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This Week You Need To Know

The Immortal Talent of Martin Luther King

On Jan. 19, the nation celebrated Dr. Martin Luther King Day, in commemoration of the civil rights leader, who was slain on April 4, 1968. In the company of civil rights heroine Amelia Boynton Robinson, who was a key collaborator of Dr. King, and a founder of the Alabama civil rights struggle, Lyndon LaRouche keynoted the Martin Luther King Prayer Breakfast on Jan. 19, sponsored by the Talladega County