

[return to home page](#)

This Week You Need To Know

Cheney and His Policies Now Under Bipartisan Attack

by Edward Spannaus

Vice President Dick Cheney has made himself such an inviting target, that he is now under attack from both Democrats and Republicans. Sen. Ted Kennedy (D-Mass.) delivered an extremely thoughtful speech on Jan. 14, which avoided the usual Democratic "blame-it-all-on-Bush" rhetoric in favor of a precise analysis of *who* in the Administration actually led Bush down the path to war against Iraq. Kennedy described what he called "an extraordinary policy coup," carried out by "Cheney, Rumsfeld, and Wolfowitz, the axis of war" (see *Documentation*).

Kennedy traced the war party's origins back to the office Cheney held in the first Bush Administration, when he was Secretary of Defense and Paul Wolfowitz was one of his top advisors. Kennedy quoted from the 1997 book by George H.W. Bush and his National Security Advisor, Brent Scowcroft, in which they explained why they resisted pressures to eliminate Saddam in the first Gulf War: "We would have been forced to occupy Baghdad and, in effect, rule Iraq. The coalition would instantly have collapsed.... The United States could conceivably still be an occupying power in a bitterly hostile land." Kennedy also referenced two other major developments which are feeding the clamor against Cheney: the publication of the new book based on the experiences of former Treasury Secretary Paul O'Neill in the Bush-Cheney Administration, and the devastating report on Iraqi Weapons of Mass Destruction issued on Jan. 8 by the Carnegie Endowment for International Peace.

Kennedy noted that he knows Paul O'Neill from having worked with him on issues of job safety and health care, when O'Neill headed Alcoa in the 1990s. Describing O'Neill as "a person of great integrity, and intelligence and vision," Kennedy said, "it's easy to understand why he was so concerned about what he heard about Iraq in the Bush Administration"—namely, that overthrowing Saddam Hussein had been on the agenda from the very beginning.

It is also clear that O'Neill viewed Cheney as the real power and the key policymaker in the Administration; he describes the President as shallow and superficial, disengaged and uninterested in the complexities of policy. In the book, *The Price of Loyalty*, O'Neill is cited portraying Cheney as driving the Administration's key domestic and foreign policies—always putting his political priorities above the national interest. Author Ron Suskind describes how O'Neill implored his old friend Cheney to open up a more rigorous debate and policymaking process in the White House—and finally realized that it is Cheney himself who is the problem.

As a columnist in the *International Herald Tribune* put it: "These scenes are reminiscent of a spy thriller in which the protagonist warns the head of counterintelligence that there is an enemy mole in their midst, only to discover that his confidant is actually the mole."

O'Neill is not an off-the-reservation renegade, as White House flacks are trying to portray him. Knowledgeable sources have advised *EIR* that O'Neill is speaking for many mainstream Republicans who are horrified at the drift of Administration

policy and the role of Dick Cheney. Top White House advisor Karl Rove and other insiders are aware that polls show that many Republicans would be happy to see Cheney dumped from the ticket this year—but they still believe, mistakenly, that to let Cheney go would constitute an admission that the President had been misled, which they are not yet ready to make.

Carnegie Also Hits Cheney

Cheney was prominently featured in the presentation of the new Carnegie report entitled "WMD in Iraq: Evidence and Implications." The report has received extensive domestic and worldwide coverage. Throughout it, there are many quotations from statements by Cheney expressing certainty that Saddam Hussein was on the verge of developing nuclear weapons; claiming that Saddam was linked to terrorists; and falsely asserting that he had provided training to al-Qaeda.

The Carnegie report zeroes in especially on the shift in official intelligence assessments which took place during 2002, and culminated in the October 2002 National Intelligence Estimate (NIE). The report says that this shift suggests "that the intelligence community began to be unduly influenced by policymakers' views sometime in 2002." It then notes, "In this case, the pressure appears to have been unusually intense," and it then gives as the example of this pressure, "the Vice President's repeated visits to CIA headquarters."

In presenting the report to a Washington press conference, the project director for the report, Joseph Cirincione, focussed almost exclusively on Cheney when demonstrating how the Bush Administration had misrepresented the findings in the October 2002 NIE on Iraq. Cirincione quoted statements by Cheney in August of 2002 ("We now know that Saddam has resumed his efforts to acquire nuclear weapons. Many of us are convinced that Saddam will acquire nuclear weapons fairly soon."), to illustrate how the Administration mischaracterized the certainty and the immediacy of the threat.

Cirincione then quoted Cheney in September 2002 ("We know with absolute certainty that he is using his procurement system to acquire the equipment he needs in order to enrich uranium to build a nuclear weapon."), and cited Cheney's attacks on the International Atomic Energy Agency in March 2002—after the IAEA had reported that its inspectors had found no indication of resumed nuclear activity in Iraq, and that the documents purporting to show Iraqi attempts to import uranium, were forgeries. "They [the IAEA] have consistently underestimated or missed what Saddam Hussein was doing," Cheney asserted. "I don't have any reason to believe they're any more valid this time."

Army War College Study

Adding fuel to the fire, the Strategic Studies Institute of the U.S. Army War College has released a report which is highly critical of both the Iraq War and the Administration's global war on terrorism (the "GWOT"). Called "Bounding the Global War on Terrorism," and written by Dr. Jeffrey Record, a professor at the Air Force's Air War College, the report says the global war on terrorism has been "dangerously indiscriminate and ambitious" and "strategically unfocussed"; while the Iraq War was "unnecessary and unrealistic." The result is that the Army is "near the breaking point."

The Record study is a scathing attack on the Bush Administration for bungling the war on terrorism, with grave potential strategic consequences: "The administration has postulated a multiplicity of enemies, including rogue states; weapons of mass destruction (WMD) proliferators; terrorist organizations of global, regional and national scope; and terrorism itself. It also seems to have conflated them into a monolithic threat, and in so doing has subordinated strategic clarity to the moral clarity it strives for in foreign policy, and may have set the United States on a course of open-ended and gratuitous conflict with states and non-state entities that pose no serious threat to the United States."

Record also zeroes in on one of Dick Cheney's obsessions, the claims that Saddam Hussein was linked to al-Qaeda: "Of particular concern has been the conflation of al-Qaeda and Saddam Hussein's Iraq as a single, undifferentiated terrorist

threat. This was a strategic error of the first order because it ignored critical differences between the two in character, threat level and susceptibility to U.S. deterrence and military action. The result has been an unnecessary preventive war of choice against a deterred Iraq that has created a new front in the Middle East for Islamic terrorism and diverted attention and resources away from securing the American homeland against further assault by an undeterrable al-Qaeda. The war against Iraq was not integral to the GWOT, but rather a detour from it."

Military Lawyers Dissent

A further indication of dissatisfaction within the military over the Administration's policies steered by Cheney, is the extraordinary legal brief filed with the U.S. Supreme Court on Jan. 14, by uniformed military lawyers who have been assigned by the Pentagon to defend Guantanamo prisoners before military tribunals. In their *amicus curiae* brief, filed in the case of a number of Middle Eastern men being detained at the Guantanamo military prison, the lawyers charge that the system of military tribunals (or commissions) created by the Defense Department after Sept. 11, 2001, has created "a legal black hole" and a "monarchical regime."

The military lawyers are not challenging the President's right, as Commander-in-Chief, to wage war and to take enemy combatants into custody. But they strongly challenge the President's right to try and punish such prisoners, and they call this a usurpation of the power of the judiciary. "If there is no right to civilian review, the government is free to conduct sham trials and condemn to death those who do nothing more than pray to Allah," the brief states.

Sources have told *EIR* that the military tribunal scheme, in its original form, did not come out of the uniformed military, but was dreamed up by civilian lawyers in the Pentagon, and by the Counsel to the Vice President, David Addington, himself another veteran of the Office of Secretary of Defense during Cheney's tenure in the early 1990s.

Latest from LaRouche

Lyndon LaRouche Interview with Jack Stockwell

Jan. 14, 2004

The following interview was aired live on KTKK in Salt Lake City, Utah, and was on the internet at www.k-talk.com.

ANNOUNCER: And now the consummate voice of sense and sensibility himself, Jack Stockwell.

STOCKWELL: Good morning, everybody, 5-1/2 minutes after the hour of 7 o'clock, here in the Inter-Mountain West. You're listening to the Jack Stockwell radio talkshow program, brought to you live, with 25% extra for free.

Starting this morning, and going as long as we possibly can, we will have live, here—he's holding on the line, right now—Presidential candidate Lyndon LaRouche, running on the Democratic ticket. I have a mess of questions to ask him myself. As long as he can stay, we'll take calls from the callers, later in the program. I would like him to be able to have a chance here, to establish just what his campaign means, in 2004. And where it is, right now, and what he projects, especially following the Washington, D.C. primary that occurred yesterday.

In the polls in Washington that were taken, he was neck and neck with the good Rev. Al Sharpton. I don't know that all the numbers are in yet, but we'll see. Apparently, it didn't make the news that much last night, 'cause I was scouring the news

before bed, trying to find some mention of it. And the only real mention I could find, was a continual downplay of its importance—that it "means nothing." In fact, that's what CNN said last night. "This really means *nothing*." ...

Mr. LaRouche, good morning, sir!

LAROUCHE: Good morning to you.

STOCKWELL: And welcome back to the program. I have been trying to contact the campaign camps of various Democratic hopefuls. So far, you're the only one who has [laughs] consented to come on my program! They're all busy stumping throughout the rest of the country, trying to, I guess take the attention of the American people away from how desperate things really are. because they don't really seem to dwelling on the issues that matter the most at the moment. In fact, you are about the only one I see, really addressing the reality of what is facing us this year, in the sense of economics, in the sense of social order, in the sense of political order. And that's what I hope we're able to get to this day.

So. And, before I forget about it, I want to personally invite you to the state of Utah, as my guest! I want to personally invite you out here to the state of Utah. I know, that in doing that, I go on record, and may end up on Vice President Dick Cheney's "bad list" for doing so—and that's, you know, I'll be in good company, but that's probably not the safest list to be on the moment.

But, I personally want to invite you to the state of Utah. There are a lot of people who enjoy you, and some of your spokespeople when they're on the air, and I think we can have some fun.

LAROUCHE: yes, absolutely.

STOCKWELL: Okay, so. Here we are, Jan. 14, 2004. We just had the first primary last night. Apparently the former governor of Vermont won. And most of what was going on, on the news last night relative to the 2004 campaign, seemed to be centered on what will happen at the caucus meetings next Monday night, in Iowa. And of course, they bring out all the Hollywood stars. Martin Sheen is "keen for Dean," and all these silly little platitudes we're going to be hearing shortly.

But, your assessment, sir, as to what is going on, in the campaign and where we are right now?

LAROUCHE: Well, take this Washington, D.C. thing first: We had polls which were run before the day of election, which showed both Sharpton and I running about 20%. He was suddenly getting a boost from the Moonies and so forth, and being played up by the *Washington Post*. So, he suddenly came out of nothing. He had an office there, with just scrap paper in it, and no sign of him. And then three days before the election, and so forth, he appears with a big boost from that crowd.

Now, at that point, we had a 20%-20% ratio between he and me. Then comes yesterday—I'm down to 1%! And, obviously, something happened. Now, our assessment is, this was not the Democratic National Committee that did it. Though the Democratic National Committee was all over the case. The Democratic National Committee did not do what was done yesterday. It came from a different source—and there's only one source in the nation, that fits that schedule: and that's the Vice President.

STOCKWELL: Yes.

LAROUCHE: And the Vice President is very unhappy with me, considers me his number-one enemy—and probably, that's a fact. He's suffering a great deal, especially with his old acquaintance Paul O'Neill turning on him. And you see how he's behaving toward Paul O'Neill. At the minute that Paul speaks up, then suddenly Cheney unleashes with an accusation of

stealing secret documents! It didn't bother him, with the case with Valerie Plame—.

STOCKWELL: And you've seen former Secretary O'Neill's latest response, to the fact that he was stealing documents?

LAROUCHE: Yeah—

STOCKWELL: That he said he got 'em from the General Counsel of the Treasury Department himself!

LAROUCHE: Anyway—

STOCKWELL: I think I've got some traffic, coming in right now. And we've got some people that are out there in the dark, fumbling around and trying to get to work....

You're still on the air, Lyn. We'll just go right to Bob.... [traffic report]

If you're just tuning in, ladies and gentlemen, Lyndon LaRouche, live here on the air from Leesburg, Virginia. We're just kind of recounting what happened in the Washington primary yesterday.

Lyn, I can just see, into the office of the Vice President right now, in one of its various hidden locations, with your picture on the wall with a bunch of darts on it—

LAROUCHE: I think, mini-nukes, would be more likely!

STOCKWELL: Why would the Vice President be so upset with you?

LAROUCHE: Well, first of all, the Vice President is the nearest approximation we have on this planet to Adolf Hitler, right now. And I don't particularly like Adolf Hitler, or his type.

This crowd, these fellows are getting very active: We have this Spanish-language, French, Italian fascist crowd, who are killers, are being deployed in the Americas, as well as European. It's getting rather nasty. Reminds us of the 1970s, when you were getting right-wing terrorism coming out of Mussolini's old admirers from Bologna. This kind of thing is going on again.

Now, Cheney, in a sense, even though he's a rival of this stuff, is actually a part of the same Synarchist crowd. He's not intelligent. But he's nasty. And he has a lot of powerful connections. And he's tied to people like George Shultz, and Buffett, and George Soros, and so on; people of that type. So, he does have a certain amount of capability. And he has the old "World War III with nuclear weapons crowd" inside the military-industrial complex, as Eisenhower called it. And he's dangerous.

But, he's also, as O'Neill, Paul O'Neill, the former Treasury Secretary, put it, he is also, essentially controlling the President. The President is the dummy, who's being controlled.

Now, there's a counter operation there, from Cheney's old rival and enemy, from Bush 41: James Baker III. And James Baker III is rather a tough fighter. And, since the two of them are fighting, the fray is going to become interesting. It's a question of whether Cheney is going to be the Vice President, again, is up for grabs, and so forth.

So, at this point, Cheney, with what he is—he's like the Hermann Goering of the United States. He's dangerous. He's not so bright, but he's dangerous. Goering was probably a little smarter. And he's got a crowd around him, the so-called neo-conservatives, who are a bunch of killers. The danger is, this guy's going to get us into nuclear war.

STOCKWELL: Well, along with him, is another crowd of people who run with the President, and the one I'm thinking of right now, is Attorney General Ashcroft, who has just announced a new system of identification for air travel, where even American citizens, themselves, are going to be categorized as "red," "yellow," or "green." This was just in the news this morning: That I, as a native-born American citizen, with no criminal record whatsoever—heck with my Fourth Amendment rights, or the Bill of Rights, for that matter—I'm now going to be categorized with a red, or a yellow, or a green designation, before I can even get on an airplane.

LAROCHE: Well, Ashcroft and Cheney are the same thing. They're all part of this Leo Strauss apparatus. Ashcroft is a Chicago University Strauss-circle protegee. He is philosophically a follower of the fellow who was called the "Crown Jurist" of Nazi Germany. That's one of his mentors. He thinks like a Nazi—a crude one. But, I warned against this guy, when they were first putting him in, back in January of 2001. This guy's dangerous.

He is the same thing. He's part of the same process as Cheney. These guys are out to establish a world empire. They're committed to a policy of preventive nuclear war. If we don't get them out of there, we're going to *be* in nuclear-armed, asymmetric warfare, globally, within a couple years. That's where we're headed.

So, the problem that we have, is that the stupidity of the American people, that they are so cowed by this process, that they won't fight it. Look, none of the Democratic rivals of mine, will take this on. We have the evidence on this guy Cheney. We have impeachable charges against him. And they won't fight! They're a bunch of silly cowards.

STOCKWELL: My guest is Lyndon LaRouche. We'll be back in just a moment.... [traffic break]

My guest is Lyndon LaRouche, Democratic candidate for the Presidency of the United States.

Lyn, I have to ask you a question here. You were referring to Vice President Cheney as the closest thing to Hermann Goering, that the United States has. And you've used the term "Nazi." Why—I mean, I don't know how you could come up with anything worse, to describe this man, than terminology such as that. What has he done, that would deserve that kind of a moniker.

LAROCHE: That's what he is. You know, this has a history: People didn't really understand what happened to us, in the history of this nation. And they don't realize how bad Hitler was, or where Hitler came from. So therefore, there's a lot of "well, maybe he wasn't that bad"; "yes, he was a bad guy, but we got rid of him"; "he did this, he did that." It wasn't not like that—

STOCKWELL: As though he were some isolated case, or some aberrant person, who just made it into office.

LAROCHE: Yeah. Because what he represented, and what Cheney represents, is a continuity of an organization which has existed since the 18th Century, which was then known as the Martinist freemasonic association—actually run from London. They ran the French Revolution. They created it, organized it, and so forth.

This crowd later became known as Synarchy, during the course of the 19th Century. And the same crowd, then became known as the Synarchist International, at the beginning of World War II. Now, these are the guys who brought all of the fascist movements in Europe into being: Mussolini in 1922; Hitler, you know, 1933; the same thing, all the way through.

So, these are the guys that got us into World War II. They are the ones who did the crimes against Jews. They did all these things. And we have the same kind of crowd, the same crowd, now with the faces of Cheney, the followers of Leo Strauss, and so forth, is out to do the same thing.

Every time, we get into a situation, in which the present financial system is about to collapse, as it is now—one has to understand, that right now, the floating-exchange-rate system, is on the verge of collapsing, a total collapse. When it will collapse is difficult to say, in terms of short term. But it's coming on soon. It's going to happen. You have, you know, people try to deny this sort of thing, but it's happening.

STOCKWELL: Well, even Robert Rubin, the other day, said it's on the verge.

LAROCHE: Well, Bob Rubin has always been very careful, even though he's agreed that the thing is on the verge of collapse he's been very careful about saying it, because he's considered the effect of his saying it, on the political process.

STOCKWELL: Right, okay.

LAROCHE: So, now, he's saying it, because the thing is so bad, that it's imminent. You know, I just had one of my friends who challenged Alan Greenspan in Berlin. Alan wasn't too happy with that! But, the thing is on, right now. We're on the verge of the greatest financial collapse, in the memory of anyone alive today.

STOCKWELL: Yeah. We're not about the dollar dropping against the euro, another 10 or 15 cents. We're talking *major* devaluation of the American dollar.

LAROCHE: We're talking about a total collapse that could result in the disintegration of our nation, unless we control it.

