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This Week You Need To Know

TERROR ON WORLD-WIDE MAIN STREET: — PRESIDENT BUSH'S APRIL 2

by Lyndon H. LaRouche, Jr.

April 3, 2004

April Fools' Day came a day late this year.

On Friday, April 2, the pack of ghouls and goniffs otherwise known as President George W Bush, Jr.'s campaign strategists, pulled one of the dumbest publicity stunts in modern history, with the way in which they, and Federal Reserve Chairman Alan Greenspan, orchestrated the fraudulent reports intended to convince the world's dumbest suckers that there is an ongoing uptick in the already stumbling, bumbling, broken-down U.S. economy.

Some days the official hangman called in sick, but, he did not neglect his duties for long. The world financial system might not blow up on Monday, but poor silly Bush has pulled the pin on the detonators; the world's financial mine-field could blow this coming week, or it might not; but, it is now ready to blow on almost any week, or day. The delusion that the blow-out of the world's monetary-financial system could be postponed until after the November U.S. general election, has left the department of economics, and moved over to the department of clinical psychopathology.

Notable, is the pathetic reaction to this news by presumptive Democratic Presidential nominee Senator John Kerry. Whether the foolish statement issued by Senator Kerry was his own idea, or that of influential pressures on his campaign from DNC circles, is not settled. However, the fact that he would utter such a foolish statement, warns us that he is not yet up to the challenge of being the next President of the U.S. Unless I am allowed to take over the direction of the 2004 Democratic campaign, Kerry, with his present advisors, will be assuredly a disaster. Not only candidate Kerry, but the entire current pack of the Democratic Party's 2004 campaign bosses have also goofed, big time. President Bush is clearly a basket-case, but the current Democratic Party leadership is not that much better. The question is: Is the judgment of the voters currently much better?

1923 and Now

Those who know little or nothing about economics (such as the typical baby-boomer among today's government officials, university economics professors, business management, or the journalists generally), challenge me: "How dare you claim that you can predict a crash? What are you, some kind of conspiracy-theorist nut? Show me your Wall Street charts to prove your predictions."

First of all, I never predict, I leave predicting to fools who refuse to recognize that history is the history of voluntary choices of policy. I forecast in ways which take the voluntary factor in economy into account. Let those whining complainers explain how and why I have been, on the record, the most successful long-range economic forecaster during the recent four decades.

First of all, I base myself chiefly on long-term physical-economic trends, rather than merely monetary-financial trends. Second, what I forecast are two kinds of developments: first, the entry of the economy into a area of its history called a "boundary condition;" second, I describe that boundary condition in terms of the principal, opposing choices of policy, among which society will have to choose as that boundary-condition is approached.

In dealing with the kind of international breakdown-crisis which the silly Bush Administration set off on Friday, we must recognize the way in which decisions made in the setting of October-November 1998, unleashed a policy of unleashing a "wall of money," in the effort to overpower the ongoing threat of a general collapse of global financial-derivative markets. Since that time, the rate of creating new volumes of money needed to flood, and thus prop up financial markets, has generated an accelerating spiral of inflation globally. While the U.S. physical economy has continued to contract, the rate of issue of monetary aggregates has increased at a self-accelerating rate. This development is to be compared with Germany 1923, when the effort of the German government to prop up the economy with printing-press money unleashed the June-November 1923 hyperinflation which blew out Germany's financial system.

In an economy dominated by the post-1987 policies of Alan Greenspan's Federal Reserve System, inflation can be controlled only by, chiefly, looting the physical wealth of the U.S. and foreign peoples. As this looting approaches an asymptotic limit, the rate of hyperinflation needed to delay a systemic collapse tends to move, more and more, in a nearly straight-upward direction, as was the case in 1923 Germany. The steepness of this curve of hyperinflation becomes what physicists call a "boundary condition." At that point, a general disintegration of the existing monetary-financial system becomes inevitable, as for the Americas, Japan, and western and central Europe today.

When we have entered such a boundary-state, slight perturbations are sufficient to set off the kind of explosion-collapse which is implicit in any hyperinflationary spiral, such as a "John Law" spiral. Prudent management can delay the explosion, to a certain degree; reckless moves will have an effect like stepping on the detonator of a mine-field. Poor dumb President Bush, with no idea at all of what he was actually doing, stepped on an eager detonator on April 2, 2004. What a way to celebrate April Fool's Day, even if one day late.

What We Must Do

In dealing with a hyperinflationary system which is reaching the bursting-point, no tinkering within the rules of that system will succeed in dealing with the threat of a general physical collapse of the economy. Only a sudden and radical change of the rules of the game which is the present system, could prevent the kind of otherwise inevitable catastrophe which is threatening the U.S. and its people, right now, while well-meaning, but economics-ignorant Senator Kerry bumbles and fumbles the challenges posed by the events of Friday afternoon.

The changes which are required in the U.S. are echoes of President Franklin Roosevelt's response to the Depression created by such right-wing predecessors as Coolidge, Mellon, and Hoover. The Roosevelt precedent must be chosen by us for three overlapping reasons.

First, it represents a precedent which succeeded under circumstances with marked resemblance to the doomsday crisis hitting us today.

Second, although variations might work, on paper, as well as, or better than FDR's, in politics, we must hope we can avoid any sudden, drastic action which does not enjoy the credibility borrowing from a proven, relatively successful precedent, preferably a precedent taken from the experience of the same nation. That is the reason, no Presidential candidate could be truly qualified for the kind of crisis immediately facing us today, unless he or she were a steadfast adherent to the excellent tradition of FDR Democracy. A critical understanding of relevant precedents is the first principle of practice in politics.

Third, the chief immediate obstacle to a successful recovery action, comes from the members of the same type of international financier oligarchy, such as those financiers associated then with England's Montagu Norman and Hjalmar Schacht, which put Hitler's allies among the fascist regimes of continental Europe into power during the 1922-1945 interval. The obscene spectacle of the effort to collect the Argentina debt, is an example of the mentality and methods of that same financier oligarchy, today, as then.

A Democratic Party which needs money for its campaign, tends, therefore to seek financial support whence large financial support is apparently available, the very type of financier oligarchy which formerly gave the world Mussolini, Hitler, Franco, and so forth, back during the 1922-1945 interval. That is why Democratic National Chair Terry McAuliffe behaves as insanely as he does.

There is one alternative to a bankers' dictatorship in the U.S. today. Instead of running for money, as the DNC of today is doing, run with a mobilization of the people, especially the lower 80 percentile of family-income brackets which the DNC has treated so shabbily for about thirty years. I speak for the people's interests, all of our people, as the principles of natural law set forth in our Declaration of Independence and Preamble of our Federal Constitution attest.

People, make your choice! You choose your candidate, or the bankers who virtually own today's party machines will make the choice for you, as the bankers did in Germany in January-February 1933.

Kerry Swallows Phony Job Data

John Kerry's initial response to the release of faked employment figures on April 2 was to call it "welcome news." Kerry issued a short statement April 3, accepting the figures at face value. "I hope it continues," he said, but added: "For too many families, living through the worst job recovery since the Great Depression has been, and continues to be, far too painful." Then, in his radio response to the George W. Bush's Saturday, April 3 morning radio show, Kerry ignored the jobs report, and Bush's manic euphoria, altogether, speaking only about his "plan" to use taxes to "bring the jobs home."

Huge Bonds Sell-Off Pushes Up Mortgage Rates

Following the release of the fabricated super-bullish job figures by the U.S. Labor Department on April 2, worldwide bond markets were shaken dramatically. Up to now, the chances that the Federal Reserve would raise interest rates before the November election had been assessed as being very low.

But suddenly, the prospect of a rate increase by August or September has appeared on the radar screen. The immediate consequence was a huge sell-off on bond markets on Friday, April 2, pushing up the yield of 10-year U.S. Treasuries from 3.89% to 4.15%, that is, 26 basis points, characterized by Reuters as "the biggest single-day rise since the Long Term Capital Management hedge fund crisis late in 1998." For two-year U.S. Treasuries, the yield shot up by 23 basis points from 1.62% to 1.85%. The sell-off on the U.S. bond market was further accelerated by a comment from Bill Gross, head of the world's largest bond-trading fund PIMCO, who advised investors on Friday afternoon, that from now on they should buy "anything but [U.S.] Treasuries."

As long-term bond yields are the basis for defining mortgage interest rates, the average 30-year mortgage rate increased to 5.52% on Friday, compared to 5.40% the week before, according to Freddie Mac. The full impact of the bond-market turmoil on mortgage rates is expected to show up this week. Stock prices of mortgage lenders, home builders, and home-improvement retailers fell sharply on April 2.

Insider Leak of Jobs Data Probed; White House Under Scrutiny

The Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) will investigate insider trading ahead of the job market report, according to the *Financial Times* and Reuters April 3.

The April 2 announcement of the ostensible creation of 308,000 new U.S. jobs during March, had a huge effect on global financial markets, including a bond-market panic, a sharp decline of the euro and the British pound versus the dollar, and a \$12 decline of the gold-futures price.

But strangely enough, these market reactions began two minutes *before* the official release of the job report at 8:30 a.m. in New York, allowing the early traders to gain or save billions of dollars. Apparently, there were strong movements on the U.S. and European bond markets starting at 8:28, which then spilled over into the foreign-exchange markets. There were also reports of very strong demand for so-called economic derivatives, that is, bets on the specific outcome of economic data, offered by Deutsche Bank and Goldman Sachs in advance of the jobs data. Describing the unusual developments, London's *Financial Times* quotes HSBC currency expert David Bloom, saying: "Before the payrolls [figure] is released, you can normally hear a pin drop; there is a hushed silence. But suddenly two minutes before the numbers [were released], there was extraordinary activity, a crescendo, a cacophony."

The source of the apparent leak was first attributed to Reuters, which put out a wire on the job figures on the Yahoo website. The wire is dated 8:28 a.m. EST. Reuters denied breaking the 8:30 embargo, claiming that a wrong clock in its London office was the reason for just putting an incorrect time stamp on the wire.

The usual procedure for the release of the data to the media, is that journalists, sitting in a locked room at the Labor Department with restricted communication, are given the data 30 minutes before the 8:30 embargo. The Bureau of Labor Statistics (BLS) states that the security at the agency is tight, and it is actually very unlikely that one of these journalists could have triggered the insider trading. But, who else?

The only other institution which routinely receives the job figures in advance, is the White House.

Reuters described it in the following way: "On the day before the release, the number is given to President George W. Bush through his economic team, the Council of Economic Advisors. The BLS said it gives the data to no one else. Neither the Labor Secretary Elaine Chao or Federal Reserve Chairman Alan Greenspan see the data ahead of its release, though it is widely believed Bush's advisers share the data with key cabinet and Fed officials so they can prepare a response."

The SEC, the CFTC, and the Labor Department have started an investigation on the matter. The CFTC has also met with officials of the Justice Dept.

LYNDON LAROUCHE RETURNS TO ARKANSAS RADIO — 'MY JOB, AND OUR JOB, IS TO CREATE A VOLCANIC ERUPTION'

Here is Lyndon LaRouche's entire two-hour interview with Lee Tibler's The Front Porch talk show on KXOW radio, in

Hot Springs, Arkansas, March 30, 2004.

LEE TIBLER: This is KXOW.

LYNDON LAROUCHE: Here I am, again!

TIBLER: All right, this time I think we have you, sir!

LAROUCHE: I think without the echo, too. That's excellent.

TIBLER: Thank you for being here, Mr. LaRouche. About three years we did this, on another radio station.

LAROUCHE: Yeah, sure, it was fun!

TIBLER: Yes, and I appreciate it, because when you put the transcript on the internet, I got some good press play for about two years, out of it. So, I sure do appreciate that greatly.

LAROUCHE: [laughing] We'll try to do something for you now!

TIBLER: I'm on the Hollywood side of all this—but, I do take this very seriously. I was sitting here, trying to kill some time while we were making the connection, and I trying to remind the audience, that you are indeed a candidate, here in Arkansas, heading into the May 18 primaries. And, again, I don't want to set the stage so much—I'd rather cue off of you this morning— but, I just want to say, in passing, that it looks like, on the heels of what happened last time in Arkansas, with your votes being stolen, I would venture a guess to say, that we're probably heading into the same situation: And here's why I'm saying that, Mr. LaRouche, because, this morning, in our statewide paper, the *Arkansas Democrat Gazette*, they have written an article, which summarizes all the candidates, so far, for Congressional races, Supreme Court, as well as the Presidential ticket; and you are glaringly missing! By deliberate omission, once again.

LAROUCHE: Yeah, sure.

TIBLER: And I know that you applied, it was a week ago Monday, and you're a *bona fide* candidate here in Arkansas. So, do you anticipate another fight like this, coming up here in Arkansas?

LAROUCHE: There's going to be a fight. The question is, what the outcome is going to be. Because, if the Democratic Party excludes me, they probably will lose the general election. For example, you've got several things going—I'll speak frankly; I've spoken frankly: The President we have is, in perception, the dumbest President on record. And, he hasn't done anything, really right.

But, the Democratic Party is rivaling him, in heading toward the bottom. Kerry is personally a quality candidate. And under normal conditions, you'd say, he would carry it. But, he's got on his back, he's got the Democratic machine, the Democratic National Committee, and people who are saying, "Don't get mixed up with me, because you won't get financing, because your enemies are all in the financial crowd." And, we're in an international financial crisis, and the bankers don't want me around, anywhere near the Presidency, during a crisis like 1932-33.

So, he's being advised that way. But, it won't work.

The problem is, he has no independent competence in economics. He's a good-hearted fellow on economics, but he'll tend to make mistakes out of his lack of knowledge of the subject-matter.

I'm actually uniquely qualified, under such conditions. Under other conditions, I'm qualified, but this time, I'm *really* uniquely qualified! We're right up against it; the system is about to blow; the banking system is about to go under *any* time, now. You can never predict the exact time this'll happen, but you know you're in the territory where it's going to happen. And it's going to happen, soon. It's a real mess.

So therefore, they're playing the game. And they've got Nader coming out there. And Nader's pulling significant, single-digit—maybe higher—polls in California. If they get the voters angry at them, because of their stupidity—and, believe me, the DNC is *stupid*, right now!—

TIBLER: Okay!

LAROUCHE: Then, the voters will go, not to a vote *for* a candidate, but to a hate vote *against* the candidates, who are ignoring what is of concern to the citizens.

TIBLER: You have addressed, sir, what has been one of my—I'm going to call it "radio shtick," because I am just, again, a talk-show host, here in the local market; but we do cover about half the state of Arkansas. And I've been saying for a long time, that the Democratic Party, to me, has dropped the ball, incredibly! In a bigtime way. They had an opportunity here, during this election cycle, to address the quintessential problems, that are right now playing this nation, as well as we, the voters, as individuals.

LAROUCHE: Yeah.

TIBLER: They've had a tremendous opportunity, by bringing these issues up, to the forefront. I've been a student of *Executive Intelligence Review*, for, oh, about a decade, I think. And, I've said this many times publicly, that your prognostications, your analyses, have been virtually right on the money, each time. And again, as you said, any date to nail, is hit-or-miss, but you can get real close with the trend lines. But, with in your estimation, is it safe to say—and I think you just said, the international financial system is essentially finished?

LAROUCHE: It is worse than bankrupt. Everyone in leading banking circles, and as you know, I'm in touch regularly, with people in Europe, and some in the United States, on this issue. What they're saying publicly, the intelligent ones, and what they're refraining from saying publicly, are two distinct things. But, the point is, they don't want to take the blame, for causing lack of confidence in the system, and therefore, taking the blame for its blowing out. But, they know it's going to blow out anyway! The real-estate market, that is, the mortgage-based securities market, is on the edge. The financial derivatives market is a worse situation, by far, than we had in August-September of 1998. This system is bankrupt. It's going bankrupt.

Now, you've got a couple of problems here: One is, it comes with the parties. Now, the smart vote, among the so-called "anti-people" faction in the Democratic Party, is, "let's keep the vote as small as possible." In other words, "let's stay within the upper 20% of family-income brackets; let's stay with the suburban voters." They're not even counting, in their public estimates, they're not counting the ordinary voters.

So therefore, they say, "If we keep the thing to the upper voters, and if we get enough money, then we can beat Bush. But, if we bring the lower income-brackets of the voters into the campaign, who would give us a straight Democratic victory, then they wouldn't like us, and we would get the kind of Democrat, or Democratic administration which we wouldn't like."

Now, that has two points: Kerry is not competent for the job, that is, for the crisis we face now. He does not understand the security problems internationally—even despite his military background; he does not understand the economic situation, or its cure. He's a good-hearted President. If I'm in the picture, with a team of the type that I would bring into the picture, even *not* as President—that is, if I got Kerry to agree to bring certain factors into the team, on decision-making, and some general outline of what the policy should be, *we might make it*. If I were President, we *would* make it—

TIBLER: Now, just let me—go ahead, sir.

LAROUCHE: If I'm not in the picture, Kerry can't handle the job.

TIBLER: Now, again, when you say "the picture," this is still quite nasty, what I was saying before I got you on the air, here: My biggest regret, as a staunch defender of the First Amendment—this is my business; it's what I do on radio—that we, as Americans, as voters, we have not been able to capture the necessary dialogue, because you're not there. The same thing can be said for Dennis Kucinich and a few others; there are a few of you that have been *cast out*, and consequently, our learning curve, in America, is very, very poor, in many regards: not just scientifically, but as well as what's happening politically and economically. And my contention has been, and many people agree with me, is that, had you been there, then the dialogue would have been created, and Americans' learning curve would have been sky-high. Finally!

LAROUCHE: That's exactly what my opponents knew: Therefore, keep me out, not merely because of my candidacy. Because, I would shift the agenda, by being there. They would have this item on the agenda, which the poorer section, that is, the lower 80% of our voters, would be responsive to, I would bring that into play. And, bring it into play with some answers. And the voters would then say, "Okay. Whether we like this guy or not, he's sayin' something we want to hear!"

TIBLER: Right. Right.

LAROUCHE: And that is exactly what you're talking about. You're absolutely correct.

TIBLER: And that is what you experience, particularly with the youth movement, along the campaign trail, so far this year. That, within individual communities, you have gotten distinct attention, as evidenced by the fact that you have a very large amount of private campaign contributors, and the fact that you are now receiving matching funds, from the government—correct?

LAROUCHE: Yeah. I'm right after Kerry—and sometimes I'm ahead of Kerry, in states, in terms of support. In terms of popular support. And that's what's important.

TIBLER: Now, setting the stage, once again, here in Arkansas, because, again, May 18 is quickly upon us, I've been told that the magic number for you would be 15%. I'm anticipating that you'll get more than that, based on the returns last time, when the votes were stolen from you, by the Democratic Party here.

LAROUCHE: Yeah. Also, with any more sign of crisis.

Democrats are idiots, by going—if you want to have a President who can handle the job, he's got to have the support of the majority of the people. You can't go into a crisis, and imagine you could handle a global and national crisis, without having the majority of the American people behind the President. *It can't be done!* Radical changes can not be made, without the people behind the President.

Now therefore, if you go into a suburban-oriented emphasis on campaigning for the Democratic Party, if you got the Presidency, you'd be a slave to the same people that run Bush. He'd be a slave. And he wouldn't be capable of doing anything.

That's what the big issue is, here. The issue is: Do we have a mobilization of the average citizen, the lower 80%, who have been thrown into the junk-heap on all kinds of policy questions—health care, everything else; on tax questions. You know, we could balance the Social Security System, if we would take the cap off the Social Security contribution. The upper income-brackets don't pay their share of Social Security—things like that.

So therefore, the measures that would be taken, reorganize the banking system, things of that sort, require the support of the people. People are going to say, "What's going to happen to our savings?" Well, I know how to deal with that. Others don't *like* what I would do about that, but it would work. And what they would say, wouldn't work, but they still like it. That's the kind of the thing. And without the backing of the people, without bringing the average person into the election process, convinced in their own part, that they're fighting for themselves—not for "their boy," their favorite movie star, but for themselves—we don't have a chance.

TIBLER: One of my favorite historian economists is Ravi Batra, you've probably heard of him. I became a fan of his several years ago. And he has been saying for a long time, that we go through these cycles in history, where too few people get most of the marbles. And it seems that's where we're at right now. This present administration seems to be suffering from a high dose of greed, such that this upper 2% or 5% you're talking about, they are getting the best tax breaks, you mentioned the caps being taken off of their earnings. Most recently, in fact, on Friday's show, with Harley Schlanger here, on "The Front Porch," one of the key issues for about half an hour, was the cut-backs to our veterans—major cut-backs!

LAROUCHE: Yeah. You want to go into wars, and you want to cut back on our veterans. What kinda—!

TIBLER: Yeah, Mr. LaRouche, this is stupid!

LAROUCHE: That's what I'm saying! This is the most stupid President, in the eyes of the American people, already.

TIBLER: But, you would think that he has all these policy people behind him, that would stray away from this type of strategy.

LAROUCHE: Well, look, his leading policy people are actually insane. The group around Dick Cheney, for example. They're insane. Look, they got into a war, they got into a war by fraud. By a fraud upon the Congress and others—admittedly, the Congress was weak on this, but it was fraud.

They got into a war—we were warned by all of the competent military people, *not* to do it! That it was stupid. It worked out just as the competent military people, opponents of the Secretary of Defense, warned. But, we did it anyway. Now, we've got a mess which is impossible. It's getting worse by the day. They're sticking to their guns—they don't want to make the President look foolish, or make it appear that, maybe, the great genius, Dick Cheney, was not the great genius he pretended to be. They don't want to admit that.

So, you have a factor of stupidity and incompetence, among people who are the so-called "experts," which is the factor. But, if the people are looking at this, as a sports event—election as a sports event—and they're looking at it, because they don't think they're involved; they think they're in the grandstand. They don't think they have any voice in it. They're just going to cheer for the guy they like to cheer for. As long as they're in that state of mind, they don't respond on the basis, really, of their self-interest. They think about one or two issues. But, they don't think about their overall self-interest. And

therefore, they say, "We-e-l-l, he's the President. He's must know what he's talkin' about." And then, they say, he's stupid!

The veterans say, "He's stupid. Look what he's doing to us"—the ones who are just coming back from the war, with their wounds not getting healed. Hmm?

It's an example of what happens in a real crisis, where the question is, the people feel impotent; they feel they don't have power; they think they're small, and they hope that something good will happen to them. They try to vote for some guy they think might be kind-hearted and do something for them. But, they don't have a sense that they run the show.

You have to have—. Especially in a time of crisis, the Presidential candidate must give the people back the feeling that they're running the show. When he's able to convince them, that they're responsible, by their participation, for what the next President does in a crisis, and that the crisis is coming on, you will get an intelligent response from the American people, even these, as poorly educated as they are today. The problem is, they don't think they really are involved in making the decision.

TIBLER: That's true.

LAROUCHE: Therefore, they're behaving accordingly.

TIBLER: Right, we've been alienated, we really have been.

LAROUCHE: Yeah.

TIBLER: But yet, within this radio market here, because I do try to keep my fingers on the pulse of what is happening around here—feelings and attitudes, that is—certain issues are now beginning to affect our pocketbooks, and the reality check is setting in, most definitely.

It's hard to determine where we got into this imperial era. But, can I ask you this? What is the bottom line, in your estimation, for our incursion into Iraq? What is the bottom line for this?

LAROUCHE: The bottom line is, we should be out of there, now. We can't handle it—

TIBLER: What was our impetus, initially? What was the Cheney gang doing?

LAROUCHE: It had nothing to do with Iraq, as such. It had an *emotional* commitment to getting into Iraq, because Cheney and company were committed to continuing the war in Iraq at the time that the elder Bush pulled out. The elder Bush pulled out, because it would have been stupid to stay in there, and we'd have lost half our allies. So, he said, "Okay, we did the job. We knocked Saddam Hussein back; he's under restrictions. Let's get out! Let's not stay in here, and get into a complicated mess." He understood that, or he was convinced to understand that.

