to deal with the problem. I'm determined to deal with it. As President, I will find out what was behind Sept. 11. I'll get to the bottom of it, as I think every other honest President of the United States would do. We'll get to it, but the policy we are following is *wrong*, and the identification of the alleged perpetrators is *stupid*.

DR. FREEMAN: Lyn, thank you very much. Do you have a follow-up question from Tuscaloosa?

Charlie Tuscaloosa: Yes, I do, I wanted to ask about [what was said] about something was going to happen after George Bush took office. What evidence specifically might have pointed to terrorism that day?

LAROUCHE: I couldn't hear it.

DR. FREEMAN: Neither could I. Could you ask your question again?

Charlie: Sure, what evidence, beside your suspicion, that something was going to happen points against Arab terrorism that day?

LAROUCHE: Well, I didn't, not that day, there was no indication that *that* act of terrorism was going to occur that day. What we had is, we had a problem we were concerned about. We had in Northern Virginia and the Washington, D.C. area a planned deployment like the Genoa, Italy deployment, much more serious than that, which was a major security threat for Washington, D.C. in the latter part of September, before Sept. 11. That is, this was known in August, and so forth. I was working on the investigation, but as to what happened in New York and in Washington, with the attack of the planes on Sept. 11, I think that no one except an inside perpetrator knew that was going to happen that day because if somebody else had known it, I don't think it would have happened.

This was a highly sophisticated operation. It could not be run by a bunch of Arabs out of the Middle East. It couldn't have been done. There is a lot of sophistication in this, so it was pre-planned and the only proof we have of what was behind it is the result.

Now on the question of the danger of this kind of thing, I went very specifically by in-depth knowledge of exactly how Adolf Hitler came to power in Germany, actually, in February of 1933. He was appointed, of course, on January 30, 1933, but the Reichstag fire of February 27, 1933 resulted in the Hitler decrees of February 28th, which established the Hitler dictatorship, which made World War II more or less inevitable.

Now the conditions for that were in 1928-33 development in Germany, in particular, in which it was obvious that the solution for Germany's economic crisis of that time, which was most acute among other nations, was that either they would go to the policies of fellow named Dr. Wilhelm Lautenbach, who was a very influential economic official associated with

the Friedrich List Institute in 1931, who had come up with a policy very much like Franklin Roosevelt's recovery policy for the United States, or what later was Franklin Roosevelt's policy.

The issue was would Germany follow the Lautenbach plan to deal with this economic crisis, which would mean breaking the power, essentially, of a group of London and New York bankers, or would Germany avoid that at the point that Hitler's movement was about to be crushed. Remember, Hitler's movement was backed from London by Montagu Norman, the former head of the Bank of England with support from certain fellows in New York.

So, therefore, my analysis of this process, that this gang of Anglo-American financial agencies, with their German and other accomplices, moved to put Hitler into power in 1933 in order to prevent Germany from doing what Roosevelt did, beginning his March 1933 inauguration. So, therefore, on January 28, they ousted the former government of Germany, the administrative government. Two days later, they put Hitler in power, but he was still considered a joke then, but on the 27th of February, they pulled the Reichstag fire, which was then used under the Carl Schmitt law, the *Notverordnungen*., to make Hitler a dictator and then World War II was inevitable.

My analysis was that we were in, as the Bush election was occurring, the year 2000 Presidential election, we were in a situation like that, that the economic crisis was going to bring us to the point where a Franklin Roosevelt-type solution was the only way out of this building economic crisis. That someone who didn't want that to happen, the Franklin Roosevelt solution, from behind the scenes, one of the guys who didn't want it to happen, would do the obvious thing: Make a coup. Stage an incident, and use the incident to go to foreign wars or other kinds of adventures, and establish, step by step, a dictatorship in the United States, and that is exactly what happened and that is what I forecast.

DR. FREEMAN: Thank you, Lyn. Okay, we will take a question now from the Midwest. Is there a question for Mr. LaRouche from somewhere in the Midwest?

Ann Alreid, Ohio University: Hi, Mr. LaRouche, this is Ann Alreid from the Ohio State University student newspaper. I want to thank you for asking the *Lantern* to participate with you today. I wanted to ask you, the election coming up in 2004 will your sixth time that you have sought the Presidency. Why do you think you will be more successful this time than in the past?

LAROCHE: Well, two things. First of all, I was always right, first, before running as a Democrat, I ran as the Labor Party candidate against Carter, not because I was particularly concerned about Carter, but because I was concerned about what was behind Zbigniew Brzezinski's crowd, and I knew what their plans were, and, therefore, I thought we had to do something to prevent that, so I went on the record against that.

In 1980, I went as a Democrat with the invitation of a number of Democrats in the Midwest and so forth, as a Democratic candidate, and my concern was to prevent the return of Brzezinski or anything like him with the kind of policies Brzezinski, and especially, Paul Volcker had represented under Carter. Not because of Carter, but because of this problem.

I warned of the danger of this. I was right. We tried to deal with the Reagan Administration, with whom I had somewhat friendly relations, at least with President Reagan and some of his immediate circles, during the immediate period in the first term. I was right. We pulled off the proposal, which I designed, for what became known as the SDI, which was a proposal of *cooperation* with the Soviet Union and other countries, to try to eliminate the threat of this nuclear threat, with the idea that this was a new way to approach this problem of U.S.-Soviet relations.

Reagan was convinced; he tried. Other people opposed. We were right. Reagan was right. I was right. He was terrible on economics—but on that, he was right.

The same thing in 1984: I knew it was a disaster! Not that Mondale was that important, but what Mondale represented at that point, was a disaster! I knew that what was represented in the Democratic Party, and in the Republican Party, in 1988, would be a disaster—and I was specific on this. So, each of these times, I have been specific, and I have been *right*. That is, the historical record is: The issues I raised as the dangers to be addressed, and the measures to be taken, have been right.

Now, the thing has come full swing. We have now come to the end of the 1971-2003 international financial-monetary system. And, the challenge now, is that the American people are going to survive, they're going to go *my way*—which is, shall we say, an up-to-date version of what Franklin Roosevelt did in 1933. And therefore, *the American people deserve one more chance*.

DR. FREEMAN: Okay. Ann from Ohio is going to ask Mr. LaRouche her question once again.

Ann: Mr. LaRouche, you said the United States has one more chance; you're saying that if you are not successful at receiving the Democratic Presidential nomination, you will not run again in 2008. And, also I wanted to ask you, specifically, what will separate you in issues from the other candidates?

LAROCHE: Okay, well, I think everything sort of separates me from the other candidates, especially competence. The key issue, of course, is the United States underwent a cultural paradigm-shift in the 1980s: We went from being the world's leading producer society, to being the world's most predatory consumer society. This was accompanied by a change in the world outlook, of our youth, who had been terrified by the impact of successive events, like the missile crisis, the assassination of Kennedy, and, of course, things like the assassination of Martin Luther King and Bobby Kennedy. So this had produced an effect on the population: We went in the wrong direction.

In 1971, we went with the Nixon proposed change in the monetary system. It was wrong! But, people adapted, step by step, to these changes. These changes have been wrong. But these changes have been popular opinion.

Now, my runs have not been exactly unsuccessful. There were estimates, in the middle of the 1980s, I was running about 25% of the vote. I won an election in Illinois, for example—or my friends did, very significantly. We won other elections. We had a large movement, hundreds of thousands of people were involved in a movement supporting my candidacy. So, much of the work that was done, in that period, was an effort to prevent the success, or to stop and abort the success of my candidacy. So, I have nothing to apologize for. I was right, as I indicated, that in each of these campaigns, what I defined *as* the issue, *was* the issue.

And, what I did with Reagan, on the SDI, which was my proposal, which his circles agreed I should try—and I did! And he adopted it. It was right. Other people opposed it; they were wrong! Andropov was wrong. If Andropov had accepted the proposal of Reagan, even for discussion, we might have saved a lot of problems, but, that happened.

So, now we've come to the point, the entire financial system *is* coming apart. Nothing can be done to save it, in its present form. I've been right on this. Those who've the other side, are wrong. What I see, in the Democratic Party and the Republican Party today, despite many people whom I respect, as persons—and useful persons—nonetheless, lack the competence to take this thing head-on. I'm the only one, who's a candidate, who does.

The point is, what I know is this: Either my leadership—it's not just a question of my candidacy; it's my leadership as a candidate—either my leadership is successful in this period, or I don't think *there's going to be much of the United States for anybody to vote in come 2008*.

DR. FREEMAN: Do we have a question for Mr. LaRouche from the Northeast?

Adam Leach: Yes, University of Connecticut. This is Adam Leach [ph] from the University of Connecticut. I was just wondering, what he thinks is the biggest problem with the college-age students of today?

LAROUCHE: I don't look at them as a problem. I think of them as having problems, which I hope I would contribute to helping them solve.

The problem is, we've gone, in the United States, in educational policy—oh, there are a few exceptions always around; there're a few good spots still left, here and there; a few good professors, a few good departments, here and there. That's true. Some of them are friends of mine, so I'm not knocking them! They're useful people. But, the general tendency is, we've moved to a system of education, since about 1963-64, in which, more and more, students are being rehearsed, in correct answers to multiple-choice questionnaires, which will be scored by a computer. This is sometimes called "education"; I don't think it's worth anything. I think that that tendency has spread into the universities, what we find. But, my view of universities is, it's a good place to stage a fight—that is, a fight over the question of truth, not just a fight over opinion. Fights over opinion tend to be rather silly these days, for the most part.

But, we have the basic problem is, the student on campus, in the 18 to 25 group—that is, the age group which is doing it baccalaureate work, and going on to a professional degree, a doctoral degree, and so forth—that generation is being thrown into the waste basket, by the circumstances developing in the world today. My view is, that this generation, as many generations of the same age-interval, in past periods of world history have done, can become a leading factor, in exciting the older generation, their parents' generation, to come back to the human race, to come back to good causes, and get this world moving again. That's my view.

And, my view is, that I, as a figure—also as a candidate—must make a contribution to that effect. The only way we're going to save the United States, and save the world in general, is by getting this generation to get its confidence back, and to inspire its parents' generation, to begin to think about a truthful solution for the problems we face. And *get rid of* this idea, of rehearsing people to pass multiple-choice computer-scored questionnaires, and call it "education."

DR. FREEMAN: Do we have a followup question from the University of Connecticut?

Adam Leach: Yes. You said earlier, that there's a problem with the universities. I was just wondering if you could clear that up? The universities in the United States, anyway?

LAROUCHE: For example, let's take the case of one phenomenon. You have this guy, this fascist (he's now dead; died in 1973), Leo Strauss, who was a fascist of Jewish pedigree, but fascist nonetheless; educated by Martin Heidegger, the Nazi; who left Germany, came to the United States, and became part of a movement, which is the Chickenhawk group—the war group, controlling much of the Bush Administration, today: Bolton, or Wurmser, in the State Department; Paul Wolfowitz, Feith, in the Defense Department; the group around Lewis Libby in the office of Vice President Cheney. This group of fanatics, typifies the corruption, which has spread throughout the universities.

My view, is that university education should go back toward a Classical emphasis, in education: in science, in Classical arts, in studying history, and so forth. Much of this has been lost. We don't have that any more.

What I get, from people of that generation, is their frustration, that they're not getting that kind of education any more from universities. And, what I have working with me, are people who, by my standards, are extremely talented people, extremely bright people, who should typify the leaders of the future. These are the "comers," for the next generation—and there are more of them out there! And, my concern is, how do we reach these guys? Whether they're in the universities, or out, I don't care which. If they're doing what they should be doing, in that age group—18 to 25—and developing as the future

leaders of the nation, I'm satisfied. I merely want to make sure it happens.

DR. FREEMAN: We'll take a question now, from one of the Middle Atlantic states....

Dan Galindo: Yeah, this is Dan Galindo [ph], with the *Cornell Daily Sun*. Mr. LaRouche, I want ask you: The Republican Rick Santorum recently came under fire for his comments on homosexuality, and I was wondering what you thought about his comments. And, then also, what your specific policies would be?

LAROCHE: I don't have a specific policy about homosexuality. I think there are problem involved there. I've had a lot of friends in the past, who've been homosexuals, or were, or are, and so forth. I understand the problem, as they present it to me. I have concerns about human beings. I'm not concerned about sexuality. If you want to talk about aberrations, there are plenty of them around, and this should not be an issue. A human being is a human being and should be treated as that, and that should not be a political issue.

DR. FREEMAN: Do you have a followup question?

Dan Galindo: Yeah, why would some people argue, for example, denying people that are gay the right to marriage, is denying them the right to be human. Is that something you would agree with? Or, I guess [inaud] what your specific policies are, toward these things?

LAROCHE: I think it's a counterproductive issue, actually. The idea of marriage is the idea of propagation of children. It's an institution. Not necessarily that everyone who's married should propagate children. But the marriage represents that kind of relationship. It's sort of the unification Genesis 1: man and woman made equally in the image of the Creator, with certain responsibilities. And that, to me, is the concept of marriage.

I think that these issues should not be issues. They may be issues, all right; but they should not be issues of national policy. They tend to be divisive issues, distractive issues. They tend to become single issues, and, as I think many people would understand, I've had my belly-full of single issues. I think that single-issueism has been one of the greatest forces of destruction of the political process in our country. I think the fewer single issues we have, the better.

My view is that we have to treat man as man, as something different from an animal; that every person has the right, to become what man can become, what a human being can become. And the function of the government is to give protection to that kind of process, and to meddle as little as possible in other affairs.

DR. FREEMAN: We will now take a question, if there is one, from the Southeastern portion of the United States. Do we have a question from the Southeast? Okay, then I'm going to move back to the West Coast. Do we have any questions for Mr. LaRouche, from the West Coast?

Nicole: Yeah, this is Nicole from Los Angeles, at the LaRouche Youth Movement there. I have a question on Franklin Delano Roosevelt: I want to know your personal experience with the last Great Depression? I also want to know how you plan on reviving FDR's tradition in the Democratic Party today?

LAROCHE: Franklin Roosevelt, you know, was a great-grandson of a collaborator of Alexander Hamilton. And Franklin Roosevelt represented, consciously, the tradition of the American Revolution, and the Hamiltonian tradition.

After going through the experience, of an adult poliomyelitis attack, he used the occasion of his illness, his impairment, for bringing himself "up to speed" so to speak, on his own heritage, which is a subject which he'd already addressed in his

Harvard graduating processes—a paper he'd produced at that point. So, he came in as Governor of New York State, as prepared to cope with the Great Depression, which we were experiencing already, then. From the standpoint of the American tradition, the American System of political-economy. And he did.

He moved in. And, one has to look at the failures of Hoover. Hoover was not an incompetent or stupid man. But Hoover would have very bad policies; he was on the wrong side. Hoover was more on the side of recovery ideas, like those of Bruening and von Papen in Germany, the right-wing types, there. And, Hoover actually tried to sabotage, to a large degree—even though he made a number of good institutional suggestions—to sabotage the prospects of Roosevelt doing anything, to get the U.S. out of the Depression.

Roosevelt came in, with his pre-announced New Deal—came in with a series of preliminary measures, which were emergency measures, like the bank holiday, to save the United States from chaos. Roosevelt proceeded to revive the United States, out of the Great Depression, which had been caused by his predecessors, Coolidge and Hoover, most specifically; took the United States into a war, which was already inevitable in 1933-34. The British and others had created this war. And the United States had to deal with it, they had to deal with the Hitler phenomenon. Roosevelt prepared, beginning 1936, he prepared the United States for the economic and military capability, for intervening, to deal with what the Hitler threat represented. He did! He succeeded.

We came out of the war, as the most powerful nation on this planet, almost the *only* powerful nation on this planet; as a very powerful nation, economically, with greater productivity per capita than any period before in our history—with great promise. And, it was ruined! Truman ruined it! Eisenhower salvaged some of the good features of the Roosevelt Administration, by bringing us back to relative sanity, from the insanity which had run rampant during the Truman years. But he wasn't a perfect man.

Then, we faced a great crisis: Kennedy, who might have revived the legacy of Franklin Roosevelt, was killed. President Johnson, who did some good things, in terms of civil rights, *was terrified*. And, backed down, and submitted to the Vietnam War.

And, we've had almost nothing, since that time. Reagan had a good side. Reagan's good side, as I knew it personally, from my work with people in his administration, and from a brief meeting I had with him personally. He was a man of my generation—ten years older, but my generation—who, on the good side, remembered the Franklin Roosevelt years. That was the good side. But he had been brainwashed by GE and others into this crazy free-trade stuff, and that was the bad side! That killed his accomplishments in the end. But, he had this good side: He kept sticking to this idea, we should not be out there, killing people in the Soviet Union and elsewhere, and ourselves. We should find a better solution to this threat of nuclear weapons. That was a good side.

Then, you had poor George Bush, #1. That was a mess!

But then, you had Clinton: Clinton was probably the—Clinton had a good deal of Roosevelt in him, as I'd known Clinton, known his work. He had a good deal of that in him. He wasn't the same. He wasn't really a Franklin Roosevelt man. But, he's a man who does understand principle. I've often been disappointed by his failure to carry it out, but he does have a deep understanding of principle, and he's one of the most intelligent Presidents we've had in the postwar period, despite the nasty things said about him by Newt Gingrich and people like that.

So, that's the situation. So, today I am—not by inheritance, exactly, but because of the course of history—I am in the tradition of Franklin Roosevelt. Not that I copy him; I'm not his copier. But, he represents a preceding President, who maintained the torch of continuity of the American System, and therefore, I have deep respect for him, and his memory, on that account.

DR. FREEMAN: Nicole, do you have a followup question?

Nicole: Yes, actually, I also want to know: How do you plan on taking back the Democratic Party from the mafia which has hijacked it? And also, what took place in the population during FDR's leadership, which mobilized to put him the leadership at that time?

LAROUCHE: I couldn't hear her.

DR. FREEMAN: She asked you, first, what do you plan to do to take back the Democratic Party, from the mafia which is currently controlling it? And, she also asked, what was the transformation in the population under the leadership of FDR?

LAROUCHE: Ah! Well, the American people loved FDR, in the best way. That was my experience, increasingly over the course of the 1930s and 1940s.

The organized-crime element in the Democratic Party: There's a very interesting process going on in the United States right now. There's massive opposition to present trends, from within both the Republican Party and Democratic Party. In the Democratic Party, the support for the war, comes largely from a group who are actually fascists; that is, people who share the views—who are organized-crime linked, and who share the views expressed by Joe Lieberman, for example. On the Republican side, you have people like McCain—who's somewhat different than Bush, different entity—but in the Bush Administration around Cheney and so forth, around Rumsfeld, you have a real, genuine fascist tendency.

Now, there's an opposition in both parties, which is rather peculiar, to this nonsense. You have Republicans who have rallied around opposition to the Bush tax-cut legislation and some other odds and ends of that type. You have people in the Democratic Party, who may be good or not so good, who also are responding to the tax-cut issue, the economic issue, as the way to go, in opposition to the White House now.

