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This Week You Need To Know

Who Is Running al-Qaeda?

It is *EIR's* assessment, at this time, that the hideously destructive terrorist attacks which occurred over May 11-14, against both Chechnya and Saudi Arabia, were probably carried out—as Russian President Vladimir Putin has charged—by al-Qaeda. But the important question remains: Who is running al-Qaeda?

The widespread view in the Arab world is that this terrorist network is comprised of misguided adherents of Islam, who are simply choosing a counter-productive method to express their rage against the overwhelming injustices being carried out by the United States, in particular, or by Russia. That opinion would appear to be buttressed by the fact that an explosion of terrorism against the United States, had been widely anticipated, in the wake of the hated Iraq war.

But it would be a terrible mistake to chalk these actions up to simply another "sociological phenomenon."

Start by taking a look at the pattern of terrorist incidents, for example. Look at the way in which the Israeli-Palestinian situation, for one, has developed. At virtually every point that promising prospects for peace were on the agenda, with the extremists on both sides being put under control, a new terrorist incident would break out. How convenient for those who never wanted to proceed with the peace process to begin with!

In the Israeli-Palestinian case, *EIR* has undertaken considerable study of this "coincidence." Lo and behold, it became apparent that Israeli Prime Minister Ariel Sharon, whose entire career has been devoted to preventing a peaceful solution to the conflict, actually set up one of the most radical "Palestinian" terrorist groups, Hamas, in the 1980s. And whenever it was convenient for Sharon, the Hamas terrorists would emerge to do their dirty work. This pattern continues to this very day.

A similar point of analysis has to be taken in the case of the biggest "terrorist" incident of the recent era, the Sept. 11, 2001 assaults on the United States. No one actually knows who carried out these assaults, although it can be said with surety that a network of Arabs headquartered abroad, could not have had the capability to carry out this sophisticated operation, without decisive help from forces inside the United States.

But there is no question but that Sept. 11 was "convenient," one might even say indispensable, for those in the Anglo-American financial establishment who were determined to instigate a war against Islam, a "Clash of Civilizations" war which would pave the way for a New American-Roman Empire, and prevent the consolidation of a new just international order based on collaboration between sovereign nation-states.

So, one crucial question to ask about the recent bombings in Saudi Arabia and Chechnya, is: For whom is this bloody carnage "convenient"?

You don't have to go far to find an answer. The "Clash of Civilizations" crowd in Washington is continuous with the grouping which produced the "Clean Break" document for Israel's then-Prime Minister Benjamin Netanyahu back in 1996, a document which laid out a scenario for redrawing the map of the Middle East by overthrowing most of the Arab governments in the region. Among those, as the leading Chickenhawks have made very clear in recent months, has been the Saudi government. The *Wall Street Journal* has even editorialized in favor of the United States seizing the Saudi oil fields.

As for the Chechen violence, that also serves a "convenient" purpose for those who are trying to ensure that Russia sits back and permits the United States to carry out the imperial mission upon which the Utopians have decided.

You say al-Qaeda carried out these atrocities? Fine. But who runs al-Qaeda? Back in the 1980s, al-Qaeda was part of the U.S. intelligence operation in Afghanistan. When did the U.S. stop running al-Qaeda? Whose strategic purpose is this wave of bombings serving, and who will be smart enough to escape the trap which is being laid?

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LATEST FROM LAROCHE

Playing 'Hopscotch' vs. Managing the Biosphere

by Lyndon LaRouche

More than 100 young people, gathered for a LaRouche Youth Movement cadre school in Lancaster, Pa. on May 10, heard Lyndon LaRouche give the following presentation. A two-hour discussion, excerpted below, followed his opening remarks. The transcript has been edited and subheads added.

A long time ago, people used to play a game called "hopscotch." And in hopscotch, the idea was to cast stones and so forth, into this thing you drew on the ground, as a kind of playing field; and you would hop, on one foot, from one location to the other. The object, among other things, was not to step on one of the cracks that you had made by drawing this schema on the ground. This extended, also, in that period of time, into the way in which sidewalks were constructed of concrete.

Now, the concrete sidewalks were made by pouring cement mixture into a metal framework, which would contain the quasi-liquid cement, which would then dry and harden in that framework, and then the framework would be removed. Now, the way in which these sidewalks were constructed in the course of time, the sidewalk blocks, defined by this framing, would crack. So you had two kinds of cracks: You'd have the crack which had originally been created between the blocks which formed the concrete sidewalk; and then, you would have the cracks, which had additionally developed as a result of the breakdown, shall we say, of the subsoil, and so forth.

So, if you saw a fellow hopping along the street, walking very strangely, and you would look, and you would realize what he was hearing in his mind. He was hearing a ditty, a little rhyme: "Step on a crack, break your mother's back!" A little belief in magic: that he somehow must *not* step on the crack, or his mother, wherever she was, would *break* her back!

Now, the way in which society functions today, contains many elements of that kind of pathological, or shall we say, simply pathetic mentality, superstition. And, that's the case with economy.

Now recently, in Northern Italy, in both the city of Vicenza, which is in the Veneto district—that's the northeastern Italy

area, which is relatively prosperous, in terms of industry, employment and so forth—and also later, in Milan, the address I gave to a group in Milan, at a mini-parliament—I'll just summarize it again to you today.

The Development of Eurasia

The general scheme for the recovery of the world, is that we have, in Asia, in East, Southeast, and South Asia, the greatest concentration of population, and of growth of population on the planet. Together with Europe, this is the majority of the human population. Now in this area, chiefly along the coastlines, in the case of China, you'll find that there are very few, or relatively few, mineral raw materials, relative to population-density. Whereas the greatest concentration of raw materials within the biosphere, that is, the fossil area of several kilometers depth on the top of the Earth, you find most of the minerals that you need for human existence, at least from today's technology.

Now therefore, the problem is to develop this area of Central and North Asia, which includes an Arctic tundra region, which is not considered the most habitable, by modern Pennsylvania standards, but this area could be developed. The development would require, of course, large-scale development of systems in transportation, power, water management, and so forth, and urban systems. In that case, then, we could have a balanced system in Eurasia, where we could manage the consumption and production of these mineral raw materials, according to human need. We don't have it, presently; but obviously, it would be sane to do that.

Now, this compels us to look at the situation, in a more profound way: in the way the famous Russian biogeochemist Vladimir Vernadsky, for example, broadly defined the problem. The universe, as I've said many, many times, is divided among three phase-spaces, using Bernhard Riemann's conception of phase-spaces. And these three, are defined in terms of physical chemistry, or, biogeochemistry is the way Vernadsky defined it. On the one side, you have those processes, which express principles, that is, universal physical principles, which coincide with the range of non-living processes, as we define "non-living processes.

The second range, is that area of principles which define phenomena, which do not occur in non-living processes, but only in the presence, and under the influence of living processes. This is an area, not only of living processes, but of fossil products produced by living processes. For example, the top layer of the Earth's surface is largely composed of, and dominated by fossil forms, that were produced by living processes. Typical are the oceans. The oceans were produced by living processes, and could not have come into existence any other way. The atmosphere was produced by living processes, and could not have come into existence any other way.

Well then, this involves some problems. Most of the mineral resources we tap into, or the greater range of them, have been arranged within the fossil area of the biosphere—that is, this area of fossil rock, and so forth, below the surface—have been arranged and located there, because they were deposited there by living processes, or under the influence of living processes—as distinct from the distribution of material below the level of this biosphere, that is, where the fossils are located.

Now at present, in certain areas of the world, we're using up the fossil minerals from the biosphere, from this fossil area, more rapidly than they are being regenerated by action of the biosphere on the lower part of the planet, where the same materials exist, but they exist in a different way.

Managing the Biosphere

So therefore, the problem we have is, in developing society, is to develop soome long-range understanding—scientific and otherwise—as to how we can take control of the management of the relationship between the biosphere, as such, and the

mineral uses from the biosphere, and the non-living or the abiotic part of the planet. How do we manage that? How do we define our policies, on the use, and selection of use of certain kinds of raw materials in certain areas? How do we make long-term planning, which generally means thinking 25 to 50 years ahead, in terms of our requirements, to develop the kinds of systems, which will ensure us, that we will have what society needs in all parts of the world, for their needs.

So therefore, we are faced with this kind of problem for the future.

Now, this coincides, right now, with the situation in Europe and Asia: On the one side, in Europe, as you see the collapse of Germany employment, up to about 5 million probably, or more, actual unemployment. At that level, the German government can not raise and spend sufficient tax revenues, to maintain society at its existing level of existence.

We have a similar situation in the United States. At present, at least 46 of the 50 states have no hope of balancing their books without killing people, that is, without cutting costs of government, which will have the effect of increasing the death rates and the general sickness rate; and will not allow people to develop, in terms of education and so forth, to the level where they will be productive, by modern standards, in the future.

This thing can not work. We have an insane President, sitting there in the White House, an insane government, which is not based on reality—*refusing* to face reality—under these conditions.

So therefore, the first problem we face, in every part of the planet, is to *increase* productive employment. And by that, I mean productive employment—not make-work, white-collar jobs. In that case, where we will be producing more wealth than we have required to maintain the balance of normal activities of life; we'll have enough income, from tax revenue, to pay for maintaining Federal and state and local functions; we'll have enough income, enough employment, so households and private firms, and so forth, can live less uncomfortably, at least, than they're living now.

The same thing is true throughout most of the world.

So therefore, international cooperation depends upon looking at this problem, first of all, and secondly, beginning to look at, more seriously than ever before, the problem of managing the biosphere, in terms of the relationship among human population; human development, in terms of technological progress; raw materials requirement; and *management* of long-term raw-materials supply.

An Advanced Language-Culture

Now, you can't do this, with a globalized system, for an elementary reason: The progress of mankind depends upon developing concepts, whether new or old concepts, but through processes of education of the type that I demand, in opposition to what's going on in schools and universities today. That is, the individual must go through the experience of re-enacting discoveries of old principles—that is, principles already known—in order to master them as principles, and know them as principles, not as formulas for quick answers on a multiple-choice questionnaire. It don't work, hmm?

So therefore, we have to develop the society, we have to develop the culture—and we have to develop the culture in such a way, that it advances; that mankind's mental abilities are increased; that new technologies can be introduced successfully, because you have a population, which is mentally capable of understanding these new technologies. Thus, we have to have a culture, which can do that. And a culture which can do that, is based on a language-culture.

Now, a language-culture is not simply a vocabulary of terms. You can not develop a language competently, on the Internet, by looking it up, in some kind of vocabulary text or that sort of thing. Nor can you find it in the normal teaching of

education today, in which people learn to write, and think, as if they were a teletype machine putting out text, dot-dot, dot-dot-dot, dot-dot. They don't have any sense of communication, they're just babbling away! Babbling radio announcers, television announcers, and so forth.

A language contains elements which are not in the vocabulary. They may be reflected as changes in the optional interpretations of words in the vocabulary, but they don't exist *in* the vocabulary, as such. They exist in the ironies and metaphors of comprehension, which exist within the *use* of the language among the people, *not* within the literal language itself. And, the same thing is true with a lot of things that go into a culture.

So therefore, cultures can develop, only to the degree that people develop them, in terms of a living language, in terms of the ironies and metaphors in that language, and similar kinds of things. And thus, they can *think*: think about ideas, about principles. Whereas, if you had a population of a world, which knew only a *vocabulary* of the type you could look up on the Internet, you could not have technological progress, because you could not have mental development of the population. And the danger today, is that we are reducing populations to this kind of blab-school, babbling vocabulary, with no understanding of the implications of what they're saying.

Sovereign Nation-States

So therefore, we have to have separate cultures, which means *separate, sovereign nation-states*. Therefore, we require a *system* of separate, but cooperating nation-states, which are sharing certain common problems. These common problems include the management of the biosphere, on a much broader scale—ultimately globally—than the territory of a nation-state.

So therefore, that's what we're up against. That's the challenge before us, presuming we get out of this hell-hole, which George Bush and his friends are trying to create for us now. And that should define the way we think about society; the way we think about ourselves; the way we think about politics. And people who *don't* think about politics, in terms of those combinations, are like superstitious people, walking through life, walking in a peculiar way, for fear that they might step on a crack, which will break their mothers' back. And, that's the situation we face today.

A 'Rabelaisian' Discussion with Youth

Question: I've been thinking about this concept for a while now, about how physical space-time is a multiply-connected process. So, I was thinking about this concept of time, and how we have different concepts, like the simultaneity of eternity; but, then you can also think of time as a measure of change. So, then, I started thinking about, what are we measuring that change *against*?

LaRouche: Ah!

Question: And then, you get in areas of composition, where now you *know* you're talking about the Noösphere, and then, there's still this element of time, and the ambiguities that are presented with it. So, I'd like you to comment on what this element is.

LaRouche: Okay. Well, it goes to the question of curvature, hmm? I don't know how much discussion among all of you there has been, about this question of Gaussian curvature, and its relationship to the idea of a Riemannian universe. Most of my work, of course, is based on that particular problem, that concept.

Now, as I've described it before, but just to situate this for everyone: If you imagine ancient man, that is, ancient *intelligent*

man, looking at the night-time sky, on a clear night, and seeing a panoply of stars, and also planets, and some other objects floating around up there, and they would imagine the universe to be, in a sense, like a big spherical bowl, a container which they're in. Now, they don't know far distant—that is, how far that surface is from where they're standing—but they imagine that, someplace out there, there is a point, a surface, which you can see the inside of, and where all these different objects, stars and so forth, might be moving. And you try to measure the relationship among the movements among those bodies, the way ancient people constructed these astrological schemes; calendar schemes for the annual calendar, things of that sort.

Now, you call that the sensorium, this imagination—you project a sphere, that you're inside a sphere; you're on some normalized point inside the sphere, and you're looking up toward the interior surface of the sphere, in which all these objects are moving about as light points: Is that real?

And then, you find out, that it's not real. It is real, it's a real shadow of reality, but it's not the reality as such. This, of course, is the significance of, among other things, Kepler's discovery. When Kepler discovered that the motion of the planets, starting with Mars, was not circular, but elliptical in form, and discovered two other things. This whole business about assuming that this is the actual surface, on which events are occurring—that goes out the window. Why? Well, he discovered, in the elliptical function, that the Sun was located at one of the two foci of the relevant ellipse. And also discovered that the rate of the planet's motion, along the elliptical pathway, was *constantly non-uniform*. And what the measurement was. That proved that there was an operating physical principle, invisible to the senses, but whose effect was, nonetheless, visible to the senses. And therefore, you can not simply say, that, from Euclidean geometry, from looking at the universe from the standpoint of Euclidean geometry, you can come up with a mathematical description of the laws of the universe. That's what he proved, among other things—as others had proved before him.

The 'Shadow' of the Universe

Now, what does that mean? That means, essentially, that you have a real universe, whose shadow is the universe you think you're seeing. In other words, if you're looking at this spherical sensorium up there, which you imagine you're inside it; you're looking up at it, like the ceiling of the universe; and you think, that the mathematical relationships between the events you're observing, *as on that sensorium*, are reality. They're not. But, there is *some* reality *to* them, isn't there?

What is the reality, which they correspond to? Well, think of them as the *shadows* of something projected upon the sensorium *from outside* that universe. Think of that universe, the one you *think* you're observing, as an imaginary universe—one created by the senses, as an artificial sense, of what you're actually experiencing, but an image which is determined by the way your sense organs are constructed. Now, what is the *real* process, which is causing this effect in your sense organs? Well, that's what Kepler's law meant, Kepler's law of gravitation.

Now, how does this reflect itself? It reflects itself, that the planet is now moving—like Mars—it's moving along the elliptical orbit it follows. At every point you observe it, no matter how finely you divide the points, the rate of motion is changing, relative to sense perception. So, what is regular? What is constant? Well, at every point, on this pathway, you're dealing with a different curvature, which is intersecting the curvature of some elliptical pathway, as if it were touching it at that point. Call it a "singularity"—the intersection of the curvature of the *real* action, as against the *imagined* curvature, which is a shadow of the effect.

Now, to understand the universe, you have to understand the relationship between the two curvatures. The curvature of the function, which is defined by the tangent action, or tangential interference at that point; and the motion within the orbital pathway, as a different surface. The two surfaces give you a sense of mapping of the universe. Now, obviously, the universe is much more complicated then, isn't it? It's more complicated, because you have to look at *all* the curvatures, to see what is really happening in the universe. And you come up with a different kind of universe.

Now, we also have a second thing going on: We have man *in* the universe. To the best of our knowledge, the number of physical principles, in the universe, as a whole, is predetermined. That is, we don't determine the number of principles that *exist* in the universe. We *discover* them, but we don't *predetermine* their existence. But, we're not aware of their existence, until we make the discovery.

All right, therefore, you have a sense of two universes—or maybe three: one is the sense-perception universe, which is only a shadow, as, for example, Plato defines it; then, you have a universe *as you know it*, in terms of principles; but then, there's a *larger* universe, which includes what you know, and what you have yet to discover, which is the real universe. What happens, therefore, when man discovers a principle? Well, man's discovery of a principle, is not simply a matter of observation: It's a matter of *intervention*. Of willful intervention in the universe. When man, who is a creature of *will*, discovers a physical principle, and *uses it*, even though the principle discovered already existed, *man changes the order of effects in the universe*.

So therefore, we have three universes to consider: the totally imaginary, shadow universe of observation, sense perception; the universe, as we know it, in terms of physical principles, which is good, it's real; whereas the shadow universe is merely a shadow universe, but, it is not complete. We have not yet discovered the universe in full. So, there we are: We say, the process now is determined by man's discovery, and efficient use of, discovered universal physical principles. Ah!

How do we measure the effect of adding a new physical principle, as a discovery, to the repertoire we already had? In Gauss's measurements, or in Riemann's work in general, it's defining what's called a "Riemann surface." A Riemann surface is typical of the case, where you have the intersection of one universe, with the tangential impact of another universe upon it—typical Riemannian surface. In this case, you say, you measure the change in effective action within the universe, as a result of adding the action of this additional physical principle that we discovered. What that means, of course, in practice is, that relative to man, man's power over the universe increases. This power is expressed in various ways, but it's also expressed very simply in *quickness*. When man discovers new physical principles, and applies them efficiently, the quickness with which man can effect changes in the universe, is increased.

Now, if the quickness of a standard event is changed, if the measuring rod of time is changed, in terms of practice, then there is no such thing as *universal, fixed, permanent clock-time*. The universe does not go "tick-tock." The universe speeds up. It speeds up, because of the effects of the processes of principles. It speeds up, because man's intervention, with new physical principles, *speeds up the effective measurement of time*. That is, time tends to speed up; time becomes quicker.