It can be controlled. But, the problem is, that there are certain banking influences, or financial influences, which—as in Hitler's time—react to a financial crisis by saying, "We are not going to absorb the costs of getting out of this recession, this depression."

STOCKWELL: The banks.

LAROCHE: "We're going to take it out of the people."

STOCKWELL: Yeah, not the banks, but the people.

LAROCHE: And, this is what's going on. The fight is: Are we going to loot the people in order to make the bankers feel good. That's the general nature of the problem. And—

STOCKWELL: Is that the thinking then, that is promoting certain interests in the Democratic Party right now, probably, in the person of Howard Dean, who has been openly in favor of NAFTA, openly in favor of globalism all along, so, that should, by some hair of a chance, he get in the Presidency, rather than the reelection of Bush 43, it would still be the same agenda as we have right now?

LAROCHE: I don't know if it's possible that he could get it. He's being used by various people. He's a flake. You may have picked that up by watching him.

STOCKWELL: Now, why do you use the term "flake"?

LAROCHE: Watch him. Watch his behavior. Watch this thing about the Confederate flags on SUVs.

STOCKWELL: Yeah, or his sudden love affair with Jesus.

LAROCHE: Yeah, this guy's a flake. And he can be pulled down easily. They orchestrate him. He can make some big gaffe, and they'll just knock him out of the race.

What he's doing now, he's actually playing a game. He's being used by advisors, to play a game. He's not that significant, actually. But the fact is, the Democratic Party is brain-dead, right at the moment. My nine rivals are virtually brain-dead! Kucinich is an intelligent fellow, but he's not a fighter.

STOCKWELL: What about Kerry?

LAROCHE: Kerry is a mystery. He's acting like a gutless wonder. And he's not saying things he knows are true.

STOCKWELL: Like things about the Vice President?

LAROCHE: Yeah.

STOCKWELL: All right. Let's get back to that right after the break.... My guest Lyndon LaRouche, live from Leesburg, Va., running as a Democratic candidate for the President of the United States.... [break]

We want to welcome the large, unseen internet audience that's out there. Right now I know the show's been advertised on several websites, for this morning's interview. My guest, Lyndon LaRouche is here this morning, live in the—"live in the studio" I wish! That was my invitation, Lyn. Was to get you out here to Utah, have you live in the studio. And then have a big gathering some night, and so people can come and ask the questions. Because, I keep hearing the same smear. The same questions, coming up all the time. And, you know, dismissals as "anti-Semite," the dismissals as "racist." You know, rather than going after the principles that you teach, rather than going after the concepts, of what you represent, or what is a part of your mindset, rather than going after that, you know, then they do the smear; they just try to dismiss somebody with the old "mad dog" routine.

LAROCHE: It's orchestrated. It's orchestrated—

STOCKWELL: Well, yes it is—

LAROCHE: I mean, none of these guys are honest. I mean, the point is, a person who is reasonably honest, who used to believe in this—we had even a legal standard of truthfulness, and lying. It was called "reckless disregard for truth."

STOCKWELL: Yes.

LAROCHE: And, what you have is, these guys who mouth off all this stuff about me, they're liars! They're not honest people. They're not people with honest concerns, that they're expressing. They're not somebody who's misinformed, who would like to know what the truth is. These are guys, who try to haunt talk radio and other things, and think that they're

having a grand ol' time for themselves. And if you actually found out who they were, what they're part of, you'd understand them.

STOCKWELL: Yes.

LAROCHE: They're not real. They're not real people.

STOCKWELL: Good for you.

Now, I want to ask a couple more questions, about your assessment of the DNC, and why they're doing what they're doing. George Soros's influence here. What they're trying to achieve. And then, I'd like to turn the conversation to, what you would be actually doing, should you be elected as President of the United States.

So, a question in the area of, Soros has now suddenly come in; he's dumped all this money into the DNC, with the idea of making sure, or at least the banner headline is, "to defeat George Bush in 2004." Where's he coming from? Why's he doing this? And, who is really behind the DNC? Is it the same crowd that is behind the White House?

LAROCHE: Well, more or less. It's also organized crime, for example—that is, the so-called whitewashed organized crime, of people who came out of smuggling whisky across the Great Lakes, and became so-called "respectable," but they didn't improve their behavior. They just improved their public relations image.

Look, you'd seen these things like Enron; you see the prosecutions in New York. You see this latest thing on Parmalat, which is a U.S. operation, tied into the Cayman Islands swindle, which has seized upon the Parmalat firm in Italy and is looting it.

Now, what you've got is, you've got two things: First of all, you have— criminality is the characteristic, at least morally, emotionally, of many people who are the wealthiest people in the United States, today. That is, wealthy in terms of their positions, and their salaries that they're getting from these kinds of, usually, thieving operations.

Then, you have another thing: You have a Baby-Boomer generation. You have people in their fifties, who reacted to the—as a generation—the individuals sometimes differ, but they react to be part of our crowd, our generation. This is the generation, that went through the Missile Crisis, as adolescents; they went through the Kennedy assassination, the launching of the Indo-China War. They became the '68ers, the so-called Baby-Boomers. Now, they were part of a culture, that went from a producer society, characterized by manufacturing and agriculture and so forth, into a Roman imperial-style of bread and circuses society: that is, entertainment society, living parasitically on the rest of the world, because of that system.

Now, these people do not have a sense of reality. They have a sense that they are part of a generation. Each of them has their conception of a "lifestyle." They don't have a sense of a future. And recent studies have shown, as I've found out for myself, is that the younger generation, their children, especially the 18 to 25 college-eligible generation and their parents' generation, have a very serious conflict. The conflict is not based so much on the character of the individual; it's based on "how I look in front of the neighbors." "I've got to get along with the neighbors. I've got go along with the way things are. I've got to 'go along to get along.'"

So the Baby-Boomer generation, as it's called, with this "go along to get along," and especially the upper 20% of family-income brackets, in that generation, these people are in a state of hysterical denial of reality. And the base of the Democratic Party's appeal, is this denial of reality, by this generation.

Then along comes a real parasite: A George Shultz. The Halliburton. Cheney. George Soros, a drug pusher. These guys come along, and they find a market for themselves and their influence, in this Baby-Boomer generation, which is in a state of denial. "We want our lifestyle. Don't threaten our lifestyle. We want our lifestyle. Don't talk about the future. Don't talk about the country. Don't talk about the poor people."

So that's our problem. And, what I've been doing, of course, is to take a youth movement, which I helped craft, based on an understanding of what we have to do, to get a generation, that can turn the United States *back* to the best that it used to be. And youth of this type, have shown they can do that.

So, we have a big fight. We have a fight, between a Democratic National Committee, which is brain-dead, effectively. They are, as I've described them, currently, they are politically "dead meat." They could not win an election—any of them, or all of them combined—could not win an election against George Bush, and George Bush's machine.

STOCKWELL: All of them combined! All of them combined, could not defeat George Bush, Jr. Yeah, George Bush, Jr.'s ratings last night, still up in the 60s. Approval rating in the low 50s, but people like his leadership. I haven't seen that one before. We'll be right back.... [break]

My guest, live here on the radio this morning, Lyndon LaRouche, Democratic candidate for the President of the United States.

The last thing that we were talking about there, or at least what I mentioned before the break, was, I noticed the polls there, still pumping him up. But now CNN was delineating between how many people think he's a good leader, as to how many people approve of what he's doing. And it was something like 67, 68% thought he was still a good leader; but only 53% approved of what he was doing. Sounds like a little misinformation to me.

LAROCHE: No, it's actually correct.

What the figures are really showing, is that the people in general, see the Democratic candidates, my rivals, as bankrupt. And they think that these guys are so bad, that even George Bush is better.

Now, what has tended to help George Bush, among Republicans, in particular, is James Baker III coming back into the situation.

STOCKWELL: Well, he got him into the Presidency! He had to come back into the picture.

LAROCHE: But the point is, James Baker III is an old enemy of Dick Cheney.

STOCKWELL: Yes. Yes.

LAROCHE: The two of them would kill each other, if they could. And, so, at this point, there is a hope, in the Republican Party main body, that Cheney will be dumped, along with the neo-cons.

STOCKWELL: Well, isn't that what this coming out of Secretary O'Neill seems to indicate?

LAROCHE: Well, O'Neill is—

STOCKWELL: That there may be a turning of the tide, here, in the Republican Party?

LAROCHE: Oh that's already been in place. That's been in place for some time. The point is, the time that a break point came, somewhere along here, where suddenly James Baker III came into the fore again, that was a signal that something had been happening. And as far as I knew, it's been happening since, essentially, since 2001—late 2001, 2002. There's been extreme discontent, among farm-state Republican leaders, and others, the so-called "normal Republicans"—human beings, even though they're not always so good. But nonetheless, they have a sense that this is *rotten*. That what Rumsfeld and Cheney represent, what these neo-cons represent, you've got to get rid of it, it's a menace to the nation—.

Look, there are actually Republicans, as well as others, who recognize that the Democratic Party, which used to have a machine, no longer has a machine. The Republican Party has an efficient political machine. It's like a meat-grinder. The Democratic Party may be thuggish at times, but they don't have a well-organized machine. They don't have a base: Ever since '76-1980, the Democratic Party has been dying. The case of Clinton, that was a fluke. A very special kind of fluke.

So the Democratic Party is nothing right now. All the Democratic Party has, potentially, is the legacy of the Franklin Roosevelt. And under conditions of depression, it can win. They are determined *not* to use the legacy of Franklin Roosevelt: They *hate* Franklin Roosevelt, and they hate his memory! Just as much as John Raskob did, back in 1932. They hate him—

STOCKWELL: Why?

LAROCHE: Because they represent corrupt money. They hate the lower 80% of the family-income brackets in this country—

STOCKWELL: The forgotten man that got Roosevelt elected, they hate—

LAROCHE: Exactly.

Because, they hate me for that reason. Because the lower 80%, if you're going to represent the people of the United States, you *better* represent the interests, at least, of the lower 80% of the population. You better represent the interests of people, who count.

STOCKWELL: Which Howard Dean does not.

LAROCHE: No. No, he's on the other side.

STOCKWELL: Yeah.

LAROCHE: The whole problem here, is, Dean is able to be a front-runner, because his eight rivals, on his side of the fence, are so bad! Including Kerry. Kerry can't seem to do anything right. He's a far better man, than Dean. He's a human being. Dean, you sometimes wonder what he is! But—Kucinich is also a human being. He's not the strongest guy in the world.

So, these guys are at their worst, not when their in the Congress, but when their on the hustings. And they are there, because the Democratic Party machine insists upon it. The Democratic Party machine is a bunch of bums; McAuliffe is a bum. He's the Fowler side of the Democratic National Committee.

So, what's happened is, therefore, you have, the Republicans have a machine. There's hope in the Republican side, that the James Baker III reappearance means that Cheney's going to be checked and curbed. There are other signs of that internationally.

At the same time, the Democratic Party candidates, that I'm running against, are a hopeless bunch of creeps, as far as the voters can see! They don't say anything! Look at their broadcasts: They don't say anything! They've had all these so-called debates. They've said absolutely nothing about anything of importance. And that is what is building up George Bush. And with this kind of Republican machine, which *is* a machine, against Democrats like the McAuliffe Democratic National Committee, and his crew of chickens running the show, no matter how bad things get, the Democrats will be worse. And people will think that a George Bush minus Cheney—as dumb and as mean-spirited as George is—is a better choice than this do-nothing, capable of doing-nothing Democrats.

STOCKWELL: Well, we have an extension of that in this state, when Donald Dunn, who is the chairman of the Democratic Party here in the state, essentially said to some people the other day, who reported it here on the air; and we brought Chairman Dunn on, live here on the radio, that what he does, he does at the behest of McAuliffe.

LAROUCHE: Yeah, sure.

STOCKWELL: That's it. There is no independent action on the part of the Democratic Party, in the state of Utah. The Democratic Party, according to the chairman of the Democratic Party, in the state of Utah, will do exactly what the National Committee tells them to do.

LAROUCHE: And no self-respecting Democrat thinks it's worthwhile supporting such a party.

STOCKWELL: Yeah! You know, I was raised in Washington, D.C. I was raised in a very strong Democratic Party environment. I waxed a little more conservative when I moved out to the West. But, I can remember influences, back in Washington—you know, I was in eighth grade at the assassination, and I went through the Indo-China War, when I was high school. And I remember a lot of attitudes and feelings within the Democratic Party, back there at that time, of strong, fierce independence. And I don't see anything like that any more in the Democratic Party.

LAROUCHE: Well, that's what we're concerned about. People I talk to about this—you know, obviously, I'm in that kind of situation—

STOCKWELL: We are going to take another break.... When we get back, Lyn, I'd like to start moving the conversation in the direction of what you would do, if you not just got the nomination, but you got the Presidency. What would you change? We'll be right back.... [break]

I want to start turning the conversation, as to what you would actually do, should you get in the Presidency. But I have to ask this: Next week we have Iowa and New Hampshire. Are you personally going to these states?

LAROUCHE: Oh, I've been in there. I've had quite a little fun.

STOCKWELL: I know you've been up in the Northeast. I've seen some reports about that.

LAROUCHE: Yeah, and we're having a lot of fun. We're putting a lot of media in there, relatively speaking. We're probably a little bit—we're rather experienced at this sort of thing. And I think we're rather professional, in terms of *how* we

approach this. And at the point that I'm now, looking down at the amateurs I'm running against, when it comes to how you use the media to try to get ideas across.

STOCKWELL: What can we expect out of you, in the first 100 days of your Presidency?

LAROCHE: Well, I think would start before that. If on Nov. 2, the election of this year, it were announced that I had won, you would see immediate changes in the world, very important changes—even before I got near the actual Executive Mansion.

That's because I've been around the world; I've been talking to people around the world; I have influence around the world. And I've laid out my policy very clearly around the world. People know *exactly* where I stand. They're unhappy with the way things are going now, in most parts of the world. And my being elected would be a cause for rejoicing among leading and other circles in most parts of the world. Which means, we could immediately start going to work, on putting together the program which I've already laid out, in terms in general, and it would mean we're going to do it!

It would be something like Franklin Roosevelt. Actually, it'd be much more dramatic than Franklin Roosevelt. We don't have any fascist governments, actually, around the world today—barring what's going on in Spain. Therefore, we don't have any Hitlers to worry about at the moment. We have potential Hitlers to worry about.

But therefore, we have a free shot. As President of the United States, or being elected as President of the United States, I would have support for my Presidency, like nothing any President has had in recent times. We could begin to do things. And obviously, the things I've talked about would happen: We would have an immediate meeting, on setting into motion a new international monetary system. We would take measures, immediately, just by talking, as President-elect: we would take measures immediately, which people would take in other countries, knowing I'm going to be President. And therefore, they would know what policies I represent, and they would begin to take some of these measures. Which would help to control this ongoing depression.

We would take measures—

STOCKWELL: Go ahead.

LAROCHE: So, that's the direction I'd go in.

Now, what I'm aiming at is this. We have a world which is organized thus: We have the Western Hemisphere. And below our borders it's a mess. Mexico is the only nation, which really has some strength, and they're being weakened. South America, it's a horrible mess. Central America, the Caribbean, a horrible situation. Africa, southern Africa: Genocide. That's the situation. However, Middle East—great danger.

But in the rest of Eurasia, apart from England, for example, we have an excellent situation. We have bankruptcy in Western Europe, but we have industrial potential. We have, in Russia, which is coming back as a power now; and in the middle of March, when Putin is re-elected, which seems almost certain, you're going to have a change in Russian policy, which will be much more of a great power policy, with an orientation toward the United States, as a prospective major partner; a prospect toward Western Europe, as a major economic partner; and an Eurasian policy, of all of Eurasia being involved with the trade between Western Europe and Eurasia, generally.

So, under these conditions, if the United States is participating in the reorganization of Eurasia, if we're doing what I know we can do, in terms of South America, strengthening Mexico and so forth, we have a good shot.

If we do that, we going to be able to fix the situation in Africa. It's going to be a long haul. But we can turn the tide, and start going in a different direction.

STOCKWELL: We're talking a generation, or two, here.

LAROUCHE: We're talking about two generations.

STOCKWELL: Yeah, at least two generations. But, it's taken two generations to get where we're at.

LAROUCHE: Yeah, but they did a very good job at getting where we're at—I mean, it's the best job of wrecking you've ever seen in modern history.

STOCKWELL: We're going to go to the news. We'll be right back. If you've got some questions, we'll certainly entertain them during the next hour.... My guest will continue to be Lyndon LaRouche, who has called us from Leesburg, Va. And, we'll continue as long as he has the strength to do so! [break]

Okay, eight minutes after the hour. My guest, Lyndon LaRouche. Mr. LaRouche, you there?

LAROUCHE: Yep. Here I am.

STOCKWELL: Okay. I had a couple of off-air calls during the break. I'm going to ask you these questions. Toward the end of the first hour, you were talking about: As soon as the word got out that you were elected, there would be an *immediate* change in some governmental policies in other nations around the world. One thing you didn't mention, that you would expect to see, is maybe, a stepping down by Russia, China, and India, from a defensive posture, moving toward an asymmetric warfare defensive position with us—they might start to step down from that—knowing that you wouldn't be quite so aggressive as the crowd that's currently in the White House.

But, a lady wanted to know, as you were explaining how you could create an economic community of nations, to start rebuilding instead of tearing down, she wanted to know, in the sense of emergency action to help us step back from the abyss of this worldwide economic collapse. I think she's looking for the "gold" word in there, but I'm not sure.

Another question was, what would you do about our borders, and these 8 million illegal immigrants coming across?

So, if you wouldn't mind addressing both of those: First of all, what would you do, in the sense of immediate, emergency posturing to keep us from the abyss of financial collapse?

LAROUCHE: Well, under the principles which are set forth in the Preamble of our Federal Constitution, I would act to immediately put the system into receivership, for bankruptcy reorganization.

STOCKWELL: Now, when you say "system," what do you mean by that?

LAROUCHE: I mean the Federal Reserve System, and all the banks. Look, all these banks are bankrupt. The whole financial system is hopelessly bankrupt. It's being held together by spit—not even glue. And a little twinge, will send the whole thing off.

Now, therefore, since we're a nation, and since we have a Presidency, we have a Constitution, in such a case the duty of the President of the United States, is to take immediate, emergency action, to make sure the doors of banks don't close, simply because the banks are bankrupt; that pensions are paid; that the continuity of the government maintained; and that we begin to grow our way out of the mess.