What I see in the United States, is, there's a tendency for a regrouping of the political party organizations of the United States, comparable to what happened with the emergence of the American Whigs. Remember, that the Federalist Party had destroyed itself, under John Adams, because Adams was fooled by some problems and didn't handle them effectively (and there were other problems at the time). That the Administrations of Jefferson and of Madison, were absolute disasters! As a result of that, the political parties, going into 1812, were disasters! And, out of this emerged the American Whig Party, which is sort of my personal tradition, actually. And out of the Whig Party, emerged, eventually, the Republican Party, as the alternative to a pro-slavery, rather reactionary, Democratic Party.

So, we have the Lincoln tradition. Then, in the process, you have the New York Republicans, who were a real problem, who were as bad as the worst Democrats. And out of that, you got the Teddy Roosevelt-Wilson combination, and the Coolidge thing, and so forth.

So, American politics is like that. We have a very good Constitution. We've never had a coup d'etat, in our history—the most stable government in world history. (Because the British Empire's a different proposition.) But, it's the most stable government in world history: We have all kinds of changes, and the change comes in terms of reorganizing and regrouping of political party formations.

I think we're at a point, now, in which the political party formations, will, in a lawful way, undergo a transformation, in which you will have a regrouping of political parties. For example: In the political process now, the upper 20% of the family-income brackets dominate politics, under the so-called "middle policy," or "Third Way policy." Whereas, the lower 80% of family-income brackets in the United States *are totally unrepresented*, in any meaningful sense, in terms of policy

or formation in the United States. We're now going into a deep depression. Senior citizens are being *killed*, by health care policies—systematically! As a way of making money for speculators. The poor are being abused, beyond belief! The lower 10 and 20% of the family-income brackets in the United States, are suffering beyond belief.

So therefore, the time has come, at which the political party system of the United States must, again, be regrouped. Now, that doesn't say, that the Democrats and Republicans are going to form one party—that is, the good guys in both parties. But, it does mean there's going to be a regroupment, if the United States survives. There will be a regroupment of the political process. The gangsters who had my guts, in the Democratic Party, *will be out* of politics, essentially. And you will have a positive factor in what is the Republican Party today; a positive factor in the Democratic Party today. I see it there already. And, a bringing back, into the political process, of many of the citizens from the lower-income family groups, who have been kept out politics, effectively, in this period of time.

The lack of participation of *youth*, in Democratic Party and Republican politics, in an active, significant way, as a youth interest, is typical of the fact that the political party system, now, is *rotten*, ready for regrouping: because we need a political party system.

And so therefore, I think that the question of how am I going to deal with this Democratic Party leadership, and so forth, is now *that*. FDR and the FDR Democratic Party was a *revolutionary* change, *inside* the Democratic Party. And, I see myself, again, in the tradition of FDR, that I'm trying to regroup the forces, inside the Democratic Party, as FDR represented the regrouping of the Democratic Party forces in his time.

DR. FREEMAN: Ladies and gentlemen, you're listening to a live broadcast of a dialogue between Democratic candidate Lyndon LaRouche, and journalists and leaders from America's college campuses.

The next question that we take, will be from someone from the Southwest. Does anyone in the Southwest have a question for Mr. LaRouche?

Aaron: Hi, this Aaron. I have a question, Mr. LaRouche: There was a speech given at the American Enterprise Institute on Tuesday, by Newt Gingrich, in which he denounced both the peace talks with Syria and the move, coming from leaders including yourself, to stabilize the Israeli-Palestine conflict, using the road-map policy. Conversely, he supported the efforts of those named in your recently published *Children of Satan* pamphlet. I wanted your comments on that.

LAROCHE: This is the most stupid, but understandable mistake that the friends of Newt Gingrich ever made. This is like the re-birth of the un-dead.

Gingrich is a very dangerous person. He's a fascist of the worst type. His famous speech in January of 1995, is typical: He made himself a Jacobin revolutionary—he's a real fascist; nasty fellow. He has a long history of being very closely associated, and swapping spit with, "Bugsy" Rumsfeld, the current Secretary of Defense, and he's a stooge for that. He's being deployed, presently, to try to become (the idiot!), to become the Secretary of State to replace Colin Powell; that's what this crazy speech he made was all about. He's saying, "I should be the new Robespierre, who chops the head off Colin Powell, and goes out and does what Donny Rumsfeld, "Bugsy" Rumsfeld, wants me to do for him." They're very close—swapping spit.

Now, this clown, and the people behind him—their greatest virtue is, they are stupid. I mean, we have two guys who I played a key role in destroying, politically, in the United States, in their careers at the time. One was Oliver North. And, my friends and I, we *really wrecked* Oliver North's efforts to become a Senator from Virginia. And he's never come back, since, to any significance. Newt Gingrich we worked to destroy. I considered him a #1 enemy of Bill Clinton, and did everything I could to try to destroy Newt Gingrich. And finally, with Newt Gingrich's own help—because he's also a fool

and an idiot—was destroyed, and out of the key position at the time, that the impeachment proceedings were dumped against Clinton. And, they were dumped against Clinton, not because of Monica Lewinsky, but because they wanted a pretext to get him out of there, because they didn't like what he thought about economic reform, or monetary reform.

So, at this point, the idiots, who are backing Newt Gingrich—including Newt Gingrich himself—are bringing up an issue, which were better forgotten, if they had been wiser. The one thing these guys should *never* have done, if they wanted to slide something through—*never again*, drag that idiot, Newt Gingrich out, and display him in public! That is one thing, that is going to cause mass-to-mass, and coast-to-coast vomiting, across the United States, and around the world. And it's going to be very interesting, to see how the friends of Bugsy Rumsfeld dig their way out of this Gingrich flap that they've created.

DR. FREEMAN: Aaron, do you have a follow-up question?

Aaron: Yeah. I had mentioned counter-coup that you're running against this group that has, kind of, kidnapped the Presidency. I wonder if you could elaborate some on that?

LAROCHE: Well, look, you've got a mess in the United States, in terms of our institutions. We have the so-called "party institutions," which is largely related to the Congress, and also other state legislatures, but the Congress is the center of it. Then, you have the Executive branch. And the Executive branch has people who are permanently part of it—they're permanent government employees, or they're outside of it, but closely related to that, around the institutions.

Then you have the Presidency itself, the inside of the Presidency. Well, at the top, the Presidency, right now, doesn't function. It's a mess. I mean, George Bush should not have been afflicted with the responsibility of becoming President. He's sort of a short-circuit trying to find a fuse, eh? He really shouldn't be President. He's actually a victim: He's sort of like the Trilby, for Svengali Cheney, which is terrible. I don't have any bad wishes toward the President, but the man is a fool. And perhaps some members of his own family would agree with me on that one.

So, you've got a situation of that type.

The problem now, is: How do we function under these circumstances? You find that, in the government, there are people who are in the permanent institutions, or closely associated with them, who have an understanding of what some of the problems are—the military problem, for example. I think the professional military, with their—shall we say—"boots on the ground" people, had a good understanding of what the problem is: the *stupidity* of the military policy of Rumsfeld and Co. They understand that—and they're *right*. Complete insanity. Dangerous insanity.

Other people, from the diplomats, understand the insanity of Bolton and Wurmser, and people like that, who've infested the State Department; similar types.

But, the problem is, the party system isn't working. That's where the problem lies. So therefore, we're in a situation, where, with the forces which are patriotic forces—in the best sense of patriotic—are trying to save the United States. We're discussing things. *We*, in a sense, because I'm part of it—we're discussing these things. We're discussing these problems. We're doing our research. We're looking at our precedents. We're looking at possible cooperation from Europe and elsewhere, on dealing with mutual problems. So, we're seeking a solution. I think we can get one.

But, the problem is, at present, is that political party leaderships *do not* function. The Republican side is crippled by the fact that the incumbent President is not really "all there," in understanding these problems. And, especially his economic policy, is clinically insane. On the other side, the Democratic Party is crippled by the Democratic Leadership Council, which is largely a bunch of organized-crime-connected fascists—really clear; I mean, that's what it is! And, they're pro-war, as the

Lieberman case illustrates that.

So, the Democratic Party isn't functioning. The Republican Party isn't functioning, except they're throwing up, now, some degree of opposition to the erroneous policies of the leadership.

So that's where we stand. I'm in the middle of it. And I'm optimistic. I don't have any guaranteed, simple solutions. I'm just optimistic, and I'm optimistic because I'm disposed to continue fighting!

DR. FREEMAN: Lyn, thank you.

Do we have a question for Mr. LaRouche from the Northwest?

Gabby: I have a question. This is Gabby from Philadelphia. Mr. LaRouche, you've been rallying countries throughout the world around the idea of an economic cooperation for the Eurasian Land-Bridge. So, my question is: What role does the Eurasian Land-Bridge play in reviving the American political system of economy?

LAROCHE: Well, fine. What you have now, is typified by a rather organic development. That is, this stuff was not exactly planned, even if there plans in this direction, and thinking in this direction. What you have now, around the St. Petersburg meeting, an intensified cooperation among Russia, France, Germany, and other countries, who were drawn into that orbit; at the same time, you have Western Europe and Russia combined, are oriented toward long-term cooperation with parts of Asia, through Russia, to China, India, Southeast Asia, North Asia, and so forth.

So, what is happening, organically, out of very simple kinds of response to reality, are new measures of cooperation, of growing cooperation, along these lines of Eurasian cooperation. You see, Turkey does not want to be involved in crazy wars in the Middle East. They want to have an economic orientation toward cooperation with Europe. Turkey would like to be part of the European Union, or something equivalent—to have an economic partnership with Europe. The United Kingdom—Britain, and so forth: They do not want to be separated from Europe. They want to have cooperation *with* continental Europe, in order to participate in this Eurasian global cooperation. That is a very specific, central part of the world situation, today.

If I were President right now, you would see things that people would consider a miracle, happen instantly. Because, these countries, in Europe and Asia—with me, as President of the United States, and saying, "Let's have a meeting; let's deal with this problem"—that meeting would occur quickly! And, there would be many difficulties and problems, as there always are, in a meeting of that type, but we would come very soon, to a basic agreement on cooperation, which would get this world moving *out* of the present world depression, in the direction of the old Bretton Woods reforms. And that would work.

The world is ready for it! The way in which that's moving, is not simple. We've made proposals, like the Land-Bridge proposals, other specific proposals: These things are all in the background; they're influencing the thinking of people. But they're not going on their own. People are not just rallying around a New Bretton Woods idea, or a Eurasian Land-Bridge idea. But, these ideas in the background, are influencing the way that governments and others are thinking about, exploring approaches, to cooperation. And they're understanding, that we have an economic crisis, that we have to solve it—it's there. And therefore, all you need, right now, if I were President of the United States—I guarantee you, *we could have a positive result*, in terms of relations with these countries. We could also, very easily, with my good relations with many people, and good reputation in South and Central America, we could deal with that. And, if we could deal with that, I would be very *happy*, because we would have the power, to intervene in Africa, to stop the genocide there.

DR. FREEMAN: Gabby, do you have a followup question? You can ask anything you want, go ahead.

Gabby: I was going to ask: What role does the economic crisis play as a driving force behind the war. Because, you have said, Mr. LaRouche, the issue at hand was never really Iraq. [inaud] So, I was wondering what your view on that was?

LAROCHE: Yeah, right. It was not. There's no Iraq War. The Iraq War was always intended simply as a detonator to get a general war going—the Clash of Civilizations war—going against Islamic peoples, in general. That was the purpose, all along. There was not a motive. There was not an incident. There was not an issue, which caused the war. What caused the war, was the *intention*, to set up a world system, based on picking a fight with Islam. And from the beginning, from 1991, when Cheney first was pushing this against the former Bush Administration, while he was in it, the issue was *to get the war started*. So, there was not a simple economic issue for the war.

The economic issue is indirect, as I indicated earlier, in comparison to Germany with the Reichstag fire: Because the economic crisis is insoluble, in its present form—that is, the present international monetary-financial system can not be saved; there's no way to save it. So, you've come to a point, where the system, which certain people control, can not be saved. The economy can be saved. The nations can be saved. But, that system can't be saved. It has to be wiped out, reorganized, put through bankruptcy reorganization; put into receivership. *They don't want to go into receivership*. Therefore, they say, "We'll set up a dictatorship. We'll be the dictator, and you won't be able to do anything about it."

So, to do that, they got this idea of this war: It's called the so-called "End of History" philosophy of people like Alexandre Kojeve and Leo Strauss, and their followers, who are largely in the U.S. government today. These idiots, these maniacs *have this policy*: "We are not going to let a reform of the international financial system occur." How? "We're going to *prevent* any reform, by establishing *total, world dictatorship, Nazi-style*. World empire, Nazi-style. And that's what the motive is.

So, there is an economic relationship—that is, the economic crisis produces a situation, where these idiots say, "Rather than accept a reform of a failed economic system, we will established a world dictatorship, fascist-style. And you guys, who want to reform the system, won't be able to do a thing about it, *because we'll kill you!*" And, it's that simple.

DR. FREEMAN: I think that what we can do now, is, I'm just going to open it up. People can identify where they're from and ask their question. If anyone has a question for Mr. LaRouche.

Ken: Yes. My name is Ken. I'm from Emporia State University, the *Emporia State Bulletin*: My question is in regards to some of the financial crisis that a lot of the public education systems are going through, right now. Do you have any ideas to help alleviate some of that pressure from schools, because many of the cuts from state funding are going directly into education? So, do you have any solution for this?

LAROCHE: Yeah. Actually, it should be a national policy on this question. I don't think there are simple solutions; I think there is a generic solution. That is, look—first of all, we've come to a period in world history, in which the level of education development of the population of a modern society, requires that, with the 18 to 25 generation, now be eligible for universal education, as opposed to being some kind of gibberish for a few, or selected few, of the total population. We need a well-educated population from 25 years of age on down.

Therefore, the public educational systems, have to be looked at as a *national infrastructure resource*. For example, take the case of what we used to have before 1973: the Hill-Burton legislation in medical care, where, we had a policy, that we would have annual targets for standards of care in every county of the United States; so any person, in any county, would have access to certain kinds of hospital and related care, which we looked at as the parameter, the determinant, of overall medical, and also sanitation.

We have to have a Hill-Burton for education. We now have to say, as a matter of policy, that the age of up to 25, which is the higher education level, is a right of every citizen, just the same way that Hill-Burton tried to realize the right to health care, of every citizen. And therefore, we're going to have to say, "We're going to have to spend the money to do it." The way we're going to approach that—spend the money—is, we have to *raise* it. That means, we have to revive the economy, go back to being a producer society again, and generate the wealth which permits us to do that.

In the meantime, we're going to have to fight for education. We're going to have to fight, heel and toe, rearguard, all the way through it. For example, with the youth movement organization: At the same time that it's a political movement, it's a fight for education. My view is, that based on a principle of scientific truth, as it applies to standards of scientific and Classical education, that every person between 18 and 25, has a right to an education, which gives that part of world history, world knowledge, makes it available to them, so they can participate, as that kind of people—for the benefit of society. And, in the meantime, as a practical measure, as a political movement, around my candidacy and other things, that the fight to secure that kind of education—both in the right to have the facilities for such education, and the right to have it delivered to those facilities—is something we're fighting for.

My view is, by fighting for it, even sometimes by rearguard methods, which your question seems to point toward—even by fighting for it by rearguard methods, we are fighting to build, positively, the policies for the future. And, even though we have frustrations at present, by fighting through frustrations, we will create the movement and the understanding to bring into being the kind of policies, which will guarantee that protection for everyone.

But, the basic point is—my view is: If we look at the world today; we look at technologies; we look at the requirements of humanity, to meet physical and other problems of life, we now have to have a policy—especially in developed countries, but spreading into less-developed countries—in which the idea of a general higher education is a *right* of every part of the population. We have to begin to deliver on that right. We have to at least take the undergraduate level of higher education, and start with there. But make sure we are, more and more, expanding this kind of thing, so that everyone between 18 and 25 has a sense, that they have a right, to develop their abilities in this direction. And, in the meantime, the practical thing to do, is not just to come up with a master plan—yes, we should have master plans; we should have a Hill-Burton equivalent for education—but, in the meantime, the thing is, to organize to fight for it.

DR. FREEMAN: Do you have a followup question?

Ken: Yes. From what I gather from that, you want almost a nationalized post-secondary educational system? Is that correct?

LAROCHE: Not exactly. I would say "national guarantee." But, remember how Hill-Burton worked: Hill-Burton worked on the basis of a process, in which you would have public institutions, you would have voluntary hospitals, you would have private hospitals—all cooperating, with clinics and so forth. They would an annual meeting, which would involve the state, the municipality, the Federal government, all meeting; and they would get together, and they would say, "Well, we need so many beds in this community, of a certain quality, and certain facility. How are we going to provide this? Well, we get a certain amount of money from health insurance plans. We get a certain amount of money by private contributions and so forth. So, we have to work out a budget, which will provide the number of beds, and similar kinds of things in that community for the coming year. And, we will go out, as the Federal government, the state government, the local government, and other institutions; private institutions will volunteer: And we will raise the money to create the facilities to provide this."

My view is, the same thing should be done for education. We should take the private institutions, and so forth—keep them in place. We should supplement that with public institutions, which we subsidize. And in general, just make sure that the provision of an adequate assortment of educational facilities is made available to the population. We don't care whether

they're one or the other. But, we should work together as institutions, as Hill-Burton people worked together—as in New York City, prior to 1975. It's a good example, or prior to the 1973 HMO bill—it's a good example of a city—which is not perfect, but had a very good health care system. If somebody dropped in the street, some citizen would say, "Call a cop!" The police would come. The person would be taken to the nearest facility available to deal with that, and somebody would worry a day or two later about who was going to pay the bill. And, that's the kind of system we want for education.

DR. FREEMAN: Lyn, thank you. We've gotten a question via e-mail, from the UCLA campus. UCLA asks: "Mr. LaRouche, do you think, to a certain extent, that the Chickenhawks feel boxed in, and that beyond just freaking out publicly, that they might resort to nuclear war against allied nations?"

LAROCHE: Yeah, there's no question of that. If you go back to 1991: From the beginning, the group around Cheney, the Chickenhawks have been committed to preventive war—that is, war with no provocation or no immediate danger—preventive war, and to the use of nuclear weapons, and to the promotion of "mini-nukes," so-called, for this purpose against nations which have no nuclear weapons capability. So, the intent now, is, from the Cheney crowd, is *that*.

They are committed to preventive war, in any place they "feel" like attacking. They want the war. They want the killing. The same way the Roman legions in the Roman Empire, you went out on the borders to seek people to kill! The way the Roman legions committed genocide against Germans, for example, simply because they were *there*. This targeting of Islamic populations is simply that.

So, these people are determined to use, what they call "terror." It's a policy which was developed by Bertrand Russell and H.G. Wells. You look at the old film—the script was written, the scenario was drafted by H.G. Wells—"Things to Come." This war: The idea was to use forms of war which are terrible, and Bertrand Russell was the person who pushed to have nuclear weapons used as a weapon of *terror*, to bring about world government. To use this *terror*, to bring about world government—which means world empire.