So, the idea that people can take a fixed clock-time measurement, and apply that to the universe, and tell me what the actual history of the universe was *relative to man*—they don't know what they're talking about. They may be very good astronomers. They may be good scientists in general, but they still don't know what they're talking about.

So, that's what the anomaly is: that time is not an absolute clock-time, functioning independent of the physical changes in the universe. Time is a reflection of a *direction* and of *relative power* of the processes we're deploying, relative to the universe and relative to man's actions. So, time is essentially, intrinsically, relative. It is not absolute, in the sense of "tick-tock."

A 'Rabelaisian' Answer

Question: I've got a question about a specific aspect of your solution for solving the problems of our country; I've been thinking about this lately. How would you go about—given the inevitable outcome of you becoming President in 2004—how would you go about motivating a population that's just been beaten down, physically, psychologically? And I want to address certain aspects of this question, not only motivating them to become producers again, but we talked about

the culture question, and how it does dumb us down, that is, to an animal level. But, how would you, as a form of policy, go about attacking it? How would you use television, or, what would you do about television?

LaRouche: Okay, let me just give you a good Rabelaisian answer to this, because I think the Rabelaisian answer is the most efficient.

It's hard to look a guy in the eye, when you're trying to kiss his ass at the same time. That's the problem. That's the problem that most people have in politics. Okay. The point is, that what most people have as a problem, in politics, is, they're saying, "How can you actually get across an idea to somebody, without offending them? Without offending their prejudices?" And the fact is, as I said, that's why I used the Rabelaisian format. You can not look a guy in the eye, while you're trying to kiss his ass at the same time. And that is where most people in politics, and similar kinds of things, fail. They're trying to find a way to woo somebody from behind. Whereas, if they would simply state, straight-up, what they intend to say, or should intend to say, looking the guy in the eye, so to speak, the idea would probably get across.

Now, for example. What does the typical American need?

Say, "Are you one of these dumb Americans who think that the economy is not collapsing? Are you one of the Americans who thought that free trade is this and that?" Now, you don't quite say it that way, but you don't kiss his butt. What you do is say, "The problem that we're having, in society, which many Americans have, is they refuse to face reality, partly because they're afraid of being overheard saying the kinds of things that might get them into trouble. And therefore, people convince themselves, they should be overheard saying something, and when they say it too much, they even begin to believe it. The fact is, this system is collapsing. There's no solution except a new monetary system. Now, do you want to survive? Do you care what happens to you, and your family, and so forth, 10 or 20 years from now? Do you care? Do you care *enough* to change the way you think and act now?"

And that's the only way to deal with it. Now, the advantage is, with younger people, as opposed to Baby Boomers—Baby Boomers tend to say—you're trying to influence a guy by kissing his butt. That's Baby Boomer behavior. Whereas you young guys, who may tend to do the same thing, sometimes, but you really, instinctively, you have a sense that your generation has been betrayed, by the preceding generation, and therefore, you're less hesitant to recognize the fact, that the policies which have been adopted over the past 40 years, the policies which have been tolerated by the previous generation, or the older generation, the 50-60 generation, the policies which are running the country now, have been awful, have been betrayal. And that getting rid of those policies, and looking at the policies which previously existed, as a point of reference, for what we ought to be doing instead, is the way to look at it.

The person of the younger generation, say, the 18-25-year group today, is less inclined, to do ass-kissing. And that's the difference.

So, the point is, the younger person, who is saying plainly, like the little boy in Hans Christian Andersen's story of "The Emperor's New Suit of Clothes"—the whole crowd is standing there like a bunch of Baby Boomers, or blubbering Baby Boomers, admiring the Emperor walking down the street, absolutely naked, all pretending that they see him with his wonderful suit of clothes, that this couple of swindlers have foisted upon him. And the little boy there, standing by the street, says, "But, Daddy, he has nothing on!"

And when you look at the parade of Baby Boomers and their Emperor walking down the street, and you see George Bush babbling his way down the street, and every fool in the world admiring, saying "But he's the President!" And some little boy says, "Hey, he's got nothing on. He's brainless," that's the truth. So, sometimes, the way of getting across, and emphasizing the simple truth, and looking inside the mind of the person you're addressing—not kissing their rear end, but looking inside their mind, to see what is the contradiction that's bothering them, lurking inside their mind—that will bring

them to a recognition of the reality of the issue you're raising, you're posing. That'll work. Because reality is working for you.

Look, the dollar is now running at \$1.15 to the euro, as last reported. \$1.15! It was supposed to be at parity at one. The dollar is collapsing. The U.S. economy is collapsing. The U.S. financial system is tumbling. The President of the United States is sinking in the quicksand of his own mind. So, if a person says to you, "No, everything is fine," they don't know what they're doing. "This is all fine. You're wrong. It's all going to be all right." You've got the advantage. He may tell you "no" today, but two weeks from now, he's going to look at you—"Hey, I was wrong, you were right." And that's the way to win.

Man Is Intrinsically Good

Question: I have a lot of problems with the statements you're making. First of all, I agree that the interior continents must be developed, but if we tried to do the Eurasian Land-Bridge today, we'd have it administered by corrupt Western and Japanese businessmen, Middle Eastern Wahabis, Central Asian warlords, corrupt Chinese bureaucrats, and the Russian mafia. Each would take the resources entrusted to him, for the development of the Land-Bridge, and use it to line his own pockets.

Second, you equate budget cuts with genocide. That assumes that the increase in government spending during the '90s actually saved lives. Which of course is not true. Most government spending today is wasteful, and should be cut. Your fallacies, Mr. LaRouche, spring from your failure to apprehend the real problem, the sin enthroned in every human heart, and the only solution: personal faith in the blood of Jesus, shed to atone for our sins.

LaRouche: Well, actually, you can't complain about the morals of other countries, because the worst morals I know in the world are found in the United States, in the U.S. government. And it is not—it was *misspending*, not *excessive* spending that was the problem. That's not the problem. The problem was, not enough spending in the right way, and raising prices without producing goods.

And these other countries do not have as much corruption as we have. They don't have the luxury of being quite as corrupt. So, we're in a sense better off with them, than otherwise.

Besides, man is not naturally evil. That's a wrong conception. Man is not intrinsically evil. Man is intrinsically good. However, there's a little problem here, of getting a person from a new-born condition, into realization of their true human potential. And so far, in society, very few people really make it. But I know, from long experience, that if you do as I do, and accept the frustration that that incurs, sometimes, you appeal to that within people which is good, naturally good, it's best thing in the universe.

And this idea that Christianity deals with man as being intrinsically evil—that is a false belief, which has nothing to do with Christ; has nothing to do with Christianity, the conception of Christ. Just think about the ludicrousness of this argument, about this: Christ came to rescue the evil. This is a Jonathan Edwards-type of crazy idea, which spread among some Protestant cults, and others. You're saying that God, the Creator of the universe, has bad taste, that he would send His Son to die, for a bunch of creatures which are the lousiest, most evil things slithering across the planet. I would propose to you that God does not have bad taste. And that Christ's sacrifice for the redemption of mankind as a whole, expresses God's confidence in the essential goodness of the human individual. And as Christ and many of the apostles, and others, sacrificed their lives, willingly—not that they desired to sacrifice their lives, but they did it when they had to—*did* it in order to, on behalf, of that intrinsic goodness, which lurks in all mankind.

Our job is to bring forth in man, to inspire them to recognize that goodness. And to recognize it in themselves, and to cling to it, and not to slip into some kind of degenerate kind of behavior. Which is typical of people today, including many so-called fundamentalists.

A fundamentalist, for example, who supports a John McCain or a Lieberman, or some of these crazy cults that support George Bush, is actually doing evil. Now, how can they say that their kind of Christianity is what I should listen to, when what I see them doing *is* evil? Whereas I know that mankind, who often does commit evil, is intrinsically good, and that God, through Christ, in particular, has expressed his confidence in the essential goodness of mankind. And it's my job, as anyone else who follows that, is to bring forth in people, to the degree possible, the essential goodness which lives within them—not to write them off, assuming that if they get down and crawl, and say what a dirty little boy they are before the altar, at an altar call—I don't have any confidence in altar calls. I've seen many of them, and I don't believe them. An altar call is a habit which is expressed by an inveterate sinner, who has an altar call, and then goes out and commits a sin, and then has another altar call. And I haven't seen it doing much good lately.

Particularly in the case of the President of the United States, who has two defects: One defect is his former drug habit; the other is, he got off the drugs in the way—through one of these fundamentalist things—which turned him into a beast. And that's the problem.

We have to believe, if you want to defend Christianity, you have to believe in the essential goodness of man. You have to believe in the redemption of mankind. You have to believe in the cause of trying to get other people to participate in that process of redemption of mankind, not out of fear, not out of hate, not out of combat against evil as such. You want to fight evil? Fight Bush. But in the sense of the goodness, that you have one life, and don't waste it. Spend it wisely. Spend it, do good.

And most of humanity is like that. They're reachable. It's *our* job—especially those who become leaders—it's our job, constantly to reach, to bring forth the goodness, which is innate to all people.

Language and Women

Question: My question is about language. I find, I've found all my life, that there's something very profoundly missing from language, and that's women. I don't think that people are aware of the psychological effects that language has on experience. Well, to give you an example, the word "mankind," even "humankind" is constructed in a male-centric way. The word "he" to describe *everybody*. I think that, if we're to bridge the social gap between art and science, wouldn't you say that it's important to socially reconstruct language?

LaRouche: No, I don't. Language is not the problem. I know this argument is often made. It's made often by the feminists; it has been essentially since, oh, actually earlier, but it became significant during the course of the 1960s. Before, it was there, you found it with left-wing groups and so forth, particularly experimental groups of feminists, who sometimes would come up with these elaborate schemes to try to explain that the problems of life, the problems of injustice toward women, were somehow rooted in mental states, which are problems of language.

Actually not. It's quite the other way around. The problem lies not in language, because the idea that language should be literal, itself, is a problem. Language—a good language—is never literal. It rather depends upon irony and metaphor, and also, it depends upon certain functions of musicality which are derived from, actually from *bel canto*, that is, physically derived from the principles of the body, which result in the *bel canto* norm, of the human singing voice. Therefore, it is what is conveyed which is the problem, not the language per se.

In fact, all of us who write, or who study these matters, professionally, as we're forced to, as I've had to, particularly in dealing with philosophical and related questions, realize exactly this distinction. The discussion of language being the problem, posed by the feminists, is wrong. That is not the problem. The problem is the connotations of the *use* of language, which contain the problem.

And this is very clearly distinct. It becomes obvious in jokes. It becomes obvious in latrine-type jokes, barracks-type jokes, that sort of thing. Also, it becomes obvious in women. Now, feminists have played with this thing, about cosmetics and so forth, as being a kind of self-degradation. And then it goes to the other extreme, and that doesn't work either. A person tries to be clean, well-groomed in public, and the use of cosmetics to that degree, is something you can't contest with. That would be oppression, to make that an issue.

But then I see things—I was just making jokes about this the other day—I was in Milan. Milan, in Italy, which used to be an industrial center, has ceased to be merely an industrial center, though there are medium-sized and smaller industries across the beltway of northern Italy, which are among the most successful parts of the European economy today. But Milan has become a center of fashion. And you have poor girls, who are generally abused by lesbians—that's the characteristic of the model market in Milan, is you have these girls who are super-skinny, you'd think they were recruited from the catacombs, they're so skinny, and they generally are abused, as the Naomi Campbell case illustrates, *abused* by lesbian women who prey upon them, and determine their careers. If they don't satisfy the desires of a lesbian woman, they can lose their career as a model, and so forth.

Then, these poor girls, who are out there trying to make a living—and only a few of them are the superstars that make a real living—these poor girls go out on stage, wearing strips of rags, which you thought were thrown away by the Paris fashion shops, walking in a peculiar walk, because they're so underfed, that they walk peculiarly, angrily but peculiarly, on stage. And it's horrible. It's a horrible degradation of women. And the things they wear are disgusting! It's rags. So, it's like a skeleton walking on stage, wearing a few bits of rags, and it's called fashion. And this guy Versace, for example, his tradition, is typical of this problem.

That is what the oppression is, is the imposition of social roles upon, and attitudes toward, women, as merely creatures of this or that type, in acts of self-degradation. That, insofar as these things become the connotations of the use of language, then language is a problem. The problem is not the need to reconstruct language, the problem is to shift the conception of man, from a creature who is used for the pleasure of others, into a person who is truly human, into a notion of humanity which is premised upon the distinction between a monkey, and a human being. And that's where the fault comes.

But most of these feminists, that I've known, when they've made the argument, they don't make the distinction between a human being, and an ape. And that's where the problem lies. They themselves, who are protesting most violently, against so-called male oppression, are themselves propagators of the infection whose results against which they are complaining.

The Classical Principle in Music

Question: My question is relating to music. I write a lot of poetry, and a lot of lyrics, and some songs, and I want to ask you, just because, I like music, and it isn't Classical, does it not have meaning, is it not music?

LaRouche: Well, if it's not Classical, it's wrong. The question here is not a Classical form. It's a Classical principle, as I noted earlier. The form should be subordinate to the intent, to the principle, not the principle to the form.

Now, one of the best examples of this, is—well, this, of course, is a more advanced subject, but it's being addressed by some of us. Take the case of one of the greatest revolutions in music since Bach, at least—Bach's revolution was so

impressive that it overwhelms almost everything that follows. But after Bach's revolution, the most impressive change in music, as that done by Beethoven, as expressed in such works as his *Missa Solemnis*, and his final series of string quartets.

In this, Beethoven breaks from the strictures of a formal compositional form, such as the formal quartet form, and as in the Op. 131, 132, moves into a straight developmental form, in which there's a progression of development of a single idea, to such effect that going through these compositions—the 131 and 132 are fairly long—but going through these compositions from beginning to end, with a good understanding of them, produces an effect which, in total effect, is absolutely magnificent.

Now, this is a result of a change in form. You have a similar change which occurs in Beethoven in the Piano Sonata 106, the so-called *Hammerklavier*. In the third movement, the Andante Sostenuto, there is a development section, in which the development goes through a rapid change, succession of keys, it's into a form of modalities, which is almost free. This element of that part of that movement, is then used by Brahms as the developmental principle of his Fourth Symphony, which indicates a progression. Beethoven, in his Seventh Symphony, is already moving in that direction, and Brahms's Fourth Symphony has many reflections of the approach to composition of Beethoven's Seventh.

So, in the process of musical development, there have been revolutionary changes in the forms, but never violating the principle. As a matter of fact, almost more strenuously emphasizing the extension of the principle, rather than the form as such.

The same thing is true in physical science. That in physical science, the progress, actual progress in physical science, involves revolutionary overtones in the sense of forms. So, there's not a Classical model, in the sense of a fixed model of form of composition. There is rather a *principle* of composition, in which you may use different forms, as long as the principle is the same.

So I don't think there really should be a problem. I think what you get today, is, in a sense, is the idea of having *effects*, which are strictly sensual types of effects, used as the Romantics did, as a substitute for Classical composition, for ideas. And that's where the problem lies. The term "Classical" should mean—exactly as I said earlier, should mean that—it should not mean a specific form. Even though you have to have respect for the fact, that certain forms were developed according to Classical principle.

What Is a Thought?

Question: I was thinking, about thinking, you know: What is thought? Is it a creative form? Are there forms of thought, like, maybe, when I have a conception of something, it's not in the form of language? I'm not thinking in a thought—well, I don't know if the thought is the idea; or, if the thought is the communication through the language of the thought that is produced, so—.

LaRouche: Well, that's not such a big problem. It's a big challenge, but it's not formally a big problem. The problem is, that society today is so full of all these assumptions, which people are taught to believe, or induced to believe, that what they ought to recognize at first-hand is blocked by the secretion of all of these assumptions.

You're talking about speaking, as communicating. Talk about music, as a form of communication: What's the purpose of it? The purpose is communication. What do you mean by communication? Well, let's take *human* communication. You have two levels of communication: You have animal communication among human beings—you know, "pass the salt," for example; that's animal communication. Then you have human communication, which involves ideas, that is, ideas which exist—they're real; or they're conjecturably, possibly real, but their existence lies outside the domain of sense perception,

and they can be *known* to sense perception, only as shadows, cast by reality upon sense perception.

So therefore, you're trying to express a relationship, between a sense-perceptual frame of reference, and an idea. And the function of language is to communicate the *idea*, by the way you refer to the sense-perceptual reference.

Now, what you do, is a sense of irony. For example, let's take the simple case of the stage: You have the use by Shakespeare of the soliloquy. You have the actors on stage; they're acting. They're acting out a part. They're within a context, which is a play. Then you have the soliloquy, which is performed by the actor, who turns from his role *inside* the play, the context—he turns toward the audience, and he delivers a commentary upon what is going on in the play, or something relevant to it, *to the audience*.

So, you see the principle of communication is thus illustrated: It's the relationship between the physical referent, and an idea, which is totally offstage, from a sensual standpoint.

So therefore, the question of speech, the question of music, is how to deliver *ideas*, whose existence is, in a sense, offstage, by means of the way in which you use the stage. So, speech, and music in its literal form, are a stage. Painting, in its literal form, is a stage. The function of Classical composition, whether speech, or drama, or poetry, or painting, is to present ideas, which exist offstage, off the stage of sense perception, and the language which pertains to sense perception.

This involves irony. One of the aids in speaking, as in singing, for the use of irony, has to do with musicality. The *bel canto* trained singing voice, that is, a voice, which has been trained to sing, and to speak, in the Florentine *bel canto* mode, is expressing a natural, physiological potentiality of the human speaking-singing apparatus. And there is no difference, between the speaking and singing apparatus, in terms of this characteristic.

Now, this gives you register shifts; it gives you difference in registration; it gives you differences in coloration, and all devices of color. And every device that exists in music, in song, exists in speech. Ancient Classical poetry is an example of this: Ancient Classical poetry is based essentially upon the use of what is otherwise known, in modern times, as the "Florentine *bel canto* principle," principle of *speech, to sing poetry*. And the Classical poetry is used in that form. The remarkable thing about Classical poetry, as we've looked at some of these things, with the aid of some experts in India, on the question of the ancient Vedic Sanskrit poems, is that, some of these poems, for example, contain precise astronomical information. Some of this astronomical information, calendar information, is embedded in this poetry.