Now, this means that we have to put the whole system through, like Chapter 11 bankruptcy reorganization. We also have to put into bankruptcy, the IMF. The International Monetary Fund, in its floating-exchange-rate form is hopelessly bankrupt. Now, if I have cooperation from leading nations around the world, we will act jointly, as sovereign nation-states, to put the IMF into bankruptcy reorganization.

We will then, under those conditions, our immediate perspective is to launch certain recovery programs, physical economic recovery programs, which will emphasize large-scale infrastructure. One of the first things we're going to emphasize is the generation and distribution of power. Our power network is collapsing. We have large-scale water requirements, including what's happening in the Great American Desert area—that's never been touched; it has to be.

We need a national railway system, we don't have it. We're using superhighways, for commuter time parking lots. This is nonsense. Our urban cities are disintegrating. We used to have a society that functioned. It's being destroyed. So, we have many things to in the United States.

We also have, in Asia, one of the greatest opportunities in the world: That is, China, India, other countries of Southeast and East Asia, are moving toward an expansion into Central Asia, in terms of development. Large-scale projects in China, and elsewhere, are in progress. These projects represent the potential for 50 years, of enduring build-up, of markets for large-scale infrastructure development: Transportation systems, technology export systems, that sort of thing.

We have to be in on it. And the United States has to take a leading role, together with the nations of Eurasia, in getting this into works. That means, that the United States and our European and other partners must come to agreement on a nested set of long-term treaty agreements on trade and tariffs, and also financing. These will be 25-year duration to 50-year duration. These will be protectionist modes of programs. The interest rates will be 1-2%, not more. And it'll be long-term credit. The objective is to use infrastructure, as a driver, for building up our agriculture and manufacturing, and related things, again.

Because, if we can get the economy on a level of output, where it's operating on a breakeven level of current account, in the states, in the communities, on the national level, then we can manage. But the thing is, you can not use fiscal conservatism, by *cutting* things, because when you *cut* employment, you cut production, you cut the economic base of the economy. You have to go the other direction, as Roosevelt did: You must *expand* employment. You must use the area in which government is legitimate in economy—large-scale infrastructure—use that as a stimulant and a driver, to get the levels of income, that is, the number of people working, so forth, up above breakeven. Then, you can manage the whole process.

STOCKWELL: I'm going to ask you a question after the break, that might help clarify that in people's minds a little bit; when you start talking about putting people back to work, large-scale infrastructure projects, I want you to take a moment, and delineate between massive taxation of working people, to put other people to work, as opposed to the issuing of government credit; and moving to a different monetary system inside the United States, that would finance such a thing, without raising people's taxes. I want to talk about that.

But also, if you could address this other fellow's question about immigration.

LAROCHE: All right, sure. All right, we don't really have a problem with immigration. We do and we don't. We have a problem with our foreign policy and our domestic policy.

What we have done, is we shut down, beginning 1982, we began to shut down Mexico. We raped it, and shut it down. Then we turned the Mexican population into cheap labor. Now, the cheap labor came into the United States, together with people from Central America and elsewhere, came into the United States to take jobs—

STOCKWELL: Because we shut down their jobs, in their country.

LAROUCHE: Well, also the *maquiladoras* in northern Mexico—we began to grind up people like cord-wood for fire. We brought many into the United States. The Spanish speaking, or Hispanic-origin minority in the United States, is the largest single minority. Larger than people of African origins.

So, this is a key part of our population. These are citizens, or these are legal residents; and these are illegals. Bush has made a step in the right direction, it's a timid step, but it's what we have to do. First of all, we have to regularize this situation. We have to have an agreement between Mexico and the United States, on how we deal with this business of the illegals. We have to regularize it.

Then, we have to have programs which are going to stabilize Mexico, especially northern Mexico. This will mean large-scale water and transportation projects, which will benefit the United States; will run from Alaska, if Canada cooperates, all the way down to the southern part of Mexico. This will stimulate growth there. It will staunch the flow of illegals and other people, desperately seeking work in the United States, from Mexico. Because people would rather live with their families, than live among strangers. It would also solve the problem about settling in, people who are now either legal residents of the United States, or should become that.

So, that's the way to approach it. You don't need to use repressive measures, if you have the right kinds of programs. There is a problem of criminality—I mean drugs. I mean things like that. Yes, these things have to be dealt with that, and there's nobody tougher on this than I am.

But on the question of the illegals as such, in general, this is largely the result of an insane economic policy.

STOCKWELL: Yeah, and as long as we make it more attractive for them to be here, than in their own country, no matter what you do at the border, they're going to come over here.

LAROUCHE: Yeah, exactly.

STOCKWELL: So, we have to make it more attractive for them to stay home. We'll be right back, after the break....

Go ahead, you have a question for Mr. LaRouche?

Q: Good morning gentlemen, yes I do. Pleasure to speak with Mr. LaRouche. Like Jack, I was raised back in the D.C. area. My father was highly placed in government, as I was growing up. And fortunately, in the Virginia school system, back then, we had teachers that drummed everything from the Revolutionary War to the Civil War down our throats, and the reasons behind them, and the concept of freedom. I've been studying law, specifically now, for 35 years. And, there's one comment that, I know a lot of conservatives, if they heard you—or patriots, true patriots—would be concerned about.

In 1973, Sen. Frank Church, you'll recall, from Idaho, held a three- or four-day hearing back in Washington, on the War Powers Act. And, he identified, from testimony that ensued, from former Supreme Court Justices and many highly placed people, including Secretaries of Treasury, that under the War Powers Act—this is his conclusion, paraphrased—is that the

American people, all their lives, have been under the illusion that they were living under a Constitutional government; when in reality, it was the doctrine of emergency, which had set aside the provisions of most of the Bill of Rights.

Now, this situation, with Bush using the Straussians did not come about just with the election of George Bush. And I know that it is under this so-called doctrine of emergency, the application of the War Powers Act, by definition, as to the originating authority for Executive Order, and this type of scenario built up over time, it's the exact same thing that brought Hitler to power, under the emergency of doing something nationally for the country that set aside their civil liberties, their Constitution, and required that they give up their sovereignty interest to this individual that was going to save them.

The fact that you mentioned declaring an emergency, I can tell you right now, sent a ripple through every patriot that's listening to you. Could you please clarify your definition of declaring an emergency upon entering the White House.

LAROUCHE: Well, the emergency under the War Powers Act, and other kinds of emergencies, are quite distinct under our Constitution. In the forming of the Federal Constitution, the great concern was, that in creating a powerful Executive branch, that is a Presidential system, how do we prevent that system being misused, as George III had misused his war-making powers? So therefore, on the question of War Powers, the context of the Constitution, the discussions around this, and the history of it, is rather clear.

Now, when you compare an emergency by the United States and an emergency in Hitler's case, they're not comparable. Because the European systems are Anglo-Dutch Liberal parliamentary governments, and under those, you don't really have a Presidential system. You have something that collapses every time there's a major financial crisis, and usually throws up some kind of repressive regime.

We in the United States, despite all the mistakes we've made, have always understood—especially those of us who, as I am, are associated with the circles of the Presidential institution—we've always understood, that when we have to make reforms, we never make a coup against our Constitution. We make a legal coup, among the institutions of the Presidency, but we will never make a coup against the Constitution itself, because we know that our system of government depends upon that Constitution.

So, now, when you're talking about an emergency, other than a War Powers Act problem, you're talking about an emergency of the type that Franklin Roosevelt faced—where the nation was faced—. If Franklin Roosevelt had not done what he did, first in winning the election, and what he did in the first, famous "hundred days," we would be living under Hitler or his successor, today. You had a group in the United States, who were prepared to make a coup, in the United States, like that which Hermann Goering led in Germany, in February of 1933, with his setting fire to the Reichstag, as a way of bringing about emergency government.

But, by taking the *right* emergency action, within the *intent* of the Constitution, that is, within the intent of the Preamble of the Constitution, and not going outside that, we saved the nation, and we saved the world from what could have been a fascist dictatorship of the world.

On the War Powers Act, we have an abuse, today, in the form of Cheney. The way this thing was shoved through on Iraq. That was criminal. It was impeachable! And, under our laws *Cheney should be impeached*, if he does not consent to go quietly, and take his scamps with him.

But, on the other—

Q: Excuse me. What would you do, concerning this nefarious shoving through of the Patriot I and II Acts, that virtually act upon the emergency doctrines that have, in effect, eliminated civil liberties in the United States.

LAROCHE: Both of these things are unconstitutional, they're worse than unconstitutional—they're abominations. This has no place in U.S. law, in U.S. Constitutional law. Now, I'll admit that Antonin Scalia is an Associate Justice of the Supreme Court. He shouldn't be. Ashcroft is actually a follower of Carl Schmitt, who was the sponsor of Leo Strauss—his career in the United States. Schmitt was the guy who crafted the policy under which Hitler came into power in Germany. Ashcroft is moving in the same direction, and so is Cheney.

I would say, that anybody who's a patriot—to defend the Constitution sometimes means, you take the risk of getting rid of a danger: And Cheney and Ashcroft typify the worst dangers, from the *inside*, to the United States, today. In point of fact, they're a greater danger to the United States, from the inside, than any nation from the outside. If we allow this to continue, we will no longer have a republic. We will have a dictatorship.

STOCKWELL: Well, that's exactly what I think [the caller] was referring to there, when he was describing the impact of Patriot I and Patriot II, that you describe so well as an "abomination."

We'll be right back. Mick, you're next. Want to talk about trade deficits and the value of individual savings; and Gary from Ogden has some questions about the Washington primary. We'll be right back, with Lyndon LaRouche....

Q: Good morning. I can certainly see why you're impressed, Jack. There's no rhetoric or silliness. There's just real answers; I love it. My first time to hear.

My quick question: If you remove the over-burden of the debt that we have, the trillions of dollars, that, of course wouldn't touch like savings bonds or people's—you wouldn't break people's lives?

LAROCHE: No! No! The principle is the general welfare: You must defend the general welfare of the entire population. And you must not break, what does not need fixing.

MICK: But the trillions of debt would go away, wouldn't it?

LAROCHE: We'd have to reorganize it. Look, we're talking about hundreds of trillions of debt. Most of this is in the category of financial derivatives and related kinds of things. This is nothing but gambling debt. That has to be wiped out. We have legitimate debt, which has to be frozen and reorganized, because we just don't have the means to pay it. We have also, the obligation to maintain the continuity of functioning, of pensions, of businesses, and so forth. And the purpose of government, is not to try to foreclose on everybody, and squeeze them out. But, the purpose is to prevent foreclosure, to keep the system going, and growing, and work our way out of it.

Q: Absolutely, I was not accusing you of anything like that.

Didn't Teddy Roosevelt do that?

LAROCHE: No. Teddy Roosevelt was a—he was a Confederate. Really! He was trained that way, and he was actually out—. You know, there were many problems at that time. You have the Democratic Party of New York State, New York City especially, which was really a pestilence, and had not really been Republican, or Democrat, or anything, in the sense of our purpose in the Civil War. So, you had a mess. You had the development, in defense, of what were called the "trusts," which were trying to have a protectionist system which they were creating privately, in lieu of a public system.

So, Teddy Roosevelt was out to actually give rebirth to the Confederacy. That was his purpose. He was the one who gave us the police-state measures which we have the United States. He was the one who played a key role, together with Woodrow Wilson, in bringing the Federal Reserve System, under which we were looted. He was the guy who, together with Woodrow Wilson, created the income-tax system. And so forth. So, he was not exactly a nice guy.

STOCKWELL: Mick, thanks for your question. All right, let's go to Gary, up in Ogden.

Q: Hey, excellent show! I got a comment and a question. Comment: We're under martial law—period.

My question is, my local paper, the Ogden *Standard-Examiner*, which is a syndicate newspaper, part of the AP system, didn't have a word about the Washington, D.C. primary today. Why not?

LAROUCHE: Well, because, everyone is stunned. And the obvious thing, is, knowing the situation, it was not the Democrats who did the swindle that was done in Washington, D.C. Everyone's stunned by it. Because it was not done by the Democrats, not the Democratic National Committee. It was probably done by Dick Cheney, personally. And it was done, because Cheney is afraid of me. Cheney considers me, personally, his greatest enemy. And there's some justification for his feeling that way.

Q: [laughing] I guess so!

LAROUCHE: But, we did more to destroy his career than anything else. And, I'm hoping that James Baker III will come through, to clean up the mess a little bit, and help me out there.

But, it's a stunning mess! And nobody has come out of the ether, yet. And they'll begin to talk about it a few days from now.

Q: Does he have the AP down? I mean, that should be an AP release, shouldn't it—the Washington, D.C. primary?

LAROUCHE: No—they do have the power to intimidate people into looking the other way, into playing something down, and so forth. They have that power. Everybody is afraid of Dick Cheney. Dick Cheney is a combination of Heinrich Himmler and Hermann Goering. And people in Washington, who know what he is, think of him in those terms.

Q: That's censorship.

STOCKWELL: Well, it is. It is censorship. But, that's certainly not the least of their, or the worst of their problems.

Q: I know, I have to read the *USA Today*, to even getting a spattering of the news. There are so many things in there, that I never see in my local paper.

STOCKWELL: That's why I spend a couple of hours, researching every day for a two-hour radio show, newspaper headlines from around the entire planet! Going to every news service I can possibly think of. And new ones are being introduced to me by listeners who do the same thing, almost on a weekly basis, to try and get some concept of what's really taking place. Just because, they'll leave stuff out!

Q: That's why most of us listen to you, too. We get what's actually going on from you and your guests and so on. And I appreciate K-Talk.

STOCKWELL: Thanks a lot, Gary. Let's try in one more caller, before the next break. Andrew in Salt Lake.

Q: Yes, good morning Jack. Hi, Lyndon, very intelligent guest this morning.

A particular question for you, and let me preface it this way: I do not believe in prohibition. I do not believe that it is Constitutional, even though we did have an amendment, which said that we could prohibit champagne, for example. Over this last holiday season, I partook of marijuana with some friends. Do you believe that anyone has the right to tell me I can not do that?

LAROUCHE: Well, it depends. What we've done—we've got a silly situation, now, in terms of this. We're putting people into prison for long periods, for what is, at most, a minor infraction, which should not be Federal, in any case.

We have drug smugglers, who we should be going after. We're not. Not really.

ANDREW: What about Prohibition?

LAROUCHE: Well, Prohibition, was, again, this was an operation set up by Rockefeller and Co. with some friends in Canada. Remember, they had Prohibition in Canada, during World War I. In that period, they developed the gangster mob, which took over putting the hooch into the United States, once Canada went off Prohibition, and we went under the Volstead Act. So, we had the great building of organized crime.

I do not believe in unnecessary excessive things which smell like Prohibition. You don't have to over-regulate the U.S. population. Stick to things that you should stick to. For example, we've got a big problem with drugs. We've got a generation of young people who are the victims of the drug habits of their parents' generation.

STOCKWELL: Hold on a second. I want to, we'll get to more of that, here, right after the next break. And then, when you talk about going after the drug smugglers, I want to know on what level of the operation, Mr. LaRouche, you're referring to?

LAROUCHE: George Soros!

STOCKWELL: We'll be right back.... [break]

All right, Andy, I just want to give you one chance here, to perhaps, to clarify your question. I don't know if you're getting the answer you want.

Q: I wanted to ask, if he agreed, that prohibition of alcohol and prohibition of non-patent drugs are the same game.

And I'd like to point out that the marijuana that I've been getting lately, comes from Canada, where it's now legal. And I think it is the same game. And if you look at the first marijuana tax stamp, which occurred right after Prohibition was repealed, you'll see the same game players, playing the same game. And, DuPont was threatened by hemp oil, and the fiber wars were all about hemp, and the cotton industry, and Mr. Hearst's forest of trees, which he had dedicated for his newspapers, were threatened by Manila hemp. And I believe there is no Constitutional basis, for the drug war. Unless it's patent drugs and we're protecting the patent.

STOCKWELL: All right. I'm going to open up that line. Mr. LaRouche, you want to address that?

LAROCHE: I think I wouldn't agree with that. The point is, I am opposed to repressive kinds of things, the way the Volstead Act, was put into the effect. It's wrong.

STOCKWELL: You're opposed to that.

LAROCHE: Yeah, absolutely. But, there were cases, and there are problems, and which you have to deal with. The question is, how to deal with them. The problem is, in this whole business about the drug culture which was introduced, as a part of the destruction of the U.S. population, particularly the Baby-Boomer generation, in the period following the Missile Crisis, the Kennedy assassination, and the start of the war in Indo-China.

That this was an attempt to [create] a drug culture, to destroy the morals and minds of American citizens. This was what resulted in a change of the United States, from the world's leading producer society, to a post-industrial, pleasure-seeking, bread-and-circuses society, which is now bankrupt.

So therefore, in a thing like that, the first thing of government is persuasion; is to make clear that this is a menace to the public, it's a menace to the national security. Make it clear. That was not made clear. There was a bunch of opportunists, who went along with powerful interests, which were behind this—the interest of Bertrand Russell and Company.

STOCKWELL: You mean something more than just Nancy Reagan's "Just Say No."

LAROCHE: Exactly. That doesn't work at all. Doesn't work at all. There are cases, where you have to deal with a problem. And you deal with it, by the best methods. But you don't—that doesn't mean you reach for the gun right away. It means you sit back, and you say, "What's the issue?" And the way you deal with these problems, you *try persuasion first*. And, if you can solve the problem by persuasion, or even halfway solve it, don't go for anything more than that.

STOCKWELL: Okay, then. Let's bring that down to the level of people who are selling "meth" [methamphetamine] to elementary school and junior high school kids.

LAROCHE: Minors? That's different. Minors have to be protected. When people reach the age of judgment, say, 18 to 25, that range—look, they're adults. And I find that they're probably more intelligent than their parents are these days! At least the ones I'm working with.

STOCKWELL: So, what you would do with that age group, is different than what you do, selling drugs to somebody under 18?

LAROCHE: We have to protect minors.

STOCKWELL: Yeah, okay.

I'm going to go on, here. I'm going to Paul, and then to J.R. Paul, you've got a question about Utah Republicans.

Q: Yes, I do. I am a supporter of you, Lyndon LaRouche. I appreciate what you're doing, in trying to protect us, back there. And in many ways what you're doing to protect the country from being undermined by some of those in Washington, that don't seem to have the best interest of the common man out here.