These people are determined to create a world empire, through *nuclear and related terror*. They will use nuclear weapons. They have stated they intend to use it. They will seek war, where there is no provocation that justifies war, simply because they "feel" that they must do that, to prevent somebody from coming up in the future, and being an opposition. Or, because somebody is displeasing them—like France—who knows? They might even make an attack on France. It's not impossible. I don't think it's likely in the immediate future, but their *mentality*, the mentality shown by these guys, is, they would *love*—like Richard Perle—would *love* to put nuclear weapons down the throat of Jacques Chirac, the President of France. It's that kind of mentality; it's a *Hitler-like* mentality.

And, they will use nuclear weapons. It is not merely a matter of speculation: It's specified in that policy. It's been there since 1991.

DR. FREEMAN: Do we have any further questions?

Scott Lawson: Mr. LaRouche, you're talking about world policies. What about internal American policies? What are your reactions to [inaud].

DR. FREEMAN: Do you want to identify where you're from?

Scott Lawson: My name's Scott Lawson [ph], and I'm with Indiana Purdue-Fort Wayne newspaper.

LAROCHE: Well, yeah, sure! We've got a lot of problems. First of all, we've destroyed ourselves as a nation, internally.

You're coming from an area where there used to be a lot of industry. What about it now?

We used to have a population, which was vigorous. We're producing—soon, you can get from my website, which is being produced at my request—a comparison of what it costs for education, health care, and so forth, as a percentile of income of family households. And, if you look at some of these figures, which we're putting out, as part of our statistical studies of this sort of thing: You see what's happened to the U.S. population. You see our productivity had collapsed. We are no longer able to produce the standard of living, on the average, that we used to have. Yeah, some people think they're super-rich, but—most of them are not.

So, we have a domestic problem. My view is, that we have to mobilize the United States, in a way resembling what FDR did: We have to take certain projects—largely large infrastructure projects: water projects; transportation projects; power generation and distribution projects; things which normally fall into the public area, or the public utility area. We've got to put credit into those areas, or investments, which are actually involve 25-year-cycle type investments. We have to rebuild the U.S. economy.

We have to use these public investments, in the public sector or the public utilities sector, to drive the expansion of employment in industries, which will benefit from the stimulus provided by these public ventures. We need a new railway system or the equivalent for the United States, for example; that sort of thing.

So therefore, we have to have a policy, of retooling the United States, to go away from being a consumer society, which is what it's become over the period since 1964 (especially '71), back into becoming a *producer* society, in which the production of wealth, including in local communities—. Take one example of this: Let's take deregulation, under Brzezinski's direction, during the Carter Administration. Now, we used to have a system of regulated transportation costs, in trucking, and rail, and so forth. And, the idea was, that we would ensure that a fellow in some small community—say in Michigan or some other part of the United States—would be able to set up a business, to employ people in that community with the same access, and the same efficiency of access, to transportation of goods in and out of that community, as in some major center, like Cleveland, Ohio, or Chicago, or someplace else. What we did, by deregulation: We took the whole trucking industry. We shut down all the warehousing operations. We took the trucking industry, and rail and so forth, and we jammed them all into a few centers; and we starved to death "Middle America." We starved to death the smaller communities in the United States. By starving them, we deprived them of the means to support, with their local tax revenues, their own local institutions—schools, hospital facilities, and so forth. We lowered the income level, in the average community, in these communities, which no longer had equitable access to mass transportation, for freight, and things of that sort.

So, we have to rebuild the United States, internally, back into the kind of producer society, of which we used to be mightily proud, back in the 1950s and early 1960s. The direction we've gone in, in going to a consumer society, to a post-industrial society, *is a terrible mistake*, and we have correct the mistake.

That's the gist. My view is, that the role the United States should play, internationally, as a key catalyst for bringing together a community of sovereign nation-states, in cooperation around the world, in major projects—that we have to use that role we play, and should play, in order to develop our *internal* economy, our communities, back into, what we wish they would have become back in the 1950s and early 1960s.

DR. FREEMAN: Do you have a followup question?

Scott Lawson: Just more specifically, about the Patriot Act itself, does that surprise him, that it was passed by Congress, and that's what we're dealing with right now?

LAROCHE: No, I'm not surprised at all! Actually, I was pleased, of course, but I was not surprised. The "Crisco Kid" is not my hero. It doesn't make any sense.

I've had occasion to deal a lot with security questions of the United States, and so forth—terrorism and that sort of thing. Not only *in* the United States, but other countries where I've been involved in investigations in dealing with the problems of terrorism and so forth. And the key line of defense, for the security of the United States, is local law-enforcement; *good quality, local law enforcement*. My ideal in law enforcement starts with the cop on the beat, which we used to have. We sort of discontinued that institution. The policeman, who's professional and who has a feeling for the community, who realizes that something strange is happening in his community, and, it may not be wrong, but it's strange, therefore he looks at it. Then he, and his local police department—and other agencies, district attorney and so forth—are in touch with law enforcement agencies at the state and Federal level. An example is on questions like drugs, or other kinds of specialized areas. And therefore, you have, automatically, with the cross-cooperation with these legitimate law enforcement structure agencies, and certain intelligence capabilities—departments like the State Department and so forth, which are involved—we have the ability to do an assessment on what the threat potential is, in an area.

For example, we had this thing in Northern Virginia, I referred in a broadcast: We had a bunch of people, who moved, because law enforcement was stripped down, in Northern Virginia—drug gangs operating out of the Washington, D.C. area moved into Northern Virginia. And when you have drug gangs moving into an area, you're going to have every possible kind of crime. If you want to run terrorist acts, in a community, in any part of the world, find yourself a good drug-running organization. And what they represent will be something you can tap into, as a cover for running some kind of terrorist act.

So therefore, the direction we have to go, is not high-falutin' dream-world fantasies—George Orwell types of fantasies; what we need is basic law enforcement, and basic, top-to-bottom cooperation among Federal and state and local law enforcement agencies. That's our first line of defense. *Then*, your more sophisticated counter-terrorist investigations, can plug into that. And say, go into a community, "We think we have a problem here." And that kind of exchange, to my knowledge, from dealing with actual situations of drug-trafficking and terrorism in various part of the world, *that works!* We used to have it.

The problem is, we stripped down what we used to have, and we concentrated money in this crazy idea of this super-agency—this sort of Gestapo kind of thing—as opposed to strengthening the basic capabilities, which we have, and we know how to use. So, coming in, with a high-falutin' super-agency is not a solution. Stick to strengthening things which we have, which are institutional, with real professionals—things we know work.

DR. FREEMAN: We have time for another question.

Question: Debbie, this is engineering in Leesburg. I think there was half a sentence clipped off of that last question, and it appeared in the response that Lyn's first sentence was saying that he was *pleased* by the support in Congress for the Patriot Act.

LAROCHE: No. I was *pleased* for the *lack* of support for the Patriot Act in the Congress—by the *lack of support*.

DR. FREEMAN: Okay. Do we have another question? Well, with just a few minutes left to the broadcast, I'm going to ask Mr. LaRouche, if he would like to make any closing comments.

LAROCHE: Well, it's been fun. And, it's not conclusive, because this is an ongoing process, and it's useful. And I hope that others found it as useful, as I think it might have been.

U.S. Economic/Financial News

Crumbling of U.S. Economy Leads to Run from the Dollar

The internal collapse of the U.S. economy, combined with its dependence upon a subsidy of foreign capital, has caused a flow of money out of the dollar and into the euro, which is increasingly being seen as, if not exactly a safe haven, at least a less risky one.

As a result, the dollar has fallen sharply against the euro. Today, a dollar will buy just euro 0.92, compared to a peak of euro 1.21 in October 2000, and euro 1.15 as recently as March 2002. This week, the dollar reached a four-year low against the euro

Eurozone investors who put their money in the U.S. stock market during the 1999-2000 period, lost money both on the decline of the market and on the decline in the value of the dollar. Much of these funds have been moved back to European markets, where at least the currency loss is eliminated.

More ominous is the prospect of an abandonment of the dollar as the world reserve currency. The role of the dollar as the currency of the world oil trade is coming under increasing concern, as the U.S. economy deteriorates, and U.S. foreign policy shifts toward a "Clash of Civilizations" with a large chunk of the oil-producing world.

Indonesia's state oil company, Pertamina, "dropped a bombshell recently" with its announcement that "it is considering dropping the U.S. dollar for the euro in its oil and gas trades," *Bloomberg* reported April 17. Such a move, *Bloomberg* warned, "could have major implications for the world's biggest economy. Other Asian countries may not be far behind in any move in Indonesia to dump the dollar. The reasons for this are economic and political, and they could trigger a realignment that undermines U.S. bond and stock markets over time." (For more on Indonesia's move, see [ASIA DIGEST](#).)

Against this slide into economic catastrophe, the Bush Administration's one-note "economic policy" of tax cuts is ludicrous, and dangerous. Combine the Bush "plan" with the Fed's promise to bail out the system no matter what the cost, and you have the certainty of continuing cuts in the infrastructure and services safety net which are essential to the welfare of the population and the productive capability of the economy.

Leading Economic Indicators Fall

The Conference Board's Index of Leading Economic Indicators fell by 0.2% in March 110.6, blamed on fears of higher oil prices, the war in Iraq, and potential terrorist attacks, *Associated Press* reported April 21. The bigger threat, warns the Conference Board, comes from consumers' lower expectations, raising "the specter of a fall-off in consumption growth."

Top Corporate Pension Plans Face Huge Deficits

The top 100 U.S. corporate pensions plans face a \$157-billion *deficit* in 2003, down from a \$183-billion *surplus* in 2000. The causes for this include money lost on investments in the stock-market collapse, combined with falling interest rates; increasing liabilities; and the fact that a number of "boom" years, based on fraudulently misrepresenting the return on their pension investments, now have to be compensated for. Overall, the 100 biggest U.S. corporate defined benefit pension plans, lost \$340 billion in funding over the past two years—\$172 billion in 2002, and \$168 billion in 2001—according to a recent survey by Milliman USA.

General Motors, the largest U.S. pension plan, lost \$13 billion in 2002, after losing \$12 billion in 2001. Of the 100 companies surveyed, 87 had a deficit in 2002—more than four times the number (20) in 2000.

The deficits have forced companies to increase their contributions to the pension plans, up to \$33.6 billion in 2002—more than triple the \$9.2-billion level in 2001.

Officials Beginning To Admit: It's Still the Economy

With eight months before the official start of the Presidential campaign, Administration officials admit that "deeper fundamentals" of the economy are the problem, not just uncertainty over the war, and they have to get cracking, sources told the *Washington Times* April 21. At a recent White House briefing for 80 business leaders, President Bush's political guru Karl Rove was pressed on why the President did not make a speech to Congress on the outcome of the Iraq war, and use the occasion "to pivot over to the second big issue: ... growing the economy." The *Washington Times* sources said Rove "ducked" the question.

Bush's Vulnerability in 2004 Is 'The Economy' Again

In a commentary the *Financial Times* of London April 21 called "The staying power of an odd recession," Clinton's former Labor Secretary, Robert Reich, points to the economy as President Bush's vulnerability in 2004, just as it was his father's in 1992. The White House is nervous, as the current "recession is far from being over," Reich points out. Almost a half a million jobs were lost in the last two months alone. Consumers are deep in debt; they were "already in a hole when the recession started, but the hole is now so deep that many cannot climb out." He describes how the housing bubble could blow, when interest rates rise, "because America as a whole is deep in debt," and the Federal deficit is gigantic, even as the U.S. imports far more than it exports.

"So what happens to an economy with continuing job losses, high consumer debt, and a weakening dollar?" asks Reich. "It does not rebound any time soon. Indeed, there is a significant possibility that it will not do so before the next Presidential election in November 2004."

Defense Department Error Shows Outsourcing Jobs Fails To Cut Costs

Another mess for Donald Rumsfeld's Department of Defense has turned up in the area of economics. A *\$30-million error* just discovered by the DOD's Inspector General is calling into question the Bush Administration's drive to privatize government jobs that are not "inherently governmental," the *Washington Post* revealed April 21. The Inspector General's audit found that a consultant hired by DOD overestimated the personnel costs of keeping those jobs *inside* the government. This error made the contractor's bid appear to be \$1.9 million cheaper, when, in fact, it was \$29.9 million more expensive than what the DOD would pay workers directly.

The contract at issue, to Dallas-based Affiliated Computer Services to process payments to military retirees for the Defense Finance and Accounting Service, replaced 650 government employees in Denver, and is potentially worth \$346 million over ten years. The IG report called on DFAS to determine a specific course of action, including to explain why a recompetition should not be held.

The Inspector General's report comes as the Bush Administration is proposing to privatize 850,000 government, on the theory that "competition" in the private sector always makes the work cost less. Several members of Congress and the American Federation of Government Employees labor union are saying the process is unfair to government workers.

New York Housing Market in Trouble

According to a just-released report by Douglas Elliman Manhattan Market Overview, Manhattan's residential real estate market has weakened for a second consecutive quarter. Sales fell 8.4% in the first quarter 2003, while average apartment prices dropped 3.7%. Inventory soared 6.2% compared with the previous quarter, the highest level since the company started tracking it in 2000. Prices on condominiums, that is, normal private apartments opposed to cooperatives, tumbled 12.7% to the lowest level in more than two years. London's *Financial Times*, reporting on this April 22, notes that "layoffs in the financial services industries may now be starting to bite."

Pharmaceutical Layoffs Could Bankrupt Central Michigan Cities

Pfizer Pharmaceutical's promise of "shareholder" values is expected to bankrupt central Michigan cities, after Pfizer completed its buyout of Pharmacia Corp.—one of west-central Michigan's largest employers—last week. Pfizer promptly announced it will begin layoffs in June.

The layoffs will hit Kalamazoo the hardest, where city officials are already exploring filing for bankruptcy protection in anticipation of a minimum direct tax revenue loss of \$4.8 million. Combine this with an expected \$6.6 million loss from state aid cuts, and it comes to a 14% loss of revenues.

Add to this another \$4.5 million in losses to the county, community college, school, and library budgets, estimated by local business analysts, as well as the likely axing of another 1,275 jobs in non-Pfizer jobs such as barbers, accountants, etc., and you can see why officials are considering a bankruptcy filing.

But the Pfizer move will also have huge ripple effects across central Michigan. Battle Creek, the second largest city in the area, is bracing for the worst, too. A regional research institute estimates that the total job loss would erase \$40.5 million in personal income of Kalamazoo residents and \$154.6 million countywide. Such devastation is all for the purpose of extracting the "savings" for shareholders which Pfizer promised when it bought Pharmacia.

Wall Street Police Blotter—for One Day

The following criminal cases were being reported in a single day, April 23, in the *Wall Street Journal*, indicating that the corruption of the "New Economy" financial fraud revealed in the Enron case and throughout the once-hot "IT" sector continues.

*ExxonMobil—The investigation into charges of \$78 million in bribes to officials of Central Asia's Kazakhstan by ExxonMobil "has turned into the largest investigation" of corporate bribery in the last 25 years.

*Credit Suisse's Frank Quattrone was hit with criminal charges (not just civil) of obstruction of justice, for ordering the destruction of documents under investigation.

*HealthSouth and Ernst&Young, under criminal investigation for false billings to Medicare and Medicaid, are also to be investigated by Congress, bringing all their records into the public eye, probably this summer.

World Economic News

WTO Very Grim About World Economy

When the World Trade Organization starts to worry, the situation must be very bad, said one economics commentator about the press release summarizing the "World Trade Figures 2002" report issued by the WTO on April 23. The report points to "considerable uncertainty" clouding trade growth prospects for 2003. Growth rates for international trade volume have plunged to less than half of the average rates achieved in the 1990s (6.7%) and will further shrink this year to less than 3%, states the WTO. (It has to be noted that the growth rates in the 1990s were not generated by a growth in output, but rather by increased cross-border transport due to the outsourcing of production facilities.)

According to the WTO, "The downside risks on predictions for 2003 are large, bearing in mind continued sluggishness in the world economy," characterized by "the weakness of the global economy, greatly reduced investment flows, major movements in exchange rates, dented business confidence, increased restrictions on international trade transactions to reduce risks from terrorism and rising geopolitical tensions.... The weakness of fixed investment expenditure contributed significantly to the sluggish overall growth in the industrial countries. Worldwide expenditures on electronic equipment, IT hardware, and semiconductor plants continued to shrink."

The WTO then points to certain extraordinary developments during the last year:

*"Unemployment and underemployment worsened in most regions. Recorded unemployment rates rose in North America, Western Europe, and Japan. In the latter country, the unemployment rate reached an historic record of 5.5%, more than twice the level reported in the early 1990s. In Latin America, the steep decline in output has led to a sharply worsened employment situation: the average urban unemployment rate in the region increased to 9.1%, the highest rate observed in the 1990s."

*International capital flows "have experienced a drastic contraction," which can be illustrated by the "pronounced" fall of foreign direct investment (FDI). From \$1.2 trillion in 2000, FDI flows in 2001 "collapsed by about 50%, and in 2002, by another 25%, falling back to about \$500 billion." This global meltdown in FDI flows took place in spite of continued strong FDI flows to China and Central/Eastern Europe.

*"For the Latin American region, 2002 turned out to be one of the most difficult years since the debt crisis of the 1980s." Private net capital inflows to the region, exceeding \$60 billion in 1999 and 2000, have suddenly disappeared. Currencies in the region were hit by "devaluations ranging between 50% and 70% in the most affected countries." Particularly dramatic was the economic deterioration in Argentina, which experienced "a massive cut in imports (-55%), which exceeded even the worst import contractions during the Asian financial crisis." Also other Latin American countries, including Brazil and Venezuela, saw one of their "worst years" in 2002.

*Finally, the WTO is very worried about the future of globalized markets as a consequence of unilateral actions by the Bush Administration: "The impact of a military conflict in the Middle East could also pose a challenge to international relations which go far beyond the questions of oil supplies and regional stability. Military intervention could have the effect of testing the whole system of international institutions and agreements, which have until now provided the basis for global governance, ushering in a new and more uncertain era in international relations. The erosion of confidence in global institutions could encourage the creation of the like-minded blocs and inward-looking policies."

Polio Cases Rose Sharply in 2002

Polio cases rose sharply in India in 2002, according to a report by the U.S. Centers for Disease Control and Prevention, based in Atlanta. The battle against polio hit its biggest roadblock last year in the northern Indian states of Uttar Pradesh and Bihar, which reported the worst outbreaks since 1988, when the World Health Organization (WHO) embarked on a major eradication program.

According to the CDC, polio cases rose worldwide from 483 in 2001 to 1,920 in 2002, with India suffering almost 70% of all cases, and with a reduction in the number and quality of mass vaccination programs accounted for the increase. "In certain parts of country, the vaccinators just did not reach all the kids they should have," said Steven Stewart, a spokesman for the CDC. Mass vaccination programs have been the linchpin of global efforts to stamp out the original form of the polio virus, as well as preventing the incidence of its vaccine-related form.