The people who have transmitted this poetry by oral tradition, in the lack of a written communication, by oral tradition, are able to transmit this over many successive generations with great fidelity—that is, with a minimal amount of error. And the convergence of all the people who repeat these little hymns, is such that, the culture replicates the hymns. In many cases, the person who is reciting Sanskrit, or Vedic—chanters, do not know the language in which they're reciting. But, nonetheless, they're able to communicate these hymns, with relatively great fidelity. And thus, the poetic form, as a Classical poem, as known to the Vedic or Sanskrit, is thus shown to be a *medium of communication, in its own right*, which is much more reliable than what we would call "prose speech utterance" today.

And thus, the use of musicality in speech, as in singing, is an essential part of the process of communicating ideas. The significance of this shows *in irony*. Not only metaphor, as such, but irony more generally. You convey a meaning, by a matter of intonation, in such a way, that you convey different levels of *irony*. The *idea*, which is always a tension between the sense-perceptual reference, and the idea which exists beyond sense-perceptual reference, is like the actor speaking offstage; also, at another moment, speaking *onstage*. And therefore, the distinction between the two, enables the human being to communicate ideas offstage—that is, relevant to *ideas* which exist in the domain beyond sense perception, but are using a language, which, in its obvious function, is designed essentially to communicate references to sense perception.

Sometimes, "pass the salt" can be a statement, which is a poetic idea. Sometimes, it's just saying, "pass the salt."

Celts, Irish, and Christianity

Question: As a brand-new organizer, I'm having some trouble managing my studies, being so many areas to study: economics, mathematics, philosophy, etc., which are all interrelated, I find myself jumping around a lot, and basically wasting my spare hours or days to study, because I'm skimming over a lot of topics. And, those hours are pretty precious, as a full-time organizer. So, I guess I'm asking for your advice, which is: Where do you think the best place is to start? And why?

And, I also have a second part, because I'm obviously finding that most so-called "historical" accounts, are nothing more than propaganda and fallacy, so I'm looking to find a way to research the true history of my Irish and Celtic roots, for an historic account of the relationship between religion and the peoples who created them.

LaRouche: Oh! This is fun. Well, of course, there may be some cross there, because, you know Classical Greek was the language of Christianity; it was the language of St. Paul and John, for example—the Gospel of John—which, in a sense, touched the influence of people like Cicero, in ancient Rome. And, of course, affected strongly Augustinus and others. And, from thence, Christianity and that Classical Greek tradition in Christianity, was passed to Isidore of Seville, and it made its way up to Ireland, of all places. And the Irish were the only Christians in sight!

And, the Irish then Christianized the Saxons. And, as I've said, the Saxons, in turn, returned the favor by Christianizing the court of Charlemagne. But, then the Normans came in, and they slaughtered the Saxons, and there's not been a Christian seen in England since—at least that's the Irish version of the story.

This, I think, is the reality of it: is to look at this question of Irish and Classical Greek—it's ideas. Ideas. And, of course, in the Irish, you're looking at the poetry and things like that—the legends and so forth. But of course, there was the Norman influence there, too, so you've got to take into account, the Normans did conquer Ireland, and ruled it for some period of time.

On the other thing—how to organize conflicting studies: My view is, from experience with this sort of thing, reflecting upon my life's experience with it, would be, that you have to have an independent standpoint—independent of any of the subjects as such, or as classroom subjects—and you have to sort of "look down" on them from this pinnacle, or observation point, which lies above them. Then, you are the master of the experience of the studies, rather than you being a person, buffeted from one island in the sea of this or that, to another. The problem is, when you're buffeted about.

And, most education today, in most universities and schools, is pretty bad. It's gotten much worse, as I've observed over the recent generations. I thought it was bad, when I went there—but, it's much worse today. So, really, you have a problem; you have a cultural problem in society, in which it's working.

So therefore, you have to have an independent standpoint, a sense of personal identity and knowledge, which stands above and outside the confines of any of the subjects as taught. Then, you look at each of the subjects as taught, *clinically*, as an observer of those subjects, from the standpoint of where you find your own identity. It's the only way to deal with this. What I've done, and developed over the course of my life, I quickly developed *my* point of view, *my* sense of personal identity, as opposed to my exposure to this horrible thing, called the education to which I'm being subjected.

Classical Education vs. 'Blab' Schools

Question: I have three questions, actually. The first question is: For me, the idea of school for me, is to give a training ground to move one from one point of understanding, to one which is presumably a higher understanding. To get a person from a non-Classical to a Classical standpoint of education understanding, how do we move them ahead without addressing that point directly? How do you move them from one point to the other, without going through that point that characterizes that mind—correcting it and aligning it, to conform to the overall Classical understanding? How do you move them ahead, but without addressing all the underlying problems that are there?

LaRouche: Well, the first thing you have to do is, redefine the problem. Don't accept the problem in that form—that's not the problem. There is a problem; what you described *reflects* a problem, but that is *not* the problem.

The problem is, that you're dealing with the same kind of problem we had to deal with this slave tradition, or post-slave tradition: You had the original freedom movement among Americans of African descent, typified by Frederick Douglass, typified in the best way: Frederick Douglass's approach was to organize the freed slave, or the slave who was to become free, around the highest level of Classical culture in European civilization. That was the basis for the movement.

Now, what happened was, with the freedom of the slave, masses of people, including so-called "do-gooders," said, "No, we're not going to educate the slaves the way Frederick Douglass demanded. We're going to give them education, which does not push them above the station in life, which they must expect, in adult life." So, you had a general tendency toward, what we used to call in the Kentucky hills, "blab schools," or something converging upon blab schools: small classrooms in which the level of education was almost trivial. And they were turned loose to work as cheap labor for the former slave-masters, generally, under this kind of degeneration.

Now, what happened is, that you had a reaction against this, in the sense of a defense of a depraved culture imposed on African-Americans, by this change in policy, of opposition, which you'll get to this day, in the struggle for freedom against the after-effects of slavery, of people who attack Frederick Douglass, as the enemy of the culture of the African-American. You will get the same thing, not only among African-Americans, but among many strata in the American population. What you have to recognize: You're dealing with the fact that a person who has been condemned to be *herded human cattle*, is given a culture, a cultural conditioning, whose purpose is to condition them, not only to accept, but to *defend* the brainwashing they've got, as culture. This is the problem today.

Then, you have a second aspect to it: Not only do you have the educational problem, as such; but you have the popular-culture problem, as typified by rock, etc., etc. These were forms of cultural behavior, which were *intended* to destroy the susceptibility of sections of the population to develop any cultural capability, any intellectual capability. You had, also, the counterculture—the rock-drug-sex counterculture, and related kinds of manifestations of the mid-1960s (which also had a precedent, but this was a mass form of culture), which actually told people to use LSD, to destroy their minds, in order to become college graduates, in effect—or college dropouts.

So, now you had this LSD-marijuana-etc. culture, the drug culture, the rock-sex-drug culture, which took over a large part of the U.S. population. And people to this day, *defend* that culture. You know, I had this question from Seattle, the first question [at the cadre school] from Seattle last week: What's my attitude about the freedom for drug use, drug policy? And, I said: You want our people to go through the program of drug use, which destroyed mind of the President? A President who is now destroying the United States, because he's got a destroyed mind? You want us to have that kind of policy?

But, that's what we have. We have a permissive attitude, about a rock-drug-sex counterculture, which has destroyed the minds of a large part of the population. And, as manifest by the rave dances, you have a large section of the population, which is absolutely destroyed, in its emotional and other ability to function, because of this subculture. *These people* then become conditioned to defend what was done to them.

For example, the case of early England, 18th-Century England: The British imported a cheap device called "gin." It was called "gin" because it was named for Geneva, as in Switzerland. It was originally called "gin" among the Dutch; so Dutch gin was then pushed into England, and used to stupefy the English population, to make it more controllable, by making it stupid.

College-Educated Fools

The biggest problem we have today, is that form. And, at all levels. It's called "college stupidity": You have college-educated fools, who have been subjected to courses in existentialism and so forth. They come out of college—they're brain-damaged! I don't know whether it's biological brain-damage or not, but functionally brain-damaged. They defend that; they defend existentialism. They defend the rock-drug-sex counterculture. They defend it. And they treat you, as if you're trying to change that, attacking that, as if *you* were somehow their oppressor! Their oppressor is the ones who conditioned them to be what they are. It's like Dracula's flock are saying, "You're taking away our blood!" Or something like that. That's the kind of thing.

So, the key thing is, don't worry about it. Be aware of it, but don't worry about it. Don't be conditioned by it. The basic way to go at this, is, we have to go at it as a group—sometimes as individuals, it's tough to do. We have to say, "We want to free you from that. We want to free you from the *habits* of slavery."

Again, the girl was talking earlier about this question about feminism and language, which is very much a concern among many young women—has been for some time: What is the role of certain habits in society, in oppressing and *depressing* women? Well, it was true—it worked. The problem was not in the language, the problem was with something else—but it nonetheless, it worked, that's the problem. You have the same thing, the history of slavery, of post-slavery United States, of education; of taking a large mass of former slaves, and how to prevent them from developing intellectual capabilities of actually integrating into society; to keep them as virtual slaves, when they were rounded up—every time there was a harvest, the local sheriff would round up all the African-Americans—round them up, and put them out on chain-gang to do the work for the harvest period; that kind of thing.

Then, what's happened to the population generally, as with the drug-rock-sex counterculture, to destroy the mental powers of that whole section of the population. And then, having these victims, of that abuse, turn upon society and say, "Don't try to take away our culture"; "our culture" being the *habituated*, self-degradation, which they had been subjected to, for that kind of intent.

So, we have to recognize that. And, having recognized that, then, we become the loving fellows: We're the ones who have to step in, and figure out, as pedagogues, how to structure educational and related programs, programs of educational effect (as opposed to strict education), and these programs which will give people an experience of the sense of the powers they have within them, and let it flow from there. But, I think, also, we have to be very, very plain, very plainspoken, about slavery. The way to free people from slavery, is to remind them, and convince them, that those things they're wearing are shackles. And, don't be afraid of saying, or attacking the shackles, for fear that they will react, and say, "Those shackles are part of our culture," because that's what's happening to a lot of our Americans, today.

U.S. Economic/Financial News

Ballooning U.S. Trade Deficit Threatens World Financial System

The U.S. trade deficit on goods and services hit \$43.46 billion in March, up from \$40.37 billion the month before, the Department of Commerce reported May 13. This is the second highest monthly U.S. trade deficit on goods and services in

history.

Restricting attention only to merchandise (physical goods) trade: In March 2003, the U.S. physical-goods trade deficit reached \$47.11 billion, up from \$44.30 billion in February. For the first quarter of 2003, the deficit leapt to \$136.38 billion. Were the trajectory to continue, the physical-goods trade deficit for the whole of 2003 would reach an unprecedented \$545.52 billion, which would eclipse last year's figure of \$484.49 billion, itself a record. However, processes indicate that the trajectory has not remained the same, but is accelerating: The deficit will be even larger.

During March, the level of U.S. physical goods imports was the highest ever, at \$105.19 billion. Relative to February, the U.S. imported more oil, autos, and consumer goods in March. In particular, in March, the U.S. imported 300 million barrels of oil, valued at a record \$9.1 billion, up from 237 million barrels, valued at \$7.5 billion, in February. However, whatever secular changes occur from month to month, it would be wrong to attribute the U.S. trade deficit to them. Rather, the fundamental, long-standing cause for the deficit is that the U.S. can no longer produce its own physical existence; thus, functioning as an imperial society, the United States extracts loot from the world's nations.

America's ability to import huge volumes of goods, depends upon the producers of the physical goods accepting U.S. dollars, as IOUs, and then bringing the dollars back into the U.S., to invest them in the speculative bubble. Many nations and investors are disinvesting from the dollar. Since Jan. 1, the dollar has plunged 10% against the euro, and 12% against the Canadian dollar, with a sharp plunge during the past two weeks. As the U.S. trade deficit accelerates the process, the dollar will fall 40%, shattering the dollar-denominated world financial system.

Bush Economic Nominee: 'What, Me Worry?'

"I'm not tremendously worried about the trade deficit," stated N. Gregory Mankiw, the Bush Administration's nominee to be the new head of the Council of Economic Advisers, speaking at his Senate Banking Committee confirmation hearing May 13. Indicating that the Bush economics team is located somewhere out beyond the planet Pluto, Mankiw said, "We are importing more goods than we are exporting, because people who live abroad are eager to buy U.S. assets."

U.S. Machine-Tool Consumption Collapse Shows Need for 'Super-TVA'

U.S. machine-tool consumption, so far this year, is down 25.5% from last year's depression level, totalling \$394.9 million for January-March 2003—proof of the urgent need for LaRouche's "Super-TVA" policy. Machine-tool use by U.S. industry in March totalled \$154.2 million, up 40.9% from the near-record low in February, but down 13.6% from the level in March 2002, reported the Association for Manufacturing Technology (AMT) and the American Machine Tool Distributors' Association (AMTDA) May 12.

AMT President Albert Moore, buying the Administration's tax-cut gimmick, called the proposed tax cuts a "jump-start" for manufacturing, while acknowledging the outlook appears "bleak."

Machine-tool consumption—the means by which man develops the biosphere—had already fallen by the end of 2002, to about 37% of the level in 1997.

U.S. Bankruptcies Rise to New Record Levels

U.S. bankruptcies rose to a record-high 1.61 million in the 12-month period ended March 31, up 7.3% from the previous year, the Administrative Office for the U.S. Courts reported May 15. The number of bankruptcies in the first quarter (January-March) climbed to 412,968, up 4.5% from the previous quarter, and the highest quarterly figure in the last nine

years. Personal bankruptcy filings rose 7.4% to 1.57 million, while business filings fell 5.8% during the 12-month period.

'What Jobs, What Growth?' Tax Cuts a 'Ruse'

"What Jobs? What Growth?," asked a headline in a *Washington Post* editorial May 14, adding that the Bush Administration's tax-cuts are a "ruse." The *Post* cites an analysis by the Congress's Joint Committee on Taxation. which states that, although the Bush Administration has repeatedly claimed that the proposed tax cuts would trigger economic growth, create jobs, and pay for itself, "the numbers still won't add up quite the way they hope," even as they change the method for calculating the economic effects. The Congressional Budget Office found that the tax cuts, together with the Administration's spending proposals, would have, at best, a negligible effect on the economy.

More importantly, the Joint Committee on Taxation found that the House's \$550 billion tax cuts through 2013, without changes in spending, would barely budge the economy. In the first five years, an estimated 230,000-900,000 jobs would be created—**when the economy has lost half-a-million jobs in the past three months alone.** Worse, from 2008-2013, the study predicts no new job creation, or even job losses. As for whether the tax cut would pay for itself by generating more tax revenue, even the JCT's most optimistic prediction finds it recovering only 23.4% of the cost. The Administration's economic rationales for the tax cut, the *WaPo* concludes, were best described as "soggy."

Senate Moots Raising Debt Limit by \$1 Trillion

The U.S. Senate is considering a bill to raise the \$6.4 trillion Federal debt limit by nearly \$1 trillion—a whopping \$984 billion—on top of the \$350 billion scaled-back tax-cut gimmick. What's a trillion dollars here and there? Recall that the *Wall Street Journal* recently called on Congress to abolish the debt ceiling.

State Budget Cuts Threaten Most Vulnerable: The Children

State budget cuts are slicing into the health and welfare of America's children. At least 23 states, since 2001, have reduced access to affordable child care for poor and near-poor working families, a recent General Accounting Office survey found. A couple of examples will suffice to show the pattern.

* **Missouri:** With the stroke of a pen, the lower house of the Missouri legislature voted to halt its State Children's Health Insurance Program (SCHIP). If the state senate adopts this too, Missouri will be the first state to abolish the five-year-old program, which insures children who come from households which are just over the poverty level. Eliminating the SCHIP program will "save" the state a measly \$25 million, while leaving 83,000 children uninsured. (Nationally, SCHIP covers 5 million children. Only a few other states are considering abolishing the program, but dozens are trimming eligibility, benefits, and enrollment, affecting hundreds of thousands of kids.)

* **Wisconsin:** The state's welfare-to-work program, Wisconsin Works, pioneered by former Gov. Tommy Thompson (now the ill-suited Secretary of Health and Human Services) is expected to cost \$276.9 million more this year than the program it replaced (Aid to Dependent Children), even though fewer families are on cash assistance, having dropped by more than half, from 45,000 in 1996-97 to 21,000, as of September 2000. One Wisconsin legislator told *EIR* that 50,000 people "disappeared" from the old ADC program. The report says that demand for child care has grown by 160%, due in part to Wisconsin Works' requirement that adults work or get job training in exchange for a check and subsidized child care. That the unemployed rolls have grown must also be a contributing factor.

Home Mortgage Rates Fall to New Record Lows

Mortgage rates fell to new record lows, after the yield on the 10-year Treasury note dropped May 14 to a 45-year low, both a sign of deteriorating investor confidence in the economy, and a reflection of the collapse of the dollar system. The national average on the benchmark 30-year, fixed-rate mortgage fell to a record low 5.45% on May 15, while the 15-year mortgage rate fell to a record low 4.84%. One day earlier, the yield on the Treasury Department's 10-year note slid to 3.52%—the lowest level since July 1958—capping a drop of 40 basis points in less than two weeks, while the yield on the 30-year Treasury bond fell to below 4.5%, the lowest level since it was first issued in the early 1970s.

World Economic News

Dollar Hits New Lows Against Euro, Other Currencies

U.S. dollar fell to a new four-year against the euro, further evidence of the disintegration of the dollar-denominated international financial system. After U.S. Treasury Secretary John Snow claimed on May 11 that the dollar collapse would help U.S. exporters, the dollar dropped as far as \$1.1624 per euro, the lowest since the euro's \$1.16675 starting rate in January 1999, then rose to end trading at \$1.1563. The dollar also fell to 117.01 yen from 117.40. Moreover, the U.S. currency declined to its lowest since July 1997 against a basket of 17 major currencies. Snow's comments, echoed today by a U.S. Commerce Department official, were taken to indicate that U.S. authorities would not intervene to stop the dollar's slide, until it falls below the rate at which the euro was introduced. In the past year, the dollar has fallen 21% against the euro.

Gold futures, at the same time, rose \$3, to \$351.90 per ounce, the highest level since mid-March, in trading on the New York Mercantile Exchange.