But, my concern is, we've got a lot of die-hard, staunch Republicans, that are just, I call them "Bush die-hards," and I don't know really how to appeal to them, in such a way, that they'll even listen to give you a chance. I don't know what you deal with in the East, how it is there—but, any more advice for us, personally? Out here, they're just kinda—I don't know what to do. They're just going to their grave, y'know?

LAROUCHE: Let's hope they don't go to their grave, until they're saved. We don't want them to go to their graves, in that terrible condition!

Look, what I do, is this: You see, I do it. It's become a lost art. Now, I know a lot of history, and I know it from a personalized standpoint. I find that, if you can point out to people what the history of the United States, the history of Europe is, and get it across to them in a way, a personalized way; so they realize that they have absorbed the effects of successive generations' experience. For example, what about World War I? What was the effect of that? That's embedded in our society! The Depression: the Coolidge-Hoover period—embedded in us. The Roosevelt period, embedded in us. Harry Truman, that bum, embedded in us. The nuclear weapons issue, embedded in us. Eisenhower saved us from Truman and what he represented, at least for eight years. Then you had the Missile Crisis; then, you had the Kennedy assassination; the war—these things have all had their effect on the *inside* of the members of the population.

If people know, recognize, what's inside them and say, "Oh yes, I remember that. Yes, grandpa told me about that. Oh yes, I remember that." And they realize that these reactions are embedded in them, then they're more likely to be rational. Coming on directly, with a showdown argument on an issue, is sometimes necessary. But, it's not, for me, the preferred way. I would rather have people think, and think about what's embedded in them from their parents, grandparents, great-grandparents, and from earlier history. That's the way in which to get people to think—about what?

Because, how do you motivate people? Human beings? They're not monkeys. Human beings are immortal. That is, we have the power of ideas, the power to discover principles that we can not detect with the senses. We can discover those principles. We pass them on. So therefore, we, in our lifetime, inherit the ideas transmitted to us. We pass them on to others: This is an expression of our immortality. If we think about what our life means, for coming generations, for the future of our nation, then we look at ourselves differently, than if we think of ourselves—"I gotta take care of my interests, in my time. I'm gonna die soon. I gotta get it while I'm here!" And that difference in attitude, is the problem.

When you have a dedication, to say, "We're all going to die." Call that the "penny." It's called the "talent," in the Protestant version of the New Testament. We have a talent. How are we spending that talent? What are we buying in eternity, for that talent? That is, what are we doing, with our lives, which will mean something for the future of humanity?

STOCKWELL: All right, we're back. We've got about five minutes, left in the program. J.R., we'll be with your question regarding gold in just a moment. My guest is Lyndon LaRouche. Once again, Lyn, I'd like to invite you out here, on behalf of those who appreciate what you have to say.

It's interesting how many people have a hard time, when your name comes up, but when they sit there and listen to what you have to say, *and think*, as you were saying a moment ago, it's all you want people to do anyway—is just sit back and think, for a minute—how all of a sudden, they start to agree with some of your concepts. So, I'm inviting you out here, so that we can sit down and have a long discussion, without interruptions. And you can get some of these ideas across.

And you can ski a little bit, too.

LAROUCHE: [laughs heartily] I'm wa-a-ay past that!

STOCKWELL: Yeah, well, I figured that. One person told me the other man, "You can't expect an 80-year-old man to get elected President." I said, "He isn't your run-of-the-mill 80-year-old man. I'm sure he could put a lot of 60-year-old guys to shame."

LAROCHE: I try to do that, regularly!

STOCKWELL: Let's squeeze this question in here from J.R., on the price of gold. JR, you're on the Stockwell show.

Q: Thank you. I have two: I wondered if you could expand a little bit on the Eisenhower/Truman [question]. I didn't quite understand how he was saved.

But, on the price of gold: Why can't you, why can't the government buy some gold, and raise the price astronomically, and then pay off the national debt, and stay away from that borrowed money?

LAROCHE: Well, that doesn't really work. But, what we are going to have to do: We're going to have to have a fixed-exchange-rate system, and that means, we're going to have to back to a *gold-reserve* system. Not a gold-standard system, but a gold-reserve system, in order to police and maintain a fixed-exchange-rate system.

We're going to have to make trade agreements, which will have a 25- to 50-year duration. These trade agreements must be stable. That means a fixed exchange rate; there are certain adjustments that can be made within such a system, but generally it's a fixed system. To do that, you've got to have a medium that you use, the way Roosevelt designed it—a medium you use, in order to regulate and control the price of currencies, so they don't go floating around in wild ways, the way we're getting now.

So therefore, for that purpose, we need to go to a monetary gold reserve unit, to regulate it. That would mean, that you're talking about a gold price well over \$1,000 an ounce, right now. That would be needed, given the amount of gold available, or probably available, and the monetary requirements, you're talking about, probably well over \$1,000 an ounce. That is necessary.

Q: I would think the government could pay that debt off, by raising the price of gold, to \$10,000 an ounce, if they wanted to.

LAROCHE: No, that wouldn't work. That wouldn't work.

Q: Would you comment in the time remaining with me with the Eisenhower/Truman—you said that Eisenhower saved us from Truman, and I didn't understand that.

LAROCHE: Truman was a right-winger. People think of him as a left-winger and he never was. He was a hard-core right-winger. He was the guy who adopted the policy of preventive nuclear warfare, which is the policy of Cheney, today! He got us involved in a Korean War, which never should have happened. He bluffed with nuclear weapons we didn't have, yet. He got us into trouble, all over the world. We were on the verge of Hell. Then, the Soviet Union came about being number one, on a thermonuclear weapons system—and we were number two. We hadn't made it yet.

Now, Eisenhower came in—Eisenhower was against this funny stuff, this crazy—what he called later, the "military-industrial complex." For eight years, Eisenhower gave us some stability, by fending off these nuts, like Truman, and the people behind Truman, or like Robert McNamara and similar nuts, who were trying to get us into an actual nuclear war. He gave us some degree of stability. He wasn't perfect. He was lousy on the economy. But, he was an honest fellow.

And Truman is the origin, in the Democratic Party, of those nuts who went over to become Cheneyac Republicans, who are pushing preventive nuclear war today, and pushing us to the edge of a war, that nobody can win.

Q: Thank you, sir.

STOCKWELL: All right. Thanks a lot.

About a minute left. Do you know if this will be archived on your website, by any chance?

LAROCHE: I suppose so. You can find out from them. They haven't told me.

STOCKWELL: "LaRouchein2004.com" I think it is.

LAROCHE: Yeah, they probably will do it.

STOCKWELL: Yeah, they'll probably have it there.

[TECH:] We will.

LAROCHE: Okay. That's it.

STOCKWELL: Also, that's probably the best way to catch.

Hey! Listen, I'm serious about coming out and, visiting us, here in Utah.

LAROCHE: We'll see what the year looks like.

STOCKWELL: Okay! All right. Again, Lyn, thank you so much for being part of the program. You have my deepest respect.

LAROCHE: Thank you.

Links to articles from *Executive Intelligence Review**

***Requires Adobe Reader®.**

Feature:

'Spirit' Rover Ready To Follow the Water on Mars

by Marsha Freeman

The Mars Exploration Rovers begin the intensive study of the planet Mars, which can lay the basis for its human exploration in the future.

Bush's Moon-Mars Mission: Will It Fly?

by Marsha Freeman

The long-term idea is right and essential, but NASA's space infrastructure must be expanded and built on, not "backed away from."

'The Woman on Mars'

This dramatic presentation—a script, later the basis for a famous television broadcast—was Presidential candidate Lyndon LaRouche's 1987 bold proposal of a mission to colonize Mars, and to envision how such a 40-year mission would transform the United States. His idea—often ridiculed or attacked by his enemies—is clearly one whose time has come.

Economics:

Wal-Mart's Walton Family:

The Beasts of Bentonville

by Richard Freeman

The world's wealthiest family scratched its way to its immense fortune by a worldwide looting spree, facilitated by Wall Street power-brokers who wanted to shift the economy to rapacious free-trade "globalization."

Parmalat: 'The Banks Aimed Their Gun at Our Head'

by Claudio Celani

On Jan. 9, police raided the Milan offices of the Bank of America, in the most spectacular development of the ongoing investigation into the Parmalat bankruptcy case. As *EIR* wrote last week, the Italian food firm Parmalat, whose insolvency revealed a hole of 8-plus billion euros, had become a vehicle for derivatives-backed financial operations led by national and international banks, in schemes used to support the expansion of the global financial bubble.

Rubin, IMF Warn of U.S. Economic Catastrophe

by John Hoefle

Former Treasury Secretaries rarely make the news, but Paul O'Neill's revelations about a dysfunctional Presidency and Robert Rubin's revelations about that Presidency's dysfunctional economic policy, have sent shockwaves through political and financial circles. The backdrop for both Rubin's and O'Neill's actions is the growing realization among certain Establishment institutional layers, that the combination of incompetence and arrogance of the Cheney-Bush Administration is a strategic threat to the United States and the world as a whole.

Greenspin Confronted in Berlin

Before an elite gathering at the Bundesbank Lecture in Berlin on Jan. 13, Fed Chairman Alan Greenspan was confronted by LaRouche representative Dr. Jonathan Tennenbaum, who chided him for ignoring and abetting 'the collapse of the greatest financial bubble in history.' (see bottom of pdf document)

Albanese: 'Evangelize the Economy!' The World Needs a New Bretton Woods System

Il Mondo Capovolto (The World Upside-Down) is the title of a small book recently published in Italy by the Einaudi Publishing House. The author is Father Giulio Albanese. In March 2003, Albanese wrote an analysis, later carried by Misna, in which he endorsed Lyndon LaRouche's proposal for a New Bretton Woods monetary conference and system. He was interviewed on these subjects by Paolo Raimondi, head of LaRouche's Civil Rights Movement/Solidarity in Italy, in the Misna central office in Rome.

International:

Bremer's 'Transition': Shotgun Wedding Will Not Work in Iraq

by Muriel Mirak-Weissbach

If Ayatollah al-Sistani, the highest authority of the Shi'ites in Iraq, does not agree to U.S. proconsul Paul Bremer's plan for creation of a new government, it will not happen. And this is exactly the way events are unfolding.

New Year's Political Shocks Strike Britain

by Mark Burdman

The first days of 2004 have seen elements of the British monarchy, Prime Minister Tony Blair, and the Bank of England facing dramatic challenges.

An Official Inquest Has British Royals Frantic

by Jeffrey Steinberg

After a delay of more than six years, the British Royal Coroner has initiated a formal inquest into the deaths of Princess Diana and Dodi Fayed, in an Aug. 31, 1997 Paris car crash. The mere launching of the probe could spell political disaster for Prince Charles and also for Prime Minister Tony Blair.

India's BJP Can't Wait, Wants Early Elections

by Ramtanu Maitra

At the National Executive meeting of the ruling Bharatiya Janata Party (BJP) on Jan. 12, India's Prime Minister Atal Behari Vajpayee called for early parliamentary elections, expressing hope that the resulting government will be in place before the end of April.

IMF's Paul Martin Now Canada's Prime Minister

by Gilles Gervais

Upon Prime Minister Jean Chrétien's pre-scheduled retirement on Dec. 12 of last year, Paul Martin became Canada's 21st Prime Minister. How will a changing of the guard in Canada affect the United States' relation with its most important trading partner and its former closest ally?

Investigation:

LaRouche Blast Exposes Synarchist Pro-Terrorist Operation

by Dennis Small

The recent activities of a small group of former associates of Lyndon LaRouche, notably their association with South American Synarchist forces, points to an issue which may be a significant security problem within the Americas.

- **Instruments of a Spanish Imperial Project**
by Gretchen Small
(See bottom of pdf document.)
- **Donoso Cortes' 'Immense Sea of Blood'**
by Gretchen Small
- **'Maritornes' in Italy: Blackshirts and Bourbons**
by Claudio Celani
(See bottom of pdf document.)

Synarchists Target Argentina's Kirchner

by Cynthia Rush

In the midst of Argentina's highly publicized brawl with the International Monetary Fund, the Synarchist networks which Democratic Presidential pre-candidate Lyndon LaRouche has identified as part of a new fascist international, are openly calling for a coup against President Néstor Kirchner, on the grounds that his alleged Godless atheism will destroy the country.

National:

Cheney and His Policies Now Under Bipartisan Attack

by Edward Spannaus

A diverse array of individuals and institutions are speaking out: Sen. Ted Kennedy, former Treasury Secretary Paul O'Neill, the Carnegie Endowment for International Peace, Dr. Jeffrey Record of the Air War College, and uniformed military lawyers assigned by the Pentagon to defend Guantanamo prisoners before military tribunals.

- **Cheney Promotes Use of Illegal Leak**

by Edward Spannaus

(See middle of pdf document.)

- **Documentation:**

Excerpts from remarks by Sen. Edward Kennedy on Jan. 14, 2004

(See end of pdf document.)

D.C. Primary 'Vote' Was a Whiff of Hell

by Lonnie Wolfe and Nancy Spannaus

The announced outcome, Howard Dean and Al Sharpton coming out far in the lead, with LaRouche's vote coming in far below the so-called major candidates, simply defied political reality — including pre-election polls that showed both LaRouche and Sharpton running at about 20% of the vote.

- **LaRouche Backs D.C. Vote Investigation Call**

(See bottom of pdf document.)

U.S. Economic/Financial News

Release of Economic Data Delayed as Methods 'Redefined'

The release of many Federal Reserve and Federal government economic statistics is being delayed, while a core Commerce Department agency "redefines" data and methods. The Commerce Department's Bureau of Economic Analysis (BEA) announced Jan. 11 that it is doing a "comprehensive revision" of the National Income and Product Accounts (NIPA) from 1929 through the second quarter of 2003, which involves both changes in definitions and classifications of accounts, and new statistical methodologies by which to revise data (NIPA is the overall balance sheet for the U.S. economy). The change has resulted in the delayed release of the Federal Reserve's main statistical compendium, the Flow of Funds, which would normally have been released in mid-December, but has not yet been published. *EIR* expects the revised numbers to be "recovery-friendly," in line with recent BEA reports of sharp GDP growth. The revised methodologies, which began with the third-quarter 2003 stats now being manufactured, preliminarily show a sharp jump in corporate profits over the previous methodologies, for example.

NIPA is periodically revised, giving the statisticians the opportunity to rewrite history and reduce the ability of researchers to show the decay of the U.S. economy.

Machine-Tool Consumption Plunged Again in 2003

During January-November 2003, machine-tool consumption by U.S. manufacturers dropped by 8.5% compared to the same 11-month period in 2002—when it had already plunged by 63% from the level in 1997. U.S. industry consumed \$210.25 million worth of machine tools in November, up 34.8% from October's paltry level, according to a joint report by the American Machine Tool Distributors' Association and the Association of Manufacturing Technology, released Jan. 12.

In Michigan, demolition crews in December tore down the building that housed Western Machine Tool Works—a manufacturer that had been key to the development of the U.S. "arsenal of democracy" in World War II which shut down in 1989, after 87 years in business. Western was awarded the U.S. Army-Navy E Award for "high achievement in production of war materials" in June 1943, January 1944, and July 1944.

Globalization: The Return of Ricardo's 'Iron Law of Wages'

On Jan. 7, Sen. Charles Schumer (D-N.Y.) and conservative columnist Paul Craig Roberts published an op ed in the *International Herald Tribune* called "Exporting jobs is not free trade," in which they assert that although they have supported free trade in the past, today's easy outsourcing of jobs means that the old assumptions of free trade, as promoted by the 19th-century British economist David Ricardo, must be rethought.

On the contrary, William Pfaff writes in the same newspaper Jan. 10: Today's system of globalization *is* free trade as envisaged by Ricardo, "stripped of the economic, social and political constraints that for two centuries kept free trade from functioning the way that Ricardo expected."

Ricardo not only expounded his theory of "comparative advantage," but his second theory, the "iron law of wages," said that wages would tend to stabilize at or near the subsistence level. This seemed not to be true over the past two centuries, Pfaff says, but today, it's making a comeback. "Globalization is removing the constraints imposed in the past by societies possessing institutions, legislation, and the political will to protect workers. Free-trade doctrine is hostile to unions, social legislation, and legal restriction on industry's labor practices, all of which deprive poor countries of their comparative advantage, which is poverty."

Today, trade unions are weakened, and, Pfaff says, Ricardo seems to have been as right with his iron law of wages, as he was with his rule of comparative advantage: "In the case of wages, he was just ahead of his time."

Economic Pressures Delay 'Transition to Adulthood'

Many young Americans are postponing the "transition to adulthood"—career, marriage, and family—until after age 30, because the worsening job market has made it increasingly difficult to support a family, according to a study released Jan. 13 by the University of Pennsylvania.

"The ability to support and thus form a family has declined" since World War II, along with vanishing optimism about the future, said researchers Frank Furstenberg and Elizabeth Fussell.

Companies Drop Health Coverage for Future Retirees

Health benefits for future retirees have been eliminated by 10% of large companies over the past year alone, and another 20% said they plan to terminate coverage in the next three years—signs that the HMO system has accelerated its looting of health care for the lower 80% of income brackets, in the name of "shareholder value."

In addition, the survey by the Kaiser Family Foundation and Hewitt Associates, released Jan. 14, found that 71% of private firms with at least 1,000 employees, increased the amount retirees themselves had to pay for health-care benefits, in the past year. This happened largely because many companies have placed limits on their future payments for retiree health care, blaming rising health-care costs. A whopping 86% said they would raise retirees' contributions in the next three years.

The study, conducted between June-September 2003, shows that more and more companies have slashed retiree health benefits. Their survey in 2002 found that in a two-year period, 13% of large firms terminated health benefits for future retirees. "The bleeding hasn't stopped," Kaiser Foundation president Drew Altman cautioned.

Wal-Mart Audit Reveals Thousands of Labor-Law Violations

An in-house audit by Wal-Mart found tens of thousands of labor-law violations in just one week, including child-labor laws and state regulations requiring time for breaks and meals, the *New York Times* reported Jan. 13. Based on time-clock records for only 2% of its total workforce, over one week, the audit documented 1,371 instances in which minors apparently worked too late at night, worked during school hours, or worked too many hours in a day. Conducted in July 2000, the audit also found 60,767 apparent instances of workers not taking breaks, and 15,705 apparent instances of employees working through meal times.