European Commission Lacks Means to Finance Trans-European Infrastructure

In a special memo titled "Building the trans-European transport network—Innovative funding solutions," the European Commission on April 23 noted that "without high-performance transport networks, economies cannot be competitive. The creation and smooth operation of the Trans-European transport network, which became official Community policy 10 years ago, is a key condition for the success of the internal market and to ensure sustainable mobility in an enlarged Union." However, while "traffic on the network is continuing to grow," the "transport infrastructure is still under-financed."

The issue is even more important in the context of European Union enlargement, which requires additional infrastructure financing. Anyone would agree, stated the memo, "that one of the keys to a successful enlargement will be the creation of a proper transport infrastructure network, which supplies the links still missing between the Fifteen [current members] and the new member countries." This will involve "infrastructure being modernized or newly built, not just in the future member countries, but also in the existing EU Member States, given that some projects have not yet been carried out, that new traffic flows will develop, and that connections between the two zones are few and far between."

Apart from technical and planning problems, "the main difficulty facing TEN (Trans-European Network) is funding. The estimated cost of the trans-European transport network alone is around 400 billion euros for all the projects to be completed by 2010, plus over 100 billion euros more for projects involving the future Member States." But the Commission is only putting a combined 15-20 billion euros into the various TEN projects per year; "this funding is clearly inadequate to complete all the planned projects by 2010."

The European Commission doesn't offer any new thoughts about how to overcome the failure of TEN funding. It just points to the "paradox" that the European Community was made responsible for improving and enlarging Trans-European infrastructure "without granting it the financial resources to execute that task." Public infrastructure spending by national governments is constrained by the Maastricht Stability Pact, and private-public partnerships would only work in a few cases. So what should be done? More taxation, such as a European-wide electronic toll systems, says the Commission.

Philippines Considers Fascist Labor Laws to Meet U.S. Hiring Demands in Iraq

The Philippines is now considering fascist labor laws, to facilitate the export of its labor to serve the empire policies of the United States in Iraq. Since the onset of the Iraq war, the Philippines government has created a super-Cabinet position to run the mass export of labor (perhaps 100,000) to serve the occupation forces in Iraq. Ironically, however, with continuing chaos in Iraq, and the refusal of the UN Security Council to lift the 12-year sanctions on Iraq without the UN certifying that there are no weapons of mass destruction, the "bonanza" of reconstruction contracts and jobs may be a chimera.

The man assigned to the super-Cabinet position, Bobby Romulo, is off consult with representatives of the U.S. occupation government. In Manila, Trade and Industry Secretary Manuel Roxas is considering the proposals of the Federation of the Filipino-Chinese Chamber of Commerce and Industry to promise the creation of 3 million jobs in the next two years in exchange for a 10-year ban, imposed by the government, on all labor strikes!

Thrown in for good measure is a reduction of minimum wage for "new recruits, until they gain experience." These overtly

Nazi policies coincide with the deployment of U.S. combat troops into the most volatile Islamic regions in the country's south. Opposition to these measures appears to be muted thus far.

Argentina Hit with Lawsuits by Private Lenders To Recover Loans

Holders of private debt on which Argentina defaulted are suing to get their money back. Although Argentina has begun the process of restructuring the \$52 billion in private debt on which it defaulted in December 2001, some creditors aren't waiting to go through the negotiating process. *La Nacion* of April 23 reported that last week, U.S. Federal Judge Thomas P. Griesa ruled that the Argentine government had to repay \$8.1 million to three New York-based investment funds whose lawyers had sued in the Southern District of New York. Now, the Cayman Island-based EM Limited has sued in the same court for repayment of \$595.4 million plus unpaid interest. EM Limited, an obscure off-shore company, claims that lawyers representing Argentina didn't contact it to discuss debt restructuring. The Argentines are said to be seeking at least a 50% writedown of the debt.

These lawsuits considerably complicate Argentina's debt negotiation plan. Francis Rodilosso of the Argentine Bondholders Association says his group is interested in continuing dialogue, but warns more legal action may lie ahead, if the Argentine government doesn't come up with a more "credible option" soon. In an interview with *Clarín* published April 21, former IMF official Claudio Loser threatened that unless Argentina makes solid progress by year's end, the IMF and G-7 will conclude that it doesn't merit future "assistance."

IMF Vultures Circling Argentina

For this story, see [IBERO-AMERICA DIGEST](#), this issue.

Drop in Venezuela's GDP Will Be Largest in History

Due to the Venezuelan government's manipulation of exchange controls, as well as the oil industry strike that began last Dec. 2, the International Monetary Fund's "World Economic Outlook" report predicts a 17% decline this year for Venezuela's GDP—the largest in the country's history. The IMF report then ludicrously states that Venezuela will be the "only" Ibero-American country to undergo an economic contraction this year!

The inability of Venezuelan companies to obtain dollars to pay for imports, has not only affected the Venezuelan economy; it has also hit trade between Venezuela and South Florida, home to many Venezuelan export companies that trade with their home country. Inside Venezuela, Fedecamaras president Carlos Fernandez estimates that some 5,000 small and medium-sized companies, and 12,000 businesses, had closed by the end of 2002, and that another 25% of all Venezuelan companies closed during the first quarter of 2003.

Trade between South Florida and Venezuela dropped by 23% between 2001 and 2002, and is expected to drop another 50% this year. It is also estimated that Venezuela's crisis will cause the loss, directly and indirectly, of at least 50,000 jobs in South Florida.

United States News Digest

Ex-President Clinton Calls for Marshall Plan

In a major address on foreign policy on April 3, former President Clinton emphasized that the challenge of this millennium

is to move the world to an integrated community with shared benefits.

The Bush Administration's view of cooperation, he said, is like that described by Robert Kaplan in *Warrior Politics*—people never cooperate until they are forced to; the U.S. has the military power to make them, and we should use it. Another view of cooperation is expressed in Robert Wright's *Nonzero*: People may not like cooperating, but they realized early on that unless they did, they would destroy each other; so, cooperation has increased throughout history. Clinton said his own view is more like Matt Ridley's *The Origins of Virtue*: People don't want to cooperate, but ultimately, on the verge of destruction, realize they must.

America must have strong security (he elaborated four ways to strengthen it), *but* a security strategy alone can never make us safe: "There's no way in the world we'll ever be able to kill, jail or occupy every actual or potential adversary...."

Instead, we must build a world with more friends and fewer enemies: "Because, at the end of World War II, Harry Truman and George Marshall and Douglas MacArthur (who had fought in World War I and World War II), said, 'Why don't we take a little bit of our money to build a world with more friends and fewer enemies?' That's what the Marshall Plan did, and it included our enemies (Germany and Japan). That's what our efforts in Japan did, to make it a great democracy, and we have to do that." The U.S. needs to give *more* foreign aid (it's not 10-15%, as most Americans think, but less than 1%, the lowest of any of the 22 "richest countries"). We should contribute to the global AIDS fund Kofi Annan proposed (not give money on our own, though he praised Bush for proposing to do something on AIDS); strengthen institutions of international cooperation (accepting that we are not going to win all the time—but it is better to be part of them); make America better at home, so it can lead by example—emphasizing that people around the world love the speeches of Lincoln, FDR, Kennedy; and develop "the mind and heart necessary" to build a world that looks at everyone as "us" and not "them." After talking about the assassination of Martin Luther King, Clinton emphasized three assassinations of great men in his lifetime for their attempts to include outsiders as "us": Gandhi, Sadat, and Rabin, "whom I loved as much as any other man I have ever loved in my life."

Clinton concluded, "The Bush Administration is essentially closer to the Kaplan view. They believe they should maximize power at home, and abroad, and force the changes they want, and that multilateralism and cooperation are often a fool's errand. We've got the power. We've got the juice. We should do the job. I am more in the other camp. I'm more where, at least where Mr. Ridley is. I don't think we ought to ever give up the right to unilaterally use our military when we need to do it, but I think we ought to bend over backwards to build a world in which we are sharing responsibilities, sharing benefits, and sharing our path to the future...."

"And I may not be right about a lot of things, but I think that this big-picture issue is right. I believe that we have to be moving to an integrated global community, and I want America to be the world's leading force for peace and freedom and security and prosperity, but I think to do it we have to have security plus. Plus building a cooperation; plus building a world where America continues to be an example; and plus being a leading light of understanding that this is ultimately a problem of the heart. And we have to keep expanding the world's 'them' into 'us' so that some day, there won't be any 'them,' there will only be 'us'."

Washington Post Promoting Pax Americana

The generally liberal *Washington Post* is shamelessly running debates over "how to" run an American empire, instead of denouncing such talk as un-American. The most blatant example is the op-ed by Andrew J. Bacevich, who has written a recent book on empire, and writes that opposing "Pax Americana" is "honorable," but of no use now, because Bush has already made the U.S. "an imperial power." Being practical, he offers the "insights [that] flow from admitting that the United States ... is engaged in an imperial enterprise."

Bacevich lays out an immediate course of action to "keep" the Empire: pull the U.S. out of the Atlantic Alliance, leave South Korea to itself militarily, and concentrate all of the U.S. forces and attention on the challenges "from the Islamic world, the broad arc of nations stretching from Africa across to Indonesia and the southern Philippines." An even grander plan for world war than Bernard Lewis's already ghoulish "arc of crisis" in the 1970s. Meanwhile, the *New York Times* reports on its front page that Donald Rumsfeld and his Defense Department neo-cons are already planning on creating four permanent military bases to occupy Iraq and expand from there.

Bacevich also says this will shape all other reforms in the Bush Administration: "An imperial military has three functions: to dominate ... to punish ... and to police." And, he says, prepare to stay: Create "new mechanisms for imperial planning and coordination ... [and] one possible initiative is to transform existing military commands into regional political-military headquarters ... reporting directly to the White House." The "empire will need pro-consuls." He adds that "an imperial civil service" will have to be developed.

On the Wimp side (wimpy imperialist), Yale Professor Paul Kennedy warns in another op-ed against "exceeding our reach," suggesting readers take a look at the classic empire book—*Britain's Moment in the Middle East* by Elizabeth Monroe—which turned out to be decades gone sour. He says this should "give pause" before we go on to "accepting the neo-cons' recipes for changing the Arab world." Meanwhile, he forecasts that there may not be an immediate attack on Damascus, because it would "probably provoke the wholesale resignation of the foreign service, including ... Colin Powell," which Bush would not want.

The Empire roundup also includes an op-ed by Ralph Peters, who says there is nothing sacrosanct about the territorial integrity of Iraq, and it should be broken up if necessary: the Kurds especially have to be rewarded—Roman Empire-style—with a country, especially after Turkey betrayed the United States.

The Costs of Empire

In the April 20 edition of the *New York Times*, British history professor and author Niall Ferguson penned a provocative op-ed, entitled "True Cost of Hegemony: Huge Debt," which asks, "Can a global hyperpower also be a global hyperdebtor?" He argues that, unlike the British Empire of the 19th century, which first seized its colonies financially and then militarily, Bush's Pax Americana would have to be built on cash borrowed from abroad—in fact, from the very Europeans who oppose U.S. unilateralism. Being an imperial debtor is a very risky concept, he suggests.

"History strongly suggests that Iraq's reconstruction will require a kick-start of substantial foreign capital, particularly to modernize the antiquated oil industry. Can the U.S. provide the necessary cash, even in the form of private-sector money? The answer is yes—so long as foreign countries are willing to lend it to the U.S. Britain, the world's banker before 1914, never had to worry about a run on the pound during its imperial heyday. But today, as America overthrows 'rogue regimes,' first in Afghanistan and now in Iraq, it is the world's biggest debtor. This could make for a fragile Pax Americana if foreign investors decide to reduce their stakes in the American economy....

"Not so long ago, from 1984 to 1987, dollars were being dumped on the currency markets. Another crisis of confidence is not impossible to imagine, especially if all those foreign holders of bonds worry about the Bush Administration's combination of increased military spending and decreased taxation. Since the creation of the euro, investors have a whole new range of securities in which to invest."

Ferguson concludes: "The good news is that in the past one great empire did rely on foreign loans. The bad news is that it was czarist Russia.... Russia was the first European empire to collapse—first militarily, then politically—as a result of the costs of World War I. You might call being a debtor empire the Nicholas II method."

Historian McCullough Warns of Loss of Historic Sense

Widespread ignorance of American history among students and teachers at U.S. high schools and colleges, is a major threat to the nation's security, historian and author David McCullough told the Senate Committee on Health, Education and Labor last week. "We are raising a generation of people who are historically illiterate," McCullough said. "We can't function in a society if we don't know who we are and where we came from." McCullough's comments echo similar sentiments expressed by Lyndon LaRouche in his keynote at the Labor Day 2002 conference, when he said that one of the biggest problems we face in the U.S., is ignorance of our history and of the nature of our republic.

McCullough pointed out that only three colleges in the U.S. require a course on the U.S. Constitution to graduate; these are the Army, Navy, and Air Force military academies.

Responding to a question, McCullough said, "Yes, we are an exceptional people. The American story is exceptional. The American Revolution was the first revolution of a people breaking away from a colonial power and establishing a free country."

McCullough puts a strong emphasis on the voluntarist element in the making of history. In an interview on the occasion of the publication of his book *John Adams*, McCullough said: "A lot of people think our institutions, our freedoms, our structure of government sprang to life fully formed. Well, it didn't just happen; people made it happen.... Those people who entered into the huge risk of revolution had no guarantee they were going to succeed. In fact the odds were heavily stacked against them. They were up against the greatest power in the world. And only about a third of their fellow colonists favored revolution so they were in the minority.... So when the founding fathers made their pledge [of their lives, fortunes, and sacred honor] they weren't just mouthing platitudes. They were putting their necks on the line. We need to know why. We can never ever know enough about them."

Shultz Charged With 'Grotesque Conflict of Interest'

Bob Herbert's column in the April 21 *New York Times* reviewed the sordid record of (Reagan) Secretary of State George Shultz and his Bechtel Corp. "Oh, how he wanted this war," writes Herbert, pointing to the fact that Shultz chairs the Committee for the Liberation of Iraq, and his September op-ed in the *Times* calling for "immediate military action" and a "multilateral effort to rebuild Iraq." "Gee," writes Herbert, "I wonder which company he thought might lead that effort?" pointing to the "grotesque conflict of interest engaged in by corporate titans and their government cronies who were pushing young American men and women into the flames of a war that ultimately would pour billions of dollars into a very select group of corporate coffers."

Herbert points to a bill co-sponsored by Sen. Ron Wyden (D-Ore.) demanding an explanation of the closed, secret process of handing out the spoils of war. The bill, co-sponsored by Susan Collins, Hillary Clinton, Robert Byrd, and Joe Lieberman, is called the "Sunshine in Iraq Reconstruction Contracting Act of 2003."

Perle Still Under Attack for Conflict of Interest

In a carefully worded April 20 editorial, the *Washington Post* and those it represents make clear that they aren't necessarily finished with Defense Policy Board member and former Board chairman Richard Perle, and his ilk. Entitled "A Case for Disclosure," the editorial reveals that official Washington is littered with "Special Government Employees" like Perle, including outside consultants, temporary employees and part-time advisory committees who are not forced to make adequate disclosure of their interests, holdings, affiliations, and other clients.

The editorial points out that Perle has "numerous business interests touching on the Defense Department," some revealed and some not, and proceeds to detail just a few of these. The editorial coyly continues, "Our point isn't that such dual roles are impermissible or inherently unethical. It's just that the public ought to know about them and be able to judge for itself whether they pose a problem." After all, concludes the editorial, we did this for the Clinton Administration. "The same argument holds true today."

Army Secretary Resigns Over Doctrinal Differences

The April 25 resignation of Secretary of the Army Thomas White ends a troubled two-year tenure, marked by White's disagreements with Secretary of Defense Donald Rumsfeld, and White's own past as a top official at Enron haunting him after Enron's collapse. White's sharpest disagreement with Rumsfeld came last year, when he vigorously lobbied for production of the Crusader artillery gun, almost right up until the moment that Rumsfeld cancelled it. At the time of the Crusader controversy, White was answering questions in front of Congressional committees regarding Enron's accounting practices, which he claimed he knew nothing about. White apparently got into trouble with Rumsfeld again, in February, this time over Army Chief of Staff Gen. Eric Shinseki's statements that the occupation of Iraq would require several hundred thousand troops, which estimate was rejected by both Rumsfeld and Deputy Secretary Paul Wolfowitz as "wildly exaggerated." When asked at a Congressional hearing about Shinseki's statement, White called him "a very experienced officer."

Shinseki himself has long been in Rumsfeld's doghouse, as indicated by Rumsfeld's announced choice last year of Gen. John Keane, the Deputy Chief of Staff of the Army, to replace him when he retires in June. Keane, however, has reportedly decided to retire, rather than take the top post, leaving what the *Los Angeles Times* characterizes as a leadership vacuum at the top of the Army. No new nominees have been announced for either of the top two posts.

Congressman Rahall Rips Charges of Syrian WMD as Unfounded

Charges that Syria is developing a weapons of mass destruction program are "absolutely false ... ridiculous" and come exclusively from Israel, said Rep. Nick Rahall (D-W. Va.) after meetings with Syrian President Bashar Assad in Damascus. Rahall, in an interview with *NPR* radio April 22, said that the meetings he held that included Republican Rep. Darryl Issa (R-Calif.) in Damascus with Assad, were extremely positive.

Asked about charges coming from the Administration that Syria hid Iraqi weapons of mass destruction, Rahall said: "An absolutely false, ridiculous and, no way. First it must be remembered, that this was an Israeli report. I, myself, have not seen it confirmed by *any American* intelligence reports. The President [Assad] said it is silly for us to accept Saddam Hussein's nuclear weapons or WMD. Why would we do that? We absolutely have not done that." Rahall said that once the Administration figures out that the allegations are false, then "probably the rhetoric that is coming out from the Pentagon will perhaps cool down."

Assad is in "almost daily" touch with the British, to work out a diplomatic solution. Rahall said that Colin Powell will have a very successful trip (but didn't name a specific date).

On whether Powell is "satisfied" with Rahall and Issa's talks with Assad, Rahall said, "I imagine the Syrians are getting the message, because President Bush said it himself, yesterday, after fully cognizant of our meeting with Assad. So, I think Powell will have a very good meeting with the Syrian President. The State Department was aware ahead of time of our going to meet President Assad, and actually approved of our meeting beforehand through Rep. Issa."

Rahall said he thanked Assad for the help that Syria has given the U.S. in the war against terrorism, especially against al-Qaeda, which "Powell himself said this has saved American lives." He also added that Syria has a list of some hundreds of

Iraqi leaders who are war criminals by Syrian law, and this goes far beyond the "deck of cards" that the Pentagon passes around.

In fact, President Bush himself, in his interview with NBC's Tom Brokaw aired April 25, commented that Syria seemed to be doing better in cooperating with the U.S., and seemed to be showing more interest in such cooperation.