SARS Has Greater Economic Impact on Airlines Than 9/11

SARS "is a crisis of major proportions" for the global airlines sector, having caused more economic damage than 9/11, said Thomas Andrew Drysdale, regional director for the International Air Transport Association, *AP* and *Reuters* said May 15. "At no time in the history of aviation have we ever seen declines of the magnitude that we are now seeing in the Asian region as a result of SARS," he told a meeting of Asian airport managers in the Philippines. "Virtually every airline in the world is affected." The world's airlines have lost more than \$10 billion this year, he said, warning of even bigger losses over the next few months if no measures are taken to contain the spread of severe acute respiratory syndrome.

American Airlines warned it still may have to file for bankruptcy, despite having gotten almost \$4 billion in cost cuts, including \$1.8 billion in labor givebacks. "The company may nonetheless need to initiate a filing under Chapter 11 of the U.S. Bankruptcy Code," the airline stated in a May 15 filing with the Securities and Exchange Commission, "because its financial condition will remain weak and its prospects uncertain." The airline said it will furlough 3,123 flight attendants on July 1, as part of previously announced cost-cutting moves in an attempt to avert filing for bankruptcy. In addition, another 1,502 flight attendants will go on "voluntary leave" at that time.

EU Abandons Maastricht 2006 Target Date for Balanced Budgets

The European Commission has abandoned the Maastricht Treaty's 2006 target date for EU countries to balance their budgets, *Agence France Presse* reported May 13. French Finance Minister Francis Mer said, the "target has disappeared from Commission thinking," although he insisted that France remains committed to the "spirit" of the treaty. German Finance Minister Hans Eichel reiterated that the target "can no longer be achieved."

German Economy Shrinks in First Quarter

Speaking at a public event in Hanover on May 14, German Finance Minister Eichel announced what the Federal Statistical Office would officially release the following day: "Against all expectations by the Bundesbank and also by the government," Germany's Gross Domestic Product (GDP) in the first quarter of the year did not rise, but rather contracted by 0.2%. For the present quarter, the shrinkage of German economic activity will most likely be accelerated, and two consecutive quarterly contractions are what economic text books today call a "recession."

However, reality is even worse than what GDP figures reflect. The total German workforce at the end of the first quarter was 481,000 below the level of one year ago. Seasonally adjusted, the workforce had fallen by 149,000 compared to the end of 2002, the biggest plunge in any quarter in 10 years. As corporations continue to cut jobs, the German workforce is now shrinking for the eighth quarter in a row.

On May 15, the latest semi-annual tax-income estimate for Germany was released, warning of an 8.7-billion-euro shortfall compared to the last estimate, just six months ago. The corrections for the years 2004 to 2006 amount to a total of more than 100 billion euro: \$nh34.3 billion euro in 2004, \$nh39.6 billion euro in 2005, \$nh43.8 billion euro in 2006. Almost half of the reductions in tax forecasts are in respect to state-level taxes. But some German states are already now in an impossible situation. In Sachsen-Anhalt the budget deficit this year will reach 80% of the state's income, followed by Bremen (40%), and Northrhine Westfalia (40%). The German municipalities are legally restricted from running high deficits and are instead cutting down on infrastructure spending. At the same time, they are illegally taking ever more bank loans to pay out salaries. Municipal bank credits, only permitted for covering short-term financial holes, have risen to 10 times the volume of 10 years ago.

Lula Pushes for Infrastructure Investments; Readies for G-8 Meet in France

The Group of Eight (U.S., Britain, Canada, Japan, Italy, France, Germany, Russia) should discuss the need for infrastructure investments in the Americas to be treated not as current government expenses, urges the final communiqué issued following the May 12 meeting of Brazilian and Uruguayan Presidents Lula da Silva and Jorge Batlle in Brasilia. Lula's meeting with Batlle was the sixth in his series of meetings with the Presidents of South America, and it centered, as have the others, around the importance of realizing the physical integration projects outlined in the Initiative for the Integration of Regional Infrastructure (IIRSA).

What was new, was the reference in the final communiqué to the agreement by the two Presidents, that it is necessary to get international financial institutions to accept that those investments must be treated separately from public expenditures, for the integration and development of the Americas to be viable. The communiqué specified that President Lula is charged with raising this necessity in the name of both countries, when he meets with the Group of Eight in Evian, France, at the beginning of June. (See article on "Infrastructure Centers Brazil's New Diplomacy," in this week's [**INDEPTH**](#) section, for much more on Brazil's South American diplomacy.)

Brazil Renationalizes Sao Paulo Electric Utility

The Brazilian government announced on May 9 that it would take over the majority stake owned by the bankrupt AES energy pirate in the big Sao Paulo electricity distributor, Eletropaulo. AES has been unable since last January to make payments on its \$1.2-billion loan from the Brazilian development bank, BNDES (the Cardoso government had loaned AES a good portion of the money the company used to buy up the state company!), but kept trying to get the government to reschedule the loan, instead of declaring it in default. AES has also defaulted on loans to private lenders.

AES's bankruptcy is a marker of the collapse of the globalization model generally. AES is not the only big international private energy pirates which poured some \$30 billion into buying up and looting Brazil's state energy sector, which are

now bankrupt.

Mexico Suffers Huge Job Losses; Employed Work Longer Hours

Mexico is now losing 10,000 jobs a month; some 2 million jobs have been lost over the last two years, according to the president of Canacintra, Mexico's manufacturing industrialists' association. According to the Multidisciplinary Center of the National University of Mexico (UNAM), 10 million Mexicans—almost one out of four who hold a job in the "formal sector"—was forced to increase the number of hours worked each week by 48 hours, either by getting a second job, or accepting extra hours without receiving any increase in salary or benefits. In yet another recent study reporting the collapse of Mexican employment and working conditions, the Center for Reflection on Labor found that seven out of every ten jobs created under the Fox Administration, are temporary jobs, without any job security.

Cheap, Plentiful Iraqi Oil Could Fuel Eurasian Development

Iraq's largely undeveloped petroleum reserves could make Iraq the world's leading oil producer, according to Donald L. Barlett and James B. Steele, writing in *Time* magazine May 19. They cite an astonishing cost differential: \$10 a barrel to produce oil from U.S. fields, versus \$2.50 in Saudi Arabia, as against less than \$1 for Iraqi oil. The cost difference is largely attributed to the varying pressures at the wellhead, which under current conditions of depletion yields titanic gushers in Iraq, and relative trickles in American oil fields. The reporters' source for the Iraqi figure is Fadhil Chalabi, executive director of the Center for Global Energy Studies in London and former Iraqi Undersecretary of Oil.

If these data are even approximately accurate, there would seem to be hugely optimistic implications favoring the industrial development and economic progress of Eurasian regions near such an eager underground oil sea—assuming the oil isn't stolen or prevented from being accessed.

Philippines Central Bank Takes Extreme Measures To Support Peso

The Bangko Sentral ng Pilipinas (BSP) reported that it contracted some \$686.7 million worth of non-deliverable forwards (NDFs) in March, an increase of over \$581 million from the preceding month, according to *Business World* May 8. NDFs are derivative contracts entered into by BSP and banks with large dollar requirements. In NDFs, banks purchase dollars from the central bank at a pre-agreed rate for a future date, and would settle the difference in pesos upon maturity. Last March, the BSP contracted some \$700-750 million worth of NDFs to stem the peso's fall against the dollar. The BSP started offering the NDF in mid-November 2002 under its currency risk protection program (CRPP).

Since no dollars are actually transferred, the facility allows banks to satisfy their dollar requirements without adversely affecting the exchange rate, or depleting the central bank's dollar reserves, estimated at \$16.15 billion as of last February. As opposed to direct selling of dollars, NDFs allow the BSP to intervene in the foreign-exchange market by diverting corporate demand for dollars—for the time being.

United States News Digest

Retired Generals Stick to Their Guns in Slamming Rumsfeld War Plans

Retired Army General Barry McCaffrey and retired Marine General Joseph Hoar are sticking to their criticisms of the Pentagon's war plan for Iraq; and the debate over the number of troops needed in Iraq for the war and for the occupation, is far from settled, says the May 18 *Baltimore Sun*.

"I don't think there's any question it was an inadequate ground force component and an unbalanced one," says McCaffrey. "I thought it was an unnecessary political, military risk to prove a point."

"There was great risk in shortchanging the ground force in Iraq," says Hoar. "The fact of the matter is, you need sufficient force for unrecognized eventualities and to exploit success."

Other analysts and Army officials are quoted pointing out that troops had to be diverted from the drive on Iraq to protect supply lines, and that there were not sufficient forces to handle anything more than the U.S. faced.

Also at issue is the number of troops needed for peacekeeping and occupation. McCaffrey says that more troops and a different mix, such as more military police, could have prevented the general lawlessness and the looting of museums and weapons sites.

"Peacekeeping has been a dirty word," says Hoar, "But the point is we're going to have to do it."

McCaffrey says that the U.S. will have to keep between 100,000 and 250,000 troops in Iraq for one to five years, to prevent Iraq from descending into chaos or civil war.

When Army Chief of Staff Eric Shinseki said earlier this year that it might require "several hundred thousand" troops for an occupation, Wolfowitz dismissed Shinseki's estimate as way off the mark (and Rumsfeld let it be known he agreed with Wolfowitz).

But now, even defense analyst Harlan Ullman, one of the authors of the "Shock and Awe" doctrine, who says that fewer troops are needed for warfighting than the Army thinks, admits that Shinseki was right about the postwar period. "The Administration has a problem," Ullman says. "They wanted a quick and rapid action to win the war. But in dealing with the peace you're going to need more people."

The *Sun* notes that the debate bears on the fundamental questions about the future composition of the U.S. military, particularly the Army, and it notes that Rumsfeld, emboldened by his "success" in Iraq, is now pressing ahead with his "transformation" program, despite the criticisms.

Grassley Threatens Mexico, Calls Agricultural Protection 'Unacceptable'

Senator Charles Grassley (R-Iowa), chairman of the Senate Finance Committee, sent an arrogant letter to Mexico's Secretary of Foreign Relations, with a copy to the Secretaries of Economics and Agriculture, and U.S. Secretary of State Colin Powell, demanding that Mexico adhere not just to the letter, but to "the spirit," of NAFTA. Faced with an explosion in the countryside when the final stage of agricultural accords under NAFTA went into effect on Jan. 1, 2003, the Fox government in Mexico activated clauses within NAFTA which permit protection of national products, under certain circumstances, and placed tariffs on imports of certain U.S. products (corn, beans, high-fructose corn syrup, beef, rice, and apples, according to Grassley). All permitted by NAFTA, but according to *Reforma* of May 10, Grassley wrote that "the continuous pattern adopted by Mexico of not fulfilling its international trade obligations is unacceptable." Grassley warned the Mexican government to resist pressure to re-negotiate NAFTA.

'Four Horsemen of Armageddon' Call for Crushing Palestinians and Arab States

Four of Washington's top neo-conservative Likudniks, with close ties to the Bush Administration's "Chickenhawks," turned

a May 18 afternoon session of the "Interfaith Zionist Leadership Summit," into a vicious attack on Arab and Islamic countries.

The session entitled, "A Palestinian State: U.S. National Interests and Israel's Future," featured four raving neo-con lunatics: Frank Gaffney of the neo-condom Center for Security Policy; Thomas Neumann, Executive Director of the Jewish Institute for National Security Affairs (JINSA); LaRouche slanderer Daniel Pipes of the Middle East Forum of "A Hippopotamus Tale" notoriety; and, finally, "universal fascist" Michael Ledeen.

Moderator Morton Klein, president of the Zionist Organization of America, said that Syria, Libya, and Iraq were all "barbarous states," and it was essential to crush the current leaderships of terrorist-sponsoring states, as must also be done with the Palestinian Authority and the idea of a Palestinian State in the Bible's "Torah Land." He said it would be a "religious war."

Ledeen's theme was that there can be no "peace process" (a term he said Kissinger had made up to keep Europeans out of his shuttle diplomacy), because this was a "war process" for "freedom from tyranny." He said that there is no such thing as "peace" in world history, just brief moments after wars, where the winner imposes a peace treaty on the vanquished. He said that Iran, Iraq, Syria, and Saudi Arabia are terrorist-sponsoring states, who have been led by tyrants, all of whom hate the United States. Thus, the U.S. must carry out regime change in Iran, Syria, and Saudi Arabia, before moving on to give the Palestinians a choice between unconditional "surrender" or war of the same sort.

Frank Gaffney, among others, made repeated reference to President Bush's June 24, 2002 speech, where he said there must be regime change in Palestine, and that installing Prime Minister Abu Mazen did not meet this criterion, since he had been a terrorist. Gaffney expounded upon his friendship with former Israeli Prime Minister "Bibi" Netanyahu and Douglas Feith, with whom he admitted working on terrorist project. He lashed out at the Bush Administration for weakening Israel with the road map, and for reinserting the CIA to help the Palestinians crush (Sharon's) Hamas. Gaffney used the old saw that Israel must be allowed to do to the Palestinians, what the U.S. had done in Afghanistan and Iraq.

Pipes also denounced the granting of land for peace, stating that the Oslo Accords and this conception had just emboldened Palestinian terrorism. Either there is a sustained change of heart by the Palestinians, or the Bush Administration and all others should encourage the Israelis to defeat the Palestinians—who must be defeated unconditionally, as Ledeen had said.

The moderator for the afternoon session, Morton Klein of the ZOA, kept praising Ledeen for his "brilliance," perhaps because Ledeen's first book (influenced by the Venetian oligarchy) was entitled "Universal Fascism" and praised Benito Mussolini. When, during the question period, *EIR*'s Scott Thompson asked Ledeen whether because of this he admired the man whom David Ben Gurion called "Vlad Hitler"—namely, Vladimir Jabotinsky—he was shouted down by Klein, mainly, it would seem, because most speakers admired Jabotinsky.

Christian Zionists Want Congress To Legalize Israel's Seizing Temple Mount in Jerusalem

Although the Christian Coalition has been pushing it for over a month, Sen. Lindsey Graham and Rep. Joe Wilson's Holy Sites Concurrent Resolution has only eight sponsors for the Graham Resolution and 40 co-sponsors for Wilson's.

Last week, Roberta Combs, as well as members of the Christian Coalition, were lobbying Senators and House members to try to get them to sign onto this Resolution to open all the holy sites in "the state of Israel, nearby territory and elsewhere"—i.e., Al-Haram Al-Sharif, the third most holy site in Islam, where a September 2000 visit by Ariel Sharon sparked the ongoing "Al Aqsa Intifada." However, these Darbyite Congressmen believe that they can dictate to nations and to the world how to treat religious sites.

Another new bill, the "Houses of Worship Free Speech Restoration Act," H.R. 235, is now being touted by the Christian Coalition to override a 1954 law that had been seen by some as a way potentially to remove tax-exempt status if ministers engage in politics. At present, Rep. Walter B. Jones has 120 co-sponsors and is gaining more. *EIRNS* will be following what precisely this piece of legislation means.

Bush Wants a Tax Cut Every Year He's in Office

According to the May 11 *Washington Post*, in an article by Dana Milbank and Dan Balz, not only is President Bush moving towards the third tax cut in three years—as many as were passed in a generation before he came to office—but White House officials have told allies that they will attempt a new tax cut every year Bush remains in office, in order to unify Republicans and provide an issue against the Democrats.

"Coupled with the war on terrorism, which also is likely to continue indefinitely, the constant pursuit of tax reductions has the potential to give U.S. politics a new rhythm. With Bush perpetually fighting for lower taxes and constantly battling terrorists ... there is little room for government to discuss new spending programs that Democrats want....

"Paul Weyrich ... said he was told at a White House meeting that 'we intend to try to offer a new tax cut every year'... Grover Norquist, an anti-tax advocate who works closely with Bush aides, predicts: 'You'll have a tax cut each year. I state it that way in all of the [White House] meetings, and I never get an argument.'...

"Overall, the GOP is uncommonly unified by the tax cut strategy.... Even religious conservatives are enthusiastic about tax cuts because, as ... Gary Bauer put it, 'people see high taxes as being a growing burden on the typical American family. To the extent social conservatives are trying to get kids into Christian schools, they want more of their money to spend.'

"In the past, the various industries and taxpayer groups squabbled over which tax cuts were the priority. But Norquist said Bush has avoided such fights by promising future tax cuts. The White House 'made it clear that there was going to be a tax cut each year, and that if you weren't in this year's tax cut, you would be in subsequent years' tax cuts,' he said."

Bush Wanted To Blast Gingrich

According to *Time.com*, President Bush wanted to take a swipe at former House Speaker and current loudmouth Newt Gingrich, in the President's recent interview by NBC's Tom Brokaw, but Brokaw never asked him about Gingrich's recent tirade against the State Department.

So an unnamed Bush friend told *Time* magazine. According to this person, Bush's remarks were going to consign Gingrich to the cohort of "babbling, divisive people" who have criticized the war. "He wasn't going to mention [Gingrich] by name," says this person, "but it was going to be very clear."

No One Knows Who the Democratic Candidates Are...

A *CBS News* poll last week showed that 66% of all Americans, and fully 64% of Democrats, could not name a single Democratic Presidential candidate.

The highest recall was for Joe Lieberman—10% of Democrats could remember his name. Kerry and Gephardt were tied for second place with 5%. Trailing behind that were Edwards, Kucinich, Graham, Mosley-Braun, Sharpton, and Dean. The poll, for what it's worth, also showed the public views the economy as the number-one priority for government to address,

far surpassing terrorism, war, and other domestic concerns.

***New Republic* Flips at Strauss Exposé**

The online edition of the *New Republic* posted May 14 features an old-fashioned, foaming-at-the-mouth freakout over the LaRouche movement's exposé of Leo Strauss and the Straussians. The *New Republic* piece relies totally on repetition of the word "conspiracy," to seek to discredit the exposé, all without naming LaRouche. "Conspiracies are all the rage in world politics these days. A majority of Arabs believe that Israel was responsible for the September 11 attacks.... Read Richard Hofstadter's classic essay, 'The Paranoid Style in American Politics.'... 'Cabal' has become the word of the day.... First, it was the neoconservatives in general who had taken over the American foreign policy apparatus. Now, it's Straussian neoconservatives.... But these conspiracy theories about neoconservatives suffer from multiple logical flaws. First, the ideologies involved don't mix well together. Neoconservatives are fundamentally optimistic about the future—Straussians are not...."

The internet article is linked to another *TNR* article by Franklin Foer.