More than 40 lawsuits are pending over Wal-Mart's forcing employees to work without pay through lunch and rest breaks. John Fraser, the former head of the U.S. Labor Department's wage-and-hour division during the 1990s, called the frequency of violations at the nation's largest employer, a "source of great concern."

Extended to Wal-Mart's 3,500 stores nationwide, the rate of violations would translate into tens of thousands of child-labor violations, each week, and more than 1 million violations of company and state regulations on meals and breaks.

Meanwhile, the National Labor Relations Board has ordered a hearing on Feb. 10 over charges that Wal-Mart illegally intimidated, harassed, and retaliated against workers organizing with the United Food and Commercial Workers Union in Las Vegas, Nevada.

Stock Markets Bubbled Upward in 2003

The 2,755 companies listed on the New York Stock Exchange saw their aggregate market capitalization grow 27% to \$12.2 trillion last year, while the stocks on the Nasdaq grew 50%, to \$3 trillion. The NYSE peaked at \$12.9 trillion in August 2000, while the Nasdaq peaked at \$6.2 trillion in March 2000. The Dow rose 25% and the Wilshire, the broadest U.S. index, rose 29%. Worldwide, stock markets rose in 2003, led by Venezuela with a 177% increase and Thailand with a 117% increase. The German DAX rose 37%, the Swiss SMI rose 19%, and the French CAC 40 rose 16%. Bubble, bubble.

World Economic News

European Central Bankers Now Worried Over Dollar Crash

Following the G-10 (actually, G-11: G-7 plus Belgium, Sweden, Netherlands, and Switzerland) central bankers confab in Basel Jan. 12, European Central Bank president Jean-Claude Trichet gave a press conference where he presented quite different views than those of last week, when he played down the effects of the 22% rise of the euro versus the U.S. dollar in 2003 (and slightly more than 50% rise since October 2000). Trichet now emphasized: "We're certainly not indifferent." He said "brutal moves" in the foreign-exchange rate of the euro are unwelcome. The dollar fall, as well as the implications of the Parmalat collapse, were at the top of the agenda of the closed-door meeting, which takes place in Basel every month. During the Jan. 12 meeting, the dollar fell to a new historic low against the euro (\$1.289).

French Prime Minister Jean-Pierre Raffarin, on the same day, expressed concern about the "instability" in the euro exchange rate. At a public appearance in Paris he noted: "Unstable exchange rates are in the interests of neither the U.S. nor Europe. Together and quickly, we need to find the means to have an exchange rate that reflects economic realities."

Deutsche Bank chief economist Norbert Walter, in an interview with the German daily *Die Welt* on Jan. 11, called for an immediate rate cut by the ECB, in order to push down the euro versus the U.S. dollar. Otherwise, Walter said, the dollar would soon plunge to \$1.40 to the euro.

BIS: Global Derivatives Market Has Doubled Since 2000

The global derivatives market, as reported by the Bank for International Settlements (BIS) in its Dec. 8, 2003 Quarterly Report, rose from \$109.5 trillion in derivatives outstanding at the end of 2000, to \$207.9 trillion as of June 30, 2003. For the same period, over-the-counter derivatives rose from \$95.2 trillion to \$169.7 trillion, while exchange-traded derivatives rose from \$14.3 trillion to \$38.2 trillion. While *EIR* believes the BIS, the central bank for central banks, based in Basel, Switzerland, dramatically understates the size of the derivatives market, the magnitude of the increase it reports does reflect the hyperbolic growth in financial aggregates shown by Lyndon LaRouche's "Triple Curve" collapse function.

Adecco Accounting Scandal: 'We're No Parmalat'

Adecco, the world's largest provider of temporary workers, based in Switzerland, announced Jan. 12 that it had discovered "possible accounting, control and compliance" irregularities at its U.S. business, and therefore isn't able to publish its 2003 earnings report. Within a few hours following the announcement, the price of Adecco stocks crashed by 44% and its bond prices plunged by a similar amount. The market capitalization of Adecco shrank by 3.4 billion euro in a single day.

Adecco last year had a turnover of 16 billion euro. It directly employs 28,000 people worldwide, and has 100,000 corporate clients for which it provided, in total, 650,000 temporary workers. As in the case of many recent corporate failures, Adecco became a world leader in its sector by buying up its global competitors. The most prominent takeover was that of the U.S. job agency Olsten Corp. (\$1.4 billion) in 2000.

This latest accounting scandal was the front-page lead item in most European media on Jan. 13. Financial-market sources were drawing comparisons to Enron, the Dutch retailer Ahold, and Parmalat. The Adecco management was forced to put out a statement claiming, "We're no Parmalat."

UK's 'Precipice Bond' Market Goes Over the Edge

Precipice bonds, a form of derivatives traded in Britain, which "offer high income but a final capital return geared to the performance of a stock market index or bundle of indices or shares," have cost many investors a large chunk of their original investment, and complaints are pouring in to the UK's Financial Ombudsman Service, the *Financial Times* reported Jan. 9. Two high-profile distributors of precipice bonds, David Aaron Partnership and RJ Temple, have already foundered, and there are fears others will follow. The Association of British insurers projects that some 1.5 million people face an average loss of 5,000 pounds sterling each.

"There will be others while the market cleans itself of the problem of precipice bonds," said Finbarr O'Connell of KPMG, administrator of Aaron and liquidator of Temple. "The cost to the industry could be enormous. We are aware of other groups [in the same position]."

The London *Guardian* reported in October that precipice bonds "have cost up to 500,000, generally elderly, investors much of their savings," noting that the bonds were sold by investment companies such as Scottish Widows.

United States News Digest

Cheney-gate: DOD Audit Agency Requests Formal Probe of Halliburton

Dow Jones reported Jan. 14 that the Defense Contract Audit Agency has requested a Pentagon Inspector General investigation of Dick Cheney's Halliburton, concerning overcharging to import fuel from Kuwait to Iraq. Pentagon officials said the unusual request, which went to the Pentagon's Inspector General Jan. 13, suggests that the auditors had reached the limits of their own investigative powers. Moreover, one Pentagon official said that by requesting a formal probe, the Defense Contract Audit Agency saw "potential wrongdoing" that required the full reach of the Inspector General.

DCAA only performs audits of companies, not investigations. "Auditors may encounter, or receive from other sources, information constituting evidence or causing suspicion of potential unlawful activity," a Pentagon official was quoted by *Dow Jones* as saying. "Therefore, when we encounter such situations, we make a referral of a 'suspected irregularity' to the appropriate investigative organization for them to evaluate, and to open any investigations they deem appropriate."

What The Devil Possesses Ashcroft?

A devastating exposé of Attorney General John Ashcroft in the February issue of *Vanity Fair*, and a call for a Special Prosecutor to conduct a criminal probe of Ashcroft's finances, have the police-state "enforcer" under the gun.

In the *Vanity Fair* article, "John Ashcroft's Patriot Games," Judy Bachrach reports:

At a DOJ prayer meeting, Ashcroft stated that while forgiveness is perfectly fine in religion, it has no place in the Justice Department. "The law is not about forgiveness, it is oftentimes about vengeance, oftentimes about revenge." (This was before 9/11, the author notes.)

"Ashcroft routinely compares himself to Christ in his 1998 memoir, *Lessons from a Father to His Son*, in which he refers to his campaign victories as 'resurrections.' Conversely, his political defeats are compared to 'crucifixions.' "

When Missouri State Senator Harry Wiggins 15 years ago tried to raise funds for a home for AIDS patients, after then-Gov. Ashcroft vetoed the bill twice, Wiggins explained, "This is a place they go, Governor, but they don't come back." "I understand. You got my attention," Ashcroft said. "This is the place where it is cheapest for me to send them to die."

Following the death of his Senate opponent Mel Carnahan on the eve of the 2000 election, in which Carnahan was expected to defeat Ashcroft handily, Carnahan's family asked Ashcroft not to attend the funeral. He came anyway, and grandstanded further by claiming he had to "work through his grief over Mel by working at soup kitchens. He does this for exactly 12 minutes at one kitchen, showing up with cameras in tow. It was a photo op."

Bachrach notes that "The oddest details seemed to carry grave theological implications," as illustrated by a story from a conference in May 2001 in the Netherlands: "There, a trio of Siamese cats scampering about the residence of Cynthia Schneider, the U.S. ambassador to the Netherlands, produced alarm in the Justice advance team.... 'Are there any calico cats in residence?' they inquired of the embassy staff. Ashcroft, who would be dining with Schneider, considered such creatures 'instruments of the devil,' his people explained. (Ashcroft has denied any antipathy toward calico cats.)"

Meanwhile, in seeking a special prosecutor to probe Ashcroft for violating Federal campaign finance law during his 2000 Senate campaign, and for possible tax evasion, a coalition which includes the National Voting Rights Institute and the

Public Citizen wrote to Deputy AG James Comey, "There can be no doubt that the appointment of an outside special counsel is required in this case to fully investigate potential criminal actions implicating the United States Attorney General himself."

Rubin Warns Again of 'Horrendous' Fiscal Situation

On Jan. 13, former Treasury Secretary Robert Rubin participated in two Washington, D.C. thinktank events where he sounded an alarm about the U.S. economy and Bush Administration policy. Rubin, now Executive Committee chairman of Citigroup, appeared at a Brookings Institution seminar on "Restoring Fiscal Sanity: How to Balance the Budget." Earlier in the day, he spoke on a conference call held by the Center for Budget and Policy Priorities.

Rubin spoke of the risks posed by the high budget deficits, Greenspan's interest-rate policy, and the sharp drop in the dollar. Rubin said, "While there is no way to quantify this risk, I think they are on levels of increase that could be very substantial.... I think the risk in all of this is that instead of having a gradual decline in the dollar, that you have a sharp decline in the dollar."

He added, "As to when these (adverse) events may occur, that, I think, is totally unpredictable." And, "It is critically important that we maintain the confidence of foreign markets in our fiscal regime and I think that there is serious risk that our current fiscal path will undermine that confidence."

See this week's Economics INDEPTH for more.

Battle Over Attack on USS Liberty Flares Up

The story of the USS Liberty was the first panel in a two-day event held at the State Department Jan. 12 and 13 to discuss the newly declassified compilation of documents, in the most recent volume of the State Department series "The Foreign Relations of the United States," relating to the 1967 Arab-Israeli War.

The destruction of the USS Liberty by Israeli forces off the coast of Israel in 1967—in this attack 34 U.S. sailors died and 171 were wounded—was understood as the most burning issue. On the panel were American and Israeli scholars, who claimed that the destruction of the Liberty was based on mistaken identity. But others, like author James Bramford, who had been given unprecedented access to National Security Agency files to write about this, argued that the Israeli attack on the Liberty was premeditated, conducted with full knowledge that the ship was American.

While the documents published probably do not give an unequivocal answer to the questions (for example, important transmissions between Israeli pilots and ground control just prior to the attack are not there), the overall evidence clearly indicates this was not simply misidentification, as the Israelis claim to this day. Bramford also quotes statements by the Deputy Director of the National Security Agency and by Richard Helms, then CIA Director, saying they believed the attack was intentional. However, the issue had become so hot that President Johnson made clear to Secretary of Defense McNamara that the Israelis were not to be found culpable.

During the question period, the issue became too hot to handle. Former sailors and officers on the Liberty were in the audience (although not on the panel), and they wished to be heard. But when they began presenting some of their eyewitness reports of the attack, contradicting some of the "evidence" presented to claim that the attack was based on faulty information, they were simply not permitted to speak. One woman whose brother had been wounded on the ship and had won the Silver Star for his gallantry, demanded a Congressional investigation, but was barely given the opportunity to get to the microphone, before she was shouted down. Nevertheless, at the end of the session, many American and Arab reporters gathered around the Liberty survivors to hear their story.

The State Department was able to use the event to focus attention on today's Mideast crisis, which, like so much in the region, can trace its origins in part to the 1967 war and its consequences.

Beast-Man Safire Supports Caligula Foreign Policy

"Let them hate us, so long as they fear us"—the quote said to be a favorite of the Roman Emperor Caligula. The neo-cons are under attack but, as Straussian-trained Sophists, they are never at a loss for "coming out on top" propaganda, and their prevailing new "party line" is that fear conquers all.

Continuing a broad propaganda drive led by the American Enterprise Institute, William Safire, in his Jan. 12 *New York Times* column, echoed the line that is the thrust of the new book, *An End to Evil* by two leading neo-cons—Richard Perle and David Frum (the junior White House speechwriter who was dumped after he claimed credit for the "axis of evil" line in Bush's Jan. 28, 2002 State of the Union speech). Perle is being quoted and interviewed worldwide in a drive to restart the policy offensive for preemptive war—against an "expanded axis of evil": Syria, Iran, North Korea, the Palestinian Authority, and anywhere else deemed "necessary."

In his piece, Safire poses a phony answer to his question, "Is our preemptive policy working?" and was the war in Iraq "worth the cost?" Yes! he declares. The Iraq war is a success!, and it's responsible for all the "diplomatic victories" now occurring. Safire gives seven examples: Libya—Qaddafi backed down after taking "one look at our army massing for the invasion of Iraq"; Afghanistan—now has a constitution; Syria—"dictator Bashar al-Assad" is seeking to reopen negotiations with Israel, with the U.S. army massed on his border; Iran—it's also frightened of the "130,000 U.S. troops near the border"; Iraq—the only problem there is "growing pains"; North Korea—the U.S. show of force in Iraq has also taught the Chinese a lesson, so they are willing to broker a Libya-type deal.

While this has become a neo-con cliché, numerous letters to editorial pages castigate columnists like Safire and Charles Krauthammer for rewriting history.

Pro-Dope Soros Continues His Cheney Protection Racket

Billionaire speculator George Soros continued his protection of Dick Cheney, in presenting his new book *The Bubble of American Supremacy* during a Jan. 12 speech at the Carnegie Endowment for International Peace. His nemesis, "Lyndon LaRouche," went unnamed, but hovered over his speech. Soros declared the 2004 election to be "a referendum on the Bush doctrine" of preemptive military action against any potential rival."

Soros lied that it is the "Bush propaganda machine" which has "demonized" him by only mentioning his drug legalization activities, and not his efforts on behalf of democracy. (Actually, the devastating exposés of Soros have come from LaRouche.) And he covered up his Nazi past: "I would have perished if my father had not had the foresight to procure false identities for his family."

Ibero-American News Digest

LaRouche Youth Challenge Mexico's Fox at Americas Summit

Arriving in Monterrey, Mexico in advance of the opening of the Americas Summit Jan. 11, Mexican President Vicente Fox and his wife received a bit of an education as they left after mass at the cathedral. They were greeted by three members of

the LaRouche Youth Movement, who called on Fox to make sure he addressed the problem of the foreign debt at the summit. In particular, he was urged to raise the issue of forgiveness of the Ibero-American debt when he spoke with President Bush. Fox was assured that Mexico's true friend and "good neighbor," was U.S. Presidential candidate Lyndon LaRouche.

During the exchange, videotaped and recorded by the numerous media present in preparation for the summit, Fox was offered LaRouche's *Road to Recovery* book, as a gift from the LYM, who urged Fox to "read the proposals of the Democratic pre-candidate with the greatest popular support in the United States." A little slow on the uptake, Fox's response was to ask if the book was for him, to which a LYM member responded, "Of course, but read it!"

Afterwards, while several LYM members were being interviewed by the leading national newspapers *La Jornada*, *El Universal*, *Milenio*, *Reforma*, and other national and international journalists, another LYM member pursued Fox and his entourage with shouts: "Fox, don't pay the debt at the expense of the Mexican people!" As a result, another cluster of reporters gathered around, including cameramen from Univision, the largest Spanish-language TV channel in the United States, with whom the LYM discussed the significance of Fox's policies to privatize electricity, "reform" labor, and impose value-added taxes on food and medicine—all to pay off the foreign debt. The Univision people asked, "Who are you?" The LYM members replied: We are the youth movement of Lyndon LaRouche, and support his ideas. One reporter repeated, "You're with the Democratic candidate?" to which he received a loud, long: "Yeeesss!"

The efforts of the LaRouche Youth Movement to bring some reality to the Summit of the Americas was rewarded by a wide variety coverage on radio and television Jan. 11, and several national newspapers the following day, which reported that LaRouche's youth had challenged the President, and even, in some cases, that he had received LaRouche's book.

Their efforts included also the participation of some 30 youth from both Monterrey and Mexico City in a march which (while not garnering the attention that the larger march of the "anti-globalization" lunatics drew by marching in the nude, painting walls, and so forth), nonetheless made LaRouche's presence known. Among their posters and chants were: "Down with Bush, We Want LaRouche!" "Bush Is an Idiot, Cheney's Pet Dog," and "Cheney, Terrorist; Fox, Synarchist!" They also chanted "Who Is the Axis of Evil?: The IMF and World Bank!" Once again, the LYM's enormous banner, declaring "LaRouche: Mexico's Ally Against Cheney and the IMF," and "Put the IMF into Bankruptcy; for a New Bretton Woods with Justice and Development" drew a lot of foreign journalists and camera crews.

Ibero-American Leaders Slam Bush Agenda at Monterrey Summit

As expected, little happened at the extraordinary Summit of Heads of State of the Americas held in Monterrey, Mexico on Jan. 12-13. Summits of the Americas have been held every four years since 1994, but this one was convoked only two years after the last, at Canada's initiative, in an attempt to make a semblance of "doing something," in the face of accelerating political and economic disintegration of Ibero-America. The official agenda for the meeting was how to address poverty and the current "crisis of governability."

Public discussions, certainly, were a dialogue of the deaf. President George Bush stuck to the policy of "free trade solves all," which has brought Ibero-America to the pit in which it finds itself today. The U.S. position at the summit was outlined most succinctly by Assistant Secretary of State for Western Hemisphere Affairs Roger Noriega, in a Jan. 6 speech on summit objectives at the Council of the Americas. The number one answer to poverty, he said, is "protecting property rights"—and he made clear he meant foreign investors and creditors, primarily. The second priority, said Noriega, is to facilitate the flow of remittances to the region through the major banks, because this money—sent back home by the millions of Ibero-Americans working in largely low-wage jobs, under precarious conditions (poverty, unsafe working conditions, threat of deportation, etc.), in the United States, because the economies of their own countries have been destroyed under free trade—has become the largest source of foreign revenue for many countries in the region.

What gave U.S. Presidential candidate Lyndon LaRouche a real chuckle, however, was the report that President Bush had raised the issue of "intellectual" property rights—a scarce item in and around the Bush Administration, indeed!