Grass Roots Resistance Growing to Ashcroft Police State

The *Washington Post* highlights the growing grass roots resistance to Attorney General John Ashcroft's police state measures and his Patriot Act, in its front-page feature on April 21. So far 89 municipalities and cities have passed local laws and resolutions ordering local law enforcement officials to not cooperate with Federal agencies, if it means violating individuals' Constitutional rights. Another dozen cities and towns are in the process of passing similar measures, and a statewide resolution is expected to soon pass the legislature in Hawaii. The *Post* reported, "Across the country, citizens have been forming Bill of Rights defense committees to fight what they consider the most egregious curbs on liberties contained in the Patriot Act."

Earlier this month, Reps. James Sensenbrenner (R-Wisc.) and John Conyers (D-Mich.) sent a joint 18-page letter to Ashcroft, challenging the Justice Department's use of "national security letters" to force businesses to hand over records, and demanding an accounting of how the DOJ has been implementing the Patriot Act. The leak, earlier this year, of a draft of "Patriot II" with even more egregious violations of Constitutional rights, has triggered further protests, the *Post* reported. Of course, the *Post* failed to mention that Lyndon LaRouche has been leading the fight against the Ashcroft Nazi police-state drive since January 2001, or that LaRouche's Presidential campaign committee issued a mass-circulation leaflet recently, attacking Patriot II as the "Himmler II Act."

Ashcroft Claims Right for Indefinite Detention

The Federal government has the right to detain illegal immigrants indefinitely if the government considers that they pose a threat to national security, Attorney General John Ashcroft said in a 19-page memo provided to the Department of Homeland Security, the *Washington Times* reported on April 25.

The case involved an undocumented Haitian refugee who was seeking asylum in the U.S. last October. Claiming that to release the man from jail could spark an influx of Haitians trying to immigrate into the United States, Ashcroft said "such national security considerations clearly constitute a reasonable foundation for the exercise of my discretion to deny release on bond."

Wall Street Angry at Bush Damage to U.S. Trade

A well-placed Washington source told *EIR* last week that George W. Bush is encountering unexpected lack of enthusiasm from U.S. businesses that depend on globalization for their income. This phenomenon has already begun to worry some of those around Karl Rove, who is responsible for Bush's re-election, forcing them to relook at the importance of the moderate, traditional Republicans.

In the April 20 *Washington Post*, Will Hutton, a journalist with the London *Observer*, details the damage that can be done by a "small but highly visible boycott movement" mostly in Europe, but also in Asia and the Middle East, that has the potential of leading to "ugly economic consequences" for America. The London office of an advertising firm wrote a memo to its big American clients telling them to play down their American ownership, and "the flag," or face potential boycott. The memo was leaked to the *Daily Telegraph*. Big companies are more dependent on foreign sales than Americans realize:

Coca Cola makes 68% of its sales outside North America; McDonald's makes 54% of its sales overseas; Intel has 68% foreign sales, and IBM 60%.

Fight Over Bush Tax Cut Breaks into the Open

Reflecting the growing split in both the Democratic and Republican Parties, over strategic and economic policies, numerous articles and statements appeared over the past week reporting on the opposition to President Bush's huge tax cut proposal.

*The *Washington Post's* lead editorial April 21, "Take the Money and Run," pushes Bush to accept the Senate-backed \$350-billion new tax cut, and not make a big fight over deeper cuts, which the public don't seem to want, and which will have no positive impact on the economy before the November 2004 elections. Heavy-handed tactics by the Wall Street-financed Club for Growth, "bludgeoning" key Republican Senators, the *Post* warns, could backfire, costing Bush re-election.

*Accompanying news articles in the same edition of the *Post* report that in the more "conservative" House as well, at least 15 Republican Representatives have now come out against the Bush tax-cut package, and the number is slowly growing. They are panicking at the ballooning budget deficit, as well they ought. For only the first half of Fiscal Year 2003 (October 2002 through March 2003), there was a deficit of \$251 billion!

*Treasury Secretary John Snow, in an interview with the *Wall Street Journal* April 21, offered to delay the phase-in of the \$550 billion in tax cuts, suggesting he would settle for half of the dividend tax break proposed for this year, if Congress agreed to eliminate the tax entirely over the rest of the decade. Also, he suggested delaying the reduction in the individual tax rate.

*Syndicated pundit Robert Novak profiled Senate Majority Leader Bill Frist's trouble with the White House, Sen. Lindsey Graham (R-S.C.), and House Majority Whip Roy Blunt (R-Mo.), over his deal with Republican Senators. Charles Grassley (Iowa), Olympia Snowe (Maine), and George Voinovich (Ohio), to put a \$350-billion cap on the tax cuts. Graham, who led the failed 1997 coup against then-House Speaker Newt Gingrich, and, uncharacteristically, Blunt, told colleagues that Frist committed a "major transgression," Novak writes, "that must be corrected and cannot be repeated." Graham warned that it's either the \$550-billion tax cut, "or we'll have no bill at all." Frist made the Senate deal, after endorsing the House's \$550-billion tax cut—and without notifying the White House, House GOP leaders or even members of his own Senate leadership.

* "We're in no mood to listen" to Bush's emissaries peddling tax cuts, said Maine State Rep. Peter Mills (R), a fiscal conservative, who expects more shrinkage and pain with the next tax cut. "Nobody in Washington," he warned, "is thinking deeply about the future."

Supreme Court To Review Texas Death Row Case

The Supreme Court will review the Texas Death Row case of Delma Banks, after the Court intervened in March, at the last minute, to stay his execution. Banks, who came within 10 minutes of being executed March 12, was granted an appeal April 22 by the High Court, without comment or recorded dissent. The Banks case attracted attention when former FBI director William Sessions, along with two former judges and a former Federal prosecutor, filed an *amicus curiae* brief urging the court to spare Banks's life, and to hear his case, based on "uncured constitutional errors" in his trial and in the hearing that led to his death sentence.

Banks, who is black, and has proclaimed his innocence, was convicted by an all-white jury of murdering a white man.

However, the court declined to hear that aspect of the case, and will instead limit itself to his claims of prosecutorial misconduct and inadequate counsel. A victory on either issue would leave his conviction intact, but spare him the death penalty. His only hope of reversing his conviction and establishing his innocence relates to a third, somewhat arcane claim, concerning suppression of evidence at his trial. A favorable ruling would give Banks a shot at a new trial.

Ibero-American News Digest

IMF Vultures Circle Argentina, Prepare To Land When Presidential Elections Over

As of April 26, no candidate has emerged as a frontrunner in Argentina's April 27 Presidential elections, with the leading candidates said to have between 12% and 18% of the vote, depending on who pays for the polling. Thirty-five percent of the voters are undecided. With no majority candidate in sight, the two top vote-getters will face off in a May run-off, and the winner of that contest will assume the Presidency on May 25.

An International Monetary Fund mission will descend on the country on April 28, to once again monitor the nation's books, and meet with whichever candidates emerge for the May run-off election. Heading the mission will be John Dodsworth, Deputy Director of the Western Hemisphere Division under Anoop Singh, who has just been appointed the permanent IMF representative in Argentina—an unusually high-level appointment for such a post, leading the Argentine daily *Clarín* to comment that in his new post, Dodsworth "might carry as much weight as the new U.S. Ambassador, Lino Gutierrez."

The current IMF agreement ends in August, and the Fund is already making demands for the next one: immediately raise rates of privatized utility companies, to be done through passage of new legislation in Congress; and a quick resolution of private debt restructuring.

But while the question of what to do with the foreign debt has been a hot topic during the elections, no candidate has had anything useful to say on the topic.

Here's what the candidates have been saying on the debt issue:

Mont Pelerinite Ricardo Lopez Murphy argues that debt has to be paid; austerity is the watchword, and government can be made more "efficient" by eliminating "unnecessary" public employees. The Peronist former President Carlos Menem promises to "honor the country's debts in full," but says he'll ask for a reduction in interest payments, and a lengthening of maturities. Peronist Nestor Kirchner will continue with the current government's policy—essentially to keep paying, while Peronist Adolfo Rodríguez Saá, who declared a debt moratorium in his one-week period of government in December 2001, calls for the Congress to determine what portion of the debt is legitimate, a somewhat more reality-based stand. ARI Party candidate Elisa Carrió, who used to be tough on the IMF issue, has toned down her rhetoric considerably, reportedly following the lead of some officials of Brazil's Workers' Party, who have advised President Lula da Silva to "live with" the IMF. Now, Carrió won't go beyond saying that neoliberal policy is "wrong."

Climate Tense in Run-up to Argentine Elections

The last days of the Argentine Presidential election campaign were marked by incidents of violence. Two violent incidents occurring April 20-22 underscore the Argentine electorate's concern with constant protest demonstrations, in which the Jacobin "*piqueteros*" movement, known for blocking highways and for other protest actions around the country, are a key factor.

On April 20, fans of two opposing soccer teams savagely confronted each other near the city of Rosario, when buses in

which they were riding stopped at a toll booth, and two people were killed—one of them beheaded. The fans, among whom there were provocateurs, were armed with guns, knives, and other weapons. In a second incident, in downtown Buenos Aires, when police removed workers from the bankrupt Brukman clothing factory, which they had occupied for some months, other "demonstrators" and "piqueteros" showed up to support the workers, and the action turned violent. Several people were hurt and hundreds arrested.

Leaders of the "piqueteros" movement are recipients of World Bank funds, which they access through the Bank's financing of the "Heads of Households" anti-poverty program.

Fallout from Chile's Financial Scandals Far Greater Than First Reported

The situation underscores the fragility of the country's financial system. The government of President Ricardo Lagos was badly shaken March 10 by the illegal transfer of more than \$110 million in state securities from the state development bank CORFO, to the bankrupt Inverlink brokerage firm, which then traded them on the open market, in an attempt to bolster its own finances. In the panic that ensued—the illegal CDs ended up in many mutual funds—the state-owned BancoEstado had to pump \$400 million in liquidity into several financial institutions, including foreign banks.

The crisis is being compared to 1982, when Chile's entire banking and financial system blew apart. Analysts are demanding that new contingency "mechanisms" be set up, to deal with such crisis situations. In free-market Chile, where virtually everything is privatized, debate has even emerged on the usefulness of having state banks such as BancoEstado.

Chile's much-ballyhooed international reputation as the model of "corruption-free," free-market efficiency, is blackened. The Corfo-Inverlink scandal is only one of many involving corruption among businessmen, former government officials, and legislators close to President Lagos. Lagos himself may be called to testify in the case of a former Public Works Minister accused of accepting kickbacks on government contracts. All of this has affected the stability of Lagos' ruling Concertacion coalition, with some, such as the *Washington Post* on April 22, suggesting that the scandals could bring down the government altogether.

Is Someone Worried About Chile Paying Its Debts?

Chile has sizable foreign reserves of \$16.5 billion, which it maintains at that level to guarantee its ability to meet its foreign debt obligations, "in the event this becomes necessary," the leading Chilean daily *El Mercurio* reported on April 21. Apparently there is some doubt about its ability to pay its foreign debt, which now amounts to 50% of GDP. Former Finance Minister Rolf Luders argues that, were these normal times, it wouldn't be necessary to have such large reserves. But, since the coming period will not be normal, better to keep the reserves high. "The last thing we need now is to increase the level of uncertainty."

Meetings Between Chilean Foreign Minister and Brazilian Officials End in Call for Closer Cooperation

Following on the heels of the accords signed during Peruvian President Alejandro Toledo's April 11 visit to Brasilia (see [IBERO-AMERICA DIGEST, EIW #16](#)), Chilean Foreign Minister Soledad Alvear held long discussions April 14-15 with her Brazilian counterpart, Celso Amorim, and was received by President Lula da Silva, who renewed his invitation for Chilean President Ricardo Lagos to pay a state visit before the end of June. In addition to discussing international matters such as Iraq, and their nations' agreement on the importance of the United Nations and of respect for international law, especially the principles of sovereignty and the territorial integrity of nations, the governments reaffirmed their commitment to regional integration.

The communiqué issued on April 14 at the end of Alvear's visit specified the importance of "the strengthening of physical integration, in the context of the South American Regional Integration Initiative (IIRSA)."

4,000 Coca-Producers Converge on Lima in National Show of Force

Some 4,000 coca-producers converged on the Peruvian capital of Lima on April 21 in a national show of force, after marching for several days from various parts of the country. The march of the *cocaleros* is being led by Nancy Obregon, the second-in-command of the national coca producers' association, who was a star at the George Soros-financed hemisphere-wide drug legalization confab in Merida, Mexico last February. That this is part of a coordinated, regional deployment by the narco crowd, is also seen in the fact that Bolivian cocalero leader Evo Morales (an ally of the Colombian narco-terrorist FARC) came to Lima last week, to meet with the Peruvian cocaleros to coordinate strategy.

The cocaleros are demanding a meeting with President Alejandro Toledo; the release of the head of the national association of coca producers, Nelson Palomino, who was jailed on terrorism charges earlier this year; and an end to the government's coca eradication program and restrictions on coca sales. Obregon threatened that the cocaleros will stay in Lima until their demands are met, and will "radicalize" their protests, if the government does not respond.

UN Human Rights Commission Votes Down U.S.-Backed Resolution Condemning Cuba Crackdown

The UN Human Rights Commission voted down a U.S.-backed resolution condemning the recent crackdown in Cuba, which has included three executions and the handing down of numerous sentences of 10, 20, and 25 years, to dissidents.

On April 17, the Commission voted 31-15 against the resolution sponsored by Costa Rica and promoted by the United States, which would have condemned Cuba for the recent mass arrests of dissidents, and called for their immediate release from jail. The vote is a testament to the anti-American mood internationally, which is stronger than the widespread shock over the Castro regime's brutality in executing three hijackers, and giving wildly lengthy jail sentences to nearly 80 dissidents. The vote occurred despite U.S. pressure, and the backing of George Soros's Human Rights Watch for the resolution.

The Anglo-American war against Iraq is a "unilateral violation of human rights," said Argentine President Eduardo Duhalde, in explaining his government's abstention on the resolution. In reversing Argentina's 12-year record of voting with the U.S. to condemn human rights violations in Cuba, Duhalde explained: "We consider it inopportune" to condemn Cuba, "considering that this war in Iraq is a unilateral violation of human rights," in addition to which, he said, the Bush Administration has begun to threaten Syria.

After the condemnation was voted down, the Commission did pass a resolution, 24-20, which urged Cuba to accept visits by a special UN Rapporteur on Human Rights. Cuban Foreign Minister Felipe Perez Roque told reporters the next day that Cuba would not allow the UN to send any such delegate. Calling Peru, Nicaragua, Costa Rica, and Uruguay, the countries that sponsored that resolution at U.S. urging, "disgusting lackeys," Perez Roque stated that "Cuba will not collaborate with the mandate of this spurious and illegal resolution. Cuba will not collaborate with the High Commission's representative and will not allow her to come to Cuba. Cuba will not be pressured."

Cuba is thinking of withdrawing a request to join a preferential trade agreement with the European Union, following last week's condemnation of the newest Cuban crackdown by EU Foreign Ministers, he said, and he hinted that the U.S. diplomatic mission in Cuba might be shut down as well.

Western European News Digest

LaRouche Interview Broadcast on Two Rome TV Stations

During the week of April 21, two private television networks, *Tele Ambiente* and *Tele Donna*, broadcast at least four times an exclusive interview with U.S. Presidential pre-candidate Lyndon LaRouche, made during his visit to Rome April 7-11.

The two associated TV networks cover Rome and a larger part of the region of Latium. LaRouche is first filmed at the Capitoline Hill conference and then looking at Roman ruins and in the Capitoline Hill Square under the statue of the Emperor Augustus. In the interview LaRouche deals with the war drive by the Dick Cheney neo-conservatives in Washington, and the fight in the Democratic Party to oppose the Empire policy.

On April 23, LaRouche associate Paolo Raimondi, president of the Movimento Internazionale per i Diritti Civili-Solidarieta, and Italian economist Nino Galloni were also interviewed for one hour by *Tele Ambiente*. Raimondi spoke the war drive of the Cheney clique, as exposed in the latest LaRouche campaign pamphlet in the U.S., *The Children of Satan*, and the international mobilization of the LaRouche movement against the imperial war doctrine. Galloni discussed the SARS health emergency, and the kinds of economic concepts needed to prevent and stop epidemics, and develop continents like Africa.

'Shadow White House' Pushing Bush To Stop Unilateral Insanity

It is the "Shadow White House' vs. the Chickenhawks, wrote *Corriere della Sera* Washington correspondent Ennio Caretto on April 18. "The war has created a Shadow White House which pushes Bush to abandon the unilateralist policy. It is formed by its former Republican and Democratic Presidents, Clinton and even Bush Sr.; their former advisers, from Scowcroft to Brzezinski; and their former Secretaries of State, from Baker to Albright. These are all leaders who have expressed their disagreement, even if they risk appearing 'anti-patriotic.' The Shadow White House, which is represented by Powell in the Administration, not only warns the President against waging war against Syria; it exhorts him to repair the bridges with 'Old Europe' and use the UN and NATO to stabilize Iraq. And it asks him to deal once and for all with the Palestine-Israeli issue, the key for peace in the Middle East and in the Persian Gulf.... It is not clear who will win the battle for the heart and mind of the President, but it would be a mistake to see the doves as losers."

Caretto reminded readers that the economy will decide the 2004 elections and George W. could switch to pragmatism now, as he did in 2000, after the primaries.

Dalyell, Labour's Senior MP, Decries Blair's War Crimes

Tam Dalyell, the most senior Labour Party member of the British House of Commons, and most outspoken Parliament opponent of the Iraq war, is defying efforts by the Labour Party leadership to discipline him for his recent London article denouncing British Prime Minister Tony Blair as a "war criminal." Dalyell's article was favorably commented on, in a recent *EIR* editorial.

In a discussion with *EIR* April 20, Dalyell said that the new Blairite leader of the House of Commons, John Reid, is seeking to "take the Whip away" from Dalyell, a disciplinary measure that casts the person disciplined, out of the Party for all practical purposes. Dalyell added, "I am relaxed about all this, I will not recant what I have said. If the electors of West Lothian (Scotland), whom I have represented for 41 years, want to renounce me, they can, but the fact is, I am receiving unanimous support from the constituency Labour Party. I am far from losing voter support."

He also said that the mood in Britain is shifting, as "news comes in, about the appalling situations in Basra and Baghdad,

which has tarnished the sense that we have just had a 'victory.' We are now learning more about the wickedness of what Blair did, and I stick to my view that he is a war criminal. There was a show on *BBC's* 'Five Live' network last night called 'Blair's Gamble,' which showed how much Blair did, to give succor to the 'war party' in Washington, and, by doing this, undercut the military opponents of the war in America, like Generals Zinni, Schwarzkopf, Jones. Blair gave all sorts of private guarantees to support Bush's war course, so those who were doubtful about having been deceived by Blair, now realize they were victims of the grossest deception."