It was Foer who had previously attacked *Weekly Standard* editor Bill Kristol and his gang as followers of Leo Strauss in *TNR*. And ironically, an Internet search of *TNR*'s archives for "Leo Strauss" turns up 50-odd pages of attacks upon Straussians.

Ibero-American News Digest

Menem Withdraws from Argentine Presidential Race

The despised former Argentine President Carlos Menem, who, together with the IMF and his Finance Minister Domingo Cavallo, destroyed the country during his two terms (1989-99), announced on May 14 that he would not participate in the final round of Argentina's Presidential elections, scheduled for May 18. By default, his opponent Nestor Kirchner, the Peronist Governor of Santa Cruz who has spoken of forging an alliance with the Lula da Silva government in Brazil, will now become the next President.

Just two days before quitting, Menem had said that "only a drunk" would consider pulling out of the final electoral round. Menem slunk off into the political twilight however, as polls showed him heading towards a humiliating defeat by Kirchner, who was projected to win 60-70% of the vote.

Kirchner charged that Menem was doing great harm to the country's democratic institutions by refusing to participate in the May 18 elections. Indeed, Menem's quitting the race early weakens the new President-elect, and Wall Street mouthpieces in the country are already raising the possibility he will be driven from office within a year. Kirchner won only 22% of the vote in the first round April 27, and he now will take office on May 25 without the much-needed legitimacy that a predicted massive win on May 18 would have given him.

Kirchner will have to seek out a "consensus" for an economic program, so far premised on implementing the policies demanded by the IMF, to be overseen by current Finance Minister Roberto Lavagna, who is being kept on in the same post. IMF pressure on both Argentina and Brazil is intensifying. In a May 15 press conference, U.S. Treasury Undersecretary for International Affairs John Taylor echoed statements made by the IMF last week: The new government has to ram through "tough reforms" and pay the debt, or there won't be any new deal with the IMF or money—a recipe for chaos.

Is Mexico Next on Chickenhawk Cheney's Oil Hit List?

On the night of May 8, the Republican majority on the U.S. House of Representatives International Relations Committee rammed through an amendment to the foreign aid authorization bill which demanded that Mexico open up its state oil company, PEMEX, "to investment by U.S. oil companies," before the United States agrees to any accord regulating migration between the two countries.

Couched as a "Sense of the Congress" resolution, it asserts that PEMEX is "inefficient" and "plagued by corruption," and requires "substantial reforms and private investment," in order to provide "sufficient petroleum products to Mexico and the United States." (The recent U.S. energy companies' scandals are blithely ignored.)

The amendment was sponsored by Rep. Cass Ballenger (R-N.C.), the tough-talking head of the Western Hemisphere Subcommittee, who promotes the idea of a supranational military force to police the Americas, even as he set himself up as a personal lobbyist for the lunatic Jacobin President of Venezuela Hugo Chavez.

Mexico exploded over the move. Leaders of the Mexican Labor Congress announced that they will mobilize to defend PEMEX, and the Mexican Constitution's assertion of national sovereignty over energy supplies.

Mexicans recognize the oil-for-migration move as a follow-on to the Iraq war. The Mexican daily *El Sol* dubbed it "the Halliburton amendment," linking the grab for Mexico's oil to Halliburton's infamous lucrative contracts in Iraq. *Excelsior* denounced "the arrogance of Washington's imperial power, set on the crest of the military victory over Iraq." *El Universal* warned in a lead editorial: "Swelled by their military victory in Iraq, some sectors in [the United States] are trying to carry out a policy of imposing might over right in all areas of their relationship with the rest of the world."

President Vicente Fox promised the nation May 11 that PEMEX "will not be put up for sale," asserting, "PEMEX isn't just part of our economy, but of our history." In the current political climate, Fox, who has called for expanding the North American Free Trade Accord (NAFTA) to energy and migration, cannot appear to yield to such demands, particularly in the run-up to mid-term elections in July.

Mexican President Cries 'Help' to the Elder Bush

Former President George H.W. Bush met with Mexican President Vicente Fox for almost an hour on May 13 at the Presidential seat, Los Pinos, a meeting set up at the Mexican President's request. In announcing the meeting, Fox admitted he sought to overcome the "distancing" from the United States which has followed Mexico's refusal to back the Bush Administration's war on Iraq. Fox has tried, without success, to get a meeting with the current President Bush, but he assured his fellow Mexicans on May 9 that relations were not so bad as they could have become, as "fortunately," the differences did not result in a break in relations, or an outright conflict!

The elder Bush made no comments after his meeting with Fox, but Mexican Secretary of Foreign Relations Luis Derbez, who was present at the meeting, along with an executive from Mexico's Vitro conglomerate, told the media that Bush "41" assured Fox that the "great friendship" of his son with Fox was still in force, and the past is the past—so long as Mexico votes as a "partner, ally, and friend" on all upcoming votes at the United Nations Security Council. Even as the elder Bush insisted he was not speaking as a Presidential envoy, he discussed the upcoming Iraq resolution which the U.S. wants to ram through the UN Security Council, and the improvement of economic ties among the NAFTA countries.

The former President Bush then held a closed meeting with top Mexican billionaires and businessmen in Mexico City, and flew to Monterrey, where he held a four-hour dinner with Monterrey's financial and industrial chieftains.

U.S. Expulsion of Cuban Diplomats Escalates Conflict with Castro Regime

The Bush Administration informed the Cuban government officially on May 13, that 14 Cuban diplomats—seven from the Cuban Mission to the UN, and seven at the Cuban Interest Section at the Swiss embassy in Washington—must leave the United States, allegedly for engaging in activities "harmful to the United States outside their official capacities as diplomats." The expulsions, supposedly the result of a lengthy espionage investigation, are the first salvo in what the Bush Administration threatens will be an array of new restrictions and sanctions, affecting both U.S.-based Cuban diplomats and the Castro government. President Bush ordered a review of Cuba policy after 75 Cuban dissidents were sentenced to long jail terms in March, and three others who were attempting to escape the island were executed.

The Cuban government believes that it is among the Bush Administration's list of eventual military targets, a threat to which it has responded, in typical fashion, with a harsh crackdown. The expulsion of the diplomats merely confirmed the Cuban view. In a statement released on May 13, the Foreign Ministry denounced the expulsion as "an irrational act of revenge," and charged that "this arbitrary decision is yet further evidence of a plan against Cuba, aimed at sabotaging the migratory agreements, creating a crisis, and precipitating a confrontation between the two countries. The expulsion of the Cuban diplomats pursues the objective of provoking an escalation culminating in the closure of both countries' Interest Sections, as has been historically demanded by the anti-Cuban mafia in Miami.... Cuba will take the time it needs to respond to this new provocation from the U.S. government."

The head of Cuba's Interest Section in the United States, Dagoberto Rodriguez, reported to a press conference May 14 in Washington that the Bush Administration, through its Interest Section in Havana, had informed the Cuban government in recent days that it would consider a new wave of illegal migration "an act of war." Thus, the Cubans see the Bush team as provoking a closure of the Interest Sections, in order to *provoke* a migration crisis and use that as a pretext to move in.

One of the functions of the Interest Sections in Havana and Washington, is to process up to 20,000 Cuban requests for U.S. resident visas a year, under an arrangement agreed upon after the 1994-95 "rafter" crises. The arrangement functions as an escape valve for those seeking to leave Cuba, while also serving as a forum for orderly contacts between the two governments. Without that escape valve, attempts for a mass exodus out of Cuba would likely build up rapidly.

Chile's Outspoken UN Ambassador Axed To Propitiate Bush Administration

A grovelling Chilean government axed its United Nations Ambassador, the outspoken Juan Gabriel Valdes, and replaced him with Heraldo Munoz, a toady of the Inter-American Dialogue who is more acceptable to the Bush Administration. The move is an attempt to make up to Washington for Chile's refusal to support the U.S. at the UN over the Iraq war, and to try to buy passage of the Free Trade Agreement (FTA), whose approval by the U.S. Congress was indefinitely postponed by Bush to punish the Lagos government in Chile.

Valdes, who will now be sent to Buenos Aires as Chile's Ambassador to Argentina, always spoke his mind at the UN, defending multilateralism and opposing the United States' unilateral drive for war against Iraq. Munoz, a Harvard classmate of National Security Adviser Condoleezza Rice, is another kettle of fish. During years as Chile's Ambassador to the Organization of American States (OAS), Munoz supported "reforming" the OAS to cohere with globalization schemes. During a May 13 seminar at Chile's National Academy for Strategic Studies, he revealed why the Bush Administration is so pleased with his nomination. After Iraq, "we stand before a new international order, and this will shape the world over the next three decades," he said. "Chile is a partner and natural ally of the United States. We are a reliable country." However, the FTA probably won't be signed unless Chile supports the U.S. resolution at the UN, calling for lifting sanctions on Iraq.

Moon Assets Seized in Brazil as Fines for 'Environmental Crimes'

Some of the Brazilian assets of the Rev. Sun Myung Moon have been frozen by the courts, as a guarantee for payment of fines imposed for "environmental crimes" (an enjoyable irony), according to *O Povo* May 9. Not a minor amount, either: twelve plantations in the state of Mato Grosso do Sul, and five buildings and two properties in Sao Paulo. One of Moon's tourist enterprises, Salobra Hobby Empreendimentos, is racking up fines of nearly 1 billion reais a day, because the tourist complex is operating without the required environmental license. Further seizures of Moon property could be in the works.

The loony Moonies came under Brazilian legal scrutiny several years ago, when authorities realized that the drug- and arms-trafficking-linked outfit was buying up huge adjacent properties on both sides of the Brazilian-Paraguayan border.

Bush Administration Orders 'Liberalization' of Ibero-American Airlines

Aviation service throughout the Americas remains "highly constrained," and needs to be opened up for competition, U.S. Transportation Department Under Secretary for Policy Jeffrey Shane announced in a May 6 speech to the 11th annual CEO Conference in Florida. Open-skies agreements must replace the bilateral accords between nations that restrict competition, "inhibiting access for carriers in the region to new markets." Ibero-America needs to create a single aviation market, link it up with the U.S. market, and permit joint ventures between different carriers, he said.

Since there are no "new markets" opening up in Ibero-American air travel, and national airline companies are going under (e.g., Brazil's), Shane's proposal is an undisguised announcement that the Bush Administration deludes itself that U.S. air carriers can survive a bit longer, by cannibalizing the Ibero-American market—where air travel is collapsing at a less rapid rate than in the U.S. and Asia.

Or, as Shane put it: "It's fair to say that the liberalized aviation relationships the U.S. has been pursuing since the late 1970s have furnished many U.S. carriers with an invaluable international hedge against the domestic downturn and have helped them to weather the sharp revenue declines they have suffered in the domestic market."

Western European News Digest

Chirac Invites Mubarak to G-8 Summit

French President Jacques Chirac has invited Egyptian President Hosni Mubarak to take part in the Group of 8 summit of industrialized countries in Evian, France on June 1-3, the Elysée Palace announced May 13. Chirac looks forward to Mubarak's visit, so that he can present Egypt's position, especially concerning African development through the New Partnership for Africa's Development (NEPAD).

China, India, Brazil, and Mexico have also been invited. Malaysian Prime Minister Mahathir Mohammad, as head of the Non-Aligned Movement, and King Mohammad VI of Morocco, as head of the Group of 77 Developing Nations, will also attend.

Nearly 80% of the world's population will have representatives at the summit in Evian. Not only will the G-7 nations be there (the U.S., Britain, Canada, Japan, Italy, France, and Germany)—with Russia admitted to sit at the side table for one hour a day to make it G-8—but the biggest nations of the developing sector will also be there, for the first-ever "informal" North-South dialogue summit at the G-8.

President Hu Jintao of China, Prime Minister A.B. Vajpayee of India, Lula da Silva of Brazil, and Vicente Fox of Mexico, will be in Evian. In addition, Dr. Mahathir Mohammad of Malaysia will also represent the Non-Aligned Movement, and

Moroccan King Mohammed VI will be there as head of the Group of 77 developing nations. Pascal Couchepin, President of Switzerland, will also attend.

Chancellor Schroeder in Vietnam

German Chancellor Gerhard Schroeder laid a wreath at the State Tomb of Ho Chi Minh, the father of post-colonial Vietnam. In Hanoi last week. Schroeder was in Vietnam on May 15 as the fourth station on his Asia tour, following stops in Malaysia, Singapore, and Indonesia.

In a speech at the Technical University of Hanoi, Schroeder emphatically endorsed the United Nations and the priority of international law in global relations: "There is only one system of international law, and that is the Charter of the United Nations." In the same speech, Schroeder also addressed the fact that the present good and close relations with Vietnam are based on the "intense exchange between Vietnam and the former GDR (East Germany)." The fact that before 1990, more than 7,000 Vietnamese scientists and academicians were trained at East German universities, is a capital that should be made use of, in the development of relations between the reunified Germany and Vietnam.

The German Chancellor furthermore announced that in respect to promoting economic relations, and German assistance in the reconstruction and modernization of Vietnam's economy, the Dresden Technical University will establish a special department at Hanoi Technical University that will enable young Vietnamese to acquire a full German-standard degree in machine-building and electrotech studies.

British Development Minister Clare Short Resigns from Blair's Cabinet

British Development Minister Clare Short has resigned from Prime Minister Tony Blair's Cabinet, denouncing the "shameful" proposal to the UN on occupation/reconstruction. As Development Minister, she was supposed to oversee Britain's role in reconstructing Iraq. But in resigning, she revealed that Blair had secretly consulted with the Bush Administration to draft a proposal to the UN Security Council, behind the back of his own ministers.

Short told the House of Commons that the Blair and Bush governments are colluding "in trying to bully the Security Council into a resolution that gives the coalition the power to establish an Iraqi government and control the use of oil" with "only a minor role for the UN."

Earlier, as the invasion of Iraq loomed, she had threatened to resign, but had decided to stay in the Blair Cabinet. (In March, Robin Cook did quit his Cabinet post as Labour Party parliamentary leader.)

Blair immediately replaced Short with Valerie Amos, a Guyana-born woman who has promoted New Labour's Third Way politics.

German Christian Democrat Koch Tours U.S., Meets with Bush

With Roland Koch, another prominent German Christian Democrat toured the U.S. last week—and President Bush managed to find time to meet with him, although he has insisted he has no time to meet with German Chancellor Gerhard Schroeder, not even at the upcoming G-8 meeting in Evian, France.

Koch, the Governor of Hesse, also met Vice President Cheney, Deputy Secretary of State Richard Armitage, Health and Human Services Secretary Tommy Thompson, and the President's National Security Adviser, Condoleezza Rice.

Koch delivered a speech at Georgetown CSIS on the German view on globalization issues, and then travelled to Wisconsin, Hesse's partner state. He returned to Germany on May 16.

His Washington visit is important, because Koch is said to be preparing for a national political career—not necessarily on the side of the present (and contested) CDU chairwoman Angela Merkel, but perhaps, if he gets the chance, as a replacement for the 2006 national elections.

Meanwhile, Secretary of State Colin Powell, arrived in Berlin May 15 and met May 16 with Chancellor Schroeder, Foreign Minister Joschka Fischer, and CDU opposition leader Angela Merkel.

After their meeting, Schroeder and Powell held a press conference, during which the U.S. diplomat spoke of good and stable relations, and said that he was "entirely satisfied" with what his German host had told him. Schroeder hinted that they had talked about options of expanding the peace-keeping operation in Afghanistan "beyond Kabul," and he also hinted that both sides were moving toward each other to achieve a compromise at the UN Security Council "to get the sanctions lifted as soon as possible for the benefit of the Iraqi people."

It was not clear whether Schroeder had moved away from his statement in Hanoi earlier, when he said that Germany would support an early lifting of sanctions if it "complied with our principles."

As far as the Afghanistan issue was concerned, Schroeder's official spokesman, Thomas Steg, told the press later that what the German government had in mind was "deploying civilian expert teams for the reconstruction in Afghanistan."

Columnist William Pfaff Blasts Straussians

Writing in the May 15 *International Herald Tribune*, columnist William Pfaff blasted the Straussians under the title, "The Long Reach of Leo Strauss." After listing the followers of the late "philosopher" Leo Strauss in and around the Bush Administration, including Paul Wolfowitz, Abram Shulsky, Richard Perle, Elliott Abrams, Robert Kagan, and William Kristol, he wrote, "Something of a cult developed around Strauss.... The cult is appropriate because Strauss believed that the essential truths about human society and history should be held by an elite, and withheld from others who lack the fortitude to deal with truth. Society, Strauss thought, needs consoling lies."

Pfaff wrote how some saw Strauss's interpretation of Plato as "perverse" and comments: "The ostensibly hidden truth is that expediency works; there is no certain God to punish wrongdoing; and virtue is unattainable by most people. Machiavelli was right. There is a natural hierarchy of humans, and rulers must restrict free inquiry and exploit the mediocrity and vice of ordinary people so as to keep society in order.

"This is obviously a bleak and anti-utopian philosophy that goes against practically everything Americans want to believe. It contradicts the conventional wisdom of modern democratic society. It also contradicts the neo-conservatives own declared policy ambitions to make the Muslim world democratic and establish a new U.S. led international order, which are blatantly utopian." He quoted Strauss saying, "No human being can and no group of human beings can rule the whole of the human race justly."

He concluded, "Strauss's thought is a matter of public interest because his followers are in charge of U.S. foreign policy. But he is more interesting than they are."

Pope Celebrates 83rd Birthday, Calls for UN To Lead Iraq Reconstruction

On Sunday, May 18, the Pope celebrated his 83rd birthday and proclaimed four new saints. Observers stressed that John Paul II appeared today to be more physically vigorous than a year ago. The Pope is also preparing for his 100th trip abroad, to Croatia, where in June he will visit the cities of Rijeka, Dubrovnik, Osijek and Zadar, and make a brief stop in Banja Luka, Bosnia to canonize a saint there.

On May 15, while receiving 12 new ambassadors to the Holy See, the Pope reiterated the need for the UN to play a central role in resolving conflicts and in the reconstruction of Iraq. "The United Nations are more then ever called to be the pivot of decisions concerning the reconstruction of nations." He added, "It is important that diplomacy regain its noble spirit." Among the 12 new ambassadors was the representative of Australia, a prominent member of the "coalition of the willing" in the Iraq war.

The Pope has also sent his Secretary of State Angelo Sodano to Kazakhstan, on the anniversary of the papal visit there. A local wire reports that Sodano has "supported initiative of Kazakhstan on hosting a congress of world religions."

Commenting on the extraordinary energy of the Pope, despite his illness, Sodano said that it "comes from his great interior life and from the virtue of strength."