It was Brazilian President Luiz Inacio Lula da Silva who most sharply denounced the free-trade policies of the past decade, which insisted such privatization and market reform would bring prosperity. The 1990s, said Lula, "was a decade of despair. It was a perverse model that wrongly separated the economic from the social, put stability against growth, and separated responsibility and justice." So, too, Argentine President Nestor Kirchner stated that "it is unacceptable to insist on recipes that have failed."

Colombian President Alvaro Uribe Velez reported that during his 50-minute meeting with International Monetary Fund chief Horst Koehler during the summit, he had urged the IMF to exclude infrastructure investment as part of the calculations of the fiscal deficit ceiling the IMF regularly imposes, as part of its conditionalities, on these countries. He emphasized that he was speaking in the name of all the Ibero-American countries. "We need more space for social investment.... The IMF and multilateral (financial) institutions can help us, and should help us, by accepting the suggestion of all the South American countries that infrastructure investment not be included under the fiscal ceilings. If we need to build a roadway or waterway required internationally, why should we include this under the fiscal ceiling? By not doing so, we will have the opportunity to make investment advances that will have a major social impact."

'Bush Proposes United States Be Banned from OAS'

That were the appropriate headline for the report that the Bush Administration proposed, at the Jan. 12-13 Monterrey Summit, that a "corruption clause" be added to the charter of the Organization of American States (OAS), under which countries deemed to have corrupt governments be excluded from the organization, and banned from further hemispheric meetings! The Foreign Minister of Canada, Bill Graham, reported that the proposal faced "a lot of resistance. All countries have corruption," he said. "Who will decide whether a country is invited or not?" Dick Cheney's Halliburton, perhaps?

Chavez Plays 'Bad Boy' at Monterrey; Denounces U.S. 'Interference' in Venezuela

Drawing comparisons in the media to Fidel Castro's behavior at an Americas economic summit in Monterrey two years earlier, Venezuelan President Hugo Chavez stirred up a hornets' nest at the first day of the Summit of the Americas in Monterrey Jan. 12, thereby providing President George Bush and the neo-cons with a handy punching bag, and distraction from the real issues that need to be discussed: the debt, the collapsing economy, and Lyndon LaRouche's solutions.

Before leaving Caracas, Chavez gave an interview to Venezuelan daily *El Universal*, in which he charged Bush and company with "paving the way" for Chavez's overthrow and/or assassination, and declared that U.S. interference in Venezuelan affairs would "not be tolerated." Chavez was infuriated by statements of U.S. National Security Advisor Condeleezza Rice in support of the Venezuelan opposition's recall referendum against Chavez, which will be ruled on, for or against, by Venezuela's National Election Commission in the first week of February.

Arriving in Monterrey, Chavez immediately denounced the summit itself as a farce and "a waste of time," and attacked globalization, neo-liberal economics, and Bush's Free Trade Agreement of the Americas (FTAA), as the cause of economic crisis and collapsing governments in Latin America. He snubbed Mexico's Vicente Fox, calling him a lackey of the U.S., and met instead with Mexican political opposition figure Cuauhtemoc Cardenas, whom Chavez dubbed "an old friend."

Chavez Threatens Total War vs. Opposition

In an interview published Jan. 13 in *El Universal*, Venezuelan President Hugo Chavez responded to warnings that if his

government continues to block the opposition's recall initiative, there will be violence. "I don't fear violence. I have already gone through this, and I have learned. If they [the opposition] insist again on taking the path of violence, it could be their end, physical or political, because if they try to get military units to rebel, I have given instructions to the military to meet them with bullets."

He added, "When I led an uprising (February 1992), I was met with bullets, and went to prison. I didn't come out and hide behind a skirt or a television station, or a bunch of people in a plaza. If we again face a situation of businessmen shutting down their businesses, I have the decree ready to seize them. Even better, to hand the companies over to the workers. I have the decree ready. And if some television stations call on the people to rebel again, I'll take them over also. The decree is ready.... I would give the order immediately: Take them by assault...."

He added: "I am protected by the Constitution. I have given proof of utmost tolerance, but I am not yielding any more. I am psychologically prepared...."

Uproar in Mexico Over Deployment of U.S. Security Officials on Mexican Soil

The deployment of U.S. security officials in Mexico, under the pretext of securing airline flights into the U.S., has provoked an uproar. At least 50 FBI, Homeland Security, Immigration and Naturalization Service, and other U.S. armed agents were deployed to Mexico's principal airports, at the outset of the United States' "Code Orange" terror alert over the holidays, to oversee inspection of baggage and passengers on flights into the United States. The high visibility of the agents, combined with the hours of flight delays which resulted, generated banner headlines in the dailies. Whether the deployment is temporary, or will continue, was unknown.

The Cardinal of Mexico City, Norberto Rivera, protested. "No country ... should come to intervene in Mexico," he said. Measures may be required to provide security for passengers, but they must be under the command and leadership of the state, or they violate national sovereignty. Cuauhtemoc Cardenas, leader of the leftist opposition PRD party, wrote that any self-respecting government would follow the example of the Brazilian judge who, citing the principle of reciprocity in relations, ordered that U.S. visitors entering Brazil face the same requirements as Brazilians entering the U.S. (being fingerprinted and photographed).

As the debate heated up, *El Independiente* published a front-page story on Jan. 5, headlined: "Fear that the U.S. Will Install Military Bases in Mexico." The article reports on a document prepared in April 2003 by officers from the three Mexican military branches, analyzing the implications of the U.S. national security doctrine of preventive war. There is "profound concern" among the Mexican officer corps, *El Independiente* wrote, that were Mexico to become the site of terrorist attacks against U.S. interests, under the pretext of "guaranteeing U.S. national security," the United States might force Mexico to participate in a hemispheric police force and accept U.S. military bases on Mexican soil, "with the resulting harm to Mexican sovereignty, free determination, and independence."

Western European News Digest

Tony Blair Gets Dizzy Spinning O'Neill Revelations

Following the release of excerpts of former U.S. Treasury Secretary Paul O'Neill's revelations in *The Price of Loyalty: George W. Bush, The White House and the Education of Paul O'Neill* (written by Ron Suskind), British Prime Minister Tony Blair has cooked up a new explanation for whatever happened to Iraq's alleged weapons of mass destruction. Blair told BBC, "In a land mass twice the size of the United Kingdom, it may well not be surprising you don't find where this stuff is hidden. You can't be definitive at the moment about what has happened."

Asked if he mis-spoke when he had earlier cited Iraq's WMD as the "main justification for the war on Iraq," Blair told BBC, "You can't say that at this point in time. What you can say is that we received that intelligence about Saddam's programs and about his weapons, that we acted on that."

British Insider: Rug Pulled Out From Under Blair

Harold Brooks-Baker, publishing director of *Burke's Peerage* and an insider in British politics, when asked by *EIR* about the impact on Prime Minister Tony Blair of the release of the O'Neill/Suskind book, *The Price of Loyalty*, said, "Blair has had the rug pulled out from him internationally, nobody believes in his decision-making any more."

He stressed that "Whatever the final Lord Hutton report says [on the July 2003 death of arms expert Dr. David Kelly], the whole Hutton inquiry process is one more nail in the coffin for him.... Blair will suffer a vote of no-confidence in Parliament, within the next three months. Then, we will face an 'Anthony Eden' situation." Eden, the British Prime Minister in the mid-1950s, was forced to resign, a blithering idiot in psycho-physical collapse, after the Suez War debacle.

Brooks-Baker also noted that the British economic situation is becoming "untenable," with prices soaring, tourism collapsing, and so on.

A second London insider told *EIR* that there is now "a debate at the highest levels, whether to maneuver Blair out of office. This reflects the deeper issue, that what leading figures in Britain assumed was the way the world is, is no longer the reality. Britain can no longer play the role of bridge between the U.S. and Europe."

Diana Inquest: Will Charles Be Sidelined?

A well-informed Washington source reported over the Jan. 10-11 weekend that the royal inquest into the death of Princess Diana and Dodi Fayed is being used by some powerful City of London factions to remove Prince Charles from the royal line of succession.

The source linked the move to larger British efforts to insulate the pound sterling from the financial woes in the United States and continental Europe, particularly the euro-zone. Lyndon LaRouche's response to the report was to add that the same factions may be moving also to dump Tony Blair, and move into power a Tory faction aligned with the new Labour Party chairman, Michael Howard.

This British group, LaRouche said, would be preparing for the general financial crash by isolating Britain from both the United States and the continent.

Scotland Yard Diana Probe Challenges French Findings

Scotland Yard investigators, tasked by Royal Coroner Michael Burgess to probe the circumstances of the deaths of Princess Diana and Dodi Fayed in the Paris car crash on Aug. 31, 1997, have already raised some of the thorny paradoxes in the "official" French findings, *Press Association News* (UK) and the *London Times* reported over the Jan. 10-11 weekend.

"Scotland Yard today refused to comment on a report that senior British police officers have doubts over the authenticity of chauffeur Henri Paul's blood sample, used in a French inquiry which concluded that Diana, Princess of Wales, was killed by a drunk driver," the *PA* wire began.

The *Times* said it has learned there are what it called "high-level concerns" over the specimen, and that French police have not carried out a DNA test which would prove it came from Mr. Paul."

EIR reported over the past years, that the same blood sample that offered the only evidence of Henri Paul having high levels of alcohol in his system at the time of the crash, also showed that he had near-fatal levels of carbon monoxide. Anyone with such high levels of carbon monoxide would have been unable to drive a car. Therefore, there is something fishy about the blood samples, and, therefore, the whole coverup line that the crash was a case of simple drunk driving.

A well-informed London source expressed some optimism that the Scotland Yard team assigned to investigate the case—headed by Metropolitan Police Commissioner Sir John Stevens and Deputy Assistant Commissioner Alan Brown—will not bow to royal pressure to cover up the findings. It is expected that the probe, which the source said should have started six years ago under British law, will take 12-15 months.

New 'European Left' Countergang Established

Upon the invitation by the German post-communists of the PDS (the Democratic Socialist Party, which uses the name of the official party of former East Germany), 19 parties of the left-wing spectrum from numerous European countries met in Berlin Jan. 11, to discuss the formation of a party alliance for the June 13 European Parliament elections. The alliance, which will run under the name "European Left" (EL), has the profile of a notorious countergang, with the task of distracting voters from the LaRouche movement and discrediting it, with populist slogans against the Maastricht Pact, against neo-liberal labor market and welfare reforms, and the like, as well as against capitalism as such.

The other prime target of the EL, though not identified by name, is the Franco-German alliance, which it opposes under the banner of "preventing the militarization of Europe," or the "dictate of the great powers over the smaller ones in Europe." This will also be the target of several protest mobilizations of the EL during February and March—in Berlin and other capitals of Europe.

Founding members of the EL are the following 11 parties: Estonian Social Democratic Workers Party; French Communist Party; Party of Communist Re-Foundation (PRC, Italy); The Left (Luxembourg); Communist Party of Austria; Communist Party of Slovakia; Communist Party of Bohemia and Moravia (Czechia); Party of Democratic Socialism (Czechia); Party of Democratic Socialism (Germany); United Left (IU, Spain); Coalition of the Left, the Movements and of the Ecology (Synapsismos, Greece).

The Berlin Declaration of the EL otherwise states the following priorities of mobilization, besides anti-militarist objectives: anti-fascism, anti-racism, feminism, ecologism.

Death of Synarchist Norberto Bobbio

The same day that the new "United European Left" was launched, international press widely reported the death of 94-year-old Norberto Bobbio, the leading ideologue of the left, who died in Turin on Jan. 9. This Synarchist philosopher and jurist had been a youthful, fervent admirer of Mussolini, and later became a leftist.

Corriere della Sera published Bobbio's photo Jan. 12, alongside pictures of bestial philosopher Thomas Hobbes and Nazi jurist Carl Schmitt, noting that in 1932 and 1937, when Bobbio travelled to Berlin, he made Schmitt's acquaintance, forming a deep friendship, "based on the reciprocal interest which both men had for the theory of Thomas Hobbes."

After 1948, relations between the two became even closer. Bobbio, who also studied the ideas of Kelsen, Benedetto Croce,

Antonio Gramsci, and Pareto, was instrumental in shaping the Left in Europe, and was key in introducing into Italy the ideas of Sir Karl Popper and his key work, *The Open Society and its Enemies*. Bobbio was a co-founder of the Venetian-oriented "Société Européenne de Culture." He became famous for his book *Right and Left*.

Paris UNESCO Forum: 'There Is No Clash of Civilizations'

A press conference was held in Paris Jan. 10 by Etienne Maugeotte, vice president of the French National TV TF1; Albert Mallet, adviser to former Interior Minister Jean Pierre Chevenement; and Maurice Szafran, president of the scientific committee of the association Euro Méditerranée Science, Development and Peace, to outline the aims of the Forum of Paris Conference, which will take place Jan. 17-19 on the theme "there is no clash of civilization."

The closing session of that conference will be given to Yossi Beilin and Yasser Rabbo, the key initiators of the Geneva Peace plan for the Mideast; they will also address the Friedrich Ebert Stiftung Conference in Berlin on Jan. 15.

The forum will be held under the patronage of French President Jacques Chirac, Foreign Minister Dominique de Villepin, and Koichiro Matsuura, Director General of UNESCO. Panels will include such subjects as: Islam and the West; The USA: Common Enemy or Shared Partner?; Islam, Democracy and Laity; The Arab World—Is It Living Through a Second Colonization?; Diseases of the Poor, Medicine of the Rich; and European Construction: Will It Be Done to the Detriment of the Mediterranean?

Speakers include former UN Secretary General Boutros Boutros Ghali, Michel Barnier of the European Commission, and senior French political figures Jacques Attali, Philippe Seguin, and Charles Pasqua.

The conference will be taking place as LaRouche's Youth Movement launches a week-long campaign of action in Paris.

Solana Pledges Closer European Cooperation with Iran

In a joint press conference in Tehran on Jan. 12, European Union policy representative Javier Solana and Iranian Foreign Minister Kamal Kharrazi laid out a perspective for closer relations between the EU and Iran. Solana said the EU viewed Iran as a "partner," with whom the EU seeks deeper relations. He cited the European talks with Iran, which led to the signing of the Nuclear Non-Proliferation Treaty (NPT) protocol, as an example of cooperation. Solana announced that a group of Iranians would be invited to the EU headquarters in Brussels, to discuss long-term cooperation.

Kharrazi, when asked by press about the perspectives for improving relations with the U.S., said that it would be impossible at the moment, since the U.S. government is continuing to repeat its old views and accusations. The U.S. considers us the enemy, he said, and supports our enemies. Kharrazi singled out the nuclear issue as a case in point: "They have wrongly accused us of having nuclear weapons. We have signed the additional protocol, and if the Americans have good will, now they should take back their words and also accept our legal right to have peaceful nuclear technology, under the supervision of the International Atomic Energy Agency."

Russia and the CIS News Digest

Putin: Shanghai Cooperation Organization Should Become 'Transcontinental Bridge'

"I am convinced that the SCO, from a historical point of view, is called upon to become a kind of transcontinental bridge which will organically link the European and Asian continents," stated Russian President Vladimir Putin in greetings to the

Shanghai Cooperation Organization Foreign Ministers meeting held in Beijing Jan. 15. "Such a role of the SCO, stems first of all from the unique geopolitical position of the SCO member-states, the philosophy professed by the SCO in respect to a variety of cultures, beliefs, and traditions; openness and orientation for extensive international cooperation." Putin's remarks were reported in *Novosti*.

En route to Moscow after the meeting and his visit to Mongolia, Russian Foreign Minister Igor Ivanov gave a press conference in Novosibirsk Jan. 16, where he said that relations with Asian countries are of "vital and special importance" for Russia. The Foreign Ministry has opened its sixth mission in Siberia, in Novosibirsk, where it is to help the Russian President's plenipotentiary in the district to develop international relations, especially economic contacts for inter-regional cooperation. He said that development of Siberia and the Far East, closest to the Asia-Pacific region, are of special importance.

The Foreign Ministry is paying great attention to developing trade and economic relations between Siberia and China and Mongolia. Trade between China and Russia in 2003 was up 30%, over 2002, to US\$16 billion. Ivanov said that the SCO aims to develop trade and economic cooperation between Asia-Pacific nations and the CIS Asian states, which will secure the economic prosperity of Siberia and Russian Far East. While in Beijing, Ivanov had bilateral talks with his Chinese counterpart Li Zhaoxing, on the situation around North Korea. He stated that the current level of Russian-Chinese relations, "without exaggeration, can be called the best in history.... The Chinese-Russian partnership is now a major factor both of regional and global security and stability."

(For coverage of the SCO meeting, see ASIA DIGEST.)

Economic, Space Agreements Reached at Russia-Kazakhstan Summit

Russian President Vladimir Putin on Jan. 9-10 visited Astana, the capital of Kazakhstan, where he and President Nursultan Nazarbayev signed a number of key economic agreements on oil extraction and transport, as well as on military cooperation. "The demand of the global economy for energy resources is increasing. Russia and Kazakhstan are going to cooperate in this sphere for their common benefit. And we have to emphasize our common hope for a global policy that excludes wars over energy resources," said Putin.

Russian mass media (including *ORT*, *RTR*, and *Kommersant Daily*) on Jan. 9-10 highlighted the agreement on common use of Baikonur, the U.S.S.R.'s major space airfield in Jezkazgan Region. An agreement for Russia to lease Baikonur for 50 years covers not only property relations, but also new prospects for scientific cooperation. At a joint press conference, Nazarbayev emphasized that the Baikonur agreement will serve many generations of Russians and Kazaks. Putin said he highly appreciated the qualification of Kazak space scientists, and expressed gratitude to Kazak politicians for their key contribution in the design of the Eurasian Economic Community. Russian space companies will assist Kazakhstan in launching their telecommunication satellite. Moreover, the Russian side promised that the new modern space rocket, Angara (which is supposed to replace Proton), will be launched from Baikonur, not Plesetsk. Through a new bilateral complex named Baiterek, Russia and Kazakhstan will each provide half the financing for the launches, each side also receiving half the revenues.

Other agreements included:

- International relations, including the role of the United Nations, the Community of Independent States, the Shanghai Cooperation Organization, and Eurasian cooperation with the European Union.
- Border-area cooperation against organized crime, the drug trade, and terrorism, and making the borders work as a reliable transit point for trade; new border crossing points and customs infrastructure.
- Cooperation in the oil and gas sectors, mineral resource exploration and development, with joint new projects

envisaged for the northern regions of Kazakhstan and the Kazak Caspian Sea shelf.