Now, these guys, such as Cheney, who are ideologues—they're fanatics; they're not in the real world—they said, as Cheney, as Defense Secretary, insisted we have to go back in there! Continue the war.

Now, Cheney is part of a bunch of nuts—I mean, I say that advisedly. Who are fanatics. And, what they want is, they want a series of wars, around the world, in order to establish the United States as an empire. And they believe that using nuclear weapons, such as the mini-nuke program, is the way to bully the world into accepting our having imperial power to do

whatever we please with the world. Their targets include, not only Iraq; not only Afghanistan. They include Syria; they include Lebanon; they include Iran; they include China, and so forth and so on. So therefore, these guys have a policy, as a policy, which is a policy of using nuclear power to intimidate the world into accepting world government. They are determined to use nuclear weapons at the first opportunity, in order to *terrify* the world into fear, and submission. Now, that's the policy.

But, at the same time, they have a fetish: "We have reassert our authority, in the United States, by forcing the American people to go to a war in Iraq." There was no reason to go to the war in Iraq. But they needed the war in Iraq, for purely, special ideological reasons. And that's why they did it.

But, the issue is not the war in Iraq. The issue is—that shouldn't have been done—the issue is, they view this, as North Korea, Iran, Syria, and so forth, are next on the chopping block. And that's the policy. *That* is the danger.

TIBLER: And those movements would be made—what? After the election? Assuming that—

LAROUCHE: Right now, they decided to postpone all further adventures until after the election. But I can't guarantee anything! Because, what they've done is, they're part of an international group, which was responsible for the waves of terror in the 1970s in Europe. And, we've seen this, now, in Spain. This group, a fascist group, tied with this Blas Piñar—this whole fascist, actually a pro-Nazi in Spain, is behind the group that did this recent stunt.

This is part of a targetting of the United States and the Americas, for a Hispanic-North American, Anglo-Gringo/Spanish war, inside the United States and on its borders—as Huntington is pushing! This operation from Spain, is aimed to get a Spanish *hatred* against the United States, Hispanic hatred, both outside the United States, and among the Spanish-speaking population. For example, under Gingrich's influence, we had a break in a growing cooperation between the Hispanic political minority groups, and the African-American minority groups. That split. Now, you've got conflict, has been developing between the Hispanic political factions, and the, sort of retreating, Americans of African descent faction.

So, you've got a very dangerous social chemistry in the world, and in the Americas, and in the United States, potentially. So, this thing is not controllable. Don't try to set fire to a forest, in order to embarrass your neighbors: You may not be able to control the forest fire.

TIBLER: Absolutely. And, you're correct. All those things are in place, right around us, as we speak: on our borders, and elsewhere.

Apparently, they must be listening to you—"they," the elite, I guess— because, this came in off the wire, just a little while ago; I'm not sure if you're aware of this, sir, so bear with me, okay?

LAROUCHE: Yeah, sure.

TIBLER: This is from Madrid, and Spanish authorities are focussing their probe into the Madrid train bombings, obviously. Spain's Interior Minister has named a *Moroccan* extremist group, as the main focus of the investigation. And he says, the authorities will investigate ties between some of the suspects in custody and extremist groups—and he names a new one—especially, the "Moroccan Islamic Combatant Group."

LAROUCHE: [laughing heartily]

TIBLER: They've been listening to you, sir, haven't they?

LAROUCHE: No, they were already doing—.

What they're doing, is they—remember, what there was, there was an attempted coup against the Spanish monarchy! I had this from high-level people in Europe, whom I'm in touch with—I don't always agree with them—but, on certain matters we agree, we share some things: And, what happened is, according to these sources, that this terrorist group, which is associated with Blas Piñar, which is a group based in Spain, in Italy, and France; extreme right-wing, these are the legacy of the deal that Allen Dulles cut with the Nazi SD leadership of Schellenberg, and Schacht, and Skorzeny, back during his negotiation with a fellow called Genoud, back in 1944-45—

TIBLER: Amazing!

LAROUCHE: We brought these Nazis into the system. We then planted the Nazi allies—a lot of them—in Spain, under Franco. We then used this Nazi group, in Mexico and South America: That is, we actually ran members of the Nazi security apparatus, of Schellenberg, Wolf, and so forth, into Mexico and especially into South America, through the so-called "rat line" operation.

So, now what's happened is, this group, which was responsible for the bombing between 1969 and 1980—the terrorism in Europe at that time—it was not left-wing; it was this bunch—this bunch is tied to Blas Piñar now. This style of the Madrid bombing is characteristic of only one terrorist group in the world today: *that group*. They did the train bombings. The train bombings in Madrid are a copy-cat of the kind of operations cooked up by that crowd in Italy and elsewhere, back during the 1969-1980 period.

TIBLER: It must be an awful powerful group, if they're going to sit here and spin this story about the "Moroccan Islamic Combatant Group"!

LAROUCHE: Yeah. They're trying to get everything off the agenda, that is not the way they want it.

TIBLER: Uh-huh. Also, just so I make sure you're apprised of all this, too. Another breaking story this morning, originates from London, sir. They conducted numerous raids this morning, in London, involving 700 officers or more. And the bottom line of the story is, that they've arrested, I guess. about a dozen men, ranging in age from 17 to 32; and they recovered, they say, about a half-ton of ammonium nitrate.

LAROUCHE: Ha-ha!

TIBLER: Okay, so, a lot of things are coming together, as we speak this morning. I could tell, by the way that this copy's written, that they're going to blame Muslims. Because the police say the suspects are British citizens. A police official didn't give details on their religious affiliations, but he added, quote, "The overwhelming majority of the Muslim community are law-abiding." So, they added that line to it!

So, I see a trend developing here, overseas, as we speak.

LAROUCHE: Absolutely! There are people in Britain, the United Kingdom, who are actually sincerely serious about this problem. They know what it is, they are security specialists. They've committed some of the nasties in the world, and they understand how the nasties are committed! But, sometimes, they're on the right side. And some of them there *are* on the right side, on this question, as a practical matter—like the Spanish question. I mean, they know—everyone knows, in the intelligence business, that Allen Dulles brought Nazis into the CIA and elsewhere, or around them.

TIBLER: I've always believed that. It makes sense.

LAROUCHE: Of course they did! I had a friend of mine, who died some years ago, Max Corvo, who was head of the OSS operations in Italy. And, the minute that Roosevelt was dead, Donovan, who was head of OSS, was essentially out of the picture, and Allen Dulles and James J. Angleton, and so forth, came in, and brought the Nazi apparatus from the Salò Republic, under the Nazi SS man Wolf, who was controlling the Mussolini government at that time—brought them back into power. They got rid of Mussolini—they dumped him; they killed him. It wasn't the Communists that killed him. They killed him, because he was trying to blackmail his way into exposing Churchill, to get favored treatment out of Churchill. Because Churchill had been his backer, at one point. So, they killed him, to shut him up! Not an uncommon practice.

TIBLER: No, apparently not.

LAROUCHE: So, this crowd—the British know this. Everyone in the intelligence business, knows something about this. And therefore, when they know that this thing is loose again, people say, "Hey, wait a minute! Our friends, our conservative friends have gone nuts again!"

TIBLER: I just love hearing you say these things. It's so refreshing, because it verifies things that I thought I've learned over the years myself. And it's so hard to bring it out sometimes. So I admire your *chutzpah*, in doing that. [they both laugh].

In regard to 9/11, our Sept. 11 attack here, within a day or two, all fingers were pointing at Osama bin Laden/al-Qaeda. Are we, in fact, chasing shadows here? Or is that another cover story?

LAROUCHE: It is a cover story, essentially. First of all, the use of the term "al-Qaeda," the way it's being thrown around now, as some homogeneous organization, which has masterminds which plans attacks, is highly exaggerated. Al-Qaeda is an outgrowth of a phenomenon, which was called al-Afghani, was a freemasonic organization called the Muslim Brotherhood, founded by a fellow called al-Afghani. Now, this became a toy, taken over by a section of the British imperial intelligence services. It became known as the Muslim Brotherhood as a played asset of the British intelligence services, trying to control something.

During the recent period, as we went into the operations of the 1980s, where people like Vice President George Bush decided to learn how to practice vice, and they cut a deal with these guys for a so-called war in Afghanistan. They recruited, in religious defense of Islam, against the Communists of Russia, to defend Afghanistan, a Muslim nation; they got these guys and recruited them, *en masse*. They got mullahs and others to join this thing, religious figures.

So then, after a while, after the operations against Iraq, the first time around, then they decided to dump them. Because they didn't want them around any more. Or, they wanted to turn them loose, as something they could play, but not take responsibility for. So, this thing exists as the veterans of the Muslim Brotherhood. And people who are recruited to things like that, under George Bush and others, during the period of this Afghanistan war. So, that's what it was.

Now, this is now, therefore, a generic capability. And the significance, to me, of al-Qaeda, is as a generic name, for a phenomenon. There are elements of it, which are still played in this way, and they may turn up in this or that operation. But, the capability of doing something like 9/11 does not exist with an organization called al-Qaeda.

The problem was, twofold: First of all, our fellow who's now causing all the fun—he was a competent guy in his own way; he's a right-winger, and he got onto this al-Qaeda idea—it's wrong. He was wrong on that. But, he was sincere, and he

meant business. The other guys were, first of all, concerned to get this thing to go the way they wanted it to go, which is to go at Iraq, "get Saddam Hussein at all costs," an ego-trip. And so, they played it up. And then, when this thing struck, 9/11, they used that as their way of saying, "Ah! We got the culprit!" And then, what did they do? They said, "Okay, now we go to war against Iraq (which is what we wanted to do all the time)."

So, the thing is largely a myth. It is not capable of doing what it's alleged to be capable of doing. It is, however, a nuisance. It has implications. It should be cleaned up. But this is not the way to do it.

TIBLER: So, am I hearing, then—the conclusion is that, the 9/11 terror attack here, was in many respects equivalent to Nazi Reichstag Fire?

LAROUCHE: Absolutely.

TIBLER: Absolutely.

LAROUCHE: It was done by an apparatus. And the methods of operations tell you a lot about it. First thing, in an investigation, is what the police used to do: You have a crime. You look for the people who engage in that kind of business. How do you know who to look for? Well, you look for the guys you have on the list, the ones who do this kind of thing. And you will find, that often, in these kinds of things, that's the right way. It may not always pay off. But, that's where you normally go. And my approach on this, is, say, "Well, who had the methods of operation, which are capable of doing a *very* complicated operation, of this type that this was?" This was extremely complicated.

TIBLER: Uh-huh, sure.

LAROUCHE: And therefore, it could not have been al-Qaeda. As I said on the radio, with my dear friend out there in Salt Lake City, when we were on the radio while this was going on, I said, "I hope that some idiot doesn't blame al-Qaeda for this!" And they did!

TIBLER: Well, it's a matter of record, that just a brief time before Sept. 11, that you, in fact, that we were about to succumb to some major attacks.

LAROUCHE: Well, that's in January of 2001. I said, because the President is stupid, and is faced with a major monetary-financial crisis hitting the nation, under these circumstances, you've got to expect that somebody's going to get the bright idea of orchestrating politics with terrorism. As the way that Hermann Goering did, when he set fire to the Reichstag, back in 1933, in order to get Hitler dictatorial powers.

That's what I was afraid of. And that is what they tried. That's what Ashcroft tried—use a horrifying event, to scare people, and get them to sign on to anything, out of their fear.

TIBLER: In your estimation, this dog-and-pony show that I referred to, these hearings, where Mr. Clarke has made the headlines for a week and half now—oh! By the way, Condoleezza's going to testify. Did you catch that? That's another story they're breaking this morning: She will testify under oath.

LAROUCHE: Isn't that nice?

I think the Republicans have pushed that. There are a lot of Republicans who—you know, not all Republicans are evil.

We've got Democrats who are also evil.

TIBLER: I thought it was Democrats! [laughing]

LAROUCHE: No! We don't let them have a monopoly on that: We have criminal Democrats, as well. But anyway, some of the Republicans have said, "This is too much. This is too much."

TIBLER: Yeah, yeah. That was the conjecture. And now it's a reality. So, again, now it's official this morning: She'll be testifying, under oath. So again, it could be just good public relations.

If we are truly living at the end of an era, sir, could you begin laying out for us—for example: I know your feelings on infrastructure, and even this has struck a nerve with people in this audience, and we're talking about 50,000 people right now, according to what Arbitron tells me. And that's pretty respectable; that's active participation and listenership.

That being the case, most folks in this audience have become well apprised, of the importance of where you spend your tax dollars.

LAROUCHE: Yeah, I would think so!

TIBLER: Yes. And so, it's becoming blatantly clear, to many voters, you know, men in the street, just like myself, that, "Well, \$150 billion or \$87 billion for this little incursion in Iraq, versus, let's say the redevelopment of infrastructure and the creation of jobs, à la FDR?" That's beginning to make a lot of sense to people, especially those who are losing their homes, or are upside-down in mortgages, can't get a job. This is reality-check time.

Now, if we're indeed living at the end of an era, what is step number 1? Because for me, I find it laughable—my whole problem, for the last two years-plus, with this administration, has been: It's unbelievable. With the things you've talked about this morning, so far, this setup—number 1, our military. Well, it's still a good military, I guess. But, we don't have the same kind of punch we used to have, apparently. The military has kind of fallen backwards. It seems that Mr. Cheney and his cabal really are guilty of an error in judgment, blatantly so—

LAROUCHE: [laughing] I think they're probably in the wrong universe!

TIBLER: Well, that's what I mean: Maybe there is a little bit of mental defect here. I don't know. At the same time, to go into this imperialistic mode, knowing full well that the American dollar was at the precipice, seems foolish at best, particularly with the euro poised to attack us; right now, I'm seeing the Japanese being quite active. Apparently they're instrumental right now in helping to prop up our markets, I guess—is that what's happening?

LAROUCHE: Well, it's been happening for some time: They're printing yen, at zero interest rates, approximately; these yen, overnight, are then used to purchase dollars; the dollars are then dumped on the New York market, for example, to prop up the stock market—

TIBLER: Which we're seeing. Right now, it's a roller coaster, up and down. It was down this morning about 100 points, I think.

LAROUCHE: There're problems; there're lots of problems.

TIBLER: Now, in terms of getting us back on track: What's step number 1 for Lyndon LaRouche, say you become President?

LAROCHE: Well, step number 1, is to put the IMF, including also the Federal Reserve System, into receivership by government, under the provisions of the Preamble of the Constitution: defend the general welfare, and sovereignty, of course, and our posterity. And, under those conditions of emergency, the Presidential system, under our Constitutional system, must respond. The responsible action, is to put the whole shebang into receivership by government, for financial reorganization, *to protect the economy and the people*.

Now, that means that we take the banks into receivership *to protect them*. We take other financial institutions, such as the insurance companies, into receivership, to protect them. In other words, you give them the equivalent of Chapter 11 bankruptcy protection. Now, under those conditions, you will then go back to the Constitution, as Roosevelt did, and the answer is this: The states, under our Constitution, can not use debt a method of growth. They can only use the debt they can pay for, for growth; but they can not incur a net debt, for growth. Therefore, we look to the Federal government and its powers, to create currency, guaranteed by the Constitution, with the consent of the Congress—specifically the House of Representatives.

Now, we say: We have a commitment, an emergency bill, for long-term capital improvements in the United States, modelled on models like the Tennessee Valley Authority proposition. Okay, we get that started. Now, we use the fact that we have the authorization, to utter U.S. currency. We don't necessarily utter it right away. But, we have the authority, given to us by the Congress.

We then go to a method of national banking, having taken the Federal Reserve System into receivership—we now make it a national banking asset of the United States government. We now use that authority, to be able to move credit, into both Federal projects, infrastructure building, and also into private ventures, which we think are worthy of capital financing. We do that largely through the banking system. We may do it under the guidance of special legislation, which earmarks certain kinds of things, as the things which we want done.

We also have a list of major national projects, in the infrastructure areas. Because, in my view, basically, the Federal government should not go into the private business. The Federal government should stick to its territory, as the states should, *which is public infrastructure*. Leave the private area to the entrepreneurs. But, if we organize a sufficient increase in employment, in large-scale infrastructure projects; in power generation and distribution; mass transportation; water management and environmental management; into health-care systems, which are collapsing; to other things, which are the legitimate area of the state or Federal government, in terms of management, get Federal stakes to set up laws, again, which give us the ability to have *regulated* public utilities—as we used to have them: On that mechanism, we aim, then, for a 10 million-person net increase in total employment. If you generate that kind of increase, or direction of increase, in employment, you will then bring the state budgets back into balance: because the income generated within the state, will match what the tax revenue can provide in terms of maintaining essential functions.

Then, you have growth.

Now, what you're doing, then you have to have a science-driver program, which is aimed to get technology into place, and put the technology through every sector, both public and private, to get real, net growth. We also have to go, to a repeal of globalization and NAFTA: We have to go back to a regulated trade system. It's actually what our people would do, a protectionist system. We must ensure, that where employment occurs, where production occurs, that the price of what is produced, allows us to pay a sufficient wage to the households of the people who are employed in production; and to allow for the formation and protection of capital investment in that production. We can not let the price fall to the lowest level, trying to compete with virtually slave-labor levels of employment, around the world. *We protect our economy*.

TIBLER: Now, is that done through tariffs?

LAROUCHE: Yeah. It's done through tariffs and other forms of regulation.

TIBLER: Just as we've done—that's how we got here!

LAROUCHE: That's how Roosevelt got us out of the last Depression. Same thing.

TIBLER: Weren't tariffs one of the primary funding means, there for our government, all those years, too?

LAROUCHE: Yeah. It was originally. Originally, the tariffs were the primary source. We got into other forms of taxation, as we became more complicated, and as *internal* requirements required that.

TIBLER: Now, the plan you just laid out for us, makes brilliant sense to me, and I know a lot of people in this audience right now are going, "Yes! Yes!" Because we've been talking about aspects of this for many, many years, on this old Front Porch. Is this officially your pronouncement of the death of the Federal Reserve note? Would that be it?

LAROUCHE: Absolutely. As far as I'm concerned, it was un-Constitutional in the first place. It was run through by the King of England, before he died—Edward VII. It was put through his agent in New York, his banking agent, sub-agent, Jacob Schiff, who designed the package. And Teddy Roosevelt and Woodrow Wilson, and some other people, rammed the thing through, after Edward VII had died. And the income tax law, that was never passed, and it was never Constitutional, this thing was put together as a package.

The Federal income tax was put in, to ensure the financing of the Federal Reserve System—the debt of the Federal Reserve System. So, we set up an English-style, or an American-modified flavor, of an English-style of a private central banking system: We call it the Federal Reserve System.

TIBLER: This is amazing. It's amazing.

Listen, I think we need to take a quick break, if we could, okay? How long can I keep you this morning, sir?

LAROUCHE: Oh, you can keep me now. You can go ahead.

TIBLER: Okay. Ladies and gentlemen, please stick around. Our guest this morning on The Front Porch is Democratic Presidential candidate Lyndon LaRouche. Yes, he will be on the ballot here, come May 18, giving you a chance to vote on him.

I'll tell you what? I'd sure like to make a big splash down here, this time, Mr. LaRouche—I really would.... [commercial break]

[off-air] Mr. LaRouche!

LAROUCHE: Yes...

TIBLER: You're not pulling your punches today: I love it, sir!

LAROUCHE: I don't believe in pulling 'em. [they laugh]

TIBLER: Oh gosh, it's been a long three years, but—I'm tickled pink right now, because I'm hearing many things I've already said. One of my best devices I use for putting on a good show (we're number one, here, by the way; in our market here, for a talk show). But, I would be nothing without *EIR*. I've just used that all these years.

At some point, do you want to take a few calls?

LAROUCHE: Why sure.

TIBLER: Okay, I'll screen 'em through.

LAROUCHE: You probably got a couple of guys who have got something important to ask.

TIBLER: Okay, standby, please.

[back on air] ...I'm getting my courage, here, because I have Lyndon LaRouche, Democratic Presidential candidate. You will see his name on the ballot for the May 18 primary here in Arkansas. Mr. LaRouche, thank you for, as usual, a brilliant portrayal of the true state of mankind, and our governmental affairs at this point.

Now, in many respects—and I've had a few complaints—Harley was pretty tough on the President. You've been pretty tough. You said he's an idiot, and a dummy, and all that stuff. Okay, some people, kind of, take offense to that. But, I know you've always called it like you see it, so I'm not going to ask you to change your ways, okay? Not I, sir. Not after all these years, and all the fights that you've been in.

But, in many respects, George Bush walked into this situation, economically, correct? I mean, he inherited—this was—you were already talking about this, and *EIR* was, for many, many years. The trend line was definitely there.

LAROUCHE: He didn't create the crisis. He just was inherited a bankrupt store and wasn't qualified to fix it!

TIBLER: Let us just suppose that Bush pulls it off, and the gang wins again. And just around the corner, post-election, we're looking at more warfare; we know that we have two bills pending right now to institute the draft—including women—so, the handwriting's on the wall, in terms of our imperialist stance. We know that we're going to continue to go out there, and try to conquer, instead of being conquered.

But, now, economically speaking, what do these boys have in mind? The derivatives are starting to blow out now, from what I understand—beginning to, the way they're moving money around. And the commodities market is a shambles; it's up and down. The stock market is inconsistent. You've already the housing bubble: It's reality in some places.

What do these boys have in mind?

LAROUCHE: Well, in some degree, they don't have anything relevant in mind. They have a conception—I don't think the President has a conception. I think some of the people around him *don't*. When I say that he's probably viewed as the dumbest President in American history, I'm not speaking as a Democrat, I'm speaking as an American, whose views are

shared on this point, with a number of leading Republicans who say, "What am I going to do?! I can't vote for that dummy *twice!*" So, that's the situation.

So, I say, the most endearing quality, of the President, is the fact that he's stupid. And from there on, his qualities go downhill. But, he's honestly, sincerely, stupid! When it comes to anything about policy questions.

So, he's going in with a certain blindness. You have people around him, like Karl Rove. You have idiots, like this DeLay, in Texas. You know, I'd say, "You can improve the Congress without DeLay, immediately." These idiots, they don't reality. They care about power.

TIBLER: They don't care about a Great Depression?

LAROUCHE: Nope!

TIBLER: A Great Depression doesn't faze 'em?

LAROUCHE: No! What they believe, what they choose to believe—I mean, they are religious fanatics, in that sense. What religion it is, I'm not sure. But, it's religious fanaticism—it ain't Christianity! It's something else. Cause Christianity's a religion of love, not of hate.

TIBLER: So I understand, yes.

LAROUCHE: That's what it's supposed to be! I mean, Christ lays his life down for all humanity, that's an act of love. That is not an act of hate, sort of, hate of the sinner. And I think that people who hate the sinners, are a little bit on the wrong side there.

But, their attitude is that, if we have the *power*, the absolute power, and if the human race is terrified into submission to our will, somehow, we'll win. That's the mentality. It's not the mentality of the Republican Party; certainly, not of the farm-state Republicans, who are much more traditional. As a matter of fact, there's a good deal of Whig still left in some of the Republicans of that time.

TIBLER: Yes, yes! I'm finding that out, yes. I'm hearing from so many Republicans, I'd never hear from before.

LAROUCHE: Oh sure! It's there! I mean, they're looking at reality—

TIBLER: They're heart-broken!

LAROUCHE: Also, they have state attachments. They're looking at the condition in the states: We have 48 states which are bankrupt! That is, you can not, under present conditions, raise the money from taxes, in good conscience, which are needed to maintain essential functions and responsibilities of the state, and the communities dependent upon the state government. They're sitting there, looking at a situation, where they would like to do the right thing, simply as good neighbors, and they are denied the possibility of doing it. So, that has really brought the Whig out, in a lot of good Republicans.

TIBLER: I saw that this weekend, and starting on last Friday's show, when Harley was here, I had been reviewing the fine points of the so-called Republican budget, for 2005. And, we've got essentially trillions of dollars over the next few years,

that will be being lopped off the tax liabilities of the top 2% richest, wealthiest people in this country. What in gosh's name is the motivation for that? You're not going to win friends and influence voters, in a positive way, with that kind of attitude!