Cardinal Achille Silvestrini commented that on the issue of peace, the Pope has exercised a real world primacy: "As far as I remember, not even in the Middle Ages, had the Pope been seen as the great spiritual leader of Christianity, as has occurred spontaneously today by non-Catholic Christians from every community and confession."

Russia and Central Asia News Digest

Putin Addresses Federal Assembly

In his fourth annual State of the Federation message to the Federal Assembly, Russia's Parliament, President Vladimir Putin called for doubling the country's GDP within a decade, as part of a complex of improvements aimed to secure Russia a place among strong, economically developed, and influential countries in the very near future. Full convertibility of the ruble is an accompanying goal. He noted that the recent years' economic growth of Russia had occurred mainly due to rising raw-materials prices for its exports, but that the facts must be faced: Russia had not properly taken advantage of those high prices for its long-term economic growth.

Part of the problem he attributed to the natural resources monopolies' siphoning off profits which should have been invested in other industries; part to the continuing need for consolidation of government, for shrinking of bureaucracy, for legal limits on bureaucratic power, and for delimitation of roles of the different levels of government.

As in his first State of the Federation address, Putin pointed to the continuing (although slower) depopulation of Russia as a catastrophe for the nation, and discussed its various components in detail.

Russia is interested in a stable and predictable world order, said Putin. Its unconditional first priority for foreign policy is relations with the CIS states. The second is integration with greater Europe, towards a common economic space.

The Russian political system must be consolidated with vigorous participation of parliamentary parties, which must put down roots in the citizenry, and move totally away from merely representing individual businessmen, said Putin in diplomatic language.

Russia Stages Strategic Military Exercises

Parallel to meetings of the Russia-NATO Council in Moscow, held May 13, and to the series of meetings of Russian officials with visiting U.S. Secretary of State Colin Powell, a number of military exercises took place the week of May 12. They were reportedly the largest in 12 years.

Combined naval exercises were being held in the Indian Ocean, involving the largest deployment of naval units outside of Russia since 1991, with units from both the Black Sea Fleet and the Pacific Fleet joining in. Today, Russian strategic TU-95MC bombers hit waterborne targets in the Indian Ocean with two winged missiles. This naval exercise was then expanded into a joint one with units of the Indian Navy.

And, as *Nezavisimaya Gazeta* and *Pravda* leaked, Russia planned to follow these with the largest exercises in recent years, with strategic bombers and missile-launching submarines. The scheme, as presented by Armed Forces officers to Defense Minister Sergei Ivanov, is reportedly based on a conception of the development of a regional conflict into a real war. If that account proved correct, Anglo-Americans forces would carefully watch this May 17-18 exercise, because it involves practice nuclear strikes against targets in the USA and UK, especially the search for and liquidation of the U.S. Navy's aircraft carrier shock groups.

"During the exercises, the Russian troops will work on a complex of training missions aimed at disabling of main objects of the U.S. orbital group of space satellites. This is important to break the stable functioning of the NAVSTAR global positioning system, the optoelectronic prospecting satellites Keyhole, and the radar reconnaissance satellites LaCross," the English-language website of *Pravda* wrote, adding that this implies that "under conditions of war, these actions may blind the Pentagon and interfere with its usage of high-precision weapons against Russia's armed forces."

According to these press and wire reports, four strategic TU-160 bombers, nine TU-95MC bombers, 12 long-range TU-22M3 bombers, and four flying tankers IL-78 will participate in the exercises.

Duma Passes Nuclear Arms Control Treaty

By a vote of 294-134, the Russian lower House of Parliament on May 14 approved a treaty with the United States for both sides to cut their strategic nuclear arsenals by about two-thirds, to a level of 1,700 to 2,200 warheads by the year 2012. The treaty was ratified by the U.S. Senate in March. It does not affect any planned mini-nuclear warheads, which are part of the new utopian military game plan.

The vote came as U.S. Secretary of State Colin Powell was meeting with Russian Foreign Minister Igor Ivanov. Powell also met with President Putin at the Kremlin, in preparation for a planned meeting between the Russian President and President Bush on June 1 in St. Petersburg.

However, differences still remain over a number of major issues, including the lifting of UN sanctions against Iraq. Russia continues to insist on its pre-war policy of UN weapons inspections. So long as Russia does not support the lifting of UN sanctions against Iraq, the legal status of Iraqi oil remains in question, making it impossible for the U.S. occupation government to sell the oil on the international market. Russia holds contracts with Iraq valued at \$4 billion. Russian technology sales to Iran are also a matter of contention, as Washington claims the technology helps Iran develop nuclear weapons.

Putin described the meeting with Powell as "a good opportunity to check our watches," before he sees Bush in June. He said the Duma's ratification of the arms accord was an accomplishment for both countries. In the meeting with Bush, Putin

is expected to seek a deal for cooperation on missile defense systems, according to *Associated Press*.

Powell said of the meeting, "We have come a little closer as to how we should deal with our concerns."

Russians Link New Chechnya Bombing with Mideast Terror Attacks

Speaking May 13, Russian Foreign Ministry spokesman Alexander Yakovenko connected the suicide bombings in Saudi Arabia with the May 12 truck bombing at a government building in the North Chechnya village of Znamenskoye. The two events "are links in the same chain," Yakovenko said, adding that they had "all the earmarks of al-Qaeda." Colonel Ilya Shbalkin, head of the FSB security service's operations in Chechnya, said, "All terrorist acts committed on Chechen territory are financed by international terrorist organizations, including al-Qaeda." He added that the rebel leaders were "puppets in the hand of international terrorists and do everything they are told to do."

On May 14, President Vladimir Putin endorsed this analysis, telling a press conference that the bombings in Chechnya and Riyadh were linked. He said the "signature in both places is identical." The Chechnya bombing was said to have been planned by the Saudi-born Abu Walid.

The May 12 Chechnya bombing killed over 50 people, with another 200 people injured, 86 hospitalized, including 57 in critical condition, according to *RIA Novosti*. Rescue workers were able to pull 23 people out of the rubble.

Russian Deputy Prosecutor General Sergei Fridinsky's office has drawn up a "circle of suspects." The last major attack on Dec. 27 was claimed by Chechen warlord Shamil Basayev, and involved two car bombs driven into an administration building in Grozny. Fridinsky said May 12 that he does not believe the same people were responsible for yesterday's attack and the December attack, but "there was a link between them."

Russian Web Site Promotes *EIR* Book

On May 13, the www.iraqwar.ru site promoted the book *George Bush: The Unauthorized Biography* as the source of the revelation that the Bush family financed Hitler's rise to power. An article on the front page of the popular web site, gave an account of *EIR*'s 1992 book, naming authors Anton Chaitkin and Webster G. Tarpley, but neglecting to mention *EIR* as the publisher. The report detailed the book's story of the Harriman-Bush operations.

The web site Iraq.ru was set up this spring as a clearinghouse for reports on the invasion of Iraq, from a wide range of sources of varying levels of credibility (press wires, intelligence source evaluations, and rumors), and quickly became one of the most visited Russian sites on the Internet. It is an independent project of Russian intelligence experts, with participation from retired officers as well as others.

The May 13 article was reproduced by the Russians from the web site of *Granma*, the Cuban government paper. As soon as the article appeared, a swarm of reader comments got posted to the site, most saying this is old news, this story of the Bush family funding Hitler has been all over the Web, and that "Prescott [Bush, the current President's grandfather] is the rallying cry of the opposition." Co-author Chaitkin posted a reply, giving the LaRouche campaign web site and phone number, and saying that Lyndon LaRouche is the number one candidate for the Democratic Presidential nomination, in terms of various contributor categories as reported by the FEC. This immediately brought responses from readers arguing about LaRouche—most of them favorable to LaRouche.

Mideast News Digest

Sharon Cancels Washington Trip After Meeting With Palestinian Prime Minister

Using the "terrorist crisis" in Israel as an excuse, on May 18 Israeli Prime Minister Ariel Sharon abruptly cancelled his trip to Washington, where he was to "discuss his reservations about the road map" with President George W. Bush. The cancellation occurred after a Jerusalem terrorist incident—the first in six months—and hours after Sharon and aide Dov Weissglas (his specialist on America) had met with Palestinian Authority Prime Minister Mahmoud Abbas (who is also known as Abu Mazen). Abbas was joined at his meeting by Security Minister Mahmoud Dahlan, and Ahmed Qorei (Abu Ala), the Speaker of the Palestine Legislative Council

Since Sharon has not "accepted" the road map, which was delivered to him on April 30, the meeting was, as expected, deadlocked, and statements from both sides call it a failure. Sharon reportedly demanded an end to terrorism in a long lecture, and Abu Mazen told Sharon that he must accept the road map, and fulfill the Israeli obligations under numerous treaties, if the Palestinian Authority is expected to make any progress on security. Sharon declined, saying that he first wanted to discuss Israel's reservations to the road map directly with President Bush on May 20.

But now there is *no trip to Washington*.

While terrorism is being used as the excuse, that is suspicious—since the first of two terrorist incidents occurred hours *before* the meeting with Abbas took place, and Sharon went ahead with it anyway. The new cabinet of the Palestinian government denounced the terrorism, as did the U.S. government.

EIW is investigating what is really behind the cancellation of the Sharon trip, where Israeli press and "insiders" had been boasting that Sharon will get concessions from Bush to *not* implement critical features of the road map. It should be noted that earlier last week, the Gala 55th Anniversary of Israel support rally for Sharon in Washington on May 19 had to be cancelled because of the combination of lack of attendance, and nervousness over provoking Bush with an arrogant show of threatened political blackmail over Jewish Lobby votes and donations. Additionally, the Christian Zionist-led meeting, "The Interfaith Zionist Leadership Summit" was a bust with only a few hundred "faithful" attending (see below).

Closure Has Been Imposed on All Palestinian Territories

At midnight May 18, in the aftermath of the Jerusalem bombing that morning, and following Israeli Prime Minister Sharon's meeting with his generals and Jabotinskyite-dominated Cabinet, full "closure"—that is, sealing—of all town and territorial borders was imposed on the Palestinian territories. However, there is no announced military action. No travel will be permitted between towns in Gaza or the West Bank. Sharon says that he will have another meeting with Palestinian Authority Prime Minister Abbas.

Neo-Con + Theo-Con Conference Against Palestinian State Is a Failure

The "Interfaith Zionist Leadership Summit" in Washington, D.C. was a flop, with barely two hundred "faithful" attending most sessions, and a few hundred at the peak. This was to have been the giant "show of force" to Karl Rove and the GOP, to pressure President Bush to drop the road map.

Most speakers addressed a largely empty room in the expensive Omni Shoreham Hotel. This was a shock for the organizers, since there were 20 co-sponsors, including: JINSA, the Christian Coalition, the Christian Broadcasting Network (CBN), the Religious Roundtable, the Zionist Organization of America, Gary Bauer's Coalition for American Values, and others.

The meeting was billed as the crucial event—cheering Sharon's resistance to the road map, and promising action to *smash* the road map, and any idea of "rewarding murderous Palestinian terrorism with statehood." They also claimed they would "document the responsibility of Iran, Syria, Libya, and Saudi Arabia for supporting Islamic terrorism," and further the "alliance of Jewish and Christian Zionists."

The leading speaker on "terrorism" was the American Enterprise Institute's Michael Ledeen, but he missed the morning panel only to speak after an "all hands on deck" afternoon session brought in about 150-200 more people. Totally missing were any of the members of Congress who had met with Sharon's fascist ally Tourism Minister Benny Elon, who met a dozen Congressmen and Senators two weeks ago to try to stop the road map. Not even Tom DeLay (probably busy chasing down Texas State Legislators) showed up.

The tiny audience did not deter the speakers from being insane. Founder of the International Christian Embassy Jerusalem, Jan Willem van der Hoeven, a Dutch national with a World War II Nazi past, pounded the podium, demanded to know why AIPAC and the ADL were not here supporting the Christian Zionists, and promising that soon they will be back on Temple Mount! Settler representatives were shouting about how Jewish claims to the land of the West Bank are part of Abraham's Covenant.

When Bauer was asked in a private conversation by reporter Scott Thompson if he were a Straussian, like his former boss in the Department of Education, "Gambling" William Bennett, Bauer said that he liked Leo Strauss very much, but just didn't have time to discuss it. The other Straussian there was Alan Keyes, another GOP former Presidential candidate. Keyes and Bauer were the "highest"-level political figures.

Bush Administration Flayed for Lies About Weapons of Mass Destruction

The May 18 *Washington Post* ran a two-page report on the disastrous WMD search in Iraq. Author Gellman travelled with one of the teams for a week, and interviewed others. He led with a long report on the team breaking into and searching an abandoned warehouse, only to discover vacuum cleaners. He also reported that the intelligence the teams have for their inspections is incompetent, often lacking even what the UN inspectors already had discovered, and wrote that they often have no one with Arabic language skills, resulting, for instance, in carrying out extensive tests on material which turned out to be a high school science project, clearly marked. Most WMD sites have been totally looted—sometimes there are more looters at a site than inspectors.

Pro-Consul Bremer Tells Wannabe Iraq Government There Will Be a Year's Delay

The Garner plan for an interim Iraqi government by June has been dumped, and now the news of Paul Bremer's plan for a year's wait, presented at a "tense" meeting on Friday, has the Iraqis fuming. Bremer denied the report, but Iraqis warned there would be growing hostility if the government is not formed soon. Ahmed Chalabi is particularly upset, says the *Washington Post*, since his "slim support dwindles by the day." Barzani was so angry that he left Baghdad to return to the North. Another participant in the Friday meeting with Bremer said: "Bush said he wanted to liberate Iraq, not occupy Iraq, and that was the basis for our supporting military action," warning that extremists would benefit by the delay.

Some opposition leaders were considering sending a delegation to the U.S. to protest, and threatening that they would set up an interim national assembly without the U.S. if necessary.

Washington Post: Planners of Riyadh Bombing In Iran

According to a May 18 *Washington Post* article by Dana Priest, Saif Adel, an Egyptian who is accused by "two senior

Administration officials," of ordering last week's Saudi bombing, is said to be in Iran with other top al-Qaeda leaders. The U.S. has asked Iran to turn the group over, the report says, but the Iranian government has reported that it does not believe they are in the country.

The same *Washington Post* article says there is great concern within U.S. intelligence that the cell that carried out last week's Morocco bombing was unknown, even though Morocco has cracked down on radicals.

Jerusalem Suicide Bombing First in Six Months

Just before 6:00 a.m. on Sunday, May 18 in Jerusalem (the beginning of the work week), a suicide bomber dressed in the garb of an Orthodox Jew, killed seven Israelis and wounded about 30 others, on a bus. A few hours earlier, another suicide bomber, also dressed in Orthodox Jewish clothing, killed two Jewish settlers in the radical right-wing settlement in Hebron.

Despite the bombing in Hebron, Ariel Sharon held the summit meeting with Palestinian Authority Prime Minister Mahmoud Abbas at his office in Jerusalem (see above), but after the Jerusalem bombing, Sharon called off his trip to Washington.

It should be noted that there has been no bombing in Jerusalem for the last six months—and the Israelis claim that they have stopped several planned suicide missions because of the draconian security measures—which are still in place. The previous bombing on April 30—the Tel Aviv incident that involved the British nationals who had been cleared for entry into Israel by the Shin Bet—had all the earmarks of a deliberate dropping of the security screen.

Both bombing incidents occurred *exactly* to coincide with major peace initiatives—the first was the delivery of the road map, and the second was the first Israel-Palestinian summit meeting in nearly three years.

Congressman Henry Hyde Launches GAO Probe of Iraqi Reconstruction

In hearings before the House International Relations Committee on May 15 with Under Secretary of Defense for Policy Douglas J. Feith as witness, among others, Committee Chairman Rep. Henry Hyde (R-Ill.) said: "The Iraqi people will hold us responsible for their welfare in the coming months, as will the world, and we cannot divest ourselves of that responsibility.... I have criticized the lack of transparency of our reconstruction effort and the consequent difficulties faced by the Congress in exercising its Constitutional responsibility. I understand, for example, that the very charter of the Office of Reconstruction and Humanitarian Affairs is still classified as national security information.

"During the major combat operations phase, Congress did not intervene too forcefully, even to gain information. Some of the decisions we made will need to be revisited. To help us get the information we need, today I will be writing the Comptroller General of the United States asking that the General Accounting Office monitor the reconstruction effort in detail, concentrating on the efforts to provide security and interim relief to the people of Iraq and on the rebuilding of its economy and political system. The committee expects the full cooperation of every element of the executive branch in the GAO's efforts....

"If the first order of business is security, the second order is the provision of basic human needs. How long will it take for the lights to go back on and for the water to flow freely again, and what are your plans to accomplish that? Can we demonstrate to Iraqis that we will not be helping the well-off first? What will happen when people's hoarded food, from their saved oil-for-food rations, begins to run out? What will be the basis of Iraq's economy for the next several years? Do you plan to entrench the Iraqi oil ministry within the Iraqi state, or will you urge either its privatization or its revenues be placed in the hands of the people rather than the hands of the government?

"On April 7, Deputy Secretary of State Armitage properly said that the United States should not put a 'thumb on the scales' of Iraqi politics. I agree. He made that statement one day after the Defense Department, apparently without coordination with State, flew one of the Iraqi exile leaders [i.e., Iraqi National Congress leader and quisling Ahmed Chalabi] and 700 American-armed fighters to An Nasiriyah. That's a pretty heavy thumb."

The point is, as Lyndon LaRouche has said, Hyde is Hyde. When it comes from him, it also has a double meaning: It's an interference to try to mollify the criticism, by reducing it to this, while the guy behind him is screaming, "I want this guy's scalp!"—versus, "I want a little cooperation from you, Mr. Secretary!"

But a full-scale GAO investigation gets into an area where it's not easily controllable.

Americans Want Mideast Peace Now, Says GOP Pollster

Americans want a Middle East peace now, U.S. Republican pollster Frank Luntz told the Israel daily *Ha'aretz*. Luntz is also employed by Israel. Luntz told *Ha'aretz* that since the overthrow of Saddam Hussein, Israel's standing in American public opinion has become vulnerable. Anger against Arabs is dissipating as more Americans resume their normal preoccupation with domestic affairs. Said Luntz, "Americans dislike Sharon and believe that neither the Israelis, nor the Palestinians want peace. But Americans want peace now and they do not care what Israel must sacrifice to achieve it. Americans don't want to hear about democracy in Israel and want to know when the settlements will be dismantled, when the occupation will end and when Israel will recognize a Palestinian state. They want to know when terror will end and when Yasser Arafat will be ousted and when the Palestinians will stop hating Israel. Americans want to pressure both sides."