- Military-industrial cooperation, including exports.
- Cultural and scientific exchange in 2004, the Year of Russian Culture in Kazakhstan, and beyond. One special project is the joint construction of a thermonuclear fusion research facility, based on an updated model of the Soviet-era Tokamak reactor, in the Semipalatinsk region. This is also to provide crucial scientific data for the planned international fusion experiment ITER.

New Russian Institution for Infrastructure and Regional Planning

When former St. Petersburg Governor Vladimir Yakovlev was brought to Moscow last year as Deputy Prime Minister in charge of natural monopolies reform, there was much discussion about whether he were being set up to fail, or given a truly strategic mission. In an interview in *Izvestia* of Jan. 15, Yakovlev revealed some of what he has been working on. The newspaper reports that Yakovlev's team will be submitting to the Cabinet in February, a Spatial Development Concept of Russia, with a new government research institute attached. The institute will be staffed by experts from Russia's regions.

Yakovlev said the country's "spatial development"—how the federal government can prioritize regional projects to the best advantage of all—had been discussed by the Cabinet on Dec. 26. In 2003, he said, the development of a national transport strategy represented a step towards such a national concept. In addition to dealing with population migration within the Russian Federation, "There is a need to determine other lines, too: transportation, industry, construction of ports, and development of mineral resources. However, these issues should not be settled separately, by a regional or sector principle, but comprehensively, which a general plan for spatial development actually makes possible."

Yakovlev pushed aside the interviewer's wish to draw a parallel with the Soviet Gosplan, the State Planning Commission, saying that it was simply a matter of the national interest to overcome the "patchwork quilt principle," by which regional economic planning is currently done in Russia. He stressed that national guidance, especially in building infrastructure, is essential to making private investment work: "Some people believe that business will decide on everything by itself and the state should not interfere.... But if business feels the state is interested in the project and is prepared to provide infrastructural conditions, it invests more readily. Only the state can decide in what sequence mineral resources deposits should be developed and in what sequence to build roads. Or in which ... region it is more profitable to build a port from the standpoint of federal, not just territorial interests."

Russian Media Focus on Dollar Collapse

"The ruble has overcome another psychological barrier," Russian state-owned *RTR-TV* announced Jan. 9, reporting on the fall of the dollar/ruble rate to below 29, on the previous day. The TV report cited the "huge budget deficit and immense foreign debt." The business paper *Kommersant* the same day carried a front-page analysis by its economics columnist Sergei Minayev, who predicted a new wave of panic on currency markets resulting from the ugly picture of the U.S. economy, presented in the just-issued report by the International Monetary Fund.

Izvestia's headlines on consecutive days, Jan. 9 and 10, were "The Dollar Will Collapse," and "The Dollar Has Collapsed." The first of the two articles summarized the IMF's warnings about a precipitous collapse of the dollar. The paper also pointed out that the main investors in U.S. government securities are Asian central banks. Russia used to start the New Year by purchasing U.S. dollars, but this practice is disappearing, *Izvestia* said. "The [Russian] Central Bank is unlikely to hurry to print new rubles in order to exchange them for U.S. dollars, thus financing the U.S. federal Treasury."

Russian Duma Convenes

The new Russian State Duma (the lower house of the Russian Parliament) began business Jan. 16, hearing a presentation on the economy by Prime Minister Mikhail Kasyanov. The Prime Minister outlined the government's plan for bills to be introduced this session, emphasizing ones on social protection and natural resources policy. As expected, the United Russia (Yedro) party, with its more than two-thirds majority in the Duma, assigned itself the leadership position on all Duma committees. The Rodina (Homeland) bloc of Sergei Glazyev put forward candidates to lead 10 of the committees, but the Duma voted for the United Russia choices.

Georgia's Ajaria Region Re-establishes State of Emergency

The week of Jan. 5, police in Batumi (capital of the Ajaria region in Georgia) detained two armed persons from the George Soros-financed Kmara ("Enough!") movement, which had provided the shock troops for Michael Saakashvili's overthrow of Georgian President Eduard Shevardnadze late last year. Besides weapons, the two young men had a lot of posters, urging local citizens to "peacefully overthrow" the "dictatorial regime" of Aslan Abashidze, the leader in Ajaria. This scandal became the pretext for reimposing the state of emergency.

On Jan. 9, the Court of Batumi sentenced the two detained Kmara members, Romeo Chkhartishvili and Lasha Hazhomia, to three months in jail. On the same day, the Ajarian police arrested two more Kmara activists, Beka Murvanidze and Irakly Chkhotua. In a speech, Aslan Abashidze accused the new authorities in Tbilisi, Georgia's capital, of preparing a coup d'etat in Adjara and an armed intervention into the area. In his turn, President-elect Saakashvili expressed dissatisfaction with Abashidze's policy in "unusually harsh tones," Russian TV reported. Acting President Nino Burjanadze admitted that during talks with her, Abashidze had warned that if Kmara did not cease its subversive activity in Ajaria, its activists would undergo punishment. Russian sources note that Batumi is a key port, as well as the location of customs posts on the Georgian-Turkish border.

Mideast News Digest

Exclusive: The Geneva Accord Presented in Berlin - - by Jonathan Tennenbaum

On Jan. 15, in Berlin, the Friedrich-Ebert-Stiftung [Friedrich Ebert Foundation], which is affiliated with Germany's ruling Social Democratic Party (SPD), hosted former Israeli Justice Minister Yossi Beilin and PLO Executive Committee Member Yasser Abbed Rabbo, the top organizers of the Geneva Accord, for an extraordinarily moving presentation and discussion of their efforts. The overflow audience of over 300 included some 20 members of German Parliament, plus diplomats, representatives of German thinktanks and foreign policy institutions, and press.

Also on the panel were former Israeli Ambassador to Germany Avi Primor, Prof. Yael Tamir, and Dany Levi from Israel; and Palestinians Suhair Manassre, Kadura Fares, and Marwan Jilani.

It is hard, especially in a brief report like this, to capture the remarkable agapic spirit—a spirit of deliberately rising above all pettiness and rage—which was radiated to the audience by both the Israeli and Palestinian organizers. This occasioned the present author, LaRouche representative Jonathan Tennenbaum, in a well-received intervention from the floor, to evoke the memory of Berlin's Lessing and Moses Mendelssohn.

Overcoming 'Moments of Despair'

Abbed Rabbo described the resolve of Beilin and himself, starting 2001, "to reverse the growing disaster" in the region by continuing on their own, the aborted negotiation process they had been engaged in as official representatives of their governments.

"During two years of continuous work, there were many moments when we felt despair. Are we doing the right thing, with the insanity going on around us? By producing a document based on realistic options, maybe we could help turn the tide of events."

Beilin emphasized that the Geneva initiative negotiations deliberately dealt with the whole range of detailed issues, which nearly everyone on both sides had avoided out of fear of opening up a "Pandora's box syndrome"; proving instead that these issues could in fact be resolved *in their entirety* in a mutually acceptable fashion. The key now, is to win over the minds and hearts of as much of the population on both sides as possible. "Already 40% on both sides essentially support the initiative, and that is already almost a miracle."

Through their present international tour, the Geneva Accord organizers hope to gain support from major governments and institutions, and to use this as leverage to change the political balance in their own region. They reported on the "great success" of their talks with the German government, which they said has thrown "total support" behind the Geneva Accord.

Both the Israeli and Palestinian sides voiced harsh criticism of the Bush Administration. Avi Primor stressed that the U.S., and only the U.S., possesses "every means needed to quickly bring about peace in the region. But this is evidently not the intention. There is only lip service to the cause of peace." As the U.S. refused to put the necessary pressure on the governments, so the Geneva organizers decided to go directly to the people. Beilin added that "American involvement is not a *sine qua non*." After all, the Oslo negotiations had been carried out entirely between the Israeli and Palestinian sides, without any U.S. participation. "Warren Christopher [former U.S. Secretary of State under President Clinton] did not change a single comma," but the American government did put its weight behind the agreement, once it had been made. On the other hand, prominent mention was made by several speakers of Colin Powell's letter to the Accord organizers, considered a promising gesture.

There was much back-and-forth with the questioners in the audience, with Beilin remarking that "most of the people who have been attacking the document in the press, including eminent professors, had actually never read it." In fact, the distribution of the text to all Israeli households was itself a kind of revolution, since most of the population had never seen the previous agreements.

Toward the end, the discussion heated up, with Israeli and Palestinian "radicals" in the audience shouting objections back and forth between each other and the podium. Beilin smiled and said, "Now we seem to be at home. Now we got into the real debate, which is not an artificial one."

Moses Mendelssohn and the Oasis Plan

When Jonathan Tennenbaum was called on for a question, he identified himself as an adviser to U.S. Presidential candidate Lyndon LaRouche. This occasioned some tumult among the audience, but the hall quickly became silent and concentrated, as Tennenbaum evoked the memory of "Berlin's Lessing and Moses Mendelssohn," declaring to the Geneva Accord organizers on the podium: "You have spoken with the voice of Reason. This is a sign of hope for humanity. Your presentations are out of the pages of 'Nathan der Weise.' I will do everything I can to support these efforts."

Tennenbaum went on to pose the necessity of realizing the common interests of Israelis and Palestinians, through a long-term economic development perspective for the region as a whole. He identified the thrust of Lyndon LaRouche's longstanding efforts in this direction, including the "Oasis Plan," which he first proposed in the 1970s. Tennenbaum also briefly referred to the political struggle in the United States, and the efforts of LaRouche and his movement to turn around U.S. policy.

Former Israeli Ambassador to Germany Avi Primor answered enthusiastically and at length. "We have to think: What is peace, really?" he said. "A peace agreement, by itself, only makes peace possible. But a real peace requires the realization of common interests. At the time of the Oslo accords, we deliberately emphasized trans-regional development plans as key to a comprehensive peace. With such an approach, also Syria could quickly be brought to the negotiating table. Unfortunately, this perspective went down with the collapse of the Oslo process. Now, the precondition is the establishment of a Palestinian state.... But there is no reason not to work *now* on elaborating development plans for the future." As a crucial example he took the water problem. "There is simply not enough water in the region. The only solution is to *produce* water, by desalination. But this is much too expensive when done on a small scale. We are far too small and too poor to tackle this all by ourselves. That is why we need international support."

Primor also commented on the "paradoxical" situation in the United States, where on the one side it had been claimed that '100% of the population was behind the Iraq war,' whereas a friend of his, living there, "personally did not meet a single American who actually did support the war!"

British Police To Investigate Killing of British Peace Activist

According to the Israeli newspaper *Ha'aretz* Jan. 16, the British police will investigate the killing of Tom Hurndall, the British peace activist with the International Solidarity Movement who was shot by an Israeli soldier in the Gaza Strip on April 11, 2003, as Hurndall, 22, acting as a human shield, helped Palestinian children cross a street near Israel Defense Forces operations. Hurndall, who had been in a coma for nine months since the shooting, died on Jan. 13. Westminster Coroner Paul Knapman will conduct an inquest which will begin later this month. If a British citizen dies outside Britain, the British authorities are required by law to investigate the circumstances of the death.

No U.S. government agency has ever investigated the killing of American ISM member Rachel Corrie, a young woman volunteering as a human shield who was crushed to death on March 16, 2003, when she stood in the path of an Israeli army bulldozer which was demolishing a Palestinian home in Rafah.

A U.S. intelligence source in Washington noted that the Israelis, especially Prime Minister Sharon, are very distressed that the British are conducting this probe, fearing that it could lead to possible "war crimes" charges.

Call To Oust Sharon by Labor Party Legislator

Labor Party member of the Israeli Knesset Eitan Cabel called on his party colleagues to launch a campaign for the ouster of Israeli Prime Minister Ariel Sharon because of the ever-mounting scandals about alleged corruption, reported the Israeli daily *Ha'aretz* on Jan. 16. But, so far, Labor Party chairman Shimon Peres refuses such a proposal.

The same day, *Ha'aretz* commentator Yoel Marcus revealed a push to obtain a pardon for Sharon. Marcus wrote, "Some people in our neck of the woods have proposed that the law-enforcement authorities, in cooperation with the President, grant Sharon a pardon in advance, on condition that he step down" as Prime Minister. Marcus does not see this as a possibility, however.

Another *Ha'aretz* correspondent, Hannah Kim, writes that as early as next week a new indictment will be handed down against real estate contractor David Appel. This charge relates to the so called "Greek Island" affair, where Appel is accused of bribing Sharon via payments to his son Gilad. Appel is also accused of bribing Ehud Olmert, Sharon's Deputy Prime Minister.

According to Kim, "This is one of the most heavily documented cases in the history of the Israeli police: a file bursting with evidence, documents, and recordings—almost all of it straight from the horses' mouths—Appel with Sharon, Appel talking

to Olmert, without any middlemen...."

Sharon and Cheney Out To Sabotage Syrian Peace Talks

Syrian President Bashar Assad is considering calling Israeli President Moshe Katsav's bluff and pursuing Katsav's offer to hold a summit meeting in a third country. This is being urged on Assad by the Egyptians, according to an Egyptian diplomat quoted in the *Al Siasa* daily, reported *Ha'aretz* on Jan. 16.

But, according to senior *Ha'aretz* commentator Ze'ev Schiff, Sharon is using press leaks to sabotage all secret talks, including between Israel and Syria, the Palestinians, and even Qatar.

More worrisome to Sharon and the Washington neo-cons led by Dick Cheney, are confidential back-channel discussions between the U.S. and Syria, set up through James Baker III, a well-informed Egyptian source told *EIR* Jan. 15. The source noted that Edward Djerejian, who is another Middle East hand from the Bush "41" Administration and is close to Baker, had gone to Damascus for discussions about normalizing relations with Syria, in a delegation that included retired State Department diplomats, and officials of the CIA.

The Cheney networks have already set certain war moves in action. According to a Knight Ridder report in the *Miami Herald* of Jan. 12, a memo from Secretary of Defense Donald Rumsfeld was delivered to the National Security Council, laying out plans to attack sites in Syria.

Israeli Official Says Israel Will Kill Sheik Yassin

Israeli Deputy Defense Minister Zeev Boim said that Israel is planning to assassinate Hamas spiritual leader Sheik Ahmed Yassin in retaliation for a suicide bombing that took place in the Gaza Strip Jan. 14, reported the *Associated Press* Jan. 16.

"Sheik Yassin is marked for death, and he should hide himself deep underground where he won't know the difference between day and night. And we will find him in the tunnels, and we will eliminate him," Boim raged. Any attempt to assassinate Yassin would be approved directly by Israeli Prime Minister Ariel Sharon.

Israeli security officials are planning to resume high-profile targetted assassinations of top Hamas leaders, although such assassinations have never really stopped. However, the European Union issued a warning through its spokesman, Diego Ojeda, that the EU opposes "the so-called extra-judicial killings of suspected terrorists."

Asia News Digest

India and Pakistan Refute Washington's Claims

Both the *Wall Street Journal* and the U.S. Secretary of State, Colin Powell, have claimed a key role for U.S. mediation in the decision by New Delhi and Islamabad, to begin a "composite dialogue" on all bilateral disputes. Powell told *U.S. News and World Report* that "the work we have been doing with the Indians and the Pakistanis" has produced a breakthrough, "but there is more work to be done."

On Jan. 13, an Indian External Affairs Ministry spokesman told the press that "India discusses major foreign-policy issues with friendly countries as part of normal diplomatic interaction. The U.S. has repeatedly offered to promote the India-Pakistan dialogue. However, on India-Pakistan bilateral issues, there has been no scope for any third-party role in the past,

and it is not likely to be there in future, either." The spokesman was responding to a question on Powell's statements.

On Jan. 12, Pakistani Foreign Office spokesman Masood Khan emphasized that the entire credit for the breakthrough goes to the "wisdom and statesmanship" of the leaders of Pakistan and India. "The two countries are moving toward a stage where they can engage each other productively and substantially," he said. Pakistan had always welcomed support and facilitation; however, Khan acknowledged, and the United States, European Union, China, and other countries have been engaged with India and Pakistan.

Shanghai Cooperation Organization Enters 'New Phase'

The official Secretariat of the Shanghai Cooperation Organization (SCO) will soon be opened in Beijing, with China's former Vice Foreign Minister and Ambassador to Russia, Zhinag Deguang, as its first Secretary-General. The SCO, comprised of China, Russia, Kazakstan, Kyrgyzstan, Tajikistan, and Uzbekistan, was formally established in 2001, out of the Shanghai Five nations, which have been meeting regularly since 1996 on security, border, and economic issues.

The creation of the Secretariat shows that the SCO "has entered a new phase, marked by political partnership," Zhang Deguang said in an interview with the *China Daily* published on Jan. 14. The Secretariat will strive "to ensure that all activities of the organization could be conducted in a more efficient way in the future," Zhang said.

Russian Foreign Minister Igor Ivanov, who was to discuss the situation around North Korea in bilateral meetings with his Chinese counterpart Li Zhaoxing, said that the current level of the Russian-Chinese relations, "without exaggeration, can be called the best in history.... The Chinese-Russian partnership is now a major factor both of regional and global security and stability."

Plan To Link Indonesian Islands with Bridges

The Indonesian government is currently considering a plan to build bridges to link the islands of Sumatra, Java, and Bali, *New Straits Times* reported Jan. 14. Settlement and Regional Infrastructure Minister Soenarno said the construction is targetted to begin in the next two years. Soenarno was quoted by Tempo Online as saying that there already is an investor from the United States who is prepared to invest in the project to span the 25-kilometer Sunda Strait to link Sumatra to Java. He added that a Chinese company has also offered to partially fund a bridge linking Java and Bali, but he did not name the potential investors.

Philippines Insurgents Agree To Resume Peace Talks

The National Democratic Front (NDF), the umbrella organization of the Filipino Communist movement, has signed a agreement with the Philippines government for the resumption of formal peace negotiations to begin in February, the Arroyo government's chief negotiator Silvestre Bello said on Jan. 14, in a phone interview with radio station INQ7.

The NDF blames the Arroyo government "for paralyzing the talks since June 2001." Bello said NDF chief negotiator Luis Jalandoni signed the agreement, which calls on both parties to formulate confidence-building measures that would accelerate talks. The NDF is also demanding that the "terror" label placed on their leaders by the Bush Administration be lifted, and Bello assured the rebels that victims of human rights abuses under the Marcos dictatorship would be given "proper indemnification."