LAROUCHE: Karl Rove typifies people who want to win the next election. Period. And they assume, that if they win the next election, they'll be able to stumble through whatever comes next. That's the way they behave.

This is the other side, this is the dumb side, of the Bush Presidency. The understandable, small-minded—and remember, Karl Rove is essentially a small-minded person. What he tried to do in Texas, which he carried over to the national election, is to appeal to small-mindedness, in the U.S. population; and find people whom he could get out to the polls, who would be small-minded and fanatical about it. He did not care about the consequences of the policies. He said, "Get elected! Don't worry about what the consequences of the policies are. Get elected." And that's our key problem here.

Now, the point is, the whole thing is a sham. It's worse than what you described, Lee. We are now—what has happened, over the past period, especially since the 1987, with the 1987 crash in the stock market: We've gone into a mode, under which we induced Japan and other countries, to print money for our use, in our economy. We, at the same time, destroyed, since the Brzezinski Administration (I wouldn't call it the "Carter Administration"), we have destroyed the domestic production; infrastructure; we destroyed regulation of transportation, everything else. We destroyed regulation, on which the stability of the economy is based.

So, now we go into cheap labor from abroad, increasingly, as a substitute for employment and production in our own country. We destroyed our industries.

What has happened now: To maintain ourselves, by borrowed money, which we can never be able to repay—what we get into, is something like Germany in 1923. We are running on printed money, emitted by the Federal Treasury, by the government of Japan, and others, who are funding the United States' *debt*. If you look at the cost of food in grocery stores, and the price of gasoline, and other such indicators, over the past 12 months, you will recognize that the *government is a liar*; the Federal Reserve System is a liar. *We are in a state of accelerating, hyperinflation*. We are at the point, that the existing dollar bill, is going to be like the reichsmark of November 1923: We're headed in that direction. That's where this administration is carrying us.

So, it's not a matter, "can we balance our budget?" Is our *currency*, against these debts, worth anything? Can it pay off anything? And, that's our problem.

We've got to get it back, to a stable economy, and a stable dollar again. And that means that some people, who are a little bit too rich, who didn't exactly earn their riches, are going to have to get on the hard side a bit, like the lower 80% of our income brackets have been on the hard side, for over a quarter-century.

TIBLER: Absolutely. And, again, I think that many of us are seeing that the handwriting's on the wall, in that regard.

If I may, just an aside here: Harley brought up something Friday, which I think I might have planted a seed in his head, on a previous outing: Arkansas, and this radio show here, were instrumental—and I mean instrumental, sometimes, we'll take a bow—in bringing to the mainstream in this country, the ramifications of electronic voting. Now, we know that Dick Cheney is brazen enough to go golfing with one of the people on the Supreme Court—

LAROUCHE: One of our "Scaly" people.

TIBLER: Yeah. And, we all remember what happened down in Florida, during the 2000 election.

But, I've heard Harley bring up the dreaded electronic voting machine. I don't know if he told you, but, you've been blessed here, for the primary in Arkansas, because we effectively put that on hold, for the implementation of the new machines, at least temporarily. So, your election down here, in May, will be the old-fashioned way.

I'm expecting that we're going to have a pretty fair election, and I would expect to see your numbers probably double from what they were last time, based on the momentum you have here. But, could you apprise us, of your feelings of the role that these electronic voting machines are playing? Is this an overt attempt to steal an election?

LAROUCHE: Absolutely.

TIBLER: Tell us more, please.

LAROUCHE: Fine. So, this is a Republican deal, and the Republicans won a vote to push this. They have a legislation, and they're determined not to allow any modification in the bill to occur.

My response is: Well, elections under our Constitution, are a responsibility of the state. The conducting of elections. It's still our Constitutional system. Therefore, my view is to go to the states, and to get support for what the states must do, from within the Federal government.

There is a very active effort, among a number of members of the Congress, to take action, coordinated action, on this issue. What we've determined, between that and what some secretaries of state have pulled together, is that there is no possible way that you can have an honest election with computer-based voting. Impossible.

TIBLER: That's the consensus of the experts, yes.

LAROUCHE: Yeah. So therefore, you have to have a paper ballot system. Don't talk to me about efficiency. Don't talk to me about this garbage: This is the way in which one person *writes down*, in their own handwriting, a decision! They put it on a piece of paper, and that has to be counted. Now, whether it's counted fairly or not, that's another question. But, if you don't have it there—

Now, how do you protect the paper ballot? We have proposed—others have proposed, and I support it—I said: Let's supplement the paper ballot, just as it was, by having a carbon copy. And the voter gets a carbon copy. Therefore, if the voters find that they think they've been swindled, and a significant part of the constituencies are convinced they've been swindled, and if they can take a number of paper ballots, their copies, and show that the vote they cast for something is greater than the vote registered, then, you open the question. *It's the only way we can approximately have it.*

Otherwise, now, if you have computerized voting, it would be possible, with the case of the Diebold machine and similar kinds of devices, in which 20% of the vote for a national Presidential election was *fake*. Therefore, this has to be stopped.

TIBLER: It has to be stopped. And, again, want the audience here to take a bow, because we were instrumental here. In fact, the woman from Hot Springs, named Lisa Burks, she has thrown her hat in the ring, and she is going to run for the U.S. Senate against Blanche Lambert Lincoln here. So, she probably doesn't have much of a chance, but you never know, because the issues, I think are what's driving this current election process. So you never know what kind of results—. But, that shot was fired, right here in Hot Springs, Arkansas, sir.

LAROUCHE: That nice! I like that.

TIBLER: Had a little help from my friends—guys like Harley, Harley Schlanger, so.

LAROUCHE: Good.

TIBLER: He inspires us to try greater heights, at times.

So okay. So, those machines are questionable at this point. What effect, do you think that will have on this current election, seeing that not every state has got that?

LAROUCHE: I think, if we raise enough stink about it, that you can get pressure on the states, the secretaries of state.

TIBLER: That's what we did here.

LAROUCHE: Yeah. The secretaries of state is a very interesting organization. It's much underrated. But it fills a hole in our whole system, is to have some degree of continuity in the institutions of government of states, from election to election; in areas which are legitimate things: the ordinary, routine business of the functioning of the state apparatus, in a state. It's very good to have a secretary of state organization, which is there from election to election, to keep this going. And these fellows, who are serious about their job, do do serious work in trying to look ahead and see what the problems are, that the country's going to face, as they see it; and to make recommendations to political forces, as to what their findings are.

TIBLER: Now, the bankers—I like to call them "the elitists"—again, as you verified for me earlier, they are throwing money, hand over fist right now, into trying to prop this so-called economy, broken economy, prop it up.

Can they make it to the election, with this? I mean, I read a very, very ominous paper, yesterday regarding the Chase Bank, and their derivatives holdings? They outnumber actual dollar holdings, by what?

LAROUCHE: Yeah, J.P. Morgan Chase.

TIBLER: J.P. Morgan Chase—the actual derivatives holdings are something approaching 1,000 to 1, in real money.

LAROUCHE: Well, what you're talking about, is, for example, you had this \$8.7 trillion turnover of financial derivatives reported by the Bank for International Settlements, for the year 2003. And obviously, the thing has accelerated greatly. We're talking about a \$40 trillion-plus world economy, at best, net, against this amount. We're bankrupt.

There is a barrier here—it's a front, a front of extreme turbulence, which is coming up. We're now in an accelerating rate of hyperinflation, *in reality*. Despite Federal Reserve System, and Federal government lies, *we are in a hyperinflationary mode*, as anybody who's been to the grocery store recently, or been to a gas pump, knows. All right?

So, this rate is accelerating, as everybody knows, who's been thinking about what the grocery prices were, similar things, over the recent period. This rate of hyperinflation, is like a wall; it's a barrier, it's like a sound barrier. And, we're cracking against that sound barrier. So, at a certain point, the way I'm able to forecast the problem—you can't predict the time or place, but you can forecast the situation: We're headed toward the equivalent of a sound barrier in terms of hyperinflation. When the rate of hyperinflation takes off, as it did in October-November of 1923 in Germany, *you can not argue with that*:

You're going to have to reorganize the system. And we're up at that point, now.

TIBLER: I was just thinking this the other day, and had a wonderful conversation with a local, he's a banker. He was saying essentially the same thing, that you just said. And our perceptions as Americans are skewed right now, because we don't understand the effect that the diminishing of the dollar's value has, right now. We're used to inflation; we're used to seeing the prices go up, overtly. And this time, we're having a hard time as Americans, understanding what the mechanism is behind it, but it is, in fact, the collapse of the dollar, isn't it?

LAROUCHE: Yes. And also, it's because the incumbent government lies. The point is, governments, which can not perform, as has been the case recently—that was the problem, that Bill Clinton had the problem. Unless he were willing to do certain things, which they'd would shoot him for trying to do—

TIBLER: Probably, yeah!

LAROUCHE: You know, they came close to it! And the thing that really got him, the miraculous discovery of Monica Lewinsky, was prompted by the fact that Clinton was even thinking about calling for international monetary reform, and that's why he had this impeachment and the Monica Lewinsky case: It came from the bankers—who were terrified, that he might do something constructive! And, they haven't forgiven him, yet!

TIBLER: Yeah, yeah. In some respects, I was hoping that that was happening in the early days of the Bush Administration, but at this juncture, I can't say that.

LAROUCHE: No. It's impossible.

TIBLER: It is impossible that way.

Well, in terms of the near future, meaning our own defense here: All this posturing from the administration, our war on terror: We, as Americans, where should we be mentally, on this whole right now? Should we be fearful? Should we be prepping? Should we be getting ready for the last hurrah? What should we be doing here, in practical terms?

LAROUCHE: Think! What I try to do, of course, as you may have observed, I try to give people a sense of, not only the history of the United States—how it came into being, what the circumstances were, what the problems were; what we faced in our evolution over these decades, the centuries. But also, to situate the coming into being of the United States, within the larger scope of European civilization as a whole, from the time of ancient Greece, from the time of Thales and Pythagoras—to get a sense of, what is this thing we call "European civilization"? How is it different, say, from Asian civilizations? What's the difference? Why is suddenly Europe, from about the beginning of the 15th Century, suddenly emerges as really a great power, not only in our own opinion! But, as compared with the rest of the world. European civilization always had good qualities, as European civilization, but we became the *leading force* on the planet, only with the Renaissance of the 15th Century.

The United States is a distillation of that history. Now, if the American citizen, rather than thinking of a "little guy," as something like a marble in a box, being bounced around, and asking for justice, begins to think of himself and herself as a Christian should: That is, in a sense of immortality. We're all born. We're all going to die. And that's good, and that's not really bad: It's the way things are. But, our mortality is an opportunity for us to receive from preceding generations, their contributions to civilization, and to pass on to coming generations, the protection of what was good, and possibly some improvements.

When we locate ourselves as individuals, who we feel very small, as individuals, and see ourselves in the big picture, as something which is tied into, and is performing a necessary functioning in the big picture, and then stand up as if in the theater, looking at the drama on stage, and forced to think about what's happening on stage, the stage of our reality, and think about what he or she, as a citizen, might do, to improve what's happening on stage, then he thinks like a citizen. My concern is, to get our people to think like citizens.

That's why I did this thing—I've got this tape out on Talladega: I did a non-campaign event in Talladega, Alabama, on Martin Luther King's birthday—

TIBLER: Yes, I've seen that. It's powerful.

LAROCHE: I had the occasion to give a presentation, which I was satisfied was a fair, needed representation of Martin Luther King, which had not been made otherwise; a representation which should be presented to *all* the American people, not simply Americans of African descent. And, this attitude, which I addressed in that discussion, is what I would like to have—which is why I put the tape out, got my friends to put it out, as a DVD—I would like to have people think about themselves, in terms of what I say about Martin Luther King. I think that's what was needed, and that's what I tried to do.

TIBLER: Yeah, I saw that two weeks ago, and you definitely did strike a nerve with me; so, I'm sure it had the same effect, the same impact on everyone who views that. Very moving, very poignant, and meaningful.

I see the spark of hope within the youth movement, that you're helping to create here.

LAROCHE: Yeah, same thing.

TIBLER: This will be one of your legacies, I see. But, I see an attitudinal shift in these young people, that's very refreshing to me. As we look around the vast landscape of this country, right now, we see many hopeless young people. They're giving up. And yet, what you're saying here is so true, that the historical background, historical base, of well-grounded science is so necessary and so vital for us to make any progress, and to obtain any hope, at all.

LAROCHE: Well, being around an old geezer like me, being around, making a few discoveries, doing things, you do, once in a while, come up with an insight into what needs to be done.

This is what I struck upon four years ago. I saw, exactly, in the generational conflict shift, exactly that something like this was needed, and that the potential for that, was emerging from among people in that generation: the 18 to 25 group. So, I proceeded. I was very careful about it, watched it, nursed it along. And then, when I saw, "Okay. These young guys are doing what I thought they could do," I turned it loose! And, it works!

TIBLER: Yeah, it does work. It does work. I've had several conversations here, privately as well—these kids are on fire. They really are. And they want to solve problems.

LAROCHE: Yeah! They are good. They are doing what their parents already should have done.

TIBLER: They want to create, you see, which I've always felt is the lifeblood of what it means to be human: to create, and to build, that which is good for all of us, in society.

LAROCHE: I pulled one on them. You know, they always come to me. I don't run it. I'm too smart to try to run it. I

know what do to; I mean, I have to be useful, that's the way you're effective. So, they came to me and they said, "What're we going to do? Apart from the science." I said, "You are going to learn the secrets of singing Bach's motet *Jesu Meine Freude*. [laughing] And, they took it on! And they recently did, in a conference we had in February, they did a fair presentation of the essence of the issue, in ways that many musicians would get an education! Of course, some of our young people are musicians, by profession, and trained. And they took a group of people—people who had not really sung before. And they put them with expert assistance, through a *bel canto* voice-training program—they're still novices at it, but they got the rudiments of it—and began to use this as a way of demonstrating the principles.

And they specialize in what are called "Negro spirituals," particularly of the Classical type, which are the Classical form of the Negro spiritual, which became established and identified during the 20th Century; and the regular Classical repertoire of Europe, especially the German repertoire. And they're good at it. They're not top-level performers, but they got the idea; they're doing the job; and they make people happy.

TIBLER: Hmm! That's amazing. Well, again, like I say, I encourage that, and it's good to see that spark of life coming back to a whole segment of our population, which was really was lost for a while. So, I applaud you for that effort.

If I may shift the scenery of the conversation a little bit: in terms of your Presidency, whither the military? I was astounded to find out recently, what a large percentage—all of our military operations, including the incursion into Iraq, and about one or two other places, are now handled—more than 50%, I understand—by private companies, corporations. And, several months ago, one of our regular callers out here—we call him "Butch"—he's a military guy, Marine, fought in Vietnam, he came out here, and drew the ire of many of our listeners, by referring to many of our present military as a mercenary operation. Well, he got through that. He didn't care. He doesn't pull his punches.

That spurred me on to do some research—you know: Kellogg, Brown & Root; and Paul Bremer, what he did, and what he's involved with; just who's protecting Hamid Karzai, in Afghanistan. And, all of a sudden, I'm looking at a list of the Fortune 500 companies, that are running our war.

LAROUCHE: Yeah!

TIBLER: So, the question is: Whither the military, under your administration, under your leadership?

LAROUCHE: Well, you got—first of all, on this thing, to identify the problem. I believe in classical military doctrine, that is, we have from the 18th Century and the 19th Century, calls for strategic defense. It was introduced under that name, codified in a sense, by Lazare Carnot, who led France to victory over invading armies in 1792-1794. It was the German military policy, which expressed itself, especially, in the Prussian advice to Russia on defeating Napoleon's invasion of Russia, which led to the fall of Napoleon.

This is an approach which was adopted in our military, in West Point, particularly in the time of Monroe and John Quincy Adams, and so forth. Or, at least a lot of it. And, we based our policy on the engineering approach, which was defined by Carnot et al., from the Carnot-Monge tradition. So, our military training at West Point, and later, when Annapolis was built, on the basis of having a Naval equivalent of West Point, on engineering. So, our military officers were largely trained as engineering officers, whose ability to deal with logistics was considered as the basic, ongoing day-to-day task, under which you get a high-quality military; intellectually high quality.

Now, the contrasting thing you have, is, we had, when Rome became an empire. They ended a system of population organized-defense, of its own military, and went to a mercenary-like system, which became the Roman legions under the Caesars. These were people recruited from all kinds of nationalities, and assigned as units to police the world, as an empire. And that empire destroyed itself.

This also happened with Hitler: When Hitler took over the Reichswehr, which he renamed the Wehrmacht, the Wehrmacht maintained the military tradition as such, in terms of training qualifications; this was the expertise, the excellence of the German military in World War II—and also, World War I—was this system. But, Hitler wanted to get rid of it—and Goering did. So, you had Goering, who represented the financier interests controlling Hitler: Hitler was an instrument, used by these financier interests, which was called the Synarchist International. What they did, is, they went through the process of destroying the Wehrmacht, to replace it with what became known as the Waffen SS.

The intent of this group, which is the group that Allen Dulles and company *brought into the U.S.*, and into NATO, during the post-war period, was to set up a copy of the Roman legions: recruiting people from all kinds of nationalities into a kind of mercenary force, a killer mercenary force, used with imperial intent, to become what was called the "Allgemeine SS"—a universal SS, for world empire.

What has happened is, that since Cheney was Secretary of Defense, a transformation has occurred, and he became part of Kellogg, Brown and so forth, Halliburton, as a part of this process; in which he proposed *demilitarizing* the military, to farm out military functions into civilian corporations, so corporations could make money, at war. And this is the characteristic of the driver.

So, those who say that the U.S. Army is being turned mercenaries: They're right. That's what's happening. That's what the competent general officers have been resisting. That was the issue between Rumsfeld and the military, on the issue of going into Iraq—the key to that. They're saying, "You're stupid!" We did not have a military capable, of dealing with an Iraq operation, that is, the occupation of Iraq. We didn't have it. We still don't have it.

My view: Get our military out of there! Get them back to the States. Go through a reconstruction of our military, based on a classical, strategic-defense conception. Go back to integrate the development of our military, as some people in the Congress are also thinking, on the basis of something like the CCCs. Let's take our unemployables, as we did back under Roosevelt. Let's put them out in work, employ them in work, and training and education, to make them something. Remember, we had a division that came out of Michigan, for World War II: They were CCC kids, who were taken in, as practically right into the military, and became one of the important fighting divisions in World War II.

TIBLER: Sure did.

LAROUCHE: My view is, let's go back to our tradition, of a high-grade, highly educated, scientifically oriented, military, where you train people; they're delighted to be in, say, two-year service, in training, as reservists; *proud* to be part of that, proud to be part of the National Guard; proud to be the people who have engineering capabilities, who turn out, when the governor has an emergency on his hand. *That* kind of people. We want people who are in military, not as against the population. We want the people to see the military *as* part of the population, and to be *part of it*. That way, the people, then, are implicitly, spiritually and otherwise, controlling their own military.

TIBLER: And needless to say, the bottom line—for me, one of the major red flags in my own thinking, was the moment that we apply profit motives to warfare, we've totally lost it! We've transcended the need for military to solve and address social issues, as opposed to just simply going to war for a profit motive.

LAROUCHE: [laughs] We won World War II, not with our military capabilities—I was involved in training people at that time: We were taking people out of the swamps, and in 16 weeks trying to get them to be soldiers. These were not the best fighters in the world! They were no match, man for man, with the German soldier. *But*: We had logistics. We had logistics like nobody else had. This was Roosevelt's achievement. We had *sheer tonnage* per manpower of logistical capability,

which overwhelm anything, any opposition. And we won it with that. The soldier went out, as an instrument of the logistical capability, *he represented*. He was able to do an impossible job, beyond the capability of better-trained opponent forces, because of that.

That's the way I think about military capabilities.

TIBLER: Okay, so for those who had any doubts, that you want to negotiate your way through everything—because, I have heard that from people; you have detractors, as you are well aware. [LaRouche gives a hearty laugh] What I've heard here, is a return to the true basis of how we've gotten this far, in this nation, militarily. And I applaud you for it.

Sir, let's take another break, for another reason, because I've just received a message that there is someone from your office on line 5, wanting to talk. So, I'll talk to them off the air, and find out what's going on.

Well, stick around. Our guest on "The Front Porch" on this Tuesday morning: Democratic Presidential candidate Lyndon LaRouche. I will stress again: He will be one of the choices you may select for President on the upcoming, May 18 primary, right here in Arkansas. And, as far as I'm concerned—I'm so offended by what the Democratic Party of Arkansas is trying to do, or is beginning to do, once again—for example, I mentioned the omission of Mr. LaRouche in the newspaper today, listing all the candidates—y'know: C'mon folks! That's deliberate! We need a dialogue. And, if we had been including people like Mr. LaRouche, Mr. Kucinich, and a few others in the dialogues, the past year or two, we'd all be the wiser. Because, that critical time in our lives, is fast approaching: election time. And look at how many different issues we've had to address, including the overt stealing of elections.

Stick around, don't touch that dial. More to come on as The Front Porch radio show continues on AM 1420 KXOW....
[commercial break]

...Our guest this morning—these are moments that I will cherish in my radio career; I was lucky to do this once before. I don't know how it's coming out this time, but Lyndon LaRouche, you're as eloquent as ever before. Thank you for being here on The Front Porch here this morning.

Yes, folks, our guest: Democratic Presidential candidate Lyndon LaRouche. He *will be*, he *is on* the ballot, here in Arkansas, despite some of the things you may have heard, he's a choice you can make, on May 18 in the primary.

Mr. LaRouche, I just received word from your office: We have an incentive for our listenership, this morning. I've been advised that anyone who's interested in obtaining the Talladega speech—which I advise; everyone needs to see that, several times, actually—they are offering a *free* DVD of the Talladega speech. All they have to do, is just dial this number, if I may do so, here: 1-800-929-7566. Now, I repeat, that's for a free DVD of Mr. LaRouche's Talladega speech. I have that copy, myself. I've seen it several times already. It is going to inspire you; it's going to make you think; it's going to energize your brain cells. It's going to make you want to go out in directions you haven't gone in a while, because of media programming in this country. A free DVD of Mr. LaRouche's Talladega speech is available to you: Write this number down, one more time, 1-800-929-7566.

And I applaud the decision on your part, Mr. LaRouche: You need to get that out to people. Really do, it's inspiring.

If I may take us to a different, now, if you're willing—you're not getting tired on me, are ya? [laughs]

LAROUCHE: No. No, I maintain my friskiness.

TIBLER: I can see that, yeah. Even I've begun a weight-lifting program. You've inspired me. I'm going through a bit of a middle-age crisis, so I'm getting by very well, thank you.

I mentioned red flags in my own mind. Another red flag, that popped up recently, very recently, was, the practically simultaneous attack in Madrid, and then we had Israel's Sharon government and the taking out of one of the religious clerics, with missiles, of all things. I know that, internationally, that was met with great dismay, from virtually every nation. It's also a matter of record now, that we, as a nation, the United States, more or less condoned that escalation, of, what to me, appears to be an assassination policy. Which has always been anathema to me, as an American. Just un-American. So, I have a little problem with that one.

But, now, in light of all the other crisis points, in the world today, and particularly in the Middle East, what is your view on this new philosophy of assassination policies, that we apparently condone with Israel? What's the ramifications of this?

LAROUCHE: We not only condone it, we're pushing it through some people in the Congress. The right wing of the Congress is pushing for the same thing. And the people behind it, in the administration, are pushing for a policy of using missiles, to take out people we don't like. Including the use of mini-nukes! In other words, if you can't get 'em otherwise, send a mini-nuke in a missile, and hit wherever they are with that nuclear warhead. That is a policy being pushed by some people in the establishment now, to be voted up, as an adopted policy. And *would become* the policy, if a George Bush were re-elected, with Dick Cheney as his Vice President. I can guarantee you, that would be the policy.

So, what Sharon did—and remember, Sharon is on the verge of going to prison. That's not a "done deal" yet, but his indictment is out there. Within 30 days, he's going to be facing the probability of trial for criminal behavior, with his son and himself. His son, who takes care of his sheep, has turned out to be one of the big bribers, in a sweet, swindly deal, in one of the Greek islands. And this thing has gotten Mr. Sharon in trouble.

Also, he's in trouble with the Israelis: Because the normal Jewish person, is just like the typical American. They tend to go along with things, which they really wouldn't do, if they had their druthers. But they think it's considered "smart" to go along with what they consider to be the current trend, like the current fashion or something. So, therefore, people in Israel, who are serious, also say, "Get rid of Sharon." Now, some people would like to bring back Benjamin Netanyahu, as Sharon's replacement—other things. But, there is a big thrust, among world Jewry to say, "This has gone too far." That Sharon will get more Jews killed, than even probably Hitler did, unless they stop this stuff.

TIBLER: We do see that. All across Europe now, we're seeing the re-emergence of overt, blatant anti-Semitism, reminiscent of pre-World War II.

LAROUCHE: Well, you got two sources of it: One comes from the Nazis. Most of the anti-Semitic propaganda that you get in Europe, particularly the neo-Nazi variety, comes actually from the Nazi apparatus, that Allen Dulles, and James J. Angleton, and so forth brought into the Anglo-American system and NATO, at the end of World War II; and that is where a lot of it comes from.

A lot of our wild stuff, like the pro-Nazi operations *inside* the United States, which are sometimes run as intelligence covers, were actually created as an off-shoot of bringing in the Nazi apparatus, under Angleton and Dulles, into the U.S. institutions. This is what we always looked at, in terms of the Kennedy assassination.

TIBLER: Yes, yes.

LAROUCHE: We're looking at the use of these off-shoots, of the international Nazi apparatus, the *post-war* Nazi

apparatus, condoned and used by NATO and by a certain section of what Eisenhower referred to, euphemistically, as the "military-industrial complex." This is a danger.

Now, the other side, is you have anti-Semitism of a different type, which is a knee-jerk reaction against the sheer horror of what they see being done in Israel itself, in the Middle East.

And both are dangerous. Intelligent Jews, in the United States and elsewhere, are beginning to say, "Too much. This has gone too far. We've gone along. We've gone along. We were concerned about Israel. We were concerned about that ... this goes too far. We got to stop it now." And I think some of the Jews who were concerned about this, who are actual Jews—not some kind of fruitcake—that they are actually beginning to move, toward taking a much more active position in getting rid of what Sharon represents. And, maybe, they'll get around to saying, "Maybe we should get help rid of it from the United States, too."

TIBLER: Hmm. Should John Kerry find himself in the seat of the Presidency, if that were to happen, do you believe there's enough wisdom there—with he and his—handlers, I guess—to bring us to an end of this imperialist stance we've taken?

LAROUCHE: Let me be frank, without disclosing things I shouldn't disclose: John Kerry and I share, in a very large degree, the number of people from the military intelligence background, on national policy. So, for me to be associated with John Kerry in an administration, would be for that crowd "Old Home Week"—they'd all be coming back together!

We share this. And Kerry does have a lot of my input, available to him, through these channels and other channels. The problem is, he also has another problem, and Ted Kennedy has got to get off this, he's got to get off this game he's playing—I don't know what the pressures are. I don't know whether it's his in-law, Schwarzenegger, or whatever the problem is. He's got a problem, hmm? Don't take a Beast-Man into your family! That's a mistake. I mean, don't have a monkey for an in-law!

TIBLER: I thought he was the perfect Aryan. [both break out laughing]

LAROUCHE: Anyway, so. But, he's got to stop this nonsense. And we've got to pull the Democratic real people together, around Kerry, and they've got to get me in, in a key position, to make sure that my capabilities—which no one else in that network has—are a determining factor in the way the United States reacts, to the challenges which are going to hit it. If I'm in there, with that bunch of people, we will do a good job. Whether Kerry is capable of doing what I would advise him to do, I don't know. He has not shown that kind of capability so far. Perhaps, under crisis, with the right advice, and the right backing, we might enable him to rise above what he has been so far. That sometimes happens in history. If I'm not the President, that's the only option I know of: Is for me to be right in the center of the things, with, among others, people whom we share connections to.

TIBLER: So, to help to shape policy.

LAROUCHE: Exactly. I mean, if he was smart, he'd have me—if I weren't Vice President—he'd have me as head of his National Security Council.

TIBLER: Um-hmm. I believe that, see, but—because again, I have this funny feeling that history's about to change, because of the inevitability of the banking blowout. Economic blowout. As I said, I posed this question to you earlier: What comes after that? Certainly, they must have some game-plan in place, but, from what I've heard from you today, is that's probably not. Right with abandon, is what they're doing, here.

LAROCHE: You know, they're off in "Dungeons and Dragons Land." And they're playing the game, with a passion. Like the kids, the adolescents who went out and shot up a high school: What was their game-plan? Their game-plan was to play the game. The game-plan of most of these shootings, of people who have been overdosed on computerized point-and-shoot games, is to play the game.

The tendency is, in childishness, when people become childish, is to go back to childhood, and play a game according to an adopted set of rules. *Particularly a competitive game*, according to an adopted set of rules. The rules don't conform to the real world—but they're *playing* the game, in the real world. And when they play that game, with real weapons, it gets nasty.

TIBLER: Um-hmm, um-hmm. In terms of our re-emergence and reconstruction of a viable bricks and mortar society, that produces things, builds things, manufactures things, and creates hope, of course your game-plan is the only one that makes any sense, as far as I'm concerned. Over the years, you have expounded on the virtues of getting into things, like magnetic levitation trains—maglev, for short; particularly in light of the fact that the Chinese are now outdistancing us, incredibly, with that type of technology.

But, if I may make an aside here, it was just last week, tomorrow—one week ago tomorrow—that I engaged in a conversation I have, usually on a Wednesday mornings, early, with our Congressman, Mike Ross. And I was trying to get him fired up, to inspire me, also the listening audience, as to the potential for creating jobs and economic viability, through the proper expenditure of money on infrastructure. And I found out, after the conversation, that he was totally lacking—not just he, but apparently the majority of people in Congress—are lacking any idea or consciousness about future demographics. And I don't mean 50 years. I mean 10, 15, 5 years.

And, I mentioned the "graying of America" phenomenon. Well, to cut to the chase, Mr. Ross is going to be instrumental in bringing to the forefront, a massive spending bill to develop more highways; whereas, the demographics that I'm apprised of—and I've said this before, publicly, that because I'm in radio, we spend a lot of money on demographics, and studies, obviously. We are constantly changing our markets and targetting, and things like this. So we probably have more at our fingertips, in terms of capability and demographic understanding and changes, than the average person does. And what I've read, and what I've seen, indicates that, to heck with the highways, I'm going to need viable transportation, and jobs. Is that the motive behind your pushing for the magnetic levitation trains?

LAROCHE: Well, I go one step beyond, because, when you look at demographics, you have to look at what they are, and how they've been changing, and you have to think about how you would like to change them. Because, what happened is, our demographics stink. Because, what happened is, from the 1960s on, with becoming a post-industrial society, we broke up the family and the community. Now, you still have vestigial families and communities, but in areas which are very poor. Because they were oriented around agriculture, manufacturing, small business, that sort of thing.

But, the problem is, we have families don't meet together for dinner. They couldn't meet for dinner, because the adults in the family both have jobs, and some have two jobs. And because the way things are structured, the amount of travel they're engaged in, to drive to a job, involves so much time, especially in congested areas.

So, our demographics are wrong, because we've gone in the wrong direction. Now, the way you can cure that, is with high-speed mass transit. We can actually integrate a community: So, somebody can walk from their front door, and with a minimal amount of intervening operations, get to a mass transit facility, and get to a position proximate to their destination efficiently, and cheaply. Now, that will be a way of trying to integrate communities again, with the included objective of, ultimately getting to the point, where families have dinner together. Especially families with children; or things like.

Because, the problem is, we have broken up—social damage has been done to our population. Because, in former times, you know, you'd have a neighborhood. And, the neighbors would have a sense of sort joint responsibility for looking after the neighborhood, the children, so forth. You would have the parents, or grandparents of children, living in the vicinity; uncles, aunts, relatives, living in the vicinity. So you could raise children in an extended family environment, extended neighborhood environment. And that provided a certain kind of security, psychological and otherwise

TIBLER: It sure did—we're talking the '50s and '60s!

LAROUCHE: What we have done, is, we have produced what this crazy Emile Durkheim called "anomie": We have created, in the individual, a sense of being thrown into a jungle, like a Martin Heidegger jungle. You're "thrown into" society, you're not part of. And you're struggling to cope with this dangerous thing, or this enemy thing, called "society." And we don't have the sense of integration, we don't think of ourselves, really, in real terms as social human beings. We don't think of ourselves as enjoying having responsibility for the welfare of our fellow man, including our descendants.

We say, of our parents, when they get past the age of 65, 70, say, "Hey, Grandma, you know, you had your run. You know, the medical bills are piling up. You know, Grandma, we can't afford this. Grandma why don't you just sort of say, 'I've made my run,' and push on?" And this has become prevalent in our society. You see it in the "No Code" thing in the hospital: Doctors, nurses, and families saying, "Hey, Grandma, c'mon, give it up. Give it up! You're in pain, Grandma—move along, move along!" This kind of evil, this kind of disgusting, anti-human thing, is what we've produced with *our* demographics.

TIBLER: Not to mention the detrimental effects on the overall ecology, as well.

LAROUCHE: Exactly.

TIBLER: And lack of efficiency.

LAROUCHE: Oh, we don't use land intelligently, at all!

TIBLER: Apparently not, I agree.

In terms of our emergency, or peak oil crisis—I guess it's real—and the fact that we're now sitting on record-high fuel prices, what are your feelings on alternative energy? Is that another viable infrastructure development, or work-creating situation, something akin to the space program?

LAROUCHE: No.

TIBLER: Maglev transportation? We have things that will just take this country into the cutting edge of the future.

LAROUCHE: This idea of energy, the concept of energy among the Baby-Boomer generation, which was induced as a result of the '68er phenomenon, is absolutely insane. They don't understand anything. It's scientifically incompetent.

The term is not "energy," it's "power."

TIBLER: Okay.

LAROUCHE: Energy is an effect, it is not a cause. You have to have power.

Now, the more high-density the power, that is, the higher the level of technology, the more efficient it is, and the cheaper it is, and the more effective. Therefore, we need, not so-called "alternative technologies." They actually—when you look at the impact, alternative technologies *cost more power*, than they provide.

TIBLER: At this point, yeah.

LAROUCHE: That is: Windmills—except if you're in the Alps or someplace, where you have tremendous windfalls hitting the driver—the cost of creating, implacing, maintaining, and operating, a windmill, as a source of electric power, *costs you more power*, than you get out of it. So, the benefit to the society is, in effect, *negative*.

What you see is, in the demographics, again: You see whole parts of the United States, which were once productive sections of the United States are vanishing, they're evaporating. For example, Detroit has about half the population it used to have. The surrounding area. Whole parts of the country—as in Arkansas—are being depleted. While the concentrations of population is in areas, which are these high-gain areas. So, we are actually *destroying*, per square kilometer, we are destroying the United States, by these policies. And these alternative energy policies are part of that process of destruction.

So, we have to go to high-tech. We have to go to designs of the type we would have thought of earlier. And I say, especially, cheap generation, mass generation, of power and distribution. *Regulate it*, so there is cheap power for everyone, for all needs: mass transit, especially rail, light rail and so forth; enable people to move, without an expensive automobile.

And then, look at this oil price: The oil price is not caused by OPEC. It's caused by two things: It's caused by the fact of hyperinflation, the same reason costs more, is the reason why gasoline costs more. Secondly, the price of petroleum is being driven up by speculation in financial derivatives. It is not being driven up OPEC, it's being driven up by Wall Street.

TIBLER: If I may, just as an aside, as part of my news duties here this morning, there was a statement that was issued by an OPEC honcho that said the very same thing, but only in one line. That's all they gave him credit for: he said, it's not being driven up by supply and demand, it's being driven up by speculation. That came out of OPEC, this morning.

LAROUCHE: All you need to do, is you go into the derivatives area, and you cut out derivatives, which are nothing but a form of gambling side-bets; not real production, not investment in anything useful—they're gambling side-bets, but played in a financial market: That is the major factor in this thing. And if people want to get rid of this stuff, they got to get rid of financial derivatives.

TIBLER: Absolutely.

If we can go back to the scenario you were portraying for us, in terms of you being President, or even as a policymaker—and I'm glad to hear you say that, because I've always felt that this input was necessary, for us to get through these difficult times ahead. In terms of the energy problem, right now, what do you foresee for the near term? Is it going to be more hyperinflation, consistent with this? And the main engine being energy prices?

LAROUCHE: Well, the way the structure is now, we're at this sound barrier equivalent, in terms of hyperinflation. We're not going to go much further with this. There will be a collapse. What they will tend to do, is put a dictatorship in, and they will look at dictatorship, absolute dictatorship, as the alternative. But, that means mass death. That means they'll kill people.

You see this, already, in health care: We're killing people, with our health-care policies, with our HMO policy! Look at what's happening, for example, the veterans area: We have soldiers coming back from Iraq, we have former soldiers, who should be in the Veterans Hospital system, as one of their alternatives. What're we doing for them? We don't care!

TIBLER: We're cutting back, by almost \$3 billion bucks, in the next budget.

LAROUCHE: We don't care! We send people to die, and we don't care about them! We send people to die, and we don't train them properly. We send people to die, without thinking about what it is, we're doing! We send them to die in an unnecessary wars, for somebody's ego. Or somebody's policy. We don't care!

We don't think of a soldier, or a veteran, as a typical U.S. citizen, who has the rights of a U.S. citizen; who must be cared for, as we would care for *anybody*, under normal conditions. Therefore, this health-care policy, *is criminal, mass murderous, pro-genocidal insanity!* HMO must be cancelled. We must go back to Hill-Burton, and we must start rebuilding our health-care system. And we should start, right now, with those GIs who are being shipped back from Iraq, and make sure that every one of them is noticed, and being given the attention they require.

TIBLER: You're so right! Some of the reports are so atrocious, I mean they're housing these guys in bunkers. In concrete bunkers and all that.

LAROUCHE: I know. Then, go to the Veterans Hospital, or where the Veterans Hospital *was*, and should be. Now, look at the veteran, of Vietnam, of the World War II generation (what's still left): *who desperately need care*, who are in what Joycelyn Elders emphasized are in the preventive health-care area. And the Veterans Hospital system should be, actually, an experimental *driver* for a preventive health-care orientation for the entire population. You've got these guys who've been through all kinds of things as veterans. They have problems. They should have consultation, as to what their preventive health-care problems may be. They should have testing, to help the physician determine, what their problem is, what it might become—and treat them now, before treatment becomes terminal and very expensive.

These kinds of things, we can do with government, with the Federal government, simply by meeting our responsibility to the military, the active-service military, and to the veterans. These two areas, as they were in founding Hill-Burton in the immediate post-war period, become the driver to give us a sense, of what we must do for the population as a whole.

TIBLER: It's good to hear you say that, it really is. Because that's an emotion that's very strong in this community here. And a lot of folks are suffering from a broken-heart syndrome right now, living let-down, in that regard.

Mr. LaRouche, my personal philosophy is one that does believe that we are entering, have entered, the era of hyperinflation. It's difficult for us to understand, because of the devaluation of the dollar, but all the chickens are coming home to roost. Now, in terms of the day-to-day, logistical lifestyle of people like myself, everyone in this audience, it won't be one, fell swoop, will it? It will be a very gradual tightening of the noose, correct? But, should we come to that day, where banks are nationalized, for example, we're looking at a new, Constitutionally solid currency, what will be the immediate ramifications for the man in the street?

LAROUCHE: Well, what it will mean—the way it would happen, it would happen suddenly. For example, if I'm President, I'm going to take the first crack that hits the United States, and as President, I'm going to have—what I already have prepared. I'm completely mentally, *totally prepared*, to deal with this; I've been studying it for a long time!

TIBLER: I understand! That's why I asked the question! What we're lacking here, is a day-to-day perspective. What's is this going to do to *me*? To my life?

LAROUCHE: The President of the United States is going to make a speech to the nation. And, he's going to tell the people what he's just done, and what he's going to do. He said, "I am now, as of now, taking the Federal Reserve System, into receivership for bankruptcy reorganization, *to protect* our financial institutions, and to ensure the continuity of essential functions of the economy, and care. Pensions are going to be paid; they're going to be taken care of. Banks' doors are going to stay open. Businesses are going to stay at full employment, at their present levels. We are going to *increase* those levels of employment. *We're going to put this back together again*, the way that Franklin Roosevelt approached this in 1932, as a candidate, and in March 1933, as a President." And I would say that, in that effect, laying out some of the details. And I would say, "We're going to find out what this is all about. I'm going to take it up with the Congress. We've got the administration: You will know, exactly, *there is nothing to fear*. Nobody is going to be abused. Nobody's going to be killed. Nobody's going to lose their rights—on the contrary: We're going to protect you. We're going to do what you would like, in your situation, the President to do: to protect you, and to protect your children, and those who come after you. And we're going to do it, now."

TIBLER: What about the outstanding debts, and the old FRNs? Federal Reserve notes?

LAROUCHE: This goes—the Federal debt, that is, the Federal government debt, must be honored, as Alexander Hamilton explained, in terms of the question of the war debt, of the United States. But, any other debt, will be sequestered. The management of the sequestered debt will be handled, according to national interests, and according to leading *human* interests. That is, if people have—for example: You got a local business. The local business requires financing, in order to keep going. It wants its financing through its regular banking institution. It wants to process its normal financial transactions, through that institution. Okay. That institution keeps its doors open, under Federal government protection, if necessary. If that institution doesn't have money, we will ask the Congress to create a fund, a new system of credit, so we will *have* money, going into that bank, available for designated purposes of this type; to make sure the level of employment, in each community, continues at that level, and increases. Because, we've got to get the level of employment up, otherwise, we're not going to bring the states back into balance.

TIBLER: Now, we're getting off the fiat dollar, correct?

LAROUCHE: Yeah!

TIBLER: What is the ultimate backing for the new currency?

LAROUCHE: The will of the government!

TIBLER: Okay.

LAROUCHE: As Roosevelt did. Roosevelt used the gold-reserve system. What he did, he took the gold—remember, in 1931, the British went off the gold system, the gold standard system. This was the system that had *ruined* us, beforehand.

Now, speculators were trying to use gold, against the U.S. dollar. That was their conspiracy. So, Roosevelt said, "Okay. I'm taking in the gold, for national security reasons. He bought the gold back, from the people at a fixed price, and pegged the gold at a fixed price. That process. In that way, he was able to defend the currency against operations by people who would speculate with gold. He did not use gold as a standard. But rather, he regulated gold, and used the *dollar* as a standard. And regulated gold for that purpose.

What Nixon did, was wrong! Nixon should have increased the price of gold, because of the inflation which had occurred

during the 1960s. Instead of going off the gold-reserve standard.

We need to maintain a fixed-exchange-rate system of trade, in the world, because we have to be able to guarantee that we can issue credit, at 1-2% long-term interest rates, simple interest rates. Therefore, we have to ensure there is no inflation, in domestic or international trade.

TIBLER: Okay.

LAROCHE: Because, otherwise, the interest rates rise, in one way or the other. When the interest rates rise above 2% basic level, you begin to have a problem with long-term investment in basic economic infrastructure, and many parts of business. They can not afford, to expand the economy, because the interest rates' rise is too much for them; or, they got wiped out, because of a speculative fluctuation in currency values.

TIBLER: Yes.

LAROCHE: So therefore, the United States must create a dollar, which is a solid dollar, which people can rely upon, and the government is standing there with guns to protect it!

And we go back to a fixed-exchange monetary system, negotiated with other countries, like what we had in the 1950s. We operate essentially that way. And we use that, as we did in the late 1940s, especially the 1950s, to promote *long-term capital improvements* in public and private sector, internationally. That is the way we came, successfully, out of World War II, into the period of the Kennedy Administration. From there on, we started to go down. But, despite all the mistakes, what was left of Roosevelt's system, up through the time of Kennedy's assassination, worked. It worked for the economy. There were tremendous injustices, otherwise in society, and in the world. But it worked for the economy, and we have to go back to it. We have to go back to that, precisely, because that is a precedent, I, as President, can point to, to the American citizen, and say, "We are not gambling. We are not going off on some wild goose chase. This is what we did, as a nation in the last Depression. We are now in a depression. We made a mistake of going away from it. We're going to go back to it."

TIBLER: It's that simple. It's a matter of record, that John Kennedy was moving us in the direction of Constitutionally sound money. Is that one of the things that got him killed, sir?

LAROCHE: It was more than that. That was an expression of his evolving philosophy, under his advisors; and you have to include among Kennedy's advisors, relevant advisors, was retired General of the Armies Douglas MacArthur, who visited with Kennedy a number of times, on the issue of military policy, and related things, in Asia.

Remember, that MacArthur, in the 1930s, apart from his functions in the Philippines after ceasing to be Chief of Staff, was involved in the function of the military reserve, in the military, in terms of capital improvements in the economy. So, he studied these kinds of things, and therefore, his input, as he showed in his administration of Japan while he was the "Grand Kabu" of Japan—he understood the economics; he may not have been the best friend of trade unionism, but, he understood economics, and he understood warfare. I think his advice to President Kennedy, in his visit at the White House, and their meetings otherwise, that this was a very significant part.

This would have gotten Kennedy killed, by the people who I know, were behind his killing. I don't know the names of the individuals, but I know who the authorities were behind that. This was the same military-industrial complex, which was better called, as Allen Dulles and James J. Angleton's deal with the Nazis. This was the crowd. And Kennedy was going *against* the Vietnam War. He got Bundy to issue an Executive Order, in that direction. He took McNamara and humiliated

him, publicly, on that issue. After Kennedy was killed, Bundy wrote reverse orders, reversing Kennedy's order. And, McNamara successfully terrorized Johnson, who thought he would be killed, too, into authorizing the Vietnam War.

TIBLER: Amazing.

Last, but not least: How would you prevent these boys from lobbing a couple missiles your way, sir?

LAROCHE: Well, I can't really prevent it, but I can create a tremendous penalty for doing it. My friends and I are not going to sit still, and say, "Aww, we don't know who did it." I know who my enemy is! [laughing] I got his names! I got a list of his names! Some of the leading financier organizations of the world: My enemies in the Democratic Party, apart from those who are officially part of organized crime, that is, the guys you know who say, "We got this here deal"; that type? You've got the other type, who are very similar, who are high-powered bankers; super-bankers, super-financiers: These are the guys who were behind Hitler. I know them by name. These are the guys who would be the authors of any killing of me.

TIBLER: Mr. LaRouche: Seeing that its inevitable, that the demise of the dollar is here, the financial systems of the entire planet are here—what is preventing the Synarchists from allowing your views, and your policies to be integrated into a—I guess, a new type of order? I hate to use that term, but, we have to restore it.

LAROCHE: What they're doing, is exactly what they are doing in their control, over the people who are controlling the Democratic National Committee's Terry McAuliffe: To whom I say, in honor of his father, "Nuts!"

TIBLER: Yeah. I've always felt he was a planted spy, but that's a different show, I can do.

LAROCHE: [laughing] He was planted somehow, or other!

TIBLER: As I said, up front at the beginning of the show, the Democratic Party has missed the golden opportunities of the century, as far as I'm concerned. It's strictly my opinion.

We only have a few moments left, sir. What can the people of Arkansas expect and how can they contribute, right now, to your cause, sir? Again, I've said up front—I'm not even going to give you odds this time, as far as being President. I don't know. But, I'll tell you this—I'm going to say it again, I've been saying it for years, now: This dialogue is necessary for the betterment of our society. They need to hear these things. So far you've been excluded.

What can the people of Arkansas, the voters, particularly coming up to the May 18 primary, here. What can be their contribution to this?

LAROCHE: Well, without naming names, let me give an example which is concrete on Arkansas: A distinguished gentleman, a patriot of Arkansas, invited me down there some short time ago, as a candidate. Now, his friends are implicitly my friends. That is, on issues, we really—in society, all other things considered, we would be working together. But, they're afraid of me, because of my enemies. They're afraid their funds will be shut off. They're afraid they'll be victimized politically, and so forth. And the threats are substantial, admittedly. There are also people in Arkansas, in the legislature, and other institutions, who know me, in one degree or another. They have no quarrel with me, on the level we're talking now. They have no quarrel with me, on the question of having a dialogue. They would like it. They would like to know things—they would like to know things that I know, for their own purposes!

So, I have no problem with the people of Arkansas, in general. I have a problem *of their fear of my enemies*.

TIBLER: Well, that's what I mean. In light of the inevitability of the demise, on a global scale, of our economies? What is stopping them now, from including you? You gave me a ray of hope, a ray of sunshine, when you had mentioned that you think there's a chance that Mr. Kerry may pay attention here.

LAROUCHE: Oh sure, sure! Well, see, the question is, see, as I said, earlier on here. The problem is, in the recent process, the electoral process, the campaign process, the voters have acted like people sitting in the grandstand, betting on the gladiators in the ring below. The voters are not seriously thinking about candidates, as really incumbents. They're not thinking about that. They may think about, they want "this deal." And they hope that candidate will deliver, on "this deal." That's where the popularity of this misused concept of single-issues. You find Karl Rove does this; others do that—they play single-issue games. They try to divide voters from each other, on the basis of single issues. Then they "package" single issues—like financial derivatives! Or like bundling mortgages, for a mortgage-securities-based investment. And, they sucker voters into a state of being suckers, by making them single-issue fanatics, instead of being citizens.

The problem here, is to get the voter to think of themselves as a *citizen*, who is like a President. In other words, the voters would think, "Now, if I were President, and I were using our conception of the responsibility of a President—for *all* of the people; and for our relation with other nations, as President—how would I look at politics, today?" Well, the citizen would say, "Well, first of all, I don't know enough about that, to give you an answer." Well, then you say, to the citizen: "How about getting into a dialogue, to discover what you should know, if you were President, to make these kinds of decisions?"

TIBLER: Good point.

LAROUCHE: "Why not put people in there, who know what this is about? That you *know*, know what it's about? Make a decision on behalf of the nation, not on behalf of your reaction, on the basis of a single issue." The problem is, the citizens don't take themselves *seriously* as citizens, partly, because they know the lower 80% of the population is not considered as anything, but, shall we say, "electoral cannon fodder."

TIBLER: "Fodder," yeah.

LAROUCHE: That's the problem. If I can get the citizen to see himself in his own, and her own dignity, as a part of the Presidency—the Presidency which is responsible for this nation—and take moral, intellectual responsibility for *making sure* we have a good President, who's going to do the job the country requires—not the job their prejudice wants done.

TIBLER: Well, again, from our little standpoint here, in the western-central part of Arkansas, we're applying as much pressure as we can, to the Democratic Party, here in the state, to not fall into the same error that they did last time, in the last election cycle. However, should the inevitable occur once again—I see "the boys bein' the boys," just like they are; I mentioned the glaring omission of your name in today's *Democratic Gazette*: Do you foresee any type of legal procedure, in the event of this occurring once again in Arkansas?

LAROUCHE: No. No, look, you've got five fascists on the Supreme Court! Led by the Chief Monkey, or the Scaly Monkey, called Scalia. This guy is even worse, in his legal philosophy, than the legal leader of the Nazi system, Carl Schmitt. In a sense, he's a follower of Carl Schmitt—but a rather dumb one, on the philosophical level.

On the other side, his four flunkies, including Rehnquist, who is an authentic Arizona racist, by heredity—they are nothing! Essentially nothing. They don't know anything about law, they don't care about law! They're creatures of opportunism.

So therefore, then, you have the Fourth Circuit, which is the Washington/Virginia etc. circuit, is one of the most corrupt in the United States. Particularly on Federal issues. Are you going to get a legal case in the Federal system, on the rights of a citizen, the rights of a candidate? No! No.

That will happen only when the system is put through a volcanic eruption. And therefore my job, and our job is to create the volcanic eruption, using the fact, that the *energy* for the eruption is being supplied by the folly of the fools who are controlling the system right now.

TIBLER: There you have it.

Ladies and gentlemen: This Tuesday morning, we've been blessed with the presence of Democratic Presidential candidate Lyndon LaRouche. Mr. LaRouche, you've been eloquent as ever. If I may take the time, right now, just to apprise people that if you would like more information, to somehow participate in this "volcanic" event, then by all means, call these numbers, as follows:

Information: 1-888-347-3258, I repeat 1-888-347-3258. And we also have the most gracious offer this morning: If you would like to see Mr. LaRouche's Talladega speech, they are offering you a free DVD—folks it's worth it. These things are going to be keepers. They are keepers, they're going classics. You'll need them in your archives. A free DVD of the Talladega speech: 1-800-929-7566, I repeat 1-800-929-7566.

Mr. LaRouche: Thank you, so much. I hope this is worth your while today.

LAROUCHE: Thank you. It is. Have fun!

TIBLER: I know it has been for us. And good luck with your endeavors.

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Feature:

(AND, IT AIN'T SO YOUNG NO MORE)

His Only Endearing Young Charm

by Lyndon H. LaRouche, Jr.

March 29, 2004

"Some leading Democrats are just so silly, it makes you wonder. They are so het up, fretting themselves half to death over all those millions in the re-elect Dubya campaign war-chest, that they overlook the most obvious of all facts about the coming election. The leading political issue of 2004, after the onrushing depression, that is, is the question: are the U.S. voters so silly that they would re-elect a President whose one and only endearing charm, is that he is rightly perceived, more or less world-wide, as the dumbest man in the history of the Oval Office..."

- **Clarke Makes the Case:**
Vulcans Run Dumb Bush
by Edward Spannaus

Richard Clarke, the former U.S. counter-terrorism coordinator who served in four administrations, has made the case against George Bush and Dick Cheney: Even though Clarke is too polite, explicitly to say it, it is clear from his book and interviews, that George W. Bush is as dumb a President as you'd ever want to find, and that Vice President Dick Cheney is the figure who controls the President.

- **Cheney: He Can Run, But He Can't Hide**
by Jeffrey Steinberg

... but Bush can't function without a script, or without Cheney. Bush is head of state; Cheney is head of government....

Ahmad Chalabi's Bay of Goats

by Michele Steinberg

On March 31, Fallujah, Iraq, was a scene out of Hell. Associated Press reported: "Jubilant residents dragged the charred corpses of four foreign contractors including at least one American through the streets Wednesday and hanged them from the bridge spanning the Euphrates River. Five American soldiers died in a roadside bombing nearby. . . . It is reminiscent of the 1993 scene in Somalia, when a mob dragged the corpse of a U.S. soldier through the streets of Mogadishu. . . ."

European Governments Falling Left and Right

by Rainer Apel

Starting in mid-March, with the decision of the Spanish electorate to vote conservative Prime Minister Jose´ Maria Aznar out of office, European governments have gone into a period of intense instability.

American Culture:

WE MUST EXIT THE SUICIDE CLUB

How the Counterculture Ushered in Fascism

by Michelle Lerner, LaRouche Youth Movement

The Imp of the Perverse

In the consideration of the faculties and impulses—of the prima mobilia of the human soul, the phrenologists have failed to make room for a propensity which, although obviously existing as a radical, primitive, irreducible sentiment, has been equally overlooked by all the moralists who have preceded them. In the pure arrogance of the reason, we have all overlooked it. . . .

International:

EIR Strategic World Map:

Synarchist 'Strategy of Tension' and Terror

With the March 11 Madrid train bombings, the world entered into a new phase of global terror, of precisely the sort which EIR Contributing Editor Lyndon LaRouche had warned back in August 2003. We present here a global overview of the recent hotspots in this Synarchist war against nation-states around the world, which is intended to create conditions of worldwide chaos and ungovernability.

U.S. 'Reform' Sabotages Arab League Summit

by Muriel Mirak-Weissbach

The Arab League, representing the 22 governments of the Arab world, was hit by a bombshell on the eve of its March 29-30 summit in Tunis. Not a terrorist attack, but an event with potentially comparable consequences occurred. For the first time in the organization's 57-year history, the summit was called off—or rather, postponed—during final preparations.

Taiwan: Election Stolen To Provoke a Crisis?

by Leni Rubinstein

The only way to understand the current election crisis in Taiwan, is to see it in the context of the international financial, economic, and strategic

crisis, as part of the eruption of global 'strategy of tension' to prevent a constructive 'Eurasian' solution of that crisis. This strategy of tension is documented in this and recent issues of EIR; Taiwan is one several of its flashpoints in Asia.

Are Sharon's Troubles Harbinger for Bush?

by Michele Steinberg and Nancy Spannaus

Israeli Prime Minister Ariel Sharon could be going to jail, as an outcome of one of the longest-running political organized crime investigations in the history of the 'free world.'...the Israeli strongman's political demise may well have devastating consequences for George W. Bush as well.

Kirchner Walks Into Trap Of Argentine Synarchists

by Cynthia R. Rush

When Argentine President Néstor Kirchner stood up to the International Monetary Fund in early March, and insisted that human needs come before debt payment, he threw the synarchist financiers who stand behind the IMF and the predatory vulture funds for a loop, and won the overwhelming support of the Argentine people. But now, only a month later, Kirchner has walked into a trap laid by these same fascist bankers, with dangerous implications for the nation's stability, and the future success of their war against the IMF.

France

Neo-Cons' 'Perben Law' Is Police-State Step

by Christine Schier

Under the influence of a neo-conservative faction in the government around Interior Minister Nicolas Sarkozy, France has recently adopted a new law on fighting 'serious crime' which is in keeping with international moves toward police state measures, on the background of the worsening financial and monetary crisis and the Synarchist-inspired international terror wave.

STRATEGY OF TENSION:

Strategy of Tension:

The Case of Italy

by Claudio Celani

Part 3

The Synarchist strategy of tension ripped Italy apart beginning in the 1960s, as Parts 1 and 2 of this series have shown. The combination of neo-Nazi, banking, and terrorist networks active in the Italian case, is paradigmatic of the Synarchist capability, which resurfaced in Europe with the Madrid bombings of March 2004.

Terror's Legacy: Schacht, Skorzeny, Allen Dulles

by Michael Liebig

In response to the March 11 Madrid train bombings, Lyndon LaRouche stated that widely trumpeted assertions that the Basque separatist ETA or 'Islamic terrorists' were responsible for the attack, were utterly groundless, and noted that instead, there are parallels to the train station bombing in Bologna, Italy in 1980, which was the high point of the 'Strategy of Tension' aimed at Italy during the 1969-82 period...

Economics:

Is 'History's First Global Property Bust' Coming Soon?

by Lothar Komp

Since the 'LTCMcrisis' of 1998 and the start of the meltdown of global stock markets in March 2000, central banks around the world geared up their money printing machines to postpone a systemic collapse. Within two years, starting in January 2001, Federal Reserve chairman Alan Greenspan pushed down U.S. short-term interest rates from 6.0% to 1.0%, with European central banks following...

Interview: O. Mays

Ohio Is 'Devastated' By Industry Shutdown

Mr. Mays is the President of the East Cleveland City Council. He was interviewed by Marcia Merry Baker on March 27, 2004.

National:

NATIONAL MOVE UNDER WAY

'Bring in LaRouche,' Say Dems In Pennsylvania, South Dakota

by Paul Gallagher

The prominence of John Kerry and Lyndon LaRouche as the leading figures contesting and shaping economic-recovery policy, in the Democratic Party's Presidential campaign from this point forward, was underlined at the end of March by events in Pennsylvania and South Dakota...

- Rep. James:
LaRouche Needed at the Convention

Pennsylvania Rep. Harold James (D) issued this statement to press and officials in Harrisburg on March 29.

FEC Reports Show Kerry, LaRouche Two-Way Race

by Anita Gallagher

The March 2004 Monthly Reports filed with the Federal Election Commission (FEC) again place Lyndon LaRouche first, among all current candidates for the Democratic Party's Presidential nomination, in the total of itemized individual contributions to his campaign.

Book Review:

The Ugly History of The Cheney Warmongers

by William Jones

The Rise of the Vulcans: the History of Bush's War Cabinet

by James Mann

New York: Viking Press, 2004

448 pages, hardcover, \$25.95

The story of the Bush War Cabinet as presented by former Los Angeles Times Beijing correspondent James Mann, now a senior writer-in-residence for the Center for Strategic and International Studies, will not be totally unfamiliar to EIR's readers, or to those Americans who for several years have been exposed to the public lambasting of these 'children of Satan' in the publications associated with EIR's founding editor Lyndon LaRouche.

Interview:

Gen. Anthony Zinni

'The Cycle of Violence Is Going To Be Accelerated' in the Mideast

by William Jones

U.S. Marine Gen. Anthony Zinni (ret.) was from 1997 to 2000 Commander-in-Chief of U.S. Central Command. A highly decorated veteran, he joined the Marine Corps in 1961 and served two tours in Vietnam. He was involved in the planning and execution of Operation Proven Force and Operation Patriot Defender in support of the Gulf War.

Time for an Israel Accountability Act

by Carl Osgood

The March 22 assassination of Hamas spiritual leader Sheik Ahmed Yassin by the Israeli Defense Force, under orders from Israeli Prime Minister Ariel Sharon, puts a sharp point on a growing irony in Washington, D.C....The Yassin assassination can...only be seen as calculated to increase the level of violence between Israel and the Palestinians, rather than as an act...of self-defense, as the Israelis are claiming.

U.S. Economic/Financial News

U.S. Faces 'Mother of All Debt Problems'—*Financial Times*

The "mother of all debt problems" is about to unfold in the U.S., wrote *Financial Times* columnist John Plender April 1. "Not since the breakdown in 1971 of the Bretton Woods exchange rate system have global markets been so heavily rigged," he noted. "At the heart of the matter is the extremely loose monetary policy wrought by the Federal Reserve in its attempt to boost asset prices and maintain consumption after the bursting of the stock market bubble in 2000." The ultra-low interest rates have actually caused a "flight to garbage" by investors: an explosion of all kinds of high-risk, high-yield investments. At the same time there are giant currency interventions by the Asian central banks. Furthermore there is the "distortion" in the U.S. mortgage market based on the belief that Fannie Mae and Freddie Mac, with all their debt and derivatives, are simply "too big to fail." All these manipulations are usually "ending in tears."

Plender then described a particular scenario for an imminent systemic disruption. While the bubbles in the bond markets are based on extremely low interest rates, there is rampant inflation in the commodity and property markets. At some point the Fed will have to raise interest rates, and at that point the "mother of all debt problems" will unfold in the United States.

Foreign Debt Jumps to \$6.8 Trillion

U.S. foreign debt jumped to \$6.8 trillion—a whopping 60.4% of official GDP—as of the end of 2003, an increase of \$306 billion from the level at the end of September, the Treasury Department said in its quarterly report. A large amount of the "gross external debt"—more than \$1.4 trillion—will have to be rolled over in the next three months.

Bush Admin. Still Pushing Free Trade, Outsourcing

Bush Administration officials continued to tout free-trade and job outsourcing during March, despite continuing job losses:

* Federal Reserve governor Ben "Bubbles" Bernanke defended offshoring, saying it was not to blame for jobs losses, but rather, "astonishing" gains in productivity were. "Outsourcing abroad simply cannot account for much of the recent weakness in the U.S. labor market, and does not appear likely to be an important restraint" to job creation, he babbled at Duke University Fuqua School of Business. He argued against tariffs, while urging "appropriate monetary policies" and even more destructive free trade, citing the "proposition" that free trade "promotes economic prosperity."

* Treasury Secretary John Snow claimed that outsourcing of U.S. jobs overseas could help the economy, by magically creating "lots of jobs." Offshoring, even though it causes layoffs, "is part of trade ... and there can't be any doubt about the fact that trade makes the economy stronger," he told the *Cincinnati Inquirer* March 30.

* Chief White House economics adviser Stephen Friedman contended that free trade was the best course for the economy, shedding crocodile tears for unemployed workers. "There's an enormous amount of empathy for job loss," but "you really have to pursue what's best for the whole economy," the National Economic Council chairman told the Detroit Economic Club.

Greenspan 'Fine'; U.S. Economy on Life Support

Greenspan is "fine" and still running the Fed, a spokeswoman of the Federal Reserve had to announce following rumors that chairman Alan Greenspan had just suffered a heart attack, *Reuters* reported March 31. These rumors led to a rapid

decline of the U.S. dollar in early trading, sending the euro up a full cent, to \$1.23. A New York trader at WestLB commented: "The dollar is selling off across the board on fears that Greenspan may no longer be at the helm." The Fed spokeswoman dismissed these rumors, saying there was no truth to it, and Greenspan was "fine"; earlier, a Fed spokesman had said the Fed "does not comment on market rumors." The incident illustrates the hyper-tense mood on financial markets these days.

Percentage of Discouraged Workers Highest in 16 Years

The share of the U.S. population employed or actively seeking a job has fallen to 65.8%, the lowest level in 16 years. When workers give up their search for a job, they drop out of the officially counted "labor force" and no longer appear in the Labor Department's phony unemployment rate, which was 5.6% in February.

Baltimore-D.C. Grocery Workers Settle Strike

Workers for the Safeway and Giant supermarket chains in the Baltimore-Washington, D.C. area ratified a contract March 30 that cuts back health benefits and overtime pay. The contract, which covers about 26,000 employees of the two grocery chains, will double the cost of health-care deductibles and prescriptions for existing employees. New employees will fare even worse, with long waiting periods before health-care benefits kick in and the introduction of a "two tier" pay scale. While current employees will continue to earn time and a half for Sunday hours, new employees will get only "premium" pay of \$1 extra per hour.

As in the West Coast grocery strike, the existence of non-union, free-trade pirates such as Wal-Mart was a major factor in the contract negotiations and ultimate settlement. Giant and Safeway account for about half of all grocery sales in the region but are losing market share to Wal-Mart, B.J.'s and Costco. Both Giant and Safeway had announced they would remain open during any strike and were running ads in the local press soliciting temporary workers.

World Economic News

German Government Fears Large Insurance Bankruptcy

In a press briefing by Deputy Finance Minister Barbara Hendricks on March 26, the German government announced it is currently working on new legislation for the insurance sector that will focus on stricter regulation, as well as the establishment of a new rescue fund for failing insurance firms. All German life and health insurers will be forced to contribute to the rescue fund, *Handelsblatt* reported March 30.

Already, in autumn 2002, after the stock-market crash had devastated the capital of banks and insurance firms, the German insurance sector, on its own, established the 5-billion-euro Protector Lebensversicherung AG (life insurance fund), for the same purpose. However, even the bankruptcy of the mid-sized Mannheimer Lebensversicherung in 2003 was almost too much for this private-run scheme, as payments to Protector are not mandatory.

Hendricks emphasized that Protector would certainly not be sufficient to deal with the collapse of a large insurance firm and, therefore, the new mandatory system will have to be implemented. Should an insurance firm go under, she said, the consequences for its clients would be much more serious than in the case of a banking collapse. Private households in Germany are now paying about 70 billion euros per year for their life insurance contracts, which is the most commonly used private pension scheme in Germany. The total number of German life-insurance contracts is 93 million, more than the German population.

The new rescue fund will have a fund of 600 million Euro. All of these resources have to be made available by the insurance sector itself, not by taxpayer money. Should a bankruptcy require larger funds, which is likely, every German insurance firm will be required to come up with an additional contribution.

The German government is presenting these new plans in order to "restore confidence" in private pension schemes. Last week, the OECD's "Financial Market Trends" report had called for increased efforts by governments and central banks to prepare for financial emergency situations, in particular concerning the worldwide insurance sector.

Derivative Trading Soars; Pension Funds Threatened

Derivatives trades have hit an all-time peak in trading volume in March 2004, and are expected to hit the roof after the crucial announcement from the European Central Bank on April 1 and further important announcements April 2, the *Financial Times* reported March 31.

Three of the world's four biggest derivatives-trading companies experienced their highest ever one-day figures on March 5, when U.S. jobs data were weaker than expected.

The Frankfurt-based Eurex is heading for a total of 120 million contracts in March 2004, beating the record of 106 million set in March 2003. The trends are the same on the other side of the Atlantic. The Chicago Board of Trade traded 3.8 million contracts on March 5, hard on the heels of a record set only a week earlier.

An interesting and alarming news item is that pension funds increasingly use derivatives to protect their portfolios, enhance yields, and better match their liabilities with their assets. As analyst Mamoun Tazi at Bears Sterns states: "Volatility has shot up."

Global Interest-Rate Derivatives Top \$140 Trillion

Global interest-rate derivatives topped \$140 trillion in the second half of 2003. According to the International Swaps and Derivatives Association's Year-End 2003 Market Survey of privately negotiated derivatives, volumes of both credit derivatives and equity derivatives grew "significantly faster" in the second half of 2003, than in the preceding six months. Interest-rate derivatives also continued strong growth.

Credit derivatives shot up 33% during the last six months of 2003, compared to 25% in the first half. Notional amounts now stand at \$3.58 trillion, up 29% from a year earlier. Equity derivatives jumped by 24% in the second half, compared to 14%; notional amounts have hit \$3.44 trillion, up 21% over the year. Interest-rate derivatives grew by 15% to a whopping \$142.31 trillion.

Energy Crisis Will Deepen Argentina Economic Woes

A shortage of natural gas, and inadequate electricity-generating capacity, will result in energy rationing and reduction or cut-off of energy exports to countries bordering Argentina, starting in early April. This comes at a bad time: The country is moving into autumn and winter, and predictions of power outages and rationing are affecting the market and "country risk" rate. There is fear that the "incipient recovery," on which the government is counting, will be severely affected.

President Nestor Kirchner has blamed utility companies for the problem, charging, correctly, that they have failed to make investments in infrastructure over the past several years. Low rainfall has also affected hydroelectric capabilities. Even

though Kirchner has vowed that there will be no rationing, the regulatory agency Camessa already began making sporadic power cuts to 31 major companies in mid-March. The government is desperately trying to prevent authorities from shutting down the Embalse nuclear plant, which has to have a routine maintenance check, so as not to lose the 700 MW of electricity Embalse generates. But the maintenance shutdown has already been delayed one week, and to do so for another week, could be courting major problems.

On March 26, the government passed a resolution restricting natural gas exports to neighboring countries, to ensure that domestic needs are met first. Gas exports to Uruguay have already been cut off. This action provoked panic in Chile, which purchases 90% of Argentina's natural gas exports. Chilean Finance Minister Jorge Rodriguez traveled on an emergency basis to Buenos Aires on March 27, to urge Kirchner to honor the contracts both countries have signed. Ali Rodriguez, head of the Venezuelan oil company PDVSA who is visiting Argentina, is offering to ship oil to Argentina, Uruguay and Chile, to ease energy shortages in those countries.

Saudi Oil Minister: Speculation Is Behind Oil-Price Hike

Saudi Arabia's Oil Minister Ali al-Naimi hit financial speculators as being responsible for the oil-price rise, countering the supply-and-demand explanation. "The price today has nothing to do with supply and demand," Naimi told reporters March 30 in Vienna. "People in power know that crude [oil] supplies have nothing to do with the current gasoline prices in the U.S.," he added. Naimi, and the Algerian oil minister, said that a flurry of speculative activity in commodity markets, rather than a shortage of OPEC crude, was the reason behind the recent spike in oil prices. Hedge fund managers and other speculators sharply raised their bets in New York crude-oil futures and options last week, to the highest level in at least nine years. OPEC agreed March 31 to cut oil production quotas by 2.5 million barrels per day, as of April 1.

Even *Maquiladora* Employment Falling

Mexico's slave-labor *maquiladora* employment has fallen by 16% since 2000, reflecting continued globalization, under conditions of the U.S.A.'s economic breakdown. The factories, which ship duty-free exports to the U.S., employed 1,060,880 people in January, having slashed about 200,000 jobs since their peak in 2000, as many companies have moved production to countries with even cheaper labor, such as China, *Reuters* reported March 30.

United States News Digest

Kerry Calls Phony Jobs Surge 'Welcome News'

Democratic Presidential pre-candidate John Kerry issued a short statement April 3, accepting the faked unemployment figures released by the Bush Administration last week at face value. "I hope it continues," he said, calling the alleged increase of about 300,000 jobs "welcome news." He added, however: "For too many families, living through the worst job recovery since the Great Depression has been, and continues to be, far too painful." Then, in his radio response to the Bush Saturday morning radio show, Kerry ignored the report, and Bush's manic euphoria, altogether, speaking only about his "plan" to use taxes to "bring the jobs home."

Bush Confidante Karen Hughes Coming Back

Bush confidante Karen Hughes is coming back on the job, much to the relief of the President's staff. Although she'll remain in Austin, where she has lived since her 2002 resignation as Presidential counsellor, Hughes will be "stepping up her engagement" with the Bush reelection campaign, according to the March 28 *New York Times*. In reality, she never left, as she is in constant contact with Bush, speaking to him several times a week. Her return now is heralded by the beginning

of her six-week tour to promote her new autobiography, *Ten Minutes from Normal*, which describes Bush in glowing terms. Hughes estimates that by August, she'll be travelling full-time with Bush, and stay with him until election day in November.

Perhaps appropriately, according to the *New York Post*, Hughes is known as "Nurse Ratched," the character from 1960s-era dark comedy, *One Flew Over the Cuckoo's Nest*, who keeps the inmates in the asylum under control. Bush trusts Hughes "like almost no one else on his staff," the *Times* reports, so much so that there is some nervousness that her return might create conflict with political adviser Karl Rove, and lead to internal disputes about strategy and "message."

Censored Report: U.S. Unprepared for Bio-Terror Attack

A forum held at the Center for Strategic and International Studies in December 2001, concluded that the October 2001 anthrax attacks "revealed weaknesses in almost every aspect of U.S. bio-preparedness and response." It exposed deficiencies in public-health infrastructure, and laboratory, forensic, and diagnostic capabilities and showed the need for better planning for local distribution of medication and provision of treatment for mass casualty events, among other things. It calls for recapitalization of the U.S. public health infrastructure, which, the report notes, the U.S. invested very little in during the 1990s. It also notes that this underinvestment resulted in public-health departments maintaining the minimum workforce needed to do the maximum work, combined with the adoption of just-in-time service delivery in the private sector. The rest of that discussion, however, is redacted, like several other sections of report, on the demand of the Defense Department, which participated in the December 2001 forum and sat on the report for two years because, according to a statement issued on March 26 by the Defense Threat Reduction Agency, the study could circumvent DOD "rules and practices established to prevent the spread of information associated with WMD."

The DOD's claim is ridiculed by participants in the forum, because it was held in an unclassified setting. Steven Aftergood, the director of the Federation of American Scientists' Project on Government Secrecy, who released the redacted version of the report, told the March 29 *New York Times* that "Refusing to disclose the lessons learned from the anthrax crisis is self-defeating in that it impedes the learning process."

Border Vigilantes Out To Catch and Kill Mexicans

A vigilante group calling itself the "American Border Patrol" announced that it would launch its first unmanned aerial vehicle (UAV), dubbed "The Border Hawk," during the March 27-28 weekend, to detect illegals crossing the border. American Border Patrol works with other anti-immigrant vigilante groups, such as "Ranch Rescue," which claim to be financing the purchase of equipment to aid their in self-appointed task of guarding the border, *El Norte of Mexico* reported March 24.

Ray Borane, leader of Ranch Rescue, is quoted: "This is no joke, nor a game. We have reports that Mexican soldiers have made incursions into some areas of the United States near the border, in which they have committed robberies and abuses. There are accusations that they raped a family in November." Therefore, he warned: "The order is lethal. The next time that we see a Mexican soldier in our territory: two shots to the chest and one to the head."

Private Security Firms Hiring Away Special Forces Troops

Experienced members of the U.S. military's special operations forces are being lured to private security firms by promises of \$100,000 to \$200,000 annual salaries, two to three times what they make in the military. The CIA also apparently pays pretty well, as the Pentagon's top official for special operations policy, Thomas W. O'Connell, told a House committee, earlier this month. O'Connell said that intergovernmental poaching "is starting to become a significant problem."

The departure of troops from the special forces so concerned the head of Special Operations Command, Gen. Bryan D. Brown, that he convened an unusual meeting of his top commanders in Washington to discuss the problem of retention. "The kind of people we are training today ... are very attractive to those kinds of civilian private industries that provide security services both at home and abroad," he told the Senate Armed Services Committee, in March. The manager of the Baghdad office of a British security firm told the March 30 *New York Times*, "Any people with special operations backgrounds are in high demand right now."

Pentagon Cancels Test of Internet Voting

Amid growing opposition to computerized voting—catalyzed by Lyndon LaRouche's Presidential campaign—the Pentagon announced March 30 that it has decided to drop its \$22-million pilot plan to test Internet voting for 100,000 U.S. military personnel and civilians living overseas.

In February, Deputy Secretary of Defense Paul Wolfowitz had already decided not to allow Internet ballots to be counted in the November Presidential election, but had said the program would be conducted on an experimental basis. Now, the Pentagon has scrapped the experiment. "[R]ight now we're not going to do it," said Pentagon spokesman Glenn Flood.

The cancellation comes as the program, which had been set up to run in 50 counties in seven states, was being tested for certification.

World Court: U.S. Must Provide Review for Death Row Mexicans

The International Court of Justice ruled March 31, that the United States must provide "meaningful review" of the cases of 51 Mexicans on U.S. Death Row, because U.S. failure to inform the Mexicans of their right to counsel from Mexican consular officials during their trials, violated the 1963 Vienna Convention, and therefore international law. The presiding judge said the review of the cases of the 49 Mexicans who have not yet exhausted the normal appeals process, could be included as part of that appeals process, but requested that the U.S. should make an exception, and review the cases of the three who have finished the appeals process one last time. The Supreme Court refused to hear the case of one of those three last November, so it remains to be seen what the Scalia-dominated court will decide. The government of Mexico brought the case before the ICJ in January 2003.

Kerry Seen Losing Momentum

According to an article in the April 1 *New York Times*, Sen. John Kerry (D-Mass.) is being criticized by a number of Democrats for having failed to intervene in the hot situation created by the Clarke attack on President Bush. Some are comparing him to Michael Dukakis, who allegedly undermined his campaign by taking a time-out in his campaign against George Bush the elder. A knowledgeable Washington source provided *EIR* with a similar evaluation this week, saying that between his vacation and his recent shoulder surgery, Kerry has missed a terrific opportunity to go after the President. This source attributed Kerry's lack of aggressivity, at least in part, to the fact that his campaign is currently being run by the DNC and the so-called 527 Committees, those fundraising groups largely controlled by George Soros, like MoveOn.org.

What's clear from the media is that Kerry is committing precisely the error Lyndon LaRouche warned him against, by concentrating on "raising money" and hobnobbing with the big-bucks operatives—at a time when a mobilization of the lower 80% of family-income brackets is absolutely crucial to defeating the Cheney-Bush Administration, and reversing the depression.

GOP Files Suit Against Dem Soft-Money Committees

The Bush campaign and the Republican Party on March 31 filed charges accusing the Kerry campaign and seven "independent" organizations of conducting a criminal conspiracy to inject large amounts of "soft money" into the 2004 election.

The suit addresses the "527," or "soft money" committees, permitted under the McCain-Feingold campaign reform law; these can raise unlimited amounts of funds from big donors, and run political ads, so long as they are independent of the campaign.

The problem not addressed by the lawsuit is that George Soros and other banking interests have by this means taken control over the Kerry campaign. These funding conduits (known as "527" committees after the IRS Code which permits their existence) have put up about \$20 million this month to counter \$41.8 million in Bush campaign television ads. Kerry only had \$5.8 million in media funds for his own campaign in March. They have become known as the "shadow Democratic Party."

One of the committees, MoveOn PAC, was asked by former White House counterterrorism adviser Richard Clarke to stop running an ad which uses his criticism of the Bush Administration's anti-terrorism program, but MoveOn has refused.

Daschle Threatens To Block All Judicial Nominations

The partisan war in the Senate over judicial nominations got hotter on March 26, when Senate Minority Leader Tom Daschle (D-SD) vowed to block all of the Bush Administration's pending judicial nominations unless the White House promises not to make any more recess appointments. The two recess appointments that President Bush has made so far, Mississippi Judge Charles Pickering, Sr., and Alabama Attorney General William Pryor, had been blocked in the Senate by Democratic filibusters. Daschle reportedly had the nearly unanimous support of the Democratic caucus to issue the threat, after he tried to take up the matter with Majority Leader Bill Frist (R-Tenn), who refused to make any promises.

Daschle told reporters on March 30, "We will not be able to move on the confirmation of judges until we are given the assurance that they will not recess-appoint future judges, especially judges that have been rejected by the Senate." He charged that such a practice is "an abuse of the institutional prerogatives of the Senate and we just can't accept that."

Frist responded by accusing the Democrats of partisan obstructionism. He said that most of the 22 nominations that are pending are for positions where there are judicial emergencies, where caseloads are stacked up very high. He complained that the Democrats, in demanding that the President "needs to give up that Constitutional right to make recess appointments" before any of the 22 nominations can be moved, is practicing nothing but "clear-cut obstruction" which "can't be tolerated."

Ibero-American News Digest

UNICEF Charges IMF Programs Harm Argentine Children

Argentina's children have been so devastated by IMF genocide that UNICEF has officially asked the Fund to change the way it calculates the primary budget surplus for that country, in order to prevent any further "adjustment" to expenditures for social programs, *Pagina 12* reported March 31. The primary budget surplus is the amount the government must set aside to pay the debt, and the IMF is pressuring Argentina to increase it above the current level of 3% of GDP.

UNICEF, which addresses the needs of children in developing countries, points out that as a result of Argentina's crisis of the last few years, 71% of its children now live in poverty. For the first time in decades, in 2002, infant mortality increased from 16.2 deaths per 1,000 births, to 16.8; and 1.5 million children aged 15 or younger have had to leave school and look for work to help support their families. Fifty percent of all children under the age of two suffer from anemia.

Some months ago, UNICEF's Argentina office sent a letter to the IMF requesting that all funds spent on social programs not be considered as public expenditures, but rather as investment; and that funds for these programs not be considered part of the regular budget when the primary budget surplus is calculated. Currently, funds for social needs constitute about 30% of the budget. Historically, the Fund has always considered funds for social programs to be part of general public sector expenditures, also including state-sector wages and pensions, which it has always demanded be brutally cut. UNICEF's director in Buenos Aires reports that the IMF never answered his letter.

'Lima Declaration' Reveals Impotence of Lula Debt Strategy

Eleven Ibero-American countries issued a "Declaration of Lima" March 29 at the annual meeting of the Inter-American Development Bank (IDB) which suggests the multinational financial institutions should consider "perfecting the criteria of accounting used as a parameter of fiscal policy goals," and open for consideration, the possibility of excluding all or some infrastructure spending from calculations of their fiscal deficits.

Despite Brazilian Planning Minister Guido Mantega's assertion that the Lima Declaration gives enough "critical mass" to get the IMF to agree to discuss the need to promote infrastructure spending, this declaration is a significant retreat from the "Copacabana Act," signed by Brazilian President Lula da Silva and Argentine President Nestor Kirchner on March 16. That latter document, while avoiding the urgency of restructuring the international financial system altogether, asserted the principle that economic policies must not compromise growth, and committed both nations to "conduct negotiations with the multilateral credit agencies, to achieve a primary [fiscal] surplus and other political economy measures which do not compromise growth ... in such a way as to preserve also investment in infrastructure."

The Lima Declaration, instead, states from the outset that the cuts in expenditures and structural reforms "of the past years are correct policies, which we should continue pursuing"; declares "the most important objective" of fiscal policy is to maintain a "sustainable" ratio of public debt to gross national product; and, only then, pleads the case for infrastructure investments, with the emphasis on the verb "pleads."

The statement sufficiently spineless that the Finance Ministers of all the major South American countries plus Mexico felt comfortable signing it, including Mexico's University of Chicago free-trader Francisco Gil Diaz, and ex-World Bank official Pedro-Pablo Kuczynski, now reinstated as Peru's economics minister. Kuczynski, the same day he signed the Declaration of Lima, rejected any idea that Peru would support the Copacabana Act, contemptuously telling Peru's Canal N that "Peru had the obligation to pay, and therefore it was fulfilling its obligation."

Jacobins Promise 'To Set Fire' to Brazil in April

Lyndon LaRouche warned Brazilian leaders during his historic June 2002 visit to Sao Paulo, that they must act to change the economic system, before they face a Jacobin revolution. "Don't wait for chaos; it may be too late. France could have been saved before July 14, 1789.... Don't wait for July 14, 1789 to hit Brazil," LaRouche told the Commercial Association of Sao Paulo.

Now President Lula da Silva's balancing act between his social base and Wall Street is blowing up under him, as LaRouche warned. Joao Pedro Stedile, national leader of the Landless Movement (MST), a Jacobin force with a mass terrorist capability, declared at the end of March that the MST would "create hell for the government during the month of

April, by carrying out mass land invasions. Right on cue, Luiz Antonio Nabhan Garcia, president of the Rural Democratic Federation (UDR), which contains a mix of producers and latifundistas, called upon farm owners to hire private security to protect themselves. The MST coordinator for the state of Pernambuco, Jaime Amorim, shot back that any farm owner who tried to stop them with force, would be met in kind. "If they kill one of ours, we will kill 10 of theirs," he promised.

The MST move came as a wave of strikes and protests erupted among Federal police, port workers, and others. On March 30, some 2,000 college and high school students demonstrated for four hours in Belo Horizonte, the capital of the state of Minas Gerais, demanding more openings in the state universities, and a change in the economic model. Leaders of the National Students Federation (UNE) and Brazilian Federation of Secondary School Students (UBES) announced that this was the first in a series of street protests. Marches in four other northeastern state capitals—Recife, Fortaleza, Aracaju, and Salvador—are already planned.

UNE president Gustavo Petta promised that his organization, the MST and the CUT labor federation would together "set fire to the country." He vowed to make April a "red" month, and, echoing Stedile, promised the students will "give hell" to Lula.

Brazil Gov't Coalition Cracking Over Economic Policy

The Democratic Movement Party (PMDB) is threatening to pull out of the government coalition—which it only formally joined last January—unless the Lula government adopts "more audacious policies" to stimulate growth and deal with unemployment. During a meeting of the PMDB executive March 24, economists Luiz Gonzaga Belluzo and Ernesto Lozardo harshly attacked the government's economic policy, while party president Michel Temer warned that the government must start reducing interest rates, and alleviating the tax burden, among other things. "If over a period of time, the government doesn't respond to any of these reflections... it's clear that there is no reason for our party to support it," Temer said. Lula needs the PMDB badly in Congress to get through his proposed legislation.

In another sign of waning support, federal deputy Miro Teixeira, leader of the government's bloc in the lower House of Congress (although not a member of Lula's Workers Party), announced March 24 that he would leave that post within 15 days. And, the Liberal Party (PL) and Popular Party (PP) are threatening to vote against key legislation, unless Lula follows through on promises to offer them positions in several government agencies. Opposition parties also refused an offer by Chief of Staff Jose Dirceu to form a "national pact" for economic development.

Driving the political crisis, is the worsening economic crisis. Unemployment in February rose to 12% nationally, according to the government statistical agency, IBGE, up from January's rate of 11.7%. The total number of unemployed in the country is now 2.5 million. The situation in metropolitan Sao Paulo, the industrial heartland of Brazil, is even more dramatic. Unemployment increased to 19.8% in February, up from 19.1% in January, and March is expected to be worse, at 20% or higher.

Argentina's Energy Crisis Hits Broader Region

Uruguay has entered what is being called a state of "energy collapse," because crucial imports of natural gas from Argentina have been cut off, in the wake of Argentina's own energy crisis (see Economics Digest). At a press conference in Montevideo on March 30, the trade union association of the state-run UTE utility company called for urgent measures to minimize the effects of Argentina's action. Notably, Julio Garcia of the AUTE association, attributed the Argentine crisis to the pressure being exerted by that country's private sector—privatized companies—for an increase in utility rates. Due to lack of natural gas, two of Uruguay's generating plants are now out of service.

In Chile, some economists are calling for trade sanctions and reprisals against Argentina, for failing to comply with the contracts it had signed to provide that country with natural gas. Finance Minister Nicolas Eyzaguirre has warned the Argentine government that unless a rapid solution is found to the problem of supplying Chile with gas, Chile will "change its energy policy" so as not to have to depend on gas. Mont Pelerinite nutcase Hernan Buchi, a former Finance Minister, chided Argentina for not paying its debt, adding "it's been clear for a long time that Argentina is unstable."

From Uruguay, there is some discussion of the need to create a "Mercosur Energy Bank," to be able to deal with regional crises of this nature.

Desperate Miner Becomes Suicide Bomber in Bolivia

The economic crisis brought yet a new crisis to Bolivia, when a former miner walked into the Congressional building when it was in session on March 30, threatening to detonate the 40 kilos of dynamite he had strapped to his body, unless his pension be paid. The police evacuated the building, but as they were negotiating with him, he blew himself up, killing himself and two policemen, and wounding, some of them gravely, another 10.

President Carlos Mesa went on national TV and radio, to insist that this was "an absolutely isolated event.... The nation should remain calm and be assured that there is no political motivation in this."

However, the government ordered security tightened on public buildings, fearing others might follow his example. A rumor had gone out during the incident that other unemployed miners were planning to force their way into Congress also. The President later announced that the pension system, privatized in 1997 by the just-ousted Gonzalo Sanchez de Lozada, would be reviewed, for possible changes, and that public pensions would be capped at \$1,000 a month, so as to be have money to pay pensions to more people. There are an estimated 35,000 people who currently do not receive any pensions.

Oaxaca Governor Huntington Is Face of 'New U.S. Fascism'

Jose Murat, the PRI Party Governor of the Mexican state of Oaxaca who was the target of an assassination attempt in mid-March, published an article in *El Universal* March 27, titled: "Huntington, the New Fascist Wave." Harvard's Samuel Huntington and his ilk are the real threat to the U.S., not migrant labor, the Governor warned.

"Immersed in a vortex of video-scandals, the decision-makers and public opinion shapers have not comprehended the gravity of the fascist threat against our immigrants in the United States, coming from the new racist and xenophobic right, led this time by an ideologue of warmed-over conservatism, sold as the vanguard, and represented by Samuel Huntington, an adviser to U.S. security agencies," Gov. Murat warned. "The Mexican immigrant is not a source of impoverishment, as Huntington assumes, but is a generator of wealth and a pillar of strength of the U.S. economy, as John Kenneth Galbraith has pointed out. This is a tangible, empirical reality, not the excessive speculations of the new U.S. fascism. The real threat to U.S. stability is not the migrant worker, but the new fundamentalists of the racist right."

Western European News Digest

Berlin Youth Teach German Finance Minister Some Economics

German Finance Minister Hans Eichel received an unexpected reception from members of the LaRouche Youth Movement in Germany March 29, following a speech which could be summed up as a fantastical marriage of economic growth with tight austerity. In the question-and-answer session, four LYM representatives were able to test Eichel's mettle.

Daniel greeted Eichel: "Hello, my name is 'Hjalmar Schacht,' and I totally agree with your austerity measures." He noted how much he—that is, Schacht—agreed with Eichel's Bruening-like austerity policy, to set the stage for a Hitler-style dictatorship. Some in the audience started laughing. Eichel refused to respond.

Tina demanded, "Could you please start telling the truth!" She told him about the debt in Argentina, Germany, and the USA, which we would never be able to pay, and brought up the BIS report and LaRouche's forecasts.

"You don't want to call me a liar, do you?" retorted Eichel, who continued: "It is Argentina's fault. They should never have allowed their 'elites' to take all the money out of the country." Stefan intervened, saying people don't like the German government's preparing for fascism, and asked if Eichel would learn from that and listen to Lyndon LaRouche?

As Elsebeth began to speak, but was cut off as soon as she said the "L" word. After the meeting, people came up to discuss or to take leaflets. The woman who introduced Eichel, who is a member of the Bundestag, came up to us and said: "Let's meet. I want to know how you guys think."

Top German Warns Markets Headed for 'Mass Panic'

The financial markets are headed into "mass panic," warned banker Roland Leuschel in an interview with the German newsweekly *Spiegel* dated April 14. Leuschel noted that we are experiencing the biggest speculative bubble of all time. The recent stock-market crash, starting in March 2000, has already eliminated \$15 trillion in financial asset value, marking "the biggest financial asset destruction ever." But that's not the end of the story. There will be another crash, including on the stock market. The person to blame is Federal Reserve chairman Alan Greenspan, because he turned markets into liquidity addicts. Therefore, "imbalances in the world economy are growing by the day. Once the second bubble burst, we could see a mass panic." The trigger this time might come from the East, he said. "Once the Chinese and Japanese stop buying more dollars, and thereby stop financing the U.S. economy, the whole structure will fall apart."

EU Commissioner Prodi Calls for UN Mandate in Iraq

In an interview with the March 27-28 weekend edition of Italy's *Corriere della Sera*, EU Commission President (and former Italian Prime Minister) Romano Prodi was presented as the potential head of a post-Berlusconi Italian government. Following the mid-June election for European Parliament, Prodi may quit his Brussels post to head an anti-Berlusconi alliance in early Italian elections.

Prodi said that the war in Iraq (and implicitly, the deployment of Italian troops there) was illegitimate, based on false assumptions, such as the WMD issue, but that an immediate pullout of foreign troops from postwar Iraq would cause chaos. Instead, foreign troops should be deployed under a UN mandate, he argued, with a clear timetable for returning sovereignty to Iraq, and for the withdrawal of foreign troops.

European Elections: It's the Economy, Stupid!

Anti-war sentiments played a role in the recent fall of the Spanish and Polish governments, but the main trigger for their fall was the broad outrage of the electorate over the bad economic and social situation. Unlike the pro-Aznar media in Spain, the opposition leftist media reported, long before the March 14 elections, a tendency toward bigger vote shifts away from Aznar, because of the economic situation.

The economic crisis also contributed to the fall of the Socialist Greek government in elections March 7, in spite of the

Socialists' opposition to the Iraq war.

The conservative government of French President Jacques Chirac, another staunch opponent of the Iraq war, suffered a big blow in regional elections March 21 and 28, mostly on the basis of broad discontent with the economy. Chirac is paying for the discontent with a Cabinet reshuffle.

The German government, the core opponent to the Iraq war in the European Union, is under dual siege, as well: The neo-con Christian Democrats are suffering due to their even louder calls for harsher austerity, while the Social Democrats' left wing and the labor movement want a change of policy away from several aspects of the austerity, but without having an alternative plan.

The threat to Chancellor Gerhard Schroeder lies in the internal opposition that is deserting him, rather than openly challenging him, so that the government might fall because of its own erosion in a war of nerves. Were national elections held now, Schroeder would suffer a crushing defeat, similar to the one suffered by his predecessor in office, Christian Democratic Chancellor Helmut Kohl, in September 1998. Whether Schroeder will be able to muddle through until the next elections in September 2006, is rather doubtful.

The April 3 nationwide labor protests in Berlin were not expected to challenge Schroeder directly, because the labor union leaders do not want to attack the government's Agenda 2010 policy as such, but only want to call for modifications. The labor movement membership and leftwing sections of the Social Democrats do want to attack Agenda 2010 as such, but this they can do only through protests outside of the official labor union campaign. The fact that dissident labor and SPD members do not have a policy alternative, is paralyzing the protest potential to a large extent. Outside the LaRouche movement, there is no serious programmatic alternative worth mentioning, at the moment, and everything else will only lead to destabilization.

New Prime Minister Named as Poland Enters EU

Since Polish Prime Minister Leszek Miller, who headed the ruling SLD-led minority government, announced his resignation effective May 2, a power vacuum is emerging. The ruling Democratic Left Alliance (SLD), Poland's post-communist party, ran a minority government under tough economic conditions, and faced a majority who understandably oppose the country's entry into the European Union, because they fear wealthier EU firms will buy up Poland's companies on the cheap. Both the SLD and Miller's popularity rate have sunk to 8-10%. The former coalition partner, the Peasant Party (PSL), is also losing support.

The new PSL chairman, Janusz Wojciechowski, issued a statement over the weekend, that if there were to be another SLD/PSL coalition in government, the PSL would not accept the reform and budget cuts of Finance Minister Jerzy Hausner.

Polish President Aleksandr Kwasniewski has named former Finance Minister Marek Belka, Poland's leading representative serving in Iraq, as his choice to succeed Miller. Belka's appointment would have to be approved by the Sejm (Parliament). If no agreement can be reached in the next weeks, there will be new elections. This would open another big vacuum, in which the radical rightwing populist Andrzej Lepper (who speaks the language of the street, as people say) could gain significant support. Lepper heads a candidates' slate for the European Parliament elections—a slate which is very much against both Poland's joining the EU and its troop deployment to Iraq.

In this politically charged atmosphere, there is great concern that Poland will become a target for terrorist attacks. These concerns were enough that the location for an International Economics Conference, planned to take place in Warsaw after Easter, was changed for security reasons. Similarly, in Kattowice, a rock concert was cancelled because of bomb threats.

Swiss Daily Highlights U.S. Report on 'Mini-Nukes'

The U.S. Defense Science Board recommendations for mini-nukes was prominently covered in the leading Swiss daily *Neue Zuercher Zeitung* April 1. The expert group called for nuclear weapons that cause less "collateral damage," are more precise, and produce less radiation; furthermore, ICBMs should be equipped with conventional warheads, in order to have more options for active use available. The number of nuclear warheads that are available now, should be reduced from their present number, 6,000, in favor of developing more non-nuclear special weapons, and submarine-launched missiles with a range of 2,500 kilometers, and only 15 minutes of launching time, the experts say. Also, guidance sensors should be developed that can detect small and mobile targets.

They also recommend replacing the general defense against WMDs by efficient systems of defense against terrorists and rogue states, including the targeted assassination of terror groups.

Soros Was Up to No Good on Ukraine Tour

Megaspeculator and pro-drug advocate George Soros recently toured Ukraine in conjunction with a several-day seminar of his Renaissance Foundation the March 29-31. Meetings were scheduled for Soros and Ukrainian President Leonid Kuchma as well as other government ministers. The aim of the visit was to discuss in depth his "open society" concept, but the highlight of the trip occurred when protesters assaulted Soros with mayonnaise.

Russia and the CIS News Digest

Strategy of Tension Moves to Central Asia

A series of bombings and confrontations between police and guerrilla units rocked the Uzbekistan capital Tashkent, and the ancient city of Bukhara, March 28-30. Foreign Ministry spokesman Ilkhom Zakirov said there were 19 dead and 26 wounded in the first two days of the clash. Ten died when a house being used as a bomb factory blew up in Bukhara, and three police were killed in two attacks, on a checkpoint and another location. On March 29, there were six killed (three police, one child, two bombers) in suicide bombings in a crowded Tashkent market, outside Detsky Mir children's store. On March 30, another 20 people were killed in a series of confrontations, involving a showdown at a checkpoint, a chase, and another explosion at a guerrilla safehouse.

Uzbekistan sealed its border with Tajikistan, and a state of siege was declared in Tashkent. Train and bus services were suspended; markets and schools were closed.

Uzbek President Islam Karimov took control of the investigation, charging that the attacks were organized from outside the country. He cited by name the Hizb ut-Tahrir organization, which is based in London. A Hizb ut-Tahrir spokesman denied responsibility and suggested that Karimov's regime had orchestrated the bombings as a pretext for a crackdown on political opponents. Russian and other commentaries also focussed on a possible role of the Islamic Movement of Uzbekistan, which is based in Afghanistan, and speculated about links to Uzbek ethnic "al-Qaeda" operatives, killed or otherwise involved in the Pakistan operations on the border with Afghanistan.

Russia Wary as New Members Join NATO

After the March 29 White House ceremony to welcome Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and

Slovenia into NATO, government spokesmen for the seven countries tried to emphasize their "open-door policy," and to eliminate fears that the eastward expansion could be considered a threat to Russia. Spokesmen for the Russian government, however, had a different focus. The main point addressed by them, was that the new members, especially the three Baltic states and Slovenia, which were not independent when the Conventional Forces in Europe treaty was signed, should now sign it. The CFE limits the numbers of troops in eastern Europe. Now, with the NATO expansion, there are more. Foreign Ministry spokesman Alexander Yakovenko stated, that "restrictions on conventional armaments, stipulated by the treaty, are not valid on the territory of the Baltic countries and Slovenia." He said Russia would insist that they join the treaty.

Furthermore, the mere expansion is seen as a threat. Yakovenko said in a statement released prior to the ceremony: "Without doubt, NATO's expansion touches Russia's political, military, and, to a certain extent, economic interests." Deputy Foreign Minister Vladimir Chizhov was quoted by *Interfax* saying, "If we feel this expansion poses a threat to us that demands a military response, this response will follow."

Russia Responds to NATO Air Patrols Over Baltic

No sooner had the NATO expansion formalities been completed in Washington, than four Danish F-16 fighter planes started patrolling the air space of the Baltic states. The new Foreign Minister Lavrov said March 29, "Russia fears gaps in its security." He added that, although Russia "had no problem with Russian troops in Rumania or Bulgaria," for the fight against terrorism, "new bases in the Baltic are not to be accepted."

Foreign Ministry spokesman Yakovenko addressed the issue of air patrolling: "If the alliance thinks the region needs such defenses, Russia has a right to draw its own conclusions, and will be forced to respond accordingly." He added, "It's unfortunate that in taking this decision, the NATO countries didn't get a realistic picture of the military situation in the region, where there are no direct security threats, partly because of unprecedented disarmament efforts by Russia and other states."

An indication of rising tensions between the Baltic states and Russia, is the recent expulsion of Russian diplomats by Lithuania on Feb. 27, and Moscow's expulsion of three Lithuanian diplomats on March 30, on espionage suspicions. It is also reported that Estonia expelled two Russian diplomats, with Russia responding in kind.

Russia in Negotiations Over Terms of Trade with EU

Russian Minister of Economic Development and Trade German Gref spent nearly a week in Western Europe, beginning March 25, to negotiate Russia's relationship with the EU; he then attended a session on Russia's joining the World Trade Organization, and held bilateral meetings in Germany. *Strana.ru* in a commentary dated April 2, called the progress achieved by Gref in the EU talks "sensational," considering how far apart the sides had been on a wide range of "free-trade" issues. Prickliest is the question of the 10 countries, most of them former Comecon members or Soviet republics, that are still major Russian trade partners, joining the EU in May. Until now, the EU has refused to accommodate Russia's demand to renegotiate their Partnership and Cooperation Agreement (PCA) to take the expansion into account, though Russia stands to lose \$300 million in trade annually, if the quotas and other terms of the existing PCA were extended to the new members. As of March 27, a spokesman for EC Trade Commissioner Pascal Lamy said there had been "no talks about compensation; now will there be."

According to *RFE/RL Newsline*, an EU spokesman said on March 31 that the EU was preparing a declaration to address Russian concerns about the impact of the expansion. Meanwhile, *Strana.ru* reported Gref's claim that progress had been made on Russia-to-EU nuclear-fuel exports (especially relevant for power plants in the Baltic countries, originally built when they were part of the Soviet Union), trade in steel and agricultural products, and anti-dumping procedures.

'Radical Reduction' for Russian Government and Kremlin Staff

At the April 1 Cabinet meeting of the Russian government, Prime Minister Mikhail Fradkov laid out the "sharp reduction" of senior staff, entailed in the current government reorganization. This is not a process of moving bureaucrats from chair to chair, he said, but will eliminate scores of "redundant" posts. Before, there were over 400 people with the rank of deputy minister or deputy chief of agency; now there will be 123. Each ministry will have a maximum of two deputy ministers (the Ministry of Economics and Trade currently has 12, the Finance Ministry 9). The new structure will emerge this month, said Fradkov and Dmitri Kozak, President Putin's close aide who now heads the government staff.

On March 25, Putin signed a decree to restructure the Presidential Administration, as well. Its chief, Dmitri Medvedev, will have only two deputies instead of seven. The survivors are the powerful, behind-the-scenes figures Igor Sechin and Vladislav Surkov. Several of the other deputies will still be employed as aides to Putin. The reorganization appears aimed, though, to end the Presidential Administration's functioning as a shadow to the government; for example, the economic department of the Presidential Administration has been eliminated, while several other sections were merged.

It may be noted that, however bloated the notorious "Soviet bureaucracy" was, both the government and the Kremlin *apparat* ballooned into even larger administrative structures during the 1990s.

At his residence in Sochi, the weekend of March 27-28, Putin staged a nationally televised "no neckties" briefing for the Kremlin press pool, to explain these moves. He said the Presidential Administration had emerged in the revolutionary period of the early 1990s, but now that turmoil was over, and a different kind of organization was needed. He also took the opportunity to tell why he had selected Fradkov as Prime Minister, stressing the latter's toughness—as in sending his young son to attend the Suvorov Military Academy in St. Petersburg in the mid-1990s, when others were looking for more comfortable careers in business—and selfless commitment to the state.

LaRouche Strategic Analysis Discussed in Russia

Two Russian publications issued in March indicate ongoing discussion of Lyndon LaRouche's strategic analyses in influential circles within Russia.

General Leonid Ivashov, former chief of the Russian Defense Ministry's international department and now Vice President of the Academy of Geopolitics, wrote in his March 25 "Topic of the Day" commentary for the MiK (Marketing and Consulting) web site, under the headline "International Terrorism Stems From Poverty," that the current outbreak of international terrorism can only be understood in the setting of the profound crisis of the world economy. Ivashov cited "Schiller Institute estimates" that the ratio of the virtual economy to real production is 10 to 1. "That is, an enormous dollar bubble has been inflated, a kind of financial pyramid, which is bound to pop," said General Ivashov. He attributed the attack on Iraq to "Washington's feverish attempts to save the situation" by grabbing oil, adding that such a maneuver "can only hasten the approach of the global collapse."

Under these circumstances, Ivashov underscored the insanity of the Russian liberals having "attempted to copy in Russia the immoral economic model" imported from the USA in the 1990s. He quoted Lyndon LaRouche as telling him that "you [Russia] have paid with your resources to support the collapsing world financial system, run by the oligarchical families of Britain and the United States."

The world crisis of the liberal monetarist system, Ivashov wrote, has bred a security crisis—most definitely for that system's promoter, the United States. Iraq is one example, but "the genie of violence, once out of the bottle, has flown all over the world, concentrating on the USA, Israel, Great Britain, and their allies in the anti-Iraq coalition," as seen most

recently in the railway bombing in Spain.

The other publication is a lengthy unsigned discussion of European Security Policy put out on March 10 by the NAMAKON think tank, an analytical center run by ex-Soviet intelligence officers. The topic is "European Security Policy" and how it may be shaped during the current world crisis. The analysis reflects its authors' very detailed study of LaRouche's writings and speeches, as well as intelligence analyses published by *EIR*. Subsumed topics include Dick Cheney's role in the U.S. administration, the ideological leadership of Leo Strauss, Samuel Huntington's *The Soldier and the State*, the relationship of the economic crisis and strategic matters, and LaRouche's Eurasian Land-Bridge "grand design" as the centerpiece of a potential strategic shift in the world.

Mideast News Digest

Published Amid Discussions Around Cancelled Summit

Al-Arab International, edited in London, but published in Tunisia, host of the cancelled Arab Summit, published Lyndon LaRouche's statement "How Must We Deal with the New Turn in this Worsening Crisis?" on March 31. The statement (see [Editorial, EIW #13](#)) was written by LaRouche in response to questions from *Al-Arab*. The answers were planned to appear on the eve or the day of the summit, but was withheld when the hosting country, Tunisia, abruptly decided to cancel the Arab Leaders' Summit.

The publishing of LaRouche's statement now comes at a more important point of the crisis. While Arab leaders are divided on how to continue to survive with the Bush Administration, "the poisonous Gila Monster," LaRouche's message is that nations of the world "should unite to crush the this Nazi-like serpent in its nest." The title of the statement in *Al-Arab's* "International Affairs" page is: "Lyndon LaRouche: The source of the danger to civilization is the reluctance of nations to unite." It has a secondary headline quoting LaRouche: "To begin discussing such facts openly would in itself be an important step forward." The statement is accompanied by a photo of LaRouche identified as Democratic Presidential candidate. The Arabic translation of this statement is available on LaRouche's Arabic website (www.nysol.se/arabic).

U.S. 'Reform' Sabotages Arab League Summit

The Arab League, representing the 22 governments of the Arab world, was hit by a bombshell on the eve of its March 29-30 summit in Tunis. Not a terrorist attack, but an event with potentially comparable consequences occurred. For the first time in the organization's 57-year history, the summit was called off—or rather, postponed—during final preparations. Arab League General Secretary Amr Mussa warned that the postponement would have "dangerous consequences for joint Arab action." He added, "The situation is serious and immediate action must be taken." See the article by Muriel Mirak-Weissbach in this week's InDepth for the full story.

Fallujah Exposes the Straussian Liars

"Jubilant residents dragged the charred corpses of four foreign contractors including at least one American through the streets Wednesday and hanged them from the bridge spanning the Euphrates River," *Associated Press* reported on March 31. "Five American soldiers died in a roadside bombing nearby.... It is reminiscent of the 1993 scene in Somalia, when a mob dragged the corpse of a U.S. soldier through the streets of Mogadishu."

In an intelligence evaluations discussion about this, incident with *EIR* staff, Lyndon LaRouche commented that "This is a case where sheer incompetence, typified by Cheney and Rumsfeld, kills. Their tendency for lying has not assisted them."

Fallujah is exactly the kind of result that Gen. Anthony C. Zinni, former Commander-in-Chief of the U.S. Central Command, warned against—at least twice—when commenting on the insane neo-con plan to overthrow Saddam Hussein, drafted by Ahmed Chalabi of the Iraqi National Congress and his neo-con co-conspirators: Paul Wolfowitz, Wayne Downing, and Richard Perle. Zinni warned against this in a U.S. Senate hearing in January 1999, and in his Farewell remarks to the U.S. Naval Institute in March 2000.

In contrast, the great Chickenhawk, Richard Perle, on two occasions, in October 2002 and March 2003, said on U.S. national TV that there will be "dancing in the streets" by the Iraqi people, and that when Saddam Hussein is toppled, "Then I think it's over for the terrorists."

See this week's InDepth, "Ahmed Chalabi's Bay of Goats," for more on this story.

Sharon Copies Policy of Nazi Jurist Carl Schmitt

A senior member of the German Jewish community wrote in *Neue Zuercher Zeitung* March 27 that, in assassinating Hamas leader Sheikh Ahmed Yassin, Ariel Sharon is following the "friend-foe" doctrine of Carl Schmitt. Micha Brumlik, a senior member of the German Jewish community and head of the Leo Braun Institute, wrote in the Swiss daily on March 27 that Ariel Sharon's "justification" for the assassination of Hamas leader Sheikh Ahmed Yassin bespeaks an ideology that "derives directly" from (Nazi ideologue) Carl Schmitt. Schmitt wrote, in 1933, that the friend-foe situation can escalate to the point that self-preservation necessitates the liquidation of the other side.

Brumlik noted that Schmitt meant his statement to be not only a "statement of fact," but as something he said, "juridically legitimized." This is totalitarian thinking, Brumlik added, and it is a total rejection of the "Greek-Judeo-Christian tradition" which was established by Plato, who wrote that a state can only be considered legitimate if it is based on the rule of law. What Sharon's government is doing, is practicing the logic of Carl Schmitt (the self-proclaimed "Nazi Crown Jurist") who wrote that everything escalates into a special state of emergency, *Ausnahmezustand*," in which all existing rules are overturned, and raw power as such prevails.

We know what the friend-foe dialectic escalates into, Brumlik warned: the Nazi concentration camps. This also stands against every idea on which the State of Israel was founded in 1948.

Sharon Could Be on His Way to Jail

Israeli Prime Minister Ariel Sharon could be going to jail, as an outcome of one of the longest-running political organized-crime investigations in the history of the "free world."

On March 28, Israel's Chief Prosecutor Edna Arbel delivered to Attorney General Menahem Mazuz, a draft indictment of Sharon for taking huge bribes from David Appel, a real-estate developer and Likud Party money-bags who was indicted after an investigation of several years for bribing Sharon, his Deputy Prime Minister Ehud Olmert, also of the Likud, and Sharon's son Gilad. The money was said to have been channelled through Gilad Sharon. Attorney General Mazuz has announced that he will decide in about a month whether to indict Sharon—which would make him the first Prime Minister in the history of Israel to be indicted.

In a related development, the Israeli Supreme Court on March 29 ruled that Gilad Sharon must turn over documents

relating to the bribery case, which he has so far refused to do.

The referral by the Chief Prosecutors has renewed the calls for Sharon to resign now, including a call by Sharon's own Minister of Infrastructure, Yosef Paritzsky, a member of the Shinui Party. Knesset (Parliament) member Yossi Sarid, a leader of the Meretz Party, demanded, "How can you run the country when a heavy cloud of bribery allegations hovers over your head? We all know that when we have a personal problem, it eats away and distracts our mind." - The 'Greek Island' Deal -

This is no penny-ante case: It involves, according to the January indictment of Appel, a transfer of "\$3 million and additional monthly payments through inflated compensation; a payment of \$100,000, and another NIS 2,582,634 [\$600,000] to the Sycamore Ranch estate...." The money all passed through Gilad, Sharon's financial handler, in return for several favors from 1998 to 2001: for example, getting Sharon, then Foreign Minister, to influence the Greek government to sell a Greek island to Appel, where he could set up a gambling casino. Another deal involved rezoning agricultural land which Appel had purchased near the city of Lod. The "Greek island" deal never materialized, but the documents from Gilad are expected to confirm that the money kept going to Sharon.

The documents that Gilad must now turn over could be the final nail in the coffin for the Sharon "family." Public opinion is not likely to favor Sharon, especially after the Israeli people learned, through newspaper accounts, that police wiretaps have caught the Prime Minister himself telling Appel, "The island is ours," contradicting Sharon's claims that he knew nothing of the Greek island deal.

One Israeli commentator also noted with disgust that, in talking to Appel, Sharon used the same phrasing he used in the 1967 Arab-Israeli War, when he announced, "The Temple Mount is ours." Both messages are vintage Sharon, who long ago should have been indicted for war crimes, rather than mere bribe-taking. - Scratching Each Other's Backs -

Since the January indictment of Appel, Sharon has been confident that Washington would save him. He shrugged off the indictment and escalated military operations, including air strikes into Lebanon and Syria, and frequent assassinations of Palestinian militants, culminating in the March 22 assassination of Sheikh Ahmed Yassin, spiritual leader and founder of the Hamas organization that Sharon himself had built up as a counterweight to the Palestine Liberation Organization.

The chaos that will follow the Yassin killing has yet to unfold.

Now, Sharon is scheduled to arrive in Washington on April 14, with his hands still bloody from personally supervising that assassination. But Sharon will find Washington changed, and there are reports that the meeting may be cancelled.

Dick Cheney, Sharon's protector, is himself being investigated—nine separate inquiries, so far—involving fraudulent statements about the threat posed by Iraq and Saddam Hussein; intimidation of critics of the Iraq war; and financial fraud around the Iraq war-related, no-bid "sweetheart" contracts awarded to Halliburton, the company which Cheney headed for six lucrative years, during which he was paid well over \$40 million, and which is still paying him hundreds of thousand of dollars a year. - A Changed Washington -

Inside Israel, Sharon's trump card has been his proven close relationship to Washington. But the White House, facing an election, wants something from Sharon—a foreign policy "success" in the Middle East, which is in shambles because of the insurgency following an Iraq war that was supposed to be a "cakewalk."

Middle East sources report that Sharon's visit is occurring as part of a deal the desperate White House hammered out, whereby Sharon promised he would clear Israelis out of the Gaza Strip, and also close down six or seven remote Jewish

settlements in the West Bank. But the Israeli extreme right wing has threatened to bring down his government if Sharon gives Bush this deal.

It is clear that in Sharon, the U.S. is dealing with a gangster, whom Labor Party Knesset member Ofer Pines-Paz compares to "the Sopranos on television." The Appel case is one of several multimillion-dollar frauds for which Sharon is still under investigation, including illegal American contributions to his 1999 Likud leadership campaign, and a \$1.5-million loan from South African businessman Cyril Kern.

Already, forces in Washington's neo-con war camp are feeling out options to replace Sharon. The two leading jackals—Finance Minister Bibi Netanyahu and Defense Minister Shaul Mofaz—are already circling, waiting for Sharon's political corpse to stop twitching. But the continuing investigations into David Appel, a member of the Likud Central Committee, show that his money taints the entire Likud. If he goes under, many others besides Sharon may fall.

—from the [New Federalist](#) April 2, 2001.

Asia News Digest

Abu Sayyaf Terrorists Arrested in Manila

Four leading Abu Sayyaf terrorists were arrested with explosives in Manila, Philippines President Gloria Macapagal-Arroyo announced, in a high-profile national TV broadcast March 30. The arrests are certain to have an impact on the Presidential campaign, now in full swing (the election is scheduled for May 10). Those arrested are identified as leading participants in the kidnapping and beheading of an American and several Filipinos; a bombing which killed an American soldier; and other terror attacks in Mindanao in 2000-02. One of the four suspects claims to have planted a bomb on a ferry in Manila Bay in February, which killed over 100 people.

Police also found 80 pounds of TNT, and Arroyo claimed they had "prevented a Madrid-level attack in the metropolis." President Arroyo has been broadcasting since the 3/11 Madrid bombing that Manila could be next, due to Arroyo's support for the Iraq war.

Some aspects of the situation remain obscure. The dates of the arrests were not announced, but the implication is that some or all took place some time earlier. Arroyo was reportedly advised by police not to announce the arrests prematurely, as the investigations are continuing, but she decided to go ahead, with the obvious political implications for the campaign.

Arroyo had appointed an Anti-Terrorism Task Force in the wake of the Madrid bombing, headed by former President Fidel Ramos, who played the leading role in the two infamous military-run coups in the Philippines, in 1986 and 2001. There are indications that there are contingency plans for postponing the elections, or even declaring an emergency government, perhaps using terrorism as the justification.

The U.S., which has been deeply involved in the military operations against Abu Sayyaf in Mindanao, was also reported to have played a role in the arrests in Manila.

Myanmar 'Road Map' Moves Forward

The Myanmar ruling council announced March 31 that the "temporarily suspended national convention" (suspended since 1995!) will reconvene on May 17 in Yangon, to write a new Constitution for the country. The Constitutional Convention

was suspended in 1995 when the opposition National League for Democracy (NLD) of Aung San Suu Kyi refused to accept a framework for government which included the military, and because there were continuing problems with ethnic separatist movements. In the past years, UN representative Razali Ismail (from Malaysia) and others have slowly convinced Suu Kyi to accept the reality (and the actual necessity) of a military role, and she appears now to be willing to proceed with serious negotiations on that basis. Suu Kyi is still under house arrest, but that will, of necessity, be lifted if the convention is to proceed.

Also, the military regime has succeeded over the past few years in pacifying essentially all of the ethnic separatist movements, allowing full participation by all ethnic minorities in the Constitutional Convention. Former Indonesian Foreign Minister Ali Alatas, who has also contributed to bringing the two sides together in Myanmar, told a Washington conference in March that Myanmar had been saddled with a British-authored Constitution when given its independence, which granted every ethnic group in the country the right to declare independence—a strategy for continual chaos (which, not accidentally, allowed for the continued British-controlled drug production in the largely ungoverned areas). Barring sabotage from the neo-cons in the U.S. Congress, there is now a chance for both peace, and a final end to the colonial legacy in Myanmar.

Thailand, which has helped forge the current progress in Myanmar, is holding a new round of international talks on Myanmar in Bangkok on April 29-30, with 17 nations participating—without the USA.

GOP Threatens U.S. Military Intervention in Thailand, Philippines

The U.S. Republican Party issued a limp excuse March 30 for the incredible assertion, contained in a mass-distribution questionnaire from the National Republican Congressional Committee (NRCC), that asked: "Should America broaden the war on terrorism into other countries that harbor and aid terrorists, such as Thailand, Syria, Somalia, and the Philippines?" While it is bad enough to threaten Syria and Somalia, Thailand and the Philippines have been declared "non-NATO allies" of the U.S. by this Republican Administration! When both the Thai and Filipino governments issued strong protests, Carl Forti, the spokesman for the NRCC, weakly responded: "The questions on the survey should probably have been vetted better"; he did not apologize, or offer to issue a correction.

Australian Opposition Leader Would Pull Troops Out of Iraq

Australian Labor leader Mark Latham recently announced that, as Prime Minister, he would take his country's troops out of Iraq. Then, on March 31 he reported that he had been briefed by defense officials (as head of the opposition), who admitted that the justification for Australia's entry into the war had been proven false.

On April 1, Prime Minister John Howard moved to censure Latham for misleading the Parliament, claiming that the defense briefing never happened. Latham then named the official, who admitted that he had held a "brief discussion" with Latham on weapons of mass destruction in Iraq, but denied giving him a full briefing. Latham replied by accusing Howard of manipulating the intelligence services, and misleading the Parliament himself. The Australian Broadcasting System described the confrontation as having "escalated from a skirmish into warfare."

Australia Loots Poorest Nation in Southeast Asia

The Nation, the leading English-language paper in Thailand, published a scathing exposure April 1 of Australia's looting of oil from East Timor—the country it "saved" from Indonesia in 1999. The editorial reports on a leaked transcript of a meeting between Australian Foreign Minister Alexander Downer and East Timor Prime Minister Mari Alkatari last year, in which Downer is reported to have said: "We are very tough. We don't care if you give information to the media. Let me give you a tutorial in politics—there's not a chance" that the international border between Australia and East Timor (in the

Timor Sea) will be submitted to an international court, as East Timor had requested. Such a court would surely rule that the border runs equally between the two nations, rather than along a jury-rigged course that gives Australia nearly all the oil—a deal struck with Indonesia's Suharto as a payoff for allowing the Indonesian occupation of East Timor in 1975.

Australia told East Timor to accept the unfair border, and thus also Australia's control of 82% of the revenues for the field that should belong entirely to East Timor—or Australia would cancel their investment in the joint development of a smaller field, depriving the impoverished mini-state of its only hope for some revenue.

Writes *The Nation*: "Downer's bullying tone was not unusual—it has typified Australia's negotiations on the gas fields.... Canberra is essentially robbing East Timor—the poorest country in Southeast Asia—of billions of dollars, and perhaps even more distastefully, dressing it up as an act of generosity.... Sadly, it also raises questions about Australia's involvement in East Timor in 1999, one of Canberra's biggest foreign-affairs successes in decades. Was it really just about gas and oil?"

Chinese Defense Minister Visits India

In the first visit by a Chinese Defense Minister to India since 1994, Minister Cao Gangchuan was received by Indian Prime Minister Atal Bihari Vajpayee on March 30 in New Delhi.

Vajpayee called for strengthening the exchanges and cooperation between the two nations' militaries. He praised progress made in defense cooperation during the past few years, and said the two militaries should continue to safeguard peace and stability along the borders, in the region, and in the rest of the world as well.

"I wish that China and India will become eternal good neighbors, good partners and good friends and that the two peoples will live in peace with each other from generation to generation," Cao said. He is in India at the invitation of Indian Defense Minister George Fernandes, who made a highly successful visit to China in April 2003. Cao, who came from Pakistan and will visit Thailand after leaving India, also met Fernandes, with whom he discussed better cooperation and "confidence-building measures."

Southern Thailand Terror Threat Escalates

Ten men stole a large quantity of explosives from a quarry in Yala in southern Thailand on March 30. Over a ton of ammonium nitrate (about the amount of the fertilizer that was used in the October 2002 Bali bombing), 56 sticks of dynamite, and 175 detonators were taken, even as the number of bombings and arson attacks escalated in the past weeks. Thai President Thaksin Shinawatra expressed concern that the Songkran "Water Festival" in mid-April might be targeted by terror attacks.

The source of the terror wave is shrouded in mystery. Islamic separatists are suspected, as there have been recurrent outbreaks of violence in the past by such groups. However, a leading regional political figure who had joined the ruling Thai Rak Thai Party, was arrested last week on suspicion of complicity. Also, according to the guards who were overpowered at the quarry, the thieves who stole the explosives had central Thai accents. The thieves apparently had inside information that the quarry had just obtained the explosives from a military depot, as required by law. Deputy Prime Minister Gen. Chavalit Yongchaiyudh said he does not believe the culprits are Muslim separatists, as he does not believe they would kill innocents, but that the terror is politically motivated, to destabilize the government.

South Korea Launches High-Speed Rail

South Korea launched the 300-km KTX express, its first high-speed rail system, on March 31. The train will cut 90 minutes on the trip from Busan to Seoul. South Korea is the fifth nation with high-speed rail (France, Japan, Germany, and Spain are the others). Acting President Goh Kun said this was the "starting point for a 21st century Iron Silk Road" to Europe, and will "lead South Korea to become the prosperous hub of Northeast Asia, connecting to the North Korean railway, the Russian Trans-Siberian railway and the Trans-China railway."

This Week in History

April 4 - 11, 1968

Martin Luther King and 'The Sublime'

Perhaps among our nation's fallen heroes, only Abraham Lincoln compares with Dr. Martin Luther King in the quality of the Sublime: the deliberate decision to risk certain death in order to stand for a principle. In both cases, the principle they died for was, as they believed, absolutely crucial for the survival and progress of our nation.

We print here the majority of Dr. King's speech, given April 3, 1968, the night before he was shot and killed, which indicates his prescience that he would be killed, but that he knew that the cause for which he died, was right.

Read it carefully, over and over, to judge how you spend your own life, in this current vale of crisis.

'I've Been to the Mountaintop'

by Martin Luther King, Jr.

Thank you very kindly, my friends. As I listened to Ralph Abernathy in his eloquent and generous introduction and then thought about myself, I wondered who he was talking about. It's always good to have your closest friend and associate say something good about you. And Ralph is the best friend that I have in the world.

I'm delighted to see each of you here tonight in spite of a storm warning. You reveal that you are determined to go on anyhow. Something is happening in Memphis, something is happening in our world.

As you know, if I were standing at the beginning of time, with the possibility of general and panoramic view of the whole human history up to now, and the Almighty said to me, "Martin Luther King, which age would you like to live in?" I would take my mental flight to Egypt through, or rather across the Red Sea, through the wilderness on toward the promised land. And in spite of its magnificence, I wouldn't stop there. I would move on by Greece, and take my mind to Mount Olympus. And I would see Plato, Aristotle, Socrates, Euripides and Aristophanes assembled around the Parthenon as they discussed the great and eternal issues of reality.

But I wouldn't stop there. I would go on, even to the great heyday of the Roman Empire. And I would see developments around there, through various emperors and leaders. But I wouldn't stop there. I would even come up to the day of the Renaissance, and get a quick picture of all that the Renaissance did for the cultural and aesthetic life of man. But I wouldn't stop there. I would even go by the way that the man for whom I'm named had his habitat. And I would watch Martin Luther as he tacked his 95 theses on the door at the church in Wittenberg.

But I wouldn't stop there. I would come on up even to 1863, and watch a vacillating President by the name of Abraham Lincoln finally come to the conclusion that he had to sign the Emancipation Proclamation. But I wouldn't stop there. I would even come up to the early thirties, and see a man grappling with the problems of the bankruptcy of his nation. And come with an eloquent cry that we have nothing to fear but fear itself.

But I wouldn't stop there. Strangely enough, I would turn to the Almighty, and say, "If you allow me to live just a few years in the second half of the 20th century, I will be happy." Now that's a strange statement to make, because the world is all messed up. The nation is sick. Trouble is in the land. Confusion all around. That's a strange statement. But I know, somehow, that only when it is dark enough, can you see the stars. And I see God working in this period of the 20th Century in a way that men, in some strange way, are responding to something happening in our world. The masses of people are rising up. And wherever they are assembled today, whether they are in Johannesburg, South Africa; Nairobi, Kenya; Accra, Ghana; New York City; Atlanta, Georgia; Jackson, Mississippi; or Memphis, Tennessee, the cry is always the same: "We want to be free."

And another reason that I'm happy to live in this period is that we have been forced to a point where we're going to have to grapple with the problems that men have been trying to grapple with through history, but the demand didn't force them to do it. Survival demands that we grapple with them. Men, for years now, have been talking about war and peace. But now, no longer can they just talk about it. It is no longer a choice between violence and nonviolence in this world; it's nonviolence or nonexistence.

Human Rights Revolution

That is where we are today. And also in the human rights revolution, if something isn't done, and in a hurry, to bring the colored peoples of the world out of their long years of poverty, their long years of hurt and neglect, the whole world is doomed. Now, I'm just happy that God has allowed me to live in this period, to see what is unfolding. And I'm happy that He's allowed me to be in Memphis.

I can remember, I can remember when Negroes were just going around as Ralph has said, so often, scratching where they didn't itch, and laughing when they were not tickled. But that day is all over. We mean business now, and we are determined to gain our rightful place in God's world.

And that's all this whole thing is about. We aren't engaged in any negative protest and in any negative arguments with anybody. We are saying that we are determined to be men. We are determined to be people. We are saying that we are God's children. And that we don't have to live like we are forced to live.

Now, what does all of this mean in this great period of history? It means that we've got to stay together. We've got to stay together and maintain unity. You know, whenever Pharaoh wanted to prolong the period of slavery in Egypt, he had a favorite, favorite formula for doing it. What was that? He kept the slaves fighting among themselves. But whenever the slaves get together, something happens in Pharaoh's court, and he cannot hold the slaves in slavery. When the slaves get together, that's the beginning of getting out of slavery. Now, let us maintain unity.

Secondly, let us keep the issues where they are. The issue is injustice. The issue is the refusal of Memphis to be fair and honest in its dealings with its public servants, who happen to be sanitation workers. Now, we've got to keep attention on that. That's always the problem with a little violence. You know what happened the other day, and the press dealt only with the window-breaking. I read the articles. They very seldom got around to mentioning the fact that one thousand, three hundred sanitation workers were on strike, and that Memphis is not being fair to them, and that Mayor Loeb is in dire need of a doctor. They didn't get around to that.

Now we're going to march again, and we've got to march again, in order to put the issue where it is supposed to be. And force everybody to see that there are 1,300 of God's children here suffering, sometimes going hungry, going through dark and dreary nights wondering how this thing is going to come out. That's the issue. And we've got to say to the nation: we know it's coming out. For when people get caught up with that which is right and they are willing to sacrifice for it, there is no stopping point short of victory.

We aren't going to let any mace stop us. We are masters in our nonviolent movement in disarming police forces; they don't know what to do, I've seen them so often. I remember in Birmingham, Alabama, when we were in that majestic struggle there we would move out of the 16th Street Baptist Church day after day; by the hundreds we would move out. And Bull Connor would tell them to send the dogs forth and they did come; but we just went before the dogs singing, "Ain't gonna let nobody turn me 'round." Bull Connor next would say, "Turn the fire hoses on." And as I said to you the other night, Bull Connor didn't know history. He knew a kind of physics that somehow didn't relate to the transphysics that we knew about. And that was the fact that there was a certain kind of fire that no water could put out. And we went before the fire hoses; we had known water. If we were Baptist or some other denomination, we had been immersed. If we were Methodist, and some others, we had been sprinkled, but we knew water.

That couldn't stop us. And we just went on before the dogs and we would look at them; and we'd go on before the water hoses and we would look at it, and we'd just go on singing "Over my head I see freedom in the air." And then we would be thrown in the paddy wagons, and sometimes we were stacked in there like sardines in a can. And they would throw us in, and old Bull would say, "Take them off," and they did; and we would just go in the paddy wagon singing, "We Shall Overcome." And every now and then we'd get in the jail, and we'd see the jailers looking through the windows being moved by our prayers, and being moved by our words and our songs. And there was a power there which Bull Connor couldn't adjust to; and so we ended up transforming Bull into a steer, and we won our struggle in Birmingham.

The Greatness of America

Now we've got to go on to Memphis just like that. I call upon you to be with us Monday. Now about injunctions: We have an injunction and we're going into court tomorrow morning to fight this illegal, unconstitutional injunction. All we say to America is, "Be true to what you said on paper." If I lived in China or even Russia, or any totalitarian country, maybe I could understand the denial of certain basic First Amendment privileges, because they hadn't committed themselves to that over there. But somewhere I read of the freedom of assembly. Somewhere I read of the freedom of speech. Somewhere I read of the freedom of the press. Somewhere I read that the greatness of America is the right to protest for right. And so just as I say, we aren't going to let any injunction turn us around. We are going on.

We need all of you. And you know what's beautiful to me, is to see all of these ministers of the Gospel. It's a marvelous picture. Who is it that is supposed to articulate the longings and aspirations of the people more than the preacher? Somehow the preacher must be an Amos, and say, "Let justice roll down like waters and righteousness like a mighty stream." Somehow, the preacher must say with Jesus, "The spirit of the Lord is upon me, because he hath anointed me to deal with the problems of the poor."

And I want to commend the preachers, under the leadership of these noble men: James Lawson, one who has been in this struggle for many years; he's been to jail for struggling; but he's still going on, fighting for the rights of his people. Rev. Ralph Jackson, Billy Kiles; I could just go right on down the list, but time will not permit. But I want to thank them all. And I want you to thank them, because so often, preachers aren't concerned about anything but themselves. And I'm always happy to see a relevant ministry.

It's all right to talk about "long white robes over yonder," in all of its symbolism. But ultimately people want some suits

and dresses and shoes to wear down here. It's all right to talk about "streets flowing with milk and honey," but God has commanded us to be concerned about the slums down here, and his children who can't eat three square meals a day. It's all right to talk about the new Jerusalem, but one day, God's preachers must talk about the New York, the new Atlanta, the new Philadelphia, the new Los Angeles, the new Memphis, Tennessee. This is what we have to do.

Now the other thing we'll have to do is this: Always anchor our external direct action with the power of economic withdrawal. Now, we are poor people, individually, we are poor when you compare us with white society in America. We are poor. Never stop and forget that collectively, that means all of us together, collectively we are richer than all the nations in the world, with the exception of nine. Did you ever think about that? After you leave the United States, Soviet Russia, Great Britain, West Germany, France, and I could name the others, the Negro collectively is richer than most nations of the world. We have an annual income of more than \$30 billion a year, which is more than all of the exports of the United States, and more than the national budget of Canada. Did you know that? That's power right there, if we know how to pool it.

We don't have to argue with anybody. We don't have to curse and go around acting bad with our words. We don't need any bricks and bottles, we don't need any Molotov cocktails, we just need to go around to these stores, and to these massive industries in our country, and say, "God sent us by here, to say to you that you're not treating his children right. And we've come by here to ask you to make the first item on your agenda fair treatment, where God's children are concerned. Now, if you are not prepared to do that, we do have an agenda that we must follow. And our agenda calls for withdrawing economic support from you."

And so, as a result of this, we are asking you tonight, to go out and tell your neighbors not to buy Coca-Cola in Memphis. Go by and tell them not to buy Sealtest milk. Tell them not to buy—?what is the other bread? Wonder Bread. And what is the other bread company, Jesse? Tell them not to buy Hart's bread. As Jesse Jackson has said, up to now, only the garbage men have been feeling pain; now we must kind of redistribute the pain. We are choosing these companies because they haven't been fair in their hiring policies; and we are choosing them because they can begin the process of saying, they are going to support the needs and the rights of these men who are on strike. And then they can move on downtown and tell Mayor Loeb to do what is right.

But not only that, we've got to strengthen black institutions. I call upon you to take your money out of the banks downtown and deposit your money in Tri-State Bank—we want a "bank-in" movement in Memphis. So go by the savings and loan association. I'm not asking you something we don't do ourselves at SCLC. Judge Hooks and others will tell you that we have an account here in the savings and loan association from the Southern Christian Leadership Conference. We're just telling you to follow what we're doing. Put your money there. You have six or seven black insurance companies in Memphis. Take out your insurance there. We want to have an "insurance-in."

Now these are some practical things we can do. We begin the process of building a greater economic base. And at the same time, we are putting pressure where it really hurts. I ask you to follow through here.

'A Dangerous Unselfishness'

Now, let me say as I move to my conclusion, that we've got to give ourselves to this struggle until the end. Nothing would be more tragic than to stop at this point, in Memphis. We've got to see it through. And when we have our march, you need to be there. Be concerned about your brother. You may not be on strike. But either we go up together, or we go down together.

Let us develop a kind of dangerous unselfishness. One day a man came to Jesus; and he wanted to raise some questions

about some vital matters in life. At points, he wanted to trick Jesus, and show him that he knew a little more than Jesus knew, and through this, throw him off-base. Now that question could have easily ended up in a philosophical and theological debate. But Jesus immediately pulled that question from mid-air, and placed it on a dangerous curve between Jerusalem and Jericho. And he talked about a certain man, who fell among thieves. You remember that a Levite and a priest passed by on the other side. They didn't stop to help him. And finally a man of another race came by. He got down from his beast, decided not to be compassionate by proxy. But with him, administering first aid, and helped the man in need. Jesus ended up saying, this was the good man, this was the great man, because he had the capacity to project the "I" into the "thou," and to be concerned about his brother. Now you know, we use our imagination a great deal to try to determine why the priest and the Levite didn't stop. At times we say they were busy going to church meetings—?an ecclesiastical gathering—?and they had to get on down to Jerusalem so they wouldn't be late for their meeting.

At other times we would speculate that there was a religious law that, "One who was engaged in religious ceremonials was not to touch a human body 24 hours before the ceremony." And every now and then we begin to wonder whether maybe they were not going down to Jerusalem, or down to Jericho, rather to organize a "Jericho Road Improvement Association." That's a possibility. Maybe they felt that it was better to deal with the problem from the causal root, rather than to get bogged down with an individual effort.

But I'm going to tell you what my imagination tells me. It's possible that these men were afraid. You see, the Jericho road is a dangerous road. I remember when Mrs. King and I were first in Jerusalem. We rented a car and drove from Jerusalem down to Jericho. And as soon as we got on that road, I said to my wife, "I can see why Jesus used this as a setting for his parable." It's a winding, meandering road. It's really conducive for ambushing. You start out in Jerusalem, which is about 1,200 feet above sea level. And by the time you get down to Jericho, 15 or 20 minutes later, you're about 2,200 feet below sea level. That's a dangerous road. In the days of Jesus it came to be known as the "Bloody Pass." And you know, it's possible that the priest and the Levite looked over that man on the ground and wondered if the robbers were still around. Or it's possible that they felt that the man on the ground was merely faking. And he was acting like he had been robbed and hurt, in order to seize them over there, lure them there for quick and easy seizure. And so the first question that the Levite asked was, "If I stop to help this man, what will happen to me?" But then the Good Samaritan came by. And he reversed the question: "If I do not stop to help this man, what will happen to him?"

That's the question before you tonight. Not, "If I stop to help the sanitation workers, what will happen to all of the hours that I usually spend in my office every day and every week as a pastor?" The question is not, "If I stop to help this man in need, what will happen to me?" "If I do not stop to help the sanitation workers, what will happen to them?" That's the question.

Let us rise up tonight with a greater readiness. Let us stand with a greater determination. And let us move on in these powerful days, these days of challenge to make America what it ought to be. We have an opportunity to make America a better nation. And I want to thank God, once more, for allowing me to be here with you.

'If I Had Sneezed'

You know, several years ago, I was in New York City autographing the first book that I had written. And while sitting there autographing books, a demented black woman came up. The only question I heard from her was, "Are you Martin Luther King?"

And I was looking down writing, and I said yes. And the next minute I felt something beating on my chest. Before I knew it I had been stabbed by this demented woman. I was rushed to Harlem Hospital. It was a dark Saturday afternoon. And that blade had gone through, and the X-rays revealed that the tip of the blade was on the edge of my aorta, the main artery. And once that's punctured, you drown in your own blood—that's the end of you.

It came out in the *New York Times* the next morning, that if I had sneezed, I would have died. Well, about four days later, they allowed me, after the operation, after my chest had been opened, and the blade had been taken out, to move around in the wheel chair in the hospital. They allowed me to read some of the mail that came in, and from all over the states, and the world, kind letters came in. I read a few, but one of them I will never forget. I had received one from the President and the Vice President. I've forgotten what those telegrams said. I'd received a visit and a letter from the Governor of New York, but I've forgotten what the letter said. But there was another letter that came from a little girl, a young girl who was a student at the White Plains High School. And I looked at that letter, and I'll never forget it. It said simply, "Dear Dr. King: I am a ninth-grade student at the White Plains High School." She said, "While it should not matter, I would like to mention that I am a white girl. I read in the paper of your misfortune, and of your suffering. And I read that if you had sneezed, you would have died. And I'm simply writing you to say that I'm so happy that you didn't sneeze."

And I want to say tonight, I want to say that I am happy that I didn't sneeze. Because if I had sneezed, I wouldn't have been around here in 1960, when students all over the South started sitting in at lunch counters. And I knew that as they were sitting in, they were really standing up for the best in the American dream. And taking the whole nation back to those great wells of democracy which were dug deep by the Founding Fathers in the Declaration of Independence and the Constitution. If I had sneezed, I wouldn't have been around in 1962, when Negroes in Albany, Georgia, decided to straighten their backs up. And whenever men and women straighten their backs up, they are going somewhere, because a man can't ride your back unless it is bent. If I had sneezed, I wouldn't have been here in 1963, when the black people of Birmingham, Alabama, aroused the conscience of this nation, and brought into being the Civil Rights Bill. If I had sneezed, I wouldn't have had a chance later that year, in August, to try to tell America about a dream that I had had. If I had sneezed, I wouldn't have been down in Selma, Alabama, been in Memphis to see the community rally around those brothers and sisters who are suffering. I'm so happy that I didn't sneeze.

And they were telling me, now it doesn't matter now. It really doesn't matter what happens now. I left Atlanta this morning, and as we got started on the plane, there were six of us, the pilot said over the public address system, "We are sorry for the delay, but we have Dr. Martin Luther King on the plane. And to be sure that all of the bags were checked, and to be sure that nothing would be wrong with the plane, we had to check out everything carefully. And we've had the plane protected and guarded all night."

And then I got to Memphis. And some began to say the threats, or talk about the threats that were out. What would happen to me from some of our sick white brothers?

Well, I don't know what will happen now. We've got some difficult days ahead. But it doesn't matter with me now. Because I've been to the mountaintop. And I don't mind. Like anybody, I would like to live a long life. Longevity has its place. But I'm not concerned about that now. I just want to do God's will. And He's allowed me to go up to the mountain. And I've looked over. And I've seen the promised land. I may not get there with you. But I want you to know tonight, that we, as a people, will get to the promised land. And I'm happy, tonight. I'm not worried about anything. I'm not fearing any man. Mine eyes have seen the glory of the coming of the Lord.

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