Asia News Digest

Seoul NSC Chief Adopts 'Economy First' Approach Advocated by LaRouche

In his May 13 op-ed in the *International Herald Tribune*, "Engagement with the North: Step by Step to One Korea," Dr. Ra Jong-yil, National Security Adviser to South Korean President Roh Moo-hyun, writes that Seoul should promote "economic engagement" with Pyongyang now—and worry about political agreements later, even despite North Korea's nuclear program. This is a formulation starting to come close to Lyndon LaRouche's "Six Powers" proposal: that the regional Eurasian powers build up North Korea and the region's economy with the Silk Road immediately, without waiting for far-flung disarmament and other difficult, paper-only political treaties.

"Even in the light of North Korea's recent claim to possess nuclear weapons, the South Korean administration remains convinced that engagement through our 'policy of peace and prosperity'—a continuation and expansion of the 'Sunshine Policy' of President Kim Dae Jung—is the proper approach," Ra begins. "The principle of the engagement policy is simple: to move unilaterally toward reconciliation with North Korea, gradually expanding the areas of common concern until enough trust has been built up to finally establish institutions leading to eventual unification.

"This political approach deviates sharply from that prevalent last century," Ra points out, making clear his agreement with LaRouche. "In place of pursuing a grand agenda in the name of national glory or ideology, rather the policy of engagement is aimed at addressing the basic necessities: better food, medical care, education and a wider range of choices for everyone.... We want to avoid the fate of great political achievements that were initially welcomed with enthusiasm but did little to improve the conditions of life and instead led to enormous suffering and misery.

"Indeed, the first stage of engagement has succeeded in melting away the thick layer of ice left over from the Cold War. There have been dramatic increases in the number of contacts between North and South. North Korean visitors to the South reached 1,052 in 2002. Altogether, 510,000 South Korean tourists went to Diamond Mountain in North Korea between 1998-2003.

"Considering the past half-century of tragic confrontation between two sides locked in a zero-sum game of conflict, the breakthrough has been remarkable.... There is remarkable consensus in the international community that it is not desirable for North Korea to develop weapons of mass destruction and that this problem should be dealt with peacefully and diplomatically. This basic consensus, I believe, is due in part to the achievements of the 'Sunshine Policy.' It is a confirmation that engagement remains the best path forward."

Philippines President's Gift to Bush: 50 Dead MILF

The Philippines military killed more than 50 Muslim separatist guerrillas in a major anti-terrorist operation in the southern Philippines involving 3,000 troops, according to a senior military official, reports *Agence France Presse* on May 18. President Gloria Macapagal Arroyo had issued the order for "selective aerial and artillery attacks to dislodge embedded [sic] terrorist cells," hours before departing for a state visit to Washington, which included a state dinner May 19 at the White House—only the third state dinner President Bush has hosted in his tenure so far.

The military fired at least 135 artillery rounds on Moro Islamic Liberation Front (MILF) positions in two areas of Mindanao island over the past 24 hours, killing an estimated "50 or more" MILF rebels, regional military chief Major General Roy Kyamco said, although no bodies have been recovered. The MILF denied sustaining casualties in the operations, but claimed to have killed three soldiers in a separate clash May 17.

Macapagal Arroyo's Chief of Staff Rigoberto Tiglao offered: "It's irrelevant now if it's MILF or Abu Sayyaf. The military have been ordered to go after *any* [emphasis added] armed groups which could be, or have been identified as having undertaken terror attacks or planning to have these attacks." Covering all bases, he warned that communist guerrillas would also be targetted "if they are seen, if they are spotted in, or are suspected of being part of these terrorist attacks."

Communist Party spokesman Gregorio Rosal denounced the offensive as "a direct attack against Moro communities by a lackey and militarist who now wants to make a fawning gift and ask for more U.S. troops and more aid as she pays court to her master."

Indonesian President Megawati Sukarnoputri Declared Martial Law for Aceh, Signed Decree for War

The failure of last-minute talks in Japan over the weekend, where the Free Aceh Movement (GAM) refused Indonesian government demands that it renounce the goal of independence, and negotiate within the framework of autonomy "within the unitary state of Indonesia," led to the issuing of the Presidential decree as of midnight Sunday night, May 18. The government has already positioned military forces, planes, warships, and supplies in the region in preparation for war, although they did not say when operations will commence.

Martial Law will initially last for six months.

GAM spokesman Sofyan Daewood told *AFP* that the GAM commander Muzakkir Manaf had ordered all GAM fighters on alert, and called for a general strike on Monday, May 19. He also warned industries in the region, especially ExxonMobil and the natural gas facilities in Arun, to shut down, but said they would not attack the facilities.

Presidents Bush and Roh Hold Summit in Washington

South Korean President Roh Moo-Hyun and President Bush met on May 14 in Washington, releasing a generally optimistic joint statement. Reports to *EIR* indicated that a luncheon meeting with Dick Cheney was "rough," but the press meeting held in the Rose Garden by Bush and Roh spoke of progress in negotiations regarding North Korea. Repeating the two standard public positions—that the Korean Peninsula must be nuclear-free, and that the crisis will be solved peacefully—Bush said that "we're making good progress toward achieving that peaceful resolution."

The joint statement welcomed China's role in facilitating talks, and called for South Korea and Japan to participate in subsequent talks, while adding that "Russia and other nations can also play a constructive role."

The South Korean interpretation of the May 14 joint statement is that the U.S. will not remove its troops from the North Korean border until the current crisis is over. (Defense Secretary Rumsfeld's threat to move the U.S. troops away from the border was considered by the South to be preparation for a possible U.S. unilateral strike against the North's nuclear facilities, and preparation for the expected retaliation.)

Lt. General Cha Young-Koo, Deputy Minister of Defense for Policy, said that the joint statement "meant that [the U.S.] will take more time to resolve the matter on the relocation of the infantry division, in view of the North's nuclear threats and other regional issues."

The joint statement asserted that the relocation "should be pursued, taking careful account of the political, economic and security situation on the Peninsula and in Northeast Asia." While this is vague, Gen. Cha said that Bush made the same point in his own statement by referring to a U.S. commitment to a "robust forward defense."

International Help on North Korean Nuclear Reactors Continuing

The North Korean nuclear reactors which the U.S., South Korea, and Japan agreed to build as part of the 1994 General Framework accord, are still under construction. The project to help North Korea build two nuclear reactors, in exchange for closing down a reactor project considered more susceptible to weapons development, is proceeding, despite all the other problems over Korean nuclear weapons development.

South Korean officials say the fact that the project is still alive shows that the 1994 non-proliferation accord is salvageable, despite the U.S. cut-off of the oil shipments which were part of the deal. "No one has officially said the deal was dead, and work on the reactor project is ongoing," said Kim Jong-ro, a spokesman at Seoul's Unification Ministry. There are 605 South Koreans, 353 Uzbeks, and 99 North Koreans working to build two light-water reactors, Kim said. They are being constructed by the Korean Peninsula Energy Development Organization (KEDO), made up of the U.S., South Korea, Japan, and the European Union.

Seoul has spent \$850 million on the reactors as of last month; it agreed to pay for most of the \$4.6-billion project. The Japanese Foreign Ministry also confirmed the project was continuing. News of the ongoing construction came as South Korean President Roh Moo-hyun met with President Bush in Washington to discuss the nuclear dispute.

Afghanistan Is Far From Stable, Says IISS

London's International Institute of Strategic Studies has just released its International Strategic Survey 2002/3, in which it paints a gloomy picture of political stagnation in Afghanistan, with warlords back in control, and a vibrant opium economy taking off in the absence of major economic reconstruction. IISS writes that U.S. officials "appeared to believe that warlord

rule was unfortunate, but inevitable under the circumstances, and that it was better than anarchy."

Afghan President Hamid Karzai has never challenged the warlords' role as governors or corps commanders, but government officials said May 12 that he would try to seize the initiative in lawless provinces by sacking regional officials who defy his rule. IISS claims Russia has formed ties with Vice President and Defense Minister Mohammad Qasim Fahim, leader of the mainly Tajik clique in the government. Iran allegedly has close ties to Ismail Khan, a Tajik leader in western Herat province, while India is also cultivating ties with Fahim.

IISS's report raises four issues for Afghanistan's future: How long will the Pashtuns accept second-class status under Fahim before rebelling? Given his inability to curb Fahim, how long will Karzai retain his legitimacy? How long will the central government maintain credibility unless it curbs the warlords? How long will Pakistan refrain from intervening while Russia, Iran, and India secure positions?

Historic India/Pakistan Talks Draw Near

India has a "full road map" prepared for talks with Pakistan, said Indian External Affairs Minister Yashwant Sinha on May 12. "Every step is clear in our mind. There is no confusion in the government of India and we will proceed according to that plan," Sinha said on New Delhi Television network. "As far as we are concerned in India, we have very, very clearly worked out the entire road map." Sinha continued, "The final thing is to be able to reach an understanding on all the identified issues ... so that there is a successful summit and all this understanding could be reduced to whatever document we want to produce." He gave no details.

Pakistani Information Minister Sheikh Rashid Ahmed said that Islamabad also has plans. Prime Minister Zafarullah Khan Jamali "has made his own road map, which will begin from small issues and [move] to the solution of Kashmir," he told the *Times of India*. He said talks could begin as early as next month.

Record Growth in China-India Trade

Bilateral trade between India and China during the first quarter of 2003 grew by 77.8% on the year, to \$1.66 billion, according to the latest Chinese customs figures. This is a significant step towards the goal which then-Prime Minister Zhu Rongji had set when he visited India in January 2002, when he called for joint trade, then worth just \$3 billion a year, to reach \$10 billion as soon as possible. In 2002, bilateral trade was worth a record \$4.92 billion; during the first quarter of 2002 it was at \$938.10 million.

Indian exports to China surged by 119.2% in March alone, to \$947 million for the whole first quarter. Also, the trade balance has reversed. There had been nervousness in India that Chinese goods were "flooding" India; now the trade balance is in India's favor with a record \$224 million: Last year it was \$74.88 million in China's favor. Chinese exports to India also rose, by a solid 42.5% to \$722.68 million.

India's main exports to China include iron and steel, ores, plastics, organic chemicals, cotton, and mineral fuels. Indian exports of iron and steel during the first quarter this year rose by an astonishing 2,279%, to \$293.84 million, compared to \$12.34 million last year!

Indian Prime Minister Vajpayee Could Visit China as Early as June

Indian Defense Minister George Fernandes, at a defense industry conference in New Delhi on May 12, said, "The Prime Minister will go there [to China] next month. The fact is that on the borders there has been complete peace and tranquility."

He also noted the growth of trade between the two countries. Fernandes said that his visit to China in April had shown him that both nations want peace, and that the Chinese leaders had told him, that both sides must end the frostiness of their relations of recent years and build for the future. Prime Minister Vajpayee's office has not confirmed a date for the visit to China.

Germany's Chancellor Schroeder at Ho Chi Minh's Tomb

German Chancellor Gerhard Schroeder laid a wreath at the state tomb of Ho Chi Minh, the father of post-colonial Vietnam, in Hanoi last week. Schroeder was in Vietnam on May 15 as the fourth station on his Asia tour, following stops in Malaysia, Singapore, and Indonesia (see [EUROPEAN DIGEST](#) for more details).

Africa News Digest

Mbeki Addresses South Africa's Civil Engineers

President Thabo Mbeki on May 8 spoke in Cape Town at an occasion to mark the centenary of the South African Institution of Civil Engineering, calling for "our own Leonardo da Vincis to now come into their own."

He continued: "You, who must build the new Africa, should not cease to work because another has decided that their task is to shoot and kill. You, who must renew our continent, should not be loath to create because another sits across the valley ready to destroy." Mbeki recounted that when Leonardo wrote to Ludovico il Moro, the Duke of Bari, in 1483, he proposed the building of infrastructure that would defeat the destructive fury of war, saving the Italian cities from the destruction his Latin ancestors had brought to the North African city of Carthage.

Mbeki added that Africa "is slowly succeeding to pluck itself from Carthage." "Our own Leonardo da Vincis must build for us bridges, and the means to conduct water from one place to another, the passages that pass underneath our rivers, the buildings both private and public, and the caves."

Mbeki mentioned statements by Professor Harry Seftel, "one of our leaders in the medical profession," on his interpretation of how life expectancy doubled in the Western world during the first half of the 20th century. "This," said Dr. Seftel, "had little to do with the efforts of the medical profession. The striking increase was mostly due to engineers whose technology produced a vast improvement in environmental and social hygiene." Mbeki acknowledged the horror of today's Africa, with respect to poverty, disease, and despair, but said the only way to respond to the challenge is through building.

"We should never be daunted by the challenge to bring peace to Africa, nor discouraged by the reverses and failures that come from trying. Neither should we be too embarrassed to dream of the seemingly impossible. Without dreams, we will cease to be human."

Formation of African Rapid Development Force

African defense experts—from 48 of the 53 African Union member countries—met May 12-14 in Addis Ababa to plan a continental rapid-reaction peacekeeping force. General Simpiwe Nyanda, Chief of Staff of the South African National Defense Forces, was elected chairman of the African Union-sponsored meeting.

Formation of what will be called the African Standby Force (ASF) was "encouraged by the international community outside Africa, which, for various reasons ranging from cost to politics, has been unable to intervene in Africa's myriad

conflicts," claims a wire from *Sapa-DPA*. The wire adds that the rules governing the force will be submitted to the G-8 industrialized countries, "which are committed to supporting such a force under the New Partnership for Africa's Development (NEPAD)."

The Addis meeting drafted rules and procedures by which the African Union's Peace and Security Council will govern the force; the rules were passed along to a meeting of defense chiefs of staff May 15-16. The results will go before the African Union heads-of-state summit in July. The force is expected to be functional by 2005.

The wire story adds, "The failure of the UN to intervene against the 1994 Rwandan genocide that claimed hundreds of thousands of lives is often cited as a major impetus from within Africa for the force."

Anglo-Americans Claim Terrorists Pervade East Africa

The U.S. State Department warned May 15 of "high potential" for terror attacks against U.S. citizens and interests throughout East Africa, and particularly in Kenya. The announcement said: "The Department of State believes there is a credible threat of terrorist attacks in east Africa.... Supporters of al-Qaeda and other extremists are active in east Africa."

Similarly, Britain's Foreign Office claimed May 16 that there is a clear terrorist threat emanating not only from Kenya but from six neighboring East African countries. The Foreign Office advisory covered Djibouti, Eritrea, Ethiopia, Somalia, Tanzania, and Uganda, warning that "each is one of a number of countries in East Africa where there is a clear terrorist threat."

African countries have protested travel restrictions imposed by the UK because of these alleged threats.

African Intellectual: Terrorism Fight Is Not Ours

James N. Kariuki, professor of International Relations in Johannesburg and current head of the African Renaissance Agency, warned that South Africa's Parliament should look very closely at the controversial Anti-Terrorism Bill now before that body—and not pass it. "Africa is not a core contestant in the terrorism fight," he wrote in an op ed in the widely read *Johannesburg Sunday Times* on May 11. Kariuki cautioned: "The South African Parliament should be wary of the motive behind the U.S. pushing for anti-terrorism legislation around the world." It is noted that the South Africa bill is modelled on similar legislation that has been passed in the U.S., Canada, Britain, and Australia.

Kariuki says the USA has a "grand scheme" based on "imperial logic," and insists that South Africa cannot be forced out of its position of neutrality. He notes that "one consequence of the Iraqi war is an enhanced public awareness of the imperial logic.... Quite a few Africans, including our own President Thabo Mbeki, are now convinced that African states are 'game' for U.S. military adventures." He adds that "Africa is, for historical reasons, highly sensitive to the imperial rationale." Parliament must keep these issues foremost in mind.

Noting various terrorist incidents, Kariuki says that global terrorism has inflicted significant harm on Africa, but only as "collateral damage"—that Africa has been caught in the crossfire. His view is that Kenya was hit (1998) because the country "is perceived to be too 'cozy' with the U.S. and Israel and this is what has made it the preferred target for international terrorism."

Counterterrorism presumes that "you are either with us or you are against us; a proposition that rejects neutrality as a legitimate stance and contains coercion.... It is imperative that Africa remains neutral and appears to be so." The bill now before Parliament is *not* neutral, and should not be passed, says Kariuki.

Secret Meeting at Oppenheimer Game Ranch: Scenario to Replace President Mugabe?

High-ranking British, American, and South African government and military officials and academics held a secret meeting with "prominent personalities from Zimbabwe" in Botswana's Kalahari Desert last week, according to an exclusive story in the May 11 *Sunday Mirror* (Harare), a newspaper opposed to British policy toward Zimbabwe.

The meeting, which included Baroness Lynda Chalker, formerly of the Foreign Office, was held at the Oppenheimer Game Ranch. An unnamed U.S. official, a British general, and a World Bank official were listed as present, as were Uganda's President Yoweri Museveni; the Zimbabwe businessman who heads Econet Wireless, Strive Masiyiwa; and South Africa's Deputy Foreign Affairs Minister, Aziz Pahad. The meeting was reportedly hosted by Moeletsi Mbeki and Greg Mills, both of the British-steered South African Institute of International Affairs (SAIIA). Apparently this is not the SAIIA's first such meeting on Zimbabwe.

Details of the meeting at the Oppenheimer Ranch are hazy, says the *Mirror*. But it does note that Baroness Chalker now heads an organization called Africa Matters, which lends political and financial support to a number of causes in Africa. Although her plan to mobilize international financial institutions—through Africa Matters—for a new political party was reported by the *Mirror* in January of this year, and Masiyiwa also supports the initiative, the *Mirror* account omits mention of it.

The *Mirror* adds, "It was not clear whether Museveni's presence at the meeting had anything to do with Zimbabwe, but sources disclosed that he had to leave early for London, where he held British-brokered talks with his erstwhile adversary and Rwandan strongman Paul Kagame."

"The Kalahari meeting coincided with the U.S. Assistant Secretary of State for Africa Walter Kansteiner's visit to Botswana," says the *Mirror*, but it is not clear if Kansteiner attended. The *Mirror* does cite a report from the *Financial Times* of London "that Kansteiner promised massive U.S. economic aid if the African initiative to bring an end to the political deadlock in Zimbabwe produced a 'credible blueprint for political change.' " The Bush Administration has targeted the assets of President Robert Mugabe of Zimbabwe and his top officials.