Dalyell further clarified one aspect of the recent intra-Party problems that followed his article condemning Blair. He said his condemnation of Blair was wrongly lumped together with that of Scottish Member of Parliament George Galloway, who went further than Dalyell, by launching a strong attack against British forces serving in the Gulf.

"I listen to things George [Galloway] says, but I didn't agree on this," said Dalyell. "I am a member of the Association of Scots Dragoons Guards, and I acknowledged, that they did well in battle.... I rang up the former Scots Dragoons Guards Commander, Sir John Stanier, and he said, that the Guards did excellently in battle, but, said Sir John, this does not mean the war is right! I agree."

German Labor Leader Denounces 'Agenda 2010' Budget Cuts, Urges Suspension of Maastricht

At a press conference in Berlin April 22, Ursula Engelen-Kefer, deputy chairwoman of the German national labor federation DGB, said that although she did agree with the basic necessity to reform the social and health system of Germany, her main interest was that the substantive functions of the system be maintained and made more efficient. This, she said, could not and should not be done by reducing services for the average citizen, and added that budget cuts of the ill-advised kind proposed in the disputed Agenda 2010 program proposed by the government of Gerhard Schroeder would be inefficient and counterproductive. A downward spiral of impoverishment would result from the Agenda 2010 package as it is being presented, she said.

Instead, what should be done is to suspend the Maastricht criteria to an extent that governments—not only that of Germany—could invest more money into the economy, the labor market, and the social and welfare systems, to promote growth. From that growth, and with a reform of the health system that brought more contributing members to pay into it, the problems could be solved over the near future, she said. The problems of the German economy—illustrated by rising unemployment—had reached a level that the Maastricht criteria could no longer be strictly observed, without doing harm to the German society, she said.

The Maastricht Treaty is that which undergirds the European Union, and which specifies budget austerity guidelines for member countries.

France Proposed Compromise on Weapons Inspections

In the first of two UN Security Council meetings April 22, France's Ambassador, Jean-Marc de la Sabliere, surprised the U.S. by proposing the immediate suspension of all civilian UN trade sanctions against Iraq, on condition that the embargo not be formally lifted until UN inspectors have certified Iraq's disarmament.

Previously President Bush had called for the UN to lift the sanctions, and France, Germany, and Russia had registered their opposition.

In presenting his proposal, France's Ambassador said that "there should be some work to find a practical and pragmatic arrangement" to coordinate the work of U.S.-led and UN-led weapons inspectors.

The proposal would achieve a French objective of guaranteeing international control over Iraq's oil revenue until an internationally recognized Iraqi government is in power. The Bush Administration initiative to see sanctions lifted, not just suspended, would appear to give greater legitimacy to the U.S. occupation of Iraq and its allies support for reconstruction. However, an unnamed "U.S. official" emphasized: "Anything that levels the playing fields so that the French can compete on an equal basis" is not going to be acceptable.

An unnamed French diplomat countered, saying the French proposal would permit foreign investment for the first time in more than a decade, and would allow resumption of commercial flights and export financing, while keeping military sanctions in place. U.S. Ambassador John Negroponte insisted sanctions should be lifted immediately, and said talks with France and other UNSC members would begin, but insists the U.S. sees no UN role "for the time being or for the foreseeable future." On the contrary, Negroponte said the U.S.-led coalition "has assumed responsibility for the disarming of Iraq."

Russia's Ambassador Sergey Lavrov said Russia is "not at all opposing the lifting of sanctions, but insists the Security Council resolution be implemented." Rounding out the picture, IAEA Director General Mohamed El Baradei asserted that the IAEA "continues to be the sole organization with legal powers, derived from both the nuclear NPT Treaty and successive UNSC resolutions, to verify Iraq's nuclear disarmament. The IAEA should resume its work in Iraq as soon as possible."

Russia and Central Asia News Digest

Putin State of the Federation Speech in May?

The Russian President's annual message to the Federal Assembly, usually delivered in early April, has not yet been scheduled this year. *Nezavisimaya Gazeta* on April 22 cited May 14 as the latest date for Vladimir Putin's major speech, according to sources on his staff. A question mark hangs over Russian economic policy, which should be a major topic for Putin, as Minister of Economic Development and Trade German Gref took a sudden three-week vacation beginning April 21, amid rumors that he was seriously ill.

Russia and Turkmenistan Sign Natural Gas Agreement; Ukraine Joins

Russia and Turkmenistan have signed a large contract on gas cooperation, Russian press reported April 9. According to the terms of the agreement, Russia will purchase gas for \$44 per 1000 cubic meters. The next day, *Gazeta* reported that the multinational Royal Dutch/Shell will close its office in Ashgabat, Turkmenistan "in the absence of prospects to participate in at least some realistic projects" in the fuel and energy industry of the republic.

Vedomosti reported April 18 that Ukraine will help the Russian company Gazprom to build a pipeline from Turkmenistan through Kazakhstan to Russia, along the Caspian Sea coastline. Upon the signing of the long-term agreement on natural gas trade by Presidents Vladimir Putin and Saparmurad Niyazov of Russia and Turkmenistan, Ashgabat has acquired the obligation to pump an amount of gas that is supposed to reach 70-80 billion cubic meters annually. In order to avert any reduction of its own share of Turkmenistan's natural gas exports, Ukraine accepted Ashgabat's proposal to join the pipeline consortium. *Vedomosti's* source in Ukraine's Fuel and Energy Ministry reported that Ukraine will construct a part of the pipeline in exchange for a guaranteed amount of gas imports. "This will also allow us to engage our industrial facilities," he said.

Go-Ahead for Private Oil Pipeline to Murmansk

At an April 18 session devoted to oil industry policy questions, the Russian government officially approved the project for building an export oil terminal at Murmansk, as well as a pipeline from West Siberian oilfields to the new terminal. The project had been proposed in November 2002 as a private-sector undertaking, by the Russian oil companies Lukoil, Yukos, TNK, and Sibneft, later joined by Surgutneftegaz. In the interim, TNK has merged with British Petroleum and a Yukos-Sibneft merger brought into being the world's fourth largest oil company.

The Murmansk project has also been promoted as a means to make Russia a major oil supplier to the U.S. market. The Murmansk facility will be built to handle supertankers with a capacity of up to 300,000 tons. The pipeline to Murmansk is supposed to carry 80-120 million metric tons of oil annually.

Approval marks a policy reversal, insofar as Prime Minister Mikhail Kasyanov on a visit to Murmansk last January reiterated that all pipelines in Russia should be state-owned. As recently as April 15, former Transneft official Dmitri Savelyev told *Moskovskiy Novosti* that the Murmansk project would be unprofitable, especially as the United States moved to get access to more cheaply transportable Iraqi oil. *Vedomosti* of April 18 and other Russian media, however, report that the shift came from President Vladimir Putin.

The April 18 meeting was dedicated to the development of the oil and gas complex in Russia's northwest. During the discussion, Energy Minister Igor Yusufov expressed unusual enthusiasm for the northern project, saying that the present amount of oil extraction in Russia makes its construction inevitable. He emphasized that the Murmansk project should not be regarded as an alternative to port development on the Baltic Sea or the planned pipelines for oil exports to Asia. Also speaking in favor were Transport Minister Sergey Frank, Murmansk Governor Yuri Yevdokimov, as well as oil executives Vagit Alekperov (Lukoil) and Mikhail Khodorkovsky (Yukos). The relevant ministries were instructed to begin a feasibility study for the Murmansk project.

Merger Creates Oil Giant

Russia's #2 and #6 Oil companies, Yukos and Sibneft, merged in a complicated cash purchase and stock swap deal on April 22. The current oil production of the new venture is in the vicinity of 2.2 million bpd of crude oil, similar to the output of Kuwait, or that of ChevronTexaco and TotalFinaElf, the fourth and fifth largest oil companies in the world. The current production of Yukos is 1.6 million bpd, and that of Sibneft, 600,000 bpd. The proven reserves under Yukos ownership are 12.5 billion barrels of oil; Sibneft's are 8.2 billion barrels.

Khodorkovsky of Yukos Pushes Line: USA, Not Europe

At an international conference on Russia's relations with the G-8 (U.S., Britain, Canada, Italy, Japan, Germany, and France, plus Russia) held in Moscow April 11, Yukos Oil CEO Mikhail Khodorkovsky campaigned for Russia to restore relations with the United States as its highest priority, taking precedence over relations with Europe.

Khodorkovsky, who has made no secret of his desire to sell oil in the U.S., maintained that "there is no obvious real interest in Europe in cooperation and integration with Russia."

Crazy Hawks Tell Russia: Forget Europe, Get With Us!

Some of the most discredited failures of the American political scene have been peddling their expertise in Russia of late, taking to the pages of that country's liberal press to promote the notion of Russia's coming into the Anglo-American fold, in the wake of the invasion of Iraq. Among them are Dick Morris and Richard Perle. Dick Morris, the author in the Clinton-Gore years of a "triangulation" electoral strategy for the U.S. Democratic Party to court enraged suburban white males by

emulating Newt Gingrich's GOP, gave an interview to the daily *Izvestia* on April 18 titled, "Dick Morris, President-Maker: We Need a Bush-Blair-Putin Coalition." Morris let loose a tantrum against France, saying that Russia had erred in "following Chirac" in opposition to the invasion of Iraq. He asserted that "Russia's future lies with the U.S., not with Europe," because "over the next 30 years, Europe will lose a quarter of its population; unemployment there is over 10%, and economic growth is low. But Russia and America are among the most dynamic states in the world." (Morris paid no attention to the decline of Russia's own population by hundreds of thousands each year during the past decade.)

Challenged with the fact that 60% of Russia's foreign trade is with Europe, Morris said, "That's an outdated point of view. Even if most of Russia's trade is with Europe, in the long term Europe's global role will fade."

For his part, recently demoted Defense Policy Board figure Richard Perle told *Kommersant* daily on April 21 that Russia should expect to lose all its pre-existing oil contracts with Iraq, which he indicated he thought was Russia's just deserts for opposing the war.

Indonesian President in Moscow; Barter Deals Instead of Dollar

President Megawati Sukarnoputri arrived in Russia April 21, the first Indonesian leader to visit there in 23 years. On the agenda in her talks with President Vladimir Putin and other officials were several large military aircraft sales and possible deals in the nuclear energy sector.

Indonesia has turned to Russia as a supplier of fighter jets, due to a four-year embargo by the United States. Sukarnoputri viewed a demonstration of the Sukhoi-27 and Sukhoi-30 planes at Zhukovsky Air Base, near Moscow.

Presidents Sukarnoputri and Putin signed agreements on April 22, which the *Straits Times* of Singapore characterized as "a bid to revive Soviet-era political and economic relations ... in the face of growing distance from Washington." "I asked for President Putin's support in finding measures to finance the cooperation, maybe through countertrades or joint ventures in military industries," Megawati was quoted by *Antara* as saying, with regard to the deal for two Sukhoi-27 and two Sukhoi-30 jet fighters, and Russia's support in modernizing Indonesian military equipment. The two leaders also signed a Memorandum of Understanding on space technology cooperation. Russia had offered to provide a floating nuclear power plant and construct a rocket and satellite launching pad in Biak, Papua.

Putin greeted Megawati, "We are happy to welcome you in Russia as the President and the daughter of your great father who is commemorated in this country. There is a record here of conferences dedicated to Sukarno and editions of books written by him." Putin accepted an invitation to visit Indonesia as soon as possible.

The *Jakarta Post* of April 24 reported that an important component of the bilateral deals reached was done as barter, rather than as dollar-denominated sales. Indonesian Agriculture Minister Bungaran Saragih hailed Indonesia's purchase of the Russian warplanes in exchange for rubber and crude palm oil. (For more, see [ASIA NEWS DIGEST](#).)

Pope John Paul II Could Visit Kazan, Russia

The dream of Pope John Paul II, spiritual leader of the world's 1 billion Roman Catholics, of visiting Russia could come true this summer, according to Russian and Western wire service reports from the Vatican and Russian sources. On the way to a planned tour of Mongolia in August, the sources said, John Paul might stop in the Volga River town of Kazan, which marks its 1,000th anniversary this year. The Pope has declared his desire to return to the Russian Orthodox Church and the Russian people the 16th-century Icon of Our Lady of Kazan, which was stolen from Russia in 1904 and passed around Europe before ending up at the Vatican.

But the Pope does not want to step onto Russian soil without approval from the Russian Orthodox Church, Moscow Patriarchate. ROC relations with the Vatican remain tense over allegations of Catholic proselytization in Russia.

During his visit to Italy on April 18, Russian Prime Minister Mikhail Kasyanov expressed optimism about the possible visit, saying, "I think the efforts that have been made so far and those being made now to eliminate differences between the two Churches must be crowned with success. The Russian government is trying in every possible way to help eliminate the concerns that still exist on the path towards a rapprochement between the two Churches." Kasyanov spoke at a joint press conference with Italian Prime Minister Silvio Berlusconi, who said he had requested a meeting on the matter with Russian Orthodox Patriarch Aleksii II.

Mideast News Digest

Palestinian Cabinet Agreement Sends Neo-Cons Scrambling

[The following item, datelined April 24, is adapted from the April 25th issue of *New Federalist* newspaper.]

April 24 (EIRNS)—A press conference in Ramallah today, by President Yasser Arafat and Prime Minister-nominee Mahmoud Abbas, "Abu Mazen," announced that they had reached an agreement on a Cabinet, which will now go before the Palestinian Legislative Council to be approved. PLC Speaker Ahmed Qorei said he would convene the 88-member council within a week for the vote.

"I am very pleased that my Cabinet has received the support of President Arafat," stated Abu Mazen. "The agreement ... marks a victory of the Palestinian people, as it demonstrates our commitment to democracy, even as we live under Israeli occupation." In a later press release, Abu Mazen added that he will work with "the President's office, the PLC, and other Palestinian institutions" to create a government that meets the needs of the people, and ends "the Israeli occupation of our country."

In many ways, this is "the moment of truth," for the United States. What President Bush does now, will show whether the U.S. government still functions under the Constitution, or if the neo-conservative warmongers, led by Vice President Dick Cheney, succeeded in consolidating a "coup d'etat" in the aftermath of Sept. 11 attacks, which U.S. Democratic Party Presidential pre-candidate Lyndon LaRouche has called America's "Reichstag Fire."

Over the last month, Secretary of State Colin Powell, National Security Adviser Condoleezza Rice, and Bush himself, personally promised world leaders that the "road map" worked out by the U.S., the UN, the European Union, and Russia, would be officially presented, when a reformed Palestinian government was formed. As condemnation of Bush's preemptive war on Iraq did not abate, and skepticism increased that Bush's stated motivation for the war—the threat of weapons of mass destruction—was a lie, even forces within Bush's own Republican Party pressured the Administration to move for Middle East peace to repair the damage from the war. These voices of sanity include James Baker III, Gen. Brent Scowcroft, and Lawrence Eagleburger, all of whom served in the Administration of this President's father, Bush "41."

The neo-con fanatics have also escalated to *stop* discussions of a Palestinian state. The first phase was to attempt to drive the nation into immediate war with Syria—which would be sure to destabilize the Middle East, and prevent peace talks. When that failed, with President Bush approving a trip by Powell to meet Syrian President Bashar Assad, the neo-cons went into overdrive—and launched a plan to replace Powell with the discredited "cry-baby" of the Conservative Revolution, former Speaker of the House, Newt Gingrich. On April 22, at the American Enterprise Institute (AEI), Gingrich denounced Powell for sabotaging the war on terrorism and the "real" policies of President Bush.

Gingrich is not acting alone. According to the *Washington Post*, Gingrich's plan to oust Powell, and turn the State Department into an imperial body appended to the Defense Department, was actually drawn up with other members of the Defense Policy Board, headed until recently by Likud agent Richard Perle—who drafted the 1996 plan to scuttle the Oslo peace accord, the "Clean Break" policy. But Gingrich's maneuver backfired, and could actually serve to bring down the neo-cons themselves.

The same crisis is about to hit Ariel Sharon's government. According to *Ha'aretz* reporter Akiva Elder, Sharon's woes are just beginning. If Bush drops the "road map" on Sharon's desk, as promised, there is a great likelihood that the ultra-right coalition partners of the National Religious Party of Effi Eitam, and the National Union of Avigdor Lieberman, will bolt. Eitam and Lieberman are typical of the Jabotinskyite fascists who, contrary to statesmen like the late Prime Minister Yitzhak Rabin, say that a Palestinian state is an act of treason against the right of Israel to exist. Elder also reports that several members of the Shinui Party, the centerpiece of Sharon's coalition, held meetings discussing a peace framework with members of the Meretz Party, including Oslo Accords negotiator Yossi Beilin, and with leading Palestinians.

Another *Ha'aretz* reporter, Aluf Benn, on April 24, warned the world that "it's time for universities to establish faculties for the study of Prime Minister Ariel Sharon in which scholars will examine the guessing of his intentions." In plain English, translating Benn, Sharon is *not* a truth-teller. Benn warns about the motif of "the seven-stage torpedo" that Sharon has successfully used with Bush to, first, wait to hear details, then accept the initiative "as a basis for discussion," the posing of "comments and corrections," and so forth. Through this trick, the Mitchell plan, the Jordanian plan, and the Abdullah peace plan, have all been buried.

Without protection from Washington, this Sharon strategy will no longer work. However, there are already signs that Sharon's other trick—to stage, or allow to occur, a major terrorist action—as an excuse to stop peace talks, has already occurred, with the April 24 suicide bombing attack at a commuter train station.

So serious is the Israeli-Palestinian peace issue, that Egypt, Russia, the European Union, Japan, the Arab League, the U.K., and others all personally called or met with Arafat, to urge him to accept the Abu Mazen government. Egyptian intelligence chief Omar Suleiman arrived in Ramallah in person to meet with Arafat and Abu Mazen.

The Goebbels-style propaganda machine of the Anglo-American empire faction is spreading the lie that the new government means "Arafat is irrelevant." To the contrary—it is the neo-con haters of Arafat and the Palestinian state, who are chewing the rug.

Former UN Weapons Inspector Says Iraq War Comparable to Nazi Invasion of Poland

Former UN weapons inspector Scott Ritter, during remarks at the Palestine Center in Washington, D.C. on April 27, demonstrated that his opposition to the Bush Administration's war policy remains unbowed by a major operation to discredit him. While showing absolutely no remorse over the demise of Saddam Hussein, he nonetheless minced no words in blasting the illegality of the war itself. He described the war policy as being like a "West Texas lynch mob," and vigilante justice. He also called it a "defeat for the rule of law if the foundation of legality turns out to be a framework of lies."

He then proceeded to build a case that the war is, in fact, illegal, because the legal argument made by the United States, in the form of the March 20 letter to the UN Security Council by U.S. Ambassador to the UN John Negroponte, claiming that Iraq was in material breach of UN resolutions because of its ongoing weapons of mass destruction programs. In particular, Ritter made reference to the charge that Iraq was seeking to buy uranium from Niger, a charge made on the basis of crudely forged documents. Did President Bush know these documents were lies when he used them to justify the attack on Iraq? Ritter asked. He also went after Vice President Cheney, for saying that inspections never work, when the old UN Special

Commission, which Ritter worked on for seven years, had, in fact, destroyed huge quantities of Iraqi chemical and biological weapons.

Ritter didn't stop just by exposing the lies, however. He said that what is happening in Iraq is that the Bush Administration is implementing a new imperial doctrine of American unilateralism, which is spelled out in the Bush Administration's national security doctrine. He called the invasion of Iraq "a case study of the violation of international law," and warned that if the U.S. does not find any weapons of mass destruction in Iraq, it will appear that the U.S. has waged a war of aggression, which, Ritter noted, U.S. Judge Robert Jackson, at the 1946 Nuremberg war crimes trial, called the greatest of all war crimes, because all others flow from that one. Therefore, Ritter said, if there was no justification, the U.S. is really no better than the Nazis who invaded Poland in 1939, or Saddam Hussein, when he invaded Kuwait in 1990.

Ritter's comments make clear how important it is for the UN Security Council to send UN weapons inspectors back into Iraq to verify any find of WMD. Ritter did say that all chemical and biological weapons bear a trace that can be scientifically determined, to discover their origin. However, without UN weapons inspectors, there may be no opportunity to uncover this.

Neo-Cons and Sharonists Want To Provoke Chaos in Iraq

A long-time Egyptian source of *EIW* said on April 23 that there is a growing view in the Arab world that the neo-con faction in the Bush Administration, as well as the Sharon gang in Israel, want the Iraq situation to degenerate into chaos. The source pointed to the sudden about-face, in the past week, on the part of the civilians at the Pentagon (Feith, Wolfowitz, et al.), who now wish to see the U.S. quickly pull out of Iraq and pass the reins of power to an interim Iraqi government, as one key indicator that the goal is chaos.

For one thing, the source explained, Sharon is panicked over the looming public release of the road map document, setting a timetable for a two-state solution to the Israel-Palestine conflict. What's more, the source concluded, the neo-cons and their Likudnik partners have no desire to see Iraq succeed, with American assistance, in rebuilding, and establishing an effective, modern nation-state in the Arab world. So chaos is, for them, perfectly acceptable, he concluded.

NATO Role for Iraq Occupation Being Pushed

Discussion is taking place within NATO circles to have NATO take over the peacekeeping or occupation in Iraq. In fact, the *International Herald Tribune* of April 24 reports that this was one of the topics of discussion between President George W. Bush and French President Jacques Chirac in their recent so-called icy telephone call.

The Financial Times of the same date reports, "NATO forces would take over the main security role in Iraq under plans being drawn up by the Pentagon, which remains opposed to a long-term peacekeeping presence for U.S. troops," according to an unnamed "senior official" in the Bush Administration. The fact that NATO—including France—has agreed to take over the peace-keeping role in Afghanistan opens the way for using this, potentially, as a model. Although all the countries in NATO were said not to be opposed to the idea in principle, it nonetheless would require a United Nations mandate. A French official is quoted as saying that France would not deploy troops without an UN mandate.

According to the *Financial Times* article, Paul Wolfowitz suggested this last December, but it was unacceptable to the Europeans at the time. The issue was taken up last month by Secretary of State Colin Powell when he was in Brussels.

The Tribune quotes James Dobbines, head of the RAND Corp., as having pushed it recently at an European Union Institute for Security Studies meeting.

For the Leo Strauss-trained Wolfowitz, at least, whose fellow "Chickenhawks" are reported to be promoting chaos in Iraq, this may be one way of getting back at "Old Europe." Former Saudi Ambassador Chas Freeman has stated that the U.S. would look for the "first sucker" to take over the job. And he said that his friends in Saudi Arabia, where he had been Ambassador during the 1991 Persian Gulf War, would be funding insurrection. From the standpoint of the "Chickenhawks," this may permit them—unless LaRouche's call for them to be summarily fired is carried out—to move onto the next target in their "perpetual war" plans.

Are IDF Hit Teams Targeting Iraqi Scientists?

According to an unidentified retired French general, there are currently some 150 Israeli commandos inside Iraq with orders to assassinate 500 Iraqi scientists. In statements to French TV *Channel 5* made on April 11, as reported by the Israeli paper *Ma'ariv* and other sources, the French military source said these scientists are the same ones listed by UN weapons inspectors for interviews while the UN team was still inside Iraq. *Ma'ariv* reported on the interview, saying these scientists were all said to be involved in atomic-biological-chemical weaponry.

The French general said the Israeli commandos might be operating within the ranks of American Marines now occupying Iraq, but apparently did not cite his own sources. A number of the Iraqi scientists sent an e-mail to various sources in the international community earlier this month, calling for protection from U.S. aggression, and warning that their lives were endangered by American occupation forces.

Apparent Cholera and Typhoid Break Out in Iraq

According to an *AP* report of April 23, Iraqi doctors suspect hundreds of children suffering from dehydration and diarrhea caused by the lack of clean water, who were brought in for treatment at the city's Al-Iskan children's hospital, had cholera and typhoid. But, with no labs fully working, the physicians said they could only treat the cases, not confirm them. Some children suffered from stomach infections due to unclean water, draining fluids from their bodies. "An epidemic," said Dr. Ahmed Abdul Fattah, the hospital's assistant director. "We suspect it's cholera, but can't test, because we have no lab facilities left," said acting director Dr. Gassim Rahi Esa.

Meanwhile, other sources report that electricity that is essential for water and sewage treatment is only slowly being restored. And the Red Cross has stated that at least half of Iraqis are about to run out of food. Clearly, with all the rhetoric about "liberation," the U.S. is not out "to win the hearts and minds" of the Iraqi citizens. Under Saddam Hussein, the UN had praised Iraq for having one of the best food distribution systems. And, as *EIW* has previously reported, the sanctions imposed after the 1991 War are estimated to have killed 1.5 million people, especially children under 5—including through cholera and typhoid—as civilian infrastructure such as electricity, water, and sewage treatment were bombed.

Blix Says U.S. Made Effort To Undermine UN Weapons Inspectors

In an interview aired on *BBC* radio on April 24 just before he was due to address the Security Council, Chief UN Weapons Inspector Hans Blix stated that U.S. officials had tried to deliberately discredit the work of inspectors in Iraq to further their own case for war.

Blix said that in the run-up to war, the U.S. had seized on his alleged failure to include details of a drone and cluster bomb found in Iraq in his presentations to the Council. "The U.S. was very eager to sway the votes in the Security Council, and they felt that stories about these things would be useful to have, and they let it out," he said. "And thereby they tried to hurt us a bit and say that we had suppressed this." "It was not the case, and it was a bit unfair, and hurt us. ... [We] felt a little displeased about it." Asked whether the U.S. had leaked the information to sway UN votes, Blix responded: "It looked like

that." It is notable that these are not even Weapons of Mass Destruction, and the U.S. used both against Iraq during the Second Persian Gulf War, according to U.S. media reports.

He also reiterated his disquiet at how documents the International Atomic Energy Agency "had no great difficulty finding out were fake" managed to get through U.S. and U.K. intelligence analysis. "Is it not disturbing that the intelligence agencies that should have all the technical means at their disposal did not discover that this was falsified? I think that's very disturbing. Who falsifies this?" He said: "I think it's been one of the disturbing elements that so much of the intelligence on which the capitals built their case seemed to have been shaky."

Jordan's King Warns Against Cantonization of Iraq

In a long interview with the Italian daily *Corriere della Sera* on April 25, Jordan's King Abdallah II warned against a disintegration of Iraq, which would result from allowing too much autonomy to the northern and southern regions. "I think it is important to have a national umbrella, because if you concentrate administration in the north, in the center, and in the south of Iraq, you create de facto the cantonization of the country. We already see, in the Shi'ite south, a conflict of power." Later on, Abdallah added that the "power struggle in southern Iraq ... could go out of control if we do not pay attention. If I were in the coalition's shoes, I would be very worried."

King Abdallah also warns against putting Iraqi National Congress leader Ahmed Chalabi in power, a man who "has legal troubles in Jordan, Lebanon, Geneva. In other words, he has many problems to solve. I believe that the rule of law is important." Better, he suggests, would be to appoint "a general, or somebody who has served under the previous government without having blood-stained hands."

Abdallah then says that the test for Bush is the Palestinian issue. "Many Arabs say: Okay, you Americans say that you came to liberate Iraqis from an oppressive regime, and let us suppose we are convinced of your good intentions. Then, prove it: Liberate the Palestinians from oppression too. If you show that there is no clear future for Iraq, if you do not show resolve in the Palestinian issue, and all you do is think about oil and military bases, then the people will be suspicious, and will feel betrayed. And they will think: today Iraq, tomorrow Syria, the next day Iran?"

Sharon Continues Isolation of Arafat

Israeli Prime Minister Ariel Sharon has let it be known that he will not meet any high-level foreign official who meets Palestinian Authority President Yasser Arafat, according to *Ha'aretz* of April 25. This is made known just at the time when international diplomacy around the question of Israeli-Palestinian peace talks is about to go into high gear. Sharon claims he has the okay from the Bush Administration on this. Everyone knows that there can be no peace agreement between Israel and the Palestinians if Yasser Arafat does not approve. The idea that newly empowered Palestinian Prime Minister Mahmoud Abbas could make an agreement—or would even want to make an agreement- without Arafat's approval, is not serious.

The policy was already implemented when a U.S. Congressional delegation came to the region. They met Arafat, and then Sharon refused to meet them. This new policy will be tested again when Japanese Foreign Minister Yoriko Kawaguchi arrives in Israel en route to Washington. In the next few weeks, Swedish Prime Minister Goran Persson and European Union foreign policy chief Javier Solana are expected in the region, so it will be interesting to see what they do.

Earlier this month, German Foreign Minister Joschka Fischer met with Arafat as well as Sharon.

IDF Continues *Sturm und Drang* in Occupied Territories

On April 20, Israeli forces swept through the Palestinian city Nablus in the West Bank, and the Yabna refugee camp in Rafah, in the Gaza Strip, blowing up homes and shops, electrical lines and other infrastructure, and murdering any civilians that got in their way or journalists who might serve as witnesses to their butchery, according to wires and the *New York Times*.

Although the *Times* points out that the Israelis have been conducting almost nightly arrest raids, the Rafah operations seemed on a much larger scale. The camp houses 60,000 Palestinians. Witnesses said the Israelis brought empty buses with them, apparently with the intention of conducting mass arrests. According to *Islamonline.net*, more than 100 Israeli tanks and bulldozers covered by Apache attack helicopters raided the Rafah camp at midnight. The main hospital in Rafah was "pandemonium," according to the *Times*, with both Palestinian civilians and militants pouring in. Israeli troops reportedly prevented ambulances from reaching the injured.

In Nablus in the north, an *Associated Press* cameraman wearing a fluorescent green jacket reading PRESS was deliberately targetted and shot through the forehead by an Israeli soldier while filming the stoning of a stalled Israeli tank by a group of Palestinians. Several other journalists were with the cameraman, and *Reuters* video footage reveals the shooting was deliberate.

Asia News Digest

Chickenhawks Use 'Leaks' To Subvert U.S.-China-North Korea Talks

The Rumsfeld-Cheney "Chickenhawks" who are pushing war against all countries named in the "axis of evil," are using "leaks" to attempt to subvert the talks between the U.S., North Korea, and China.

The first "leak" was that of a U.S. war plan against North Korea, presented through Greg Sheridan, the foreign editor of *The Australian*. On April 22, under the banner "World Exclusive," Sheridan reported that "The Pentagon has produced detailed plans to bomb North Korea's nuclear plant at Yongbyon if the communist state goes ahead with reprocessing of spent fuel rods." The existence of such plans is nothing new, since the Clinton Administration had detailed plans in 1994, and these were close to being implemented before the 1994 agreement was worked out. The "leak" was, however, intended to serve the utopian drive to undermine any chance for success in the just-ended U.S./China/NK talks in Beijing.

The *Australian* article acknowledged the raging fight between the "Pentagon hawks" promoting military action, and those promoting diplomacy, with President Bush at this time endorsing the latter.

This planted "leak" followed the "leak" on April 21 in the *New York Times* of a Rumsfeld memo (known as a Rummygram) calling for "regime change" in North Korea, which was plastered all over the Korean press, North and South, on April 22. Another "Rummygram" called for fellow Chickenhawk John Bolton, Under Secretary of State for Arms Control, to replace Assistant Secretary of State for East Asia James Kelly as the U.S. representative to the talks in Beijing. The Bolton replacement was rejected (or ignored), and Kelly, and the North Korean delegation, led by Li Gun of the American Affairs Bureau, proceeded with the three-day meeting, which began April 23.

Hoover Institute Utopian Wants War Against Pyongyang

Thomas Henriksen of the Hoover Institute demanded that the U.S. ignore South Korea's objection to confronting the North, reported the *Washington Times* on April 21. South Korean President Roh Moo-Hyun opposes a war on the North, Henriksen complains, but Roh's "accommodation tactics" can be "surmounted." First, move U.S. troops off the border,

"removing them as human shields"; upgrade our sea and air forces; destabilize the North with covert and psy-ops; blockade them by sea to prevent arms proliferation. None of this requires talking to them, he adds. "Nothing other than a regime change in Pyongyang will realistically bring peace to the peninsula."

India-Pakistan Talks May Start as Early as June

Emphasizing that Indian Prime Minister Atal Behari Vajpayee's recent call for talks with Pakistan is not "flippant," India's Minister of State for External Affairs, Digvijay Singh, told reporters that the talks could begin as early as June, provided Pakistan responds to India's concerns. He said "even one line" issued by Islamabad shunning violence would be helpful in restarting talks to resolve the Kashmir crisis, according to *The Hindu of April 23*.

Digvijay Singh, however, made it clear that New Delhi is not going to go to the talks with an open agenda. "This time there will be a firm agenda decided upon by both sides before any of the leaders meet," the Minister said.

In Islamabad, according to *The Dawn*, Pakistani President Pervez Musharraf said Pakistan is "prepared to engage in a comprehensive dialogue with India on Kashmir and all other outstanding issues," according to a quote cited by the *Associated Press of Pakistan*. Musharraf was speaking at a banquet on April 23 for visiting Afghan President Hamid Karzai.

Indonesia and Russia Use Barter Trade, Avoiding the Dollar

Indonesia Agriculture Minister Bungaran Saragih hailed Indonesia's purchase of Russian warplanes for rubber and crude palm oil, reported the *Jakarta Post* on April 24. "I am happy at the counterpurchase, whereby our agricultural products can be bartered for industrial products of another country," Saragih said before attending a meeting with Vice President Hamzah Haz. The Vice President has openly called for Indonesia to move away from the use of the dollar for trade, due to the pending dollar collapse. The Agricultural Minister said that even though bartering was a primitive way of carrying out trade, it was better than no trade at all. "We shouldn't merely show off that we are modern, while having nothing," he said.

During her visit to Russia, Indonesian President Megawati Soekarnoputri ordered two Sukhoi SU-27s, two Sukhoi SU-30s, and two combat MI-35 helicopters, in order to reinforce Indonesia's Air force. The purchase contract was worth US\$197 million, of which 12.5% would be paid in cash, and the remaining 87.5% would be paid through the counterpurchase.

Indonesian Economists: Break Dependence on Dollar

Two economists in Indonesia detailed the depth of the dollar collapse internationally, and called for Indonesia to break its dependence on the dollar. In a report titled "Should Indonesia Rely on the U.S. Dollar?," Imam Nur Azis and Jason Meade from the Center for Indonesian Reform, Jakarta, and both graduates of Leeds University in the U.K., said the dollar would "remain weak over the next decade at least, for a number of reasons." These include: the U.S.'s "enormous budget deficits which are being financed by taking on new debt"; the mass of borrowings of the government that is "not intended to finance anything productive or positively beneficial to the United States ... [but] spent on increased defense and homeland security-related initiatives"; the Bush tax cut proposals, whose "repayment will come either in the form of further government cutbacks, or increased taxes, or both. Whatever the final formula, the outcome will be the same—a severe reduction in the economic health of the average American consumer and of the national economy generally."

The authors point to what they characterize as the collapsing university education, due to both the increased costs caused by collapsing state government revenues, and the harassment of foreign students by the new anti-terror laws.

The article concludes: "The U.S. economy is the pillar on which the strength of the dollar rests. Without the economy, the dollar will be of little value. Therefore, it is quite prudent for the Indonesian government to reexamine the wisdom of its reliance on the dollar. As Vice President Hamzah Haz has noted, the switch from the U.S. dollar to the euro ought not to be carried out for political reasons, but there are definitely sound economic reasons to question the future strength of the dollar."

Chinese Premier Will Attend ASEAN Meeting on SARS

Chinese Premier Wen Jiabao will attend the April 29 ASEAN emergency SARS [Severe Acute Respiratory Syndrome] meeting in Bangkok, reported the *Bangkok Post* April 24. The heads of state of the 10-nation Association of Southeast Asian Nations will meet at the Thai Foreign Ministry for a one-day summit. There had been some question as to whether or not Premier Wen would attend, due in part to strict policies for Chinese visitors imposed by the Thais and others, before China's steps last week to rectify inadequate attention to the SARS outbreak.

This will be Wen's first trip outside of China since assuming the premiership. ASEAN will also use the occasion to hold separate talks with the Chinese Premier.

Ahead of the summit, ASEAN Health Ministers and their counterparts from Japan, South Korea, and China met this past weekend in Kuala Lumpur. Thailand's Foreign Minister said the talks would discuss cooperation to avoid subjecting visitors to repeated screening at points of entry as they move from one country to another, rehabilitation of SARS patients, and ways to contain the epidemic.

China's State Council Mobilizes Public Health Measures

At a press conference April 20, the Executive Vice Minister of the Chinese Ministry of Health, Gao Qiang, and Vice Minister Zhu Qingsheng, reported on the actual number of SARS cases and announced measures that were being taken by the Chinese government to deal with the epidemic. While the reaction to the SARS threat from Chinese authorities has been slow, pressure from the World Health Organization (WHO), combined with a senior military doctor at a PLA (military) hospital sounding the alarm bells, propelled the issue to the highest levels of government, making it the focus of meetings by the Chinese Government State Council.

Among the measures taken was the extraordinary cancellation of the traditional Spring Festival, when tens of millions of Chinese go travelling. "The purpose of such an act," Gao said, "is to prevent the massive movement of people and the possible spread of the disease." Starting April 21, the government released a daily update about the SARS cases. Within hours of Gao Qiang's press conference Health Minister Zhang Wenkang and Beijing Mayor Meng Xuenong were demoted.

A press release by the State Council Information Office said that of the confirmed SARS cases, 1,307 are located in Guangdong province. In addition there are 339 cases in Beijing, 108 in Shanxi, 35 in Inner Mongolia, 12 in Guanxi, two in Shanghai, two in Henan, and one in Ningbo. With many more suspected cases of SARS, and the numbers are expected to rise as testing takes place.

Gao said the epidemic reporting system must be carried out more strictly. Any officials found incompetent in reporting cases or consciously suppressing information will be severely punished, he said. While denying any intentional coverup of SARS, Gao admitted that the Ministry of Health had not "given out clear instructions or effective guidance" on the disease.

Monitoring will be strengthened with supervision groups sent to all the affected provinces. The government will also mobilize the medical elite and research circles of the country to jointly develop treatments for the disease and work to

reduce deaths. Medical aid and subsidies will be provided to those too poor to pay for treatment, while offering health-care subsidies to medical workers treating the disease. The Ministry of Health also initiated closer coordination and cooperation with the WHO on combatting SARS.

China Can Contain SARS Epidemic, But Must Act Fast

China can contain the SARS epidemic if it takes the necessary measures, but it must act fast, said Dr. Henk Bekedam, WHO's chief representative in Beijing, on April 22. There are now 2,158 reported cases of SARS in China, and another 918 suspected cases. The epidemic has killed 97 people, while 1,213 recovered patients have left the hospitals.

"If you put all the [right] measures in place, it gives you quite a bit of hope that you can contain it," Bekedam said. "On the other hand, I am concerned that it takes only a handful of cases to get an explosion." The real danger is if the disease gets out of hand in the impoverished interior regions, where there is no health structure to begin to deal with such an epidemic. In general, peasants have to pay for their own medical care. In Inner Mongolia, one of the poorest regions of China, anyone suspected of having SARS will now be given free care and hospitalized.

Controlling the outbreak "will take longer in China than it will take in many countries where the health system is stronger," Bekedam said. "I believe the health system has collapsed over the past 10-20 years," but measures are now being taken. All hospitals, including military hospitals, were reporting cases, and another 2,500 public health workers have been added to work on containing the epidemic.

"In China, I think they know what the challenge is," Bekedam said. They are "moving in the right direction." Recently, an entire hospital in Beijing has been quarantined.

***Asian Wall Street Journal* Slanders Dr. Mahathir—Again**

On April 21, the *Asian Wall Street Journal* ran a report on the Malaysian Court of Appeals decision to uphold former Deputy Prime Minister Anwar Ibrahim's conviction on a sodomy charge, highlighting the report with a picture of a balding, bearded man identified as Malaysian Prime Minister Mahathir Mohamad in the caption. Dr. Mahathir, as any Malaysian and millions of others know, is blessed with a full head of hair and is clean-shaven. Compounding the insult, the individual in the picture was actually Khalid Sheikh Mohammed, the man who recently came into U.S. custody and is accused of having been the mastermind of the Sept. 11 attacks.

In its April 22 issue, *AWSJ* clarified that the "error was entirely unintentional and wasn't intended to make any implications concerning anyone in Malaysia." However, the Prime Minister's office pointed out, this is the second time in six months *AWSJ* has made such a gross "error." Datuk Badariah Arshad, principal private secretary to Dr. Mahathir, wrote *AWSJ* editor Reginald Chua: "While this office prefers to give you the benefit of the doubt, it is nonetheless most disconcerting that the *AWSJ* continues to commit such obvious errors when it comes to reporting on Malaysia."

Sri Lankan Army Is Put on Maximum Alert

Sri Lankan President Chandrika Kumaratunge, following her meeting with Sri Lankan Prime Minister Ranil Wickramesinghe, has ordered the military to be on maximum alert all over the island, reports *The Hindu* of April 23.

The President's concern followed the announcement by the Tamil Tigers separatist group that they are "temporarily" calling off negotiations with Colombo to settle the five-decade-old ethnic dispute between the Tamils and the Sinhallas that has taken more than 64,000 lives. Early last week, a communal riot broke out in eastern Sri Lanka, where two minority groups

vie for dominance, between the Muslims and the Tamils. Although the riot was contained quickly, it has become evident that the Tamil Tigers are not interested in talking right now.

The Tigers called off the talks by citing the American decision not to allow the Tigers to come to the Sri Lanka Reconstruction donors' conference that took place in New York on April 14. President Kumaratunge considers the whole negotiation process initiated through the Norwegians a "sham," primarily organized by the Tigers to rebuild their fighting capabilities. Prime Minister Ranil Wickremesinghe, who had actively promoted the talks, expressing a great deal of optimism, may find himself in a tight political corner. It is not wholly unexpected that President Kuamaratunge may even dismiss the Parliament.

On the other hand, it is almost certain that the Tamil Tigers would indulge in violence. They feel cornered at this point, and would try to break out of this situation by inciting violent incidents, President Kumaratunge fears.

Indian Left Calls for Nationwide Industrial Strike

Denouncing the Vajpayee government's economic policies as "anti-people," All-India Trade Union Congress (AITUC) General-Secretary Gurudas Dasgupta has called for a nationwide industrial strike on May 21. "There will also be strikes in power, port and dock, transport, and in the widest segment of private sector throughout the country. This was the beginning of a protracted battle to defeat the policy of hire and fire," said Dasgupta. He alleged that about 20 million people had been left jobless and 500,000 factories closed, while non-payment of wages and violation of labor laws have become rampant because of the BJP-led government's policies.

Apart from leftist trade unions like the Center for Indian Trade Unions (CITU), AITUC, and Trade Union Congress Committee (TUCC), the employees of the central government, banks, insurance, defense, and oil companies would be actively involved in the agitation.

It is not clear at this point how well the Indian Left can do in organizing this strike. But, it is a fact that the Vajpayee government has paid scant attention to the lack of employment and has continued to act as an anti-poor administration.

U.S. Eyeing Air Base in India

A classified U.S. Defense Department document, called "Indo-U.S. Military Relations: Expectations and Perceptions," now in the possession of the website rediff.com, says that the United States wants greater access to India's defense infrastructure, as it believes the country's strategic location offers a bright alternative in Asia. "India's strategic location in the center of Asia, astride the frequently travelled sea-lanes of communication linking the Middle East and East Asia, makes India particularly attractive to the U.S. military," the document says.

The document claims that India would be interested if technology transfer is part of an "important component for a robust military relationship between the two countries." "The necessity of the U.S. adopting a more liberal, less restrictive technology transfer regimen toward India—and for the United States not to impede the transfer to India of critical military equipment and militarily-relevant technologies from third parties, Israel, for example—emerged from the interviews with Indians in virtually every context," the report says.

While there is a little doubt that Washington and New Delhi are engaged in developing a military relationship, the timing of the report and its release by Pentagon has something to do with Indian Defense Minister George Fernandes' visit to China. The publication of the report is seen as an attempt to plant seeds of suspicion by those who would like to see the development of a friendly and cooperative relationship between Beijing and New Delhi. +

This Week in History

April 28-May 4, 1789

April 30 marks the 214th anniversary of the Inaugural Address of the first President of the United States, George Washington. On April 30, 1789, General Washington, the hero of the Revolutionary War, who had retired to his farm in order to lead a private life, and was then pressed into taking leadership of the nation in peacetime, appeared on the balcony of the Senate Chamber at Federal Hall on Wall Street, New York City, and took the oath of office. He then gave his inaugural address before a joint session of the two Houses of Congress.

The event was indeed historic. The world's first nation-state republic had been founded, based on peaceful deliberations about how best to guarantee the general welfare of the population, and its posterity. This was an experiment in government, to be guided by the Leibnizian principles of a commitment to "life, liberty, and the pursuit of happiness"—something that had never before been tried by mankind.

President Washington's Inaugural is short, and punctuated by many statements of humility in the face of the task before him. It includes no specific program or agenda, but enjoins the hearers to meet the standards of virtue required of a republic form of government, instituted under God, and for the purpose of promoting that happiness which is inextricably linked with virtue. A greater contrast with the bombast, "applause lines," and other rhetoric of our more recent Inaugurals could hardly be found. The anniversary of Washington's Inaugural address was once a national holiday in the United States. We reproduce the bulk of it below:

"Such being the impressions under which I have, in obedience to the public summons, repaired to the present station, it would be peculiarly improper to omit in this first official act my fervent supplications to that Almighty Being who rules over the universe, who presides in the councils of nations, and whose providential aids can supply every human defect, that His benediction may consecrate to the liberties and happiness of the people of the United States a Government instituted by themselves for these essential purposes, and may enable every instrument employed in its administration to execute with success the functions allotted to his charge. In tendering this homage to the Great Author of every public and private good, I assure myself that it expresses your sentiments not less than my own, nor those of my fellow-citizens at large less than either. No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency; and in the important revolution just accomplished in the system of their united government the tranquil deliberations and voluntary consent of so many distinct communities from which the event has resulted can not be compared with the means by which most governments have been established without some return of pious gratitude, along with an humble anticipation of the future blessings which the past seem to presage. These reflections, arising out of the present crisis, have forced themselves too strongly on my mind to be suppressed. You will join with me, I trust, in thinking that there are none under the influence of which the proceedings of a new and free government can more auspiciously commence.

"By the article establishing the executive department it is made the duty of the President 'to recommend to your consideration such measures as he shall judge necessary and expedient.' The circumstances under which I now meet you will acquit me from entering into that subject further than to refer to the great constitutional charter under which you are assembled, and which, in defining your powers, designates the objects to which your attention is to be given. It will be more consistent with those circumstances, and far more congenial with the feelings which actuate me, to substitute, in place of a recommendation of particular measures, the tribute that is due to the talents, the rectitude, and the patriotism which adorn the characters selected to devise and adopt them. In these honorable qualifications I behold the surest pledges that as on one side no local prejudices or attachments, no separate views nor party animosities, will misdirect the comprehensive

and equal eye which ought to watch over this great assemblage of communities and interests, so, on another, that the foundation of our national policy will be laid in the pure and immutable principles of private morality, and the preeminence of free government be exemplified by all the attributes which can win the affections of its citizens and command the respect of the world. I dwell on this prospect with every satisfaction which an ardent love for my country can inspire, since there is no truth more thoroughly established than that there exists in the economy and course of nature an indissoluble union between virtue and happiness; between duty and advantage; between the genuine maxims of an honest and magnanimous policy and the solid rewards of public prosperity and felicity; since we ought to be no less persuaded that the propitious smiles of Heaven can never be expected on a nation that disregards the eternal rules of order and right which Heaven itself has ordained; and since the preservation of the sacred fire of liberty and the destiny of the republican model of government are justly considered, perhaps, as deeply, as finally, staked on the experiment entrusted to the hands of the American people....

"To the foregoing observations I have one to add, which will be most properly addressed to the House of Representatives. It concerns myself, and will therefore be as brief as possible. When I was first honored with a call into the service of my country, then on the eve of an arduous struggle for its liberties, the light in which I contemplated my duty required that I should renounce every pecuniary compensation. From this resolution I have in no instance departed; and being still under the impressions which produced it, I must decline as inapplicable to myself any share in the personal emoluments which may be indispensably included in a permanent provision for the executive department, and must accordingly pray that the pecuniary estimates for the station in which I am placed may during my continuance in it be limited to such actual expenditures as the public good may be thought to require.

"Having thus imparted to you my sentiments as they have been awakened by the occasion which brings us together, I shall take my present leave; but not without resorting once more to the benign Parent of the Human Race in humble supplication that, since He has been pleased to favor the American people with opportunities for deliberating in perfect tranquillity, and dispositions for deciding with unparalleled unanimity on a form of government for the security of their union and the advancement of their happiness, so His divine blessing may be equally conspicuous in the enlarged views, the temperate consultations, and the wise measures on which the success of this Government must depend."

Links to articles from *Executive Intelligence Review.**

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Feature:

Gingrich at AEI: The Return of the Undead

by Jeffrey Steinberg

Former Speaker of the House Newt Gingrich (R-Ga.) emerged on April 22 from nearly a half-decade of political hibernation, to deliver a psychotic diatribe against U.S. Secretary of State Colin Powell at the American Enterprise Institute in Washington, the neo-conservative think-tank that one astute Washington insider has dubbed 'the Temple of Doom.'

The Weird Religions of Cheney's Empire: The Pantheo-cons

by Lyndon H. LaRouche, Jr.

This report was released on April 25 by the LaRouche in 2004 Presidential campaign committee.

April 6, 2003

When does a religious association qualify as an expression of fascism? With the 1648 Treaty of Westphalia, European civilization escaped from a 1511-1648 period dominated by epidemic religious warfare, warfare which had threatened to lead to an outcome like that of Europe's mid-Fourteenth-Century 'Dark Age.'

The Strauss Kindergarten: Israeli Outcroppings of 'Universal Fascism'

by Steven Meyer

Several weeks before the U.S. invasion of Iraq, a colleague asked me to review a book which is causing an uproar amongst the Middle Eastern diplomatic community in Washington, D.C. Michael Oren's *Six Days of War: June 1967 and the Making of the Modern Middle East*, has been characterized as the authoritative history of the Middle East, based upon its vast use of U.S. and Israeli government documentation which has been declassified in the recent years.

Economics:

California Re-Regulation: Sign Of Sanity Amid the Collapse

by Harley Schlanger

A long-overdue California electricity *re-regulation* bill, SB 888, was announced on April 8 by State Sen. Joe Dunn (D-Santa Ana) and a number of Democratic Party leaders in the State Assembly. It would end the state's disastrous deregulation 'experiment' which has been the target of a renewed nationwide mobilization by Lyndon LaRouche's campaign against the insanity of deregulation since August 2000, when that experiment began.

- **Feds Still Nuts Over Dereg**

SE Asia Service Economy Blown Apart by SARS

by Martin Chew Wooi Keat

Those Southeast Asian nations that clung to the assumption that one could have an economic recovery without massive, long-term investments in hard and soft infrastructure, are now seeing the death of their axioms—and their people— virtually every day, thanks to the outbreak of severe acute respiratory syndrome (SARS).

Talks Held in Mexico on LaRouche's 'Great American Desert' Development

by Marcia Merry Baker

Democratic Presidential pre-candidate Lyndon LaRouche, visiting the northern Mexican state of Coahuila last November, participated in conferences and interviews, at which he raised the urgent need for large-scale development of basic economic infrastructure—power, water, and rail—common to the Southwestern U.S. states and the Northern Mexican states, in order to provide the basis for restoring U.S.-Mexican relations and providing needed development and employment.

International:

Why the 'Surprising' Rise of Shi'ite Power in Iraq?

by Hussein Askary

The April 22-23 pilgrimage of 2 million Iraqis to Karbala in south central Iraq, commemorated the martyrdom of Imam Hussein ibn Ali, the grandson of Prophet Mohammed, who was killed in 680 and regarded by Shi'ites worldwide as the ultimate symbol of martyrdom and selfless struggle against tyranny. Because it is both a religious ceremony and a political expression of grievances, the pilgrimage was banned by Saddam Hussein's regime for over 25 years.

- **Oil Robbery Under Way in Occupied Iraq?**
by **Muriel Mirak-Weissbach**

Brazilians Denounce Iraq Occupation as Threat to Sovereignty of Nations

by Lorenzo Carrasco

While the Brazilian government has demonstrated excessive caution in its condemnation of the barbarous Anglo-American occupation of Iraq, out of concern over the very likely economic reprisals which the country would suffer were the government to express its view honestly, differing political and diplomatic circles in Brazil have repudiated that occupation with unprecedented vehemence.

- **Iraq War 'Aimed Against the Eurasian Land-Bridge'**

Speaking to the plenary of the Chamber of Deputies on April 11, Congressman Irapuan Teixeira, of the PRONA party, gave this briefing on the perpetual war strategy of those who launched war against Iraq.

Philippines Becoming Just U.S. War Appendage?

An interview with Father Eliseo Mercado.

Father Eliseo Mercado, currently at Georgetown University in Washington, D.C. as a Fulbright New Century Scholar, was President of Notre Dame University in Cotabato City, Mindanao, Philippines, from 1992-2002.

No. Ireland Report: Chance to Clean House

by Mary Jane Freeman and Mark Burdman

High-level British government officials—past and present—have potential cause for great concern. On April 17, Metropolitan Police Commissioner Sir John Stevens, the most senior police official in Great Britain, released a summary of his still-secret 3,000-page report on collusion among British Army intelligence, Loyalist paramilitary groups, and the British police force, to murder Catholics in Northern Ireland.

National:

Justice Department Evasions on 'Patriot II'

by Edward Spannaus

In early February, someone from within the U.S. Department of Justice (DOJ) took the risk of leaking a highly secret draft for a new anti-terrorist bill, which would give the Federal government sweeping expanded powers for secret investigations, detentions, and trials of suspected 'terrorists'—and which would enable the government to target U.S. citizens the same way that foreign nationals have been targetted since Sept. 11, 2001.

Budget Gap Grows as GOP Splits

by Carl Osgood

The Grand Old Party presented itself as the party of balanced budgets in the 1990s, took credit for the balanced budgets that emerged near the end of the Clinton Presidency, and is now in the process of splitting, over that very same question. With the collapse of the U.S. economy, the Bush Administration's expensive perpetual wars in Iraq and Afghanistan, and the costs of the 2001 tax cut all bloating the budget deficits, a handful of Republicans fear the potential financial consequences of the Administration's ideological direction.

Chicken-Hawks Now Prepare War on Syria

by William Jones

The drumbeat against Syria, begun by Secretary of Defense Donald Rumsfeld on April 9 ...was no spontaneous eruption of 'anger' at alleged Syrian harboring of members of the Saddam Hussein regime or of Iraqi 'weapons of mass destruction.' Rather it was the next step in the chicken-hawks' plan in their broader program of 'regime change' in the Middle East.

Interviews:

Israel's Attack on the 'USS Liberty'

An interview with Tito Howard.

Mr. Howard is an American filmmaker who produced 'The Loss of Liberty,' a documentary released in 2002 about the June 8, 1967 Israeli attack against the USS Liberty, in which 34 American servicemen were killed and 171 wounded. The Israelis later claimed it was a case of 'mistaken identity,' and the affair was covered up. There has never been an investigation by Congress.

'The DLC Are Democrats Who Are Really Reactionary Republicans'

An interview with Sen. Eugene McCarthy.

Sen. Eugene McCarthy gave the first part of this interview—on his fight against a sitting President's war policy with the aid of a national youth mobilization in the 1967-68 Presidential campaign—for publication in EIR's April 11 issue. This second part of the interview was conducted by Nina Ogden for EIR on April 10, on who made the Democratic Party a 'hollow party,' and whether that can be reversed, and the party of the disenfranchised can be revived.

Book Review:

Heidegger: The Roots of War and Fascism Today

by Mark Burdman

Heidegger's Children: Hannah Arendt, Karl Löwith, Hans Jonas, and Herbert Marcuse, by **Richard Wolin**.

As much of the world has looked on with alarm at the aggressive-war drive conducted by neo-conservative fanatics in the United States, the LaRouche movement has circulated internationally a groundbreaking report, to explain who and what is behind these mad designs and actions. The report, entitled *Children of Satan*, documents that these provocations emanate out of a tightly knit group of disciples of the late fascist philosopher Leo Strauss...For those wishing to pursue this subject in more depth, Richard Wolin's book can serve as a useful companion volume...

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