Norway Resumes Talks with Tamil Tigers in London

Norwegian envoys have begun fresh talks with rebel Tamil Tigers amid fears that the existing ceasefire between the Tigers and the Sri Lankan government could break down, in light of the continuing political struggle between Prime Minister Ranil Wickremesinghe and President Chandrika Kumaratunga. Norway's Ambassador to Sri Lanka was recently in the Tiger-held northern town of Killinochchi for talks. Another Norwegian envoy, Erik Solheim, is scheduled soon to meet the Tiger ideologue Anton Balasingham in London.

At the same time, German State Minister for Foreign Affairs Kerstin Mueller is currently in Sri Lanka, ostensibly to encourage the Sri Lankan government and the Tamil Tigers to extend the current peaceful environment. Germany is providing Sri Lanka with qualified training and help in poverty reduction programs, conflict transformation by reconstruction, and the reintegration of refugees.

Strait Times Blasts Greenspan Speech as 'Suspect'

U.S. Federal Reserve Board chairman Alan Greenspan's claims that there was no inflationary pressure in the United States, no stress in funding the deficit, and that the market will deal with the current account problems, are "suspect," says a *Singapore Strait Times* editorial Jan. 14. Pointing to the European Central Bank warning, the editorial said Greenspan's policy is "exporting deflationary pressures, from the U.S. to Europe and Japan," while Greenspan claims everything is fine, because the U.S. is fine. But even that is false, writes the *Times*, since Greenspan's claim that the current account deficit will not overwhelm financial markets ignores the fact that the "market forces" he is counting on would have to force the euro to about \$1.60, and Europe and Japan would have to "resign themselves to deflation," or stop funding the U.S. deficit.

In the past, funding the U.S. deficit occurred largely in the form of buying high-yield corporate debt, but now it is government debt, financed with low-yield U.S. Treasury bonds, sold mostly to the Asians. Without threatening explicitly to stop buying that paper, the influential Straits Times concludes: "Sooner or later, measures have to be taken ... by the U.S. itself."

Thai PM: Fight Terrorism with Economic Development

The Jan. 4 coordinated attack in the three southern provinces of Thailand, in which 20 government schools were burned down, an army outpost was raided, 100 guns were stolen, and four soldiers were killed, has provoked a crisis in the nation of Thailand. There have been Muslim-based terrorist separatists in the region for several decades, and occasional flare-ups of terrorism, but the source of this well-coordinated attack is still not clear. While some leap to declare it al-Qaeda/Jemaah Islamiyah, it may well be the old separatist groups, or the interrelated gun-smuggling networks in the region, which have long provided a market for rebels in Sri Lanka, Aceh, and elsewhere, for weapons left over from the Indo-China wars.

Thai Prime Minister Thaksin Shinawatra identified the only sane approach for the Thai government. He vowed to speed up development in the Muslim-majority region, to extend the relative prosperity of the rest of the country to Narathiwat, Pattani, and Yala Provinces. "Over the next five years, I will aggressively develop these three provinces," he said. "Our next generation must not face poverty. They must be given an education and good jobs. This is an urgent task," the Premier said.

Arrest of Security Man for Attempt on Musharaff

Pakistani police arrested Mohammad Naeem on Jan. 11 for his involvement in the assassination attempt on Pakistani President Pervez Musharraf on Christmas Day, on the road between the army town of Rawalpindi and the Pakistani capital Islamabad, *The Telegraph* reported Jan. 12. The police said Mohammad Naeem had revealed the timing of the departure of the Presidential convoy to the suicide bombers over his cell phone. Naeem was deployed on Musharraf's security at the convention center where the President had addressed a meeting on science and technology earlier in the day. Naeem was

identified through the recovery of the chip of the mobile phone used by one of the bombers.

According to *The News*, an Islamabad-based daily, "There is evidence which proves the link between the first attempt on the President's life on Dec. 14 at the Chaklala bridge near Ammar Chowk, and the second attempt at Jhanda Chichi Chowk on Dec. 25." Investigators claim that detention of Naeem, and the 109 calls identified from the bomber's cell phone chip, may lead to clues about those who masterminded and executed the suicide attacks.

China, India Conclude Two Days of Border Talks

China and India wrapped up two days of amicable talks on longstanding border disputes, *The Pioneer* reported Jan. 13. "The two sides agreed to hold the next round of talks at a mutually acceptable date in New Delhi," a Chinese Foreign Ministry official said, according to *Xinhua News Agency*.

The Indian embassy in Beijing put out a statement saying that "India's special representative for the India-China boundary question and National Security Advisor, Brajesh Mishra, held the second round of talks with the Chinese special representative and Vice-Foreign Minister Dai Bingguo, on Jan. 12 and 13 in a friendly and constructive atmosphere."

The talks followed a round of dialogue in October in New Delhi. Moves to resolve the border dispute gained momentum after Indian Prime Minister Atal Behari Vajpayee visited Beijing in June.

During Vajpayee's talks in Beijing, the two sides agreed to open the Nathu Pass between China's Tibet Province and India's Sikkim Province. Sikkim, a former protectorate which joined the Republic of India in 1975, was not officially recognized by China. By signing the agreement to trade through Nathu Pass, China has extended tacit recognition of Sikkim as part of India.

Africa News Digest

Clinton Foundation Announces Agreement for Major Price Reduction of HIV/AIDS Tests in Africa, Caribbean

Former President Bill Clinton announced Jan. 15 that his foundation has reached an agreement with five leading medical technology companies for a major reduction in the price of HIV/AIDS lab tests in Africa and the Caribbean, to cut the cost of key tests by up to 80%. The Foundation says that up to 5 million people will benefit from the cheaper tests by 2008. The five companies involved are Bayer Diagnostics, Beckman Coulter, Becton Dickinson, bioMerieux, and Roche Diagnostics.

According to a Clinton Foundation press release, the agreement is expected to save almost \$300 million in South Africa alone over five years. The reduced prices will be operative in the 16 countries and territories in which the Clinton Foundation HIV/AIDS Initiative is working with governments and NGOs to set up country-wide integrated care, treatment, and prevention programs.

The agreement covers the cd4 test, which helps determine when antiretroviral drugs (ARVs) should be administered, and the viral load test, which helps measure how effective ARVs are in suppressing the virus, and which can point to the need to adjust dosages or change regimens. The companies will also donate equipment and related products and services to each of the countries.

In October 2003, the Foundation announced a major reduction in the price of ARVs for use in developing countries. The

two agreements together will reduce the cost of testing and treatment in countries such as South Africa from \$800 per patient per year to about \$250, the Foundation says.

In sub-Saharan Africa, about 50,000 people are receiving ARVs, but about 4 million need the treatment—or one person out of every 80.

U.S. Pan-Sahel Initiative in 'War on Terror'?

"A New Front in the War on Terror" in Africa is how the U.S. has characterized its \$100-million "U.S. Pan-Sahel Initiative," which will bring troops and defense contractors to the area to train African military units and provide equipment, according to the Jan. 14 issue of the British newspaper **The Guardian**. The targetted countries are Mauritania, Mali, Chad, and Niger.

A small U.S. force arrived in Mauritania the second week in January to begin the Initiative program of training personnel for border surveillance and so forth.

U.S. Uses 'War on Terrorism' To Increase Its Involvement in Kenya

"All along Kenya's coast, al-Qaeda members have woven themselves into the fabric of the region's Islamic society," declares an **Associated Press** story of Jan. 9 which takes its cue from unnamed U.S. officials. The officials charge that al-Qaeda has implanted a formidable network throughout eastern Africa, with al-Qaeda members marrying local women or passing themselves off as simple men seeking a quiet place to lead a devout life. And hundreds of new al-Qaeda members have been recruited, the officials say. But "the Islamic terror network has not found legions of Muslims in Kenya who share its religious views. For centuries, a relatively liberal and mystical brand of Islam has dominated the coast, not the rigid interpretation promoted by al-Qaeda."

EIR recalls that the U.S. State Department and Pentagon have been eager to "help" Kenya with its terrorist problem. But one Kenyan view is that Kenya doesn't have a problem—the U.S. is seeking to recruit Kenya to bear the political and physical brunt of the problem the U.S. has created for its own nationals in the country.

U.S. Considering Major New Effort in Somalia

An unnamed senior State Department official told reporters Jan. 9 that the Bush Administration is studying the possibility of providing significant financial, logistical, and diplomatic assistance to Kenyan-mediated negotiations among Somalia's warlords, according to a story in **Agence France Presse**.

A report on the subject is expected within 60 days. The official said the U.S. effort could be modelled on its support for peace talks in Sudan. The purpose would be to restore peace and deal with terrorists, some of them affiliated with al-Qaeda.

In 1993, a U.S. military mission in Somalia ended in disaster after terrorists belonging to the gangs of Somalian warlords brought down a Black Hawk helicopter, killing Americans whose bodies were later dragged through the streets.

Then, in 2001, U.S. intelligence reports identified Somalia as a location of al-Qaeda terrorist training camps. However, a serious U.S. approach to stabilizing Somalia, or investigating terrorist networks, never took place, and was buried under the Dick Cheney/neo-conservative cabal's drive for its preemptive war in Iraq.

Mbeki Visits Congo, Signs Agreement for Substantial Investments

South African President Thabo Mbeki, with seven Cabinet ministers, paid a two-day state visit to the Democratic Republic of Congo Jan. 13-14. Mbeki addressed the combined chambers of Parliament Jan. 14, making frequent references to Congolese national hero Patrice Lumumba, his vision of sovereignty for Congo, and his murder. In addition to meeting Congolese President Joseph Kabila, Mbeki also met separately with the four vice presidents and presidents of the National Assembly and Senate. The head of the South African Army, Gen. Sifiwe Nyanda, flew in with his own delegation Jan. 14 to play a role in the restructuring of the Congolese Army.

Mbeki and Kabila on Jan. 14 signed bilateral agreements establishing a binational commission and committing South Africa to \$2 billion of investments in Congo. Concerning the investments, two versions appeared in the media Jan. 15. **Multimedia Congo** (digitalcongo.net) reported, "Mbeki emphasized that the \$2 billion contained in the bilateral agreements ... will come from South African companies and not from the government.... The group of South African companies ... will invest in the mining, hotel sectors, etc."

The UN **Integrated Regional Information Networks (IRIN)** claimed, "South Africa and the DR Congo signed a bilateral agreement worth US\$10 billion ... covering the areas of defense and security, the economy and finance, agriculture and infrastructural development."

IRIN says Congo also signed an \$8.4-million deal with the South African Chamber of Commerce to rehabilitate the state's giant Gecamines mining concern and a concession of the Kilomoto Gold Mines, and for the management of two hotels.

High-Yield 'Miracle' Rice Developed for Africa

Farmers in nearly a dozen countries in West and Central Africa are now achieving bountiful rice harvests on the basis of a cross between an ancient, hardy African rice variety and a high-yield Asian variety called Nerica. Developed by scientists of an intergovernmental rice research center, the West Africa Rice Development Association (WARDA), Nerica is very hardy and resistant to stresses such as drought, common rice diseases, and pests.

In fact, "It is a miracle crop," WARDA Director-General Kanayo Nwanze told **Africa Recovery**, which filed the report on the rice Jan. 2.. Unlike traditional Africa rice, but similar to the Asian varieties, Nerica produces significantly bigger harvests—yielding more than either of the two parent varieties—and each grain of Nerica contains more protein than either of the parents. African promoters of the New Partnership for Africa's Development (NEPAD) have identified the new rice as one of the continent's "best practices" and are pushing to expand its use in West and Central Africa and extend it to East and Southern Africa.

This Week in History

January 19-26, 1953

President Eisenhower and Nuclear Policy: Toe to Toe with the Utopians

When Dwight D. Eisenhower was inaugurated as President of the United States on Jan. 20, 1953, the doctrine of preventive nuclear war had already gained a dangerous foothold in the thinking of many in the military and Congress. Contrary to popular myths about the peaceful, uneventful Eisenhower years, that period of time saw a massive attempt to legitimize and use nuclear weapons by any means possible. An escalating arms race between the U.S. and the Soviets was underway, and the Utopians of the day were itching to use the new atomic weapons, as they had in 1945, for terror, population control, and

ultimate world government by a modern model of the British Empire. General Eisenhower had not approved of using the atomic bomb against Japan in 1945, and in his inaugural address of 1953 he promised that his Administration would "neither compromise, nor tire, nor ever cease" to seek an honorable worldwide peace. This quest was urgent because "science seems ready to confer upon us, as its final gift, the power to erase human life from this planet."

Eisenhower got an early taste of what was arrayed against him during the first six months of his Presidency, when he attempted to end the Korean War. Secretary of State John Foster Dulles advised letting the war go on, as did President Syngman Rhee of South Korea. According to Emmet John Hughes, an Eisenhower speechwriter, Dulles went so far as to say, "I don't think we can get much out of a Korean settlement until we have shown— before all Asia—our clear superiority by giving the Chinese one hell of a licking."

When the Chinese government submitted a proposal on June 4 which was in substantial agreement with the last United Nations offer on allowing "voluntary repatriation" for POWs, it looked like peace was at hand. But then Rhee freed some 25,000 POWs, both Chinese and Korean, who scattered all over the countryside, thus breaking the terms of the armistice agreements. Simultaneously, the Republican "Old Guard" in the U.S. praised Rhee for his action, and a resolution was introduced in the House commending Rhee for releasing the prisoners. But each week after the prisoners' release, almost 1,000 American soldiers were killed, and Eisenhower stood his ground against the outcry in favor of continued war, including from most of his advisers. The truce was signed on July 27, 1953.

That same spring, President Eisenhower had been working out a policy on nuclear power that could free the world from ever-escalating terror. When Soviet leader Josef Stalin died in March 1953, his heir apparent, Georgi Malenkov, let the Americans know that he believed, "There is not one disputed or undecided question that cannot be decided by peaceful means." In response to Malenkov, Eisenhower developed a two-pronged initiative. The first was a major speech entitled "The Chance for Peace," delivered before the American Society of Newspaper Editors on April 16, which warned about the dangers and real cost of the arms race. "The worst to be feared and the best to be expected," said Eisenhower, "can be simply stated. The worst is atomic war. The best would be this: a life of perpetual fear and tension; a burden of arms draining the wealth and the labor of all peoples. Every gun that is made, every warship launched, every rocket fired, signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed."

"This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. The cost of one modern heavy bomber is this: a modern brick school in more than thirty cities. It is two electric power plants, each serving a town of sixty thousand population. It is two fine, fully equipped hospitals. We pay for a single fighter plane with a half-million bushels of wheat. We pay for a single destroyer with new homes that could have housed more than eight thousand people."

In conclusion, Eisenhower proposed that if the Soviets showed by deeds that they, too, were ready for peace, the United States would devote "a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction: to assist all peoples to know the blessings of productive freedom. The monuments to this new kind of war would be these: roads and schools, hospitals and homes, food and health."

But Eisenhower had put conditions on this proposal that the Soviets would not, and in some cases, could not, fulfill. After rethinking his offer, he eliminated such conditions and delivered a speech to the United Nations on Dec. 8, where he proposed his "Atoms for Peace" plan before the General Assembly. Describing the multiplication of powerful nuclear weapons, the President said that, "A single air group can now deliver to any reachable target a destructive cargo exceeding in power all the bombs that fell on Britain in all of World War II." Atomic weapons had now achieved "virtually conventional status within our armed services." To continue the atomic arms race "would be to confirm the hopeless finality of a belief that two atomic colossi are doomed malevolently to eye each other indefinitely across a trembling world."

Then Eisenhower proposed that the U.S., the U.K., and the U.S.S.R. make joint contributions from their stockpiles of fissionable materials to an International Atomic Energy Agency, set up under the United Nations. "Experts would be mobilized to apply atomic energy to the needs of agriculture, medicine, and other peaceful activities. A special purpose would be to provide abundant electrical energy in the power-starved areas of the world. To the making of these fateful decisions, the United States pledges before you, and therefore before the world, its determination to help solve the fearful atomic dilemma—to devote its entire heart and mind to finding the way by which the miraculous inventiveness of man shall not be dedicated to his death, but consecrated to his life."

No applause interrupted Eisenhower's speech, and after he finished there was total silence. Then the delegates, including the Russians, stood and cheered. As the Russians debated the offer over the following months, the Utopian faction struck back against Eisenhower's proposal with a vengeance. From the early spring of 1954 until winter of the next year, virtually the entire National Security Council, Joint Chiefs of Staff, and the State Department fought for U.S. intervention in Asia, including using nuclear weapons against China. The triggers were the French defeat in Vietnam, and the Chinese shelling of Quemoy and Matsu Islands.

Eisenhower stated that he would never have the U.S. go into Vietnam alone. Admiral Arthur Radford, Chairman of the Joint Chiefs of Staff, proposed to save the French at Dienbienphu by sending in sixty B-29 bombers on night raids. Eisenhower replied that the idea must be approved by Congress and other Western allies. Providing a useful piece of advice for future Presidents, he said that "Without allies and associates, the leader is just an adventurer, like Genghis Khan."

Then the desperate French told the Americans they were sure that China was about to enter the fight. In a meeting with the Joint Chiefs, Eisenhower told them that if the U.S. launched a preventive nuclear war against China, it would also have to simultaneously launch one against the Soviet Union. Looking directly at Admiral Radford, a supporter of preventive nuclear war, Eisenhower asked the group to suppose that it were possible to destroy Russia. "I want you to carry this question home with you. Gain such a victory, and what do you do with it? Here would be a great area from the Elbe to Vladivostok. torn up and destroyed, without government, without its communications, just an area of starvation and disaster. I ask you what would the civilized world do about it? I repeat, there is no victory except through our imaginations."

Rumors of what was going on reached the press corps, and Eisenhower was asked at a press conference to comment on preventive war. He replied, "I don't believe there is such a thing; and, frankly, I wouldn't even listen to anyone seriously that came in and talked about such a thing." The reporter persisted, and asked whether the President's answer was based on military or moral considerations. "It seems to me," said Eisenhower, "that when by definition, a term is just ridiculous in itself, there is no use in going any further."

Although the Utopians got around Eisenhower in other, more limited, but still dangerous, ways, they were never able to panic him into coming around to their way of thinking. And they have probably never forgiven him for shattering, even temporarily, their nuclear terror operation, by enabling the world to see the shining future that was possible through Atoms for Peace.

All rights reserved © 2004 EIRNS

[top of page](#)

[home page](#)