Nigeria: Mercenaries Used To 'Control' Unions

The striking oil workers' standoff in Nigeria was resolved May 2 when the oil companies brought in mercenary military services through the Anglo-American company Northbridge Services group, according to the U.K. director of the company, Andrew Williams. Williams, in a lengthy interview with *Reuters*, gave the Nigeria example as just one way such operations can be used. He said that on May 2, Northbridge flew two planeloads of former special service operatives from an undisclosed British airfield to a secret location on a contract to rescue foreign expatriate workers held hostage on Nigerian oil rigs. He said the operation was short and sweet. "We brought in a representative of the hostage takers and showed him the guys and their equipment waiting to go in. He got the message," Williams said.

Williams said the contract had been issued by an "independent company" acting on behalf of one of the governments involved, but would not name the company or the government. Williams did make it clear that Northbridge is developing close ties to the U.S., through increasingly close working ties with MPRI, a U.S. private company whose only contracts are with the U.S. government. "With MPRI, we aim to be the world's dominant force in PMCs."

Tanzania To Produce Anti-Malaria Drugs Locally

The World Health Organization announced May 9 that it will provide technical support for the development and commercial production of a dihydro-artemisinin plant in Tanzania. An earlier study, by Tanzania's Institute for Medical Research, made a strong case that development and commercial production of dihydro-artemisinin, an anti-malaria drug, if produced locally, could be sold for an affordable \$2 per dose in Tanzania and other parts of Africa. "This year, WHO plans to provide the government of Tanzania with the process technology for the local production of the medicine," Dr. Ebrahim Samba, WHO Regional Director for Africa is quoted.

Presently, *artemisia annua* grown in Tanzania is exported to Europe, where it is processed into anti-malarial medicines which are imported by African countries and sold for \$6-7 per dose. Experts noted that dihydro-artemisinin is the only known anti-malarial medicine to which the deadly malaria parasite has not yet developed resistance. A WHO team on a visit to Tanzania reported that the indigenous variety of *artemisia annua* in Tanzania was 10 to 15 times more potent than the varieties found in China and Thailand.

Expanded Peace Force Needed in Democratic Republic of Congo

Thousands of ethnic Lendu and Hema militiamen and others battled in the Democratic Republic of the Congo during the second week of May for control of Bunia in the eastern province of Ituri. The fighting came in the wake of the withdrawal of 7,000 Ugandan troops, part of the UN-brokered agreement to get foreign armies out of the country. After the fighting broke out on May 7, South African President Thabo Mbeki, who had helped to broker this peace deal, petitioned UN Secretary-General Kofi Annan to allow the UN troops in the DRC to open fire on militia attacking the civilians. Congo's ambassador to South Africa, Bene M'Poko, said the UN troops were proving to be "useless." He said his government wanted the UN Security Council to strengthen the UN force's mandate. "The people know that they [UN troops] cannot shoot to kill and that is why they continue fighting. If our own police force is properly trained and equipped, it can enforce peace."

Congo President Joseph Kabila reportedly would prefer that the UN force, known as MONUC, be withdrawn altogether, so that an integrated national force, supported by other African troops, can defend his country.

Pope John Paul II, some UN officials, and others warn that the Eastern Congo could be on the verge of the kind of genocide witnessed in Rwanda in 1994. There are currently 600 MONUC soldiers in Bunia who are hopelessly outnumbered by some 25,000 militiamen with sophisticated weaponry.

The refugee crisis is deepening. It was estimated that as of May 14, there were between 30,000 and 60,000 people streaming along the road from the town of Bunia to Beni, 1,000 miles to the southwest.

Uganda Serves the New Empire in Arming All Sides in Perpetual War

The Ugandan Army supplied weapons to several of the opposing ethnic militias in Bunia up to the day it pulled out of the DRC, according to UN sources and Western diplomatic sources in Kinshasa, the *Financial Times* of London reported May 15.

General Mountaga Diallo, commander of the small UN peacekeeping operation, MONUC, said that the opposing ethnic groups—the Lendu and the Hema—now have heavy weaponry and anti-aircraft guns. MONUC officials blamed the UN Security Council for failing to prevent the fighting that erupted as the Ugandans withdrew. "We have been reporting to New York [the UN] for months that Uganda has been constantly interfering in Ituri, arming different sides," a senior MONUC source reportedly told the *Financial Times*. "The problem is that the permanent members on the Security Council do not agree on what to do," the source said.

The *FT's* sources in Kinshasa believe the reason the Ugandan military supplied both sides was connected to its desire to keep control of DR Congo's gold reserves and other commercial interests. But the sources, or some of them, thought divisions in the Ugandan Army might also have played a role.

12,000 More Displaced Burundians

In Burundi, more than 12,000 people have reportedly fled the Northwestern Province of Bubanza since May 8, when the Army reportedly launched an offensive against the rebel Forces pour la Defence de la Democratie (FDD). "Approximately 2,500 households, that is, more than 12,000 people, have been forced to flee, following heavy clashes between the Army and FDD rebels at Ruce and Muyebe localities last week; the majority fled towards Rugazi and Musigati communes in Bubanza," said Helena Mazarro, a humanitarian affairs officer in the UN Office for the Coordination of Humanitarian Affairs (OCHA). Mazarro told *IRIN* that the displaced had yet to receive aid from humanitarian agencies. Aid agencies are going into Bubanza May 19, she said, to evaluate the needs of the population.

Zambia Gets India's Help in Becoming Food Self-Sufficient

Agreements on agriculture and trade were signed April 28 in New Delhi, the last day of Zambian President Levy Mwanawasa's five-day visit to India. The purpose of the trip, Mwanawasa consistently told the Indian leaders, was to learn how India had become food self-sufficient. One agreement was for cooperation in agriculture to allow for the exchange of information and technology between the two countries. The agreement on trade will help to enhance business and promote bilateral cooperation in trade and industry. Mwanawasa said technology transfer from India, particularly in areas of irrigation and small-scale farming equipment, would accelerate Zambia's agricultural development. At the conclusion of the official talks, the communiqué announced that India had extended a line of credit to Zambia valued at US\$10 million for buying of machinery and equipment from India. India also gave Zambia a grant of US\$500,000 for buying agricultural machinery.

India also made a grant of \$100,000 for the purchase of anti-retroviral drugs and donated 10,000 tons of rice for food relief.

Another big boost to Zambia came the first week in May when Germany agreed to cancel 100% of Zambia's debt, amounting to 187 million euros. German Ambassador to Zambia Erich Kristof May 8 said the amount represented 100% cancellation of both principal and interest. "It is our sincere hope and expectation as well, that the Zambian government will use this money to implement poverty reduction projects as laid down in the national Poverty Reduction Strategy Paper," Kristof said.

U.S. Spook Operation in South Africa?

The South African daily *Mail & Guardian* on May 9 quoted from detailed documents that are said to show that there were plans afoot in the spring of 2002 for U.S. and South African "spooks" to smuggle out of South Africa remnants of the apartheid-era biological weapons research program, and deliver same to the United States. The plan was to have been carried out by two veteran U.S. operatives working closely with the FBI, Don Mayes and Bob Zlockie, and a South African former CIA agent Tai Minnaari. The documents do not make clear why the FBI decided at the last minute to abort the alleged project. Allegedly, the project was expressly designed to be carried out without the knowledge of the South African authorities.

This Week in History

May 19-23, 1618

As all the "weapons of mass destruction" and other excuses for the war against Iraq melt away, and the Chickenhawks' agenda of expanded war in the region emerges more and more prominently, it is becoming increasingly obvious that we are facing a *religious war*. As Lyndon LaRouche and many others have emphasized, a religious war is the kind of war to be most avoided, because of its endless, fanatical quality.

Today, we do well to recall the famous "religious" war called the "Thirty Years' War," which was waged between 1618 and 1648 in Central Europe, a war whose horror led to the breakthrough called the Treaty of Westphalia, and the ecumenical efforts at statecraft epitomized by the German scientist and philosopher Gottfried Wilhelm Leibniz. May 23, 1618 is the day to which start of that war can be dated. On that day occurred the famous "Defenestration of Prague."

Before describing that precipitating incident, let's set the stage. Throughout the course of the 16th Century, coming into 1618, Europe had been wracked by sporadic episodes of religious warfare, in which Protestants and Roman Catholics fought over territory and religious practices—as the oligarchical families of Venice manipulated both sides. But 1618 represented a turning point, in that the incoming Hapsburg Emperor Ferdinand II, a Jesuit-advised Roman Catholic, had let it be known that he intended to reverse the policy of toleration for certain Protestant enclaves; in specific, the largely Protestant kingdom of Bohemia. Rather than wait for this to happen, the Protestant Count Heinrich Matthias von Thurn staged a provocation. He and his henchmen signalled their rejection of the Emperor's position, by throwing two emissaries of his court out a window, 20 feet above the ground!

This is the incident that has been dubbed the "Defenestration [out the window] of Prague."

Dialogue was clearly coming to an end. While the emissaries survived (they landed in a wagon of dung), both sides immediately girded for war, and most of the kingdoms and duchies throughout Europe began to choose sides, most of them attempting to rally their troops—among whom many were mercenaries—under the banner of religion.

The slaughter was horrendous, as one atrocity by one side, provoked another atrocity by the other. Cities were besieged, razed, and sacked, often with no mercy shown to any of the residents, including women and children. Take the example of Magdeburg, a town in Saxony with "free city" status, which was technically neutral. In the spring of 1631, the Catholic League Army determined to take the town. An army of 30,000 besieged the city, which had approximately the same number of inhabitants, but only a small garrison of about 3,000 Swedes to defend it. Once the walls were breached, the attacking army went on a killing spree, and the city was torched. The attackers were seen throwing civilians into the flames, and impaling infants as they were clutched to their mothers' breasts. The most reliable estimate is that only 5,000 of the inhabitants survived—primarily merchants who offered booty, or those who took refuge in the cathedral.

This fanaticism was not restricted to one side; it inflamed combatants on both. Meanwhile, the countryside, which was ravaged in order to provide food and shelter for the massive armies, was turned into a virtual desert. In the end, the population of Europe—mostly in the region of Germany, and what is now Hungary, the Czech Republic, Austria, and Slovakia—was reduced by anywhere from one-third to one-half.

Why did the war go on so long? Weren't people tired of the endless barbarism? As the famous historian and poet Friedrich Schiller pointed out in his *History of the Thirty Years' War*, there were many points at which it could have been stopped, if the victorious army had been looking for a means of establishing peace. Yet those controlling the armies were not interested in establishing the basis for a better life for all people, but in *wiping out* all opposition. The mentality, as reported by Schiller, was epitomized by a statement from Emperor Ferdinand II: "Better a desert than a country full of heretics."

It is precisely this mentality of religious warfare which we can see on the horizon today, and which *must* be stopped.

Links to articles from *Executive Intelligence Review**.

*Requires Adobe Reader®.

Feature:

LaRouche in Italy: Take the Lead for Eurasian Development

by Claudio Celani

For the second time in a month, Lyndon LaRouche visited Italy, a country where he has high recognition and where, last year, the national Chamber of Deputies approved a resolution calling for a 'new world financial architecture' oriented toward productive investment, not speculation—as LaRouche's proposed New Bretton Woods system specifies.

- The Precedent of Postwar Reconstruction for Today

On May 5, Lyndon LaRouche was the main speaker at a conference of ISIES, a think-tank associated with the Chamber of Commerce of Vicenza, Italy. Here is an edited transcript of his presentation and the two-hour discussion which followed.

Economics:

The Meltdown of the Dollar: It's Systemic, Stupid!

by Lothar Komp

Does it seem paradoxical? Just a few weeks after the ostensibly glorious victory of U.S. and British troops in Iraq, the U.S. dollar and the British pound have turned into two of the weakest currencies in the world.

Only 'FDR Solution' Can Stop States' Collapse

by Mary Jane Freeman

Over two years ago, in February 2001, Lyndon LaRouche, now the leading Democratic Party 2004 Presidential pre-candidate, warned a group of American state legislators that the Federal states faced huge revenue declines—30% was his estimate—unless economic policy dramatically changed.

- LaRouche's Invitation

This statement was released by the LaRouche in 2004 Presidential campaign committee on May 11, 2003.

To rescue the Democratic Party from the still reverberating and enervating boredom of the recent South Carolina charade, I am offering to host a web-cast event, in the Washington, D.C. area, to which all ten present Democratic Presidential pre-candidates will be invited to present and argue what they consider to be the kernel of their case.

Germany: Current Policy Can't Stop Unemployment Rise

by Rainer Apel

Even with a new, 'adjusted' statistical approach, national unemployment in Germany reached a 13-year high at the end of April, with 4,485 million officially registered jobless citizens, above 10% of the workforce. The steady increase—500,000 more since last Summer's election campaign—cannot be stopped without wrenching government policy away from obedience to the free trade and austerity enshrined in the European Union's Maastricht Treaty.

Infrastructure Centers Brazil's New Diplomacy

by Lorenzo Carrasco

Today in Brazil, the impact of the U.S. Iraq war and its preemptive war doctrine has triggered new diplomatic initiatives toward economic integration of Ibero-America.

- **LaRouche Reform of Credit System in the Americas**

On April 12, Lyndon LaRouche spoke by phone with simultaneous youth movement gatherings in Mexico City and Lima (see EIR, April 16). Excerpted here is his answer to a question from Mexico.

- **FDR Sought Brazil's Industrialization**

by Cynthia R. Rush

In his accompanying article, EIR's Lorenzo Carrasco reports that Brazilian President Luiz Ina'cio Lula da Silva's efforts to make the National Economic and Social Development Bank (BNDES) function as a real development bank, has a precedent in Brazilian history.

Chaos in Iraq Food Aid A Disaster for Africa

by Paul Gallagher

An unusual protest by the director of the World Food Programme (WFP) to the UN Security Council has highlighted the fact that the huge American-driven food aid program for conquered Iraq—a program now completely stalled in the absence of security in the country—is causing the food crisis in Africa to become disastrously worse.

International:

Chicken-Hawks as China-Hawks: The Straussians Target Beijing

by Mike Billington

Many leading U.S. policy-makers, military officers, and foreign service experts believed that their outspoken opposition to the war plan on Iraq would prevent that misadventure from taking place. The voice of the 'Establishment,' they believed, would overcome the irrational impulses of the neo-conservative 'chicken-hawks' who had the ear of a weak-minded President.

On the 300th Anniversary of The Founding of St. Petersburg

by Konstantin Chermnykh

It has often been difficult for the leadership of post-Soviet Russia to invoke Russia's historical past. The 300th anniversary of the Russian Navy, marked in 1997, was reduced to a bureaucratic procedure, with a bit of phony pomp played out against a backdrop of the miserable devastation of that once glorious defense institution.

Sharon Killing Palestinians To Kill The 'RoadMap': Will Bush Stop Him?

by Michele Steinberg

On May 8, in brief, but stunning remarks at the Center for Policy Analysis on Palestine in Washington, D.C., Ghaleb Darabya, the counsellor for political affairs for the Palestine Liberation Organization, told the audience that Israel had given its 'answer' to the Road Map already on May 1—with deeds, not words; with blood, not peace.

Conference Report: What the Iraq War Hath Wrought

by Muriel Mirak-Weissbach

What would you have done, had you been in Germany in 1932 when the specter of dictatorship stalked the country? Presidential pre-candidate Lyndon LaRouche recently emphasized that this is the question individuals and political forces outside the United States must ask themselves today, in the wake of the catastrophic 'permanent war policy' launched with the U.S.-led war against Iraq.

Europe's Anti-War Three Build Bridges With Southeast Asia

by Mike Billington

In resistance to the American turn to unilateralism and pre-emptive warfare, and the collapsing dollar-based financial system, Russia, France, and Germany are looking increasingly to Asia, and Eurasia-wide economic infrastructure and technology development projects, as the basis for a new

economic order.

Is It Operation 'Enduring Chaos'?

by Hussein Askary

As has been suggested that the stabilization of the situation in Iraq, and the Middle East in general, would be an easy task if there were an intention to do that. The American Administration would need to undertake several dramatic measures to reach that end.

National:

Rumsfeld's 'Notverordnung' Still on a Fast Track

by Carl Osgood

Secretary of Defense Donald Rumsfeld's demand that the Defense Department be almost completely exempted from Congressional oversight has hit growing resistance, but that resistance has not yet provided a barrier to passage of the Defense Transformation for the 21st Century Act.

Why Rumsfeld's 'Transformation' Bill Is Unconstitutional

by Edward Spannaus

In Lyndon LaRouche's 'Rumsfeld's Notverordnung' statement issued on May 10, the Democratic Presidential precandidate charged that Defense Secretary Donald Rumsfeld's 'Defense Transformation for the 21st Century Act,' violates the separation of powers provisions of the United States Constitution, and that it would be 'a leak in the dike which opens the way for the kinds of dictatorial powers assumed by the Adolf Hitler regime on Feb. 28, 1933, powers from which all the principal crimes of the Hitler regime ensued.'

Bush Administration 'Dr. Strangeloves' Take a Hit

by Jeffrey Steinberg

In the latest sign of resistance to the mad imperial-utopian war schemes of the Bush Administration, a bipartisan group of House Armed Services Committee members has blocked the deployment of mini-nuclear weapons, thus stalling a decade-old scheme of Vice President Dick Cheney, Deputy Defense Secretary Paul Wolfowitz, and other Administration 'Dr. Strangeloves,' to make nuclear war 'thinkable' and 'do-able.'

Anti-American Roots of the 'Leo-Cons'; What the New York Times Won't Print

by Barbara Boyd

While newspapers throughout the world have republished Lyndon LaRouche's expose' of the fact that the neo-conservatives presently running the White House occupied by George Bush—such as Donald Rumsfeld, Dick Cheney, Abram Shulsky, Paul Wolfowitz, Gary Schmitt, and John Ashcroft—are maniacal devotees of the late University of Chicago Prof. Leo Strauss, many of them have also sought to blunt the horrified political reaction which this revelation should create.

Interview: Sen. Eugene McCarthy

What Happened to The Baby Boomers?

This is the third and final part of a series of interviews with Senator McCarthy, conducted by Nina Ogden in March through May 2003... Here, Senator McCarthy discusses how the assassinations of Dr. Martin Luther King, the Kennedy brothers, and other tragic events of the 1960s led to the destruction of the power of reason and optimism, and destroyed the promise of the Baby Boomer generation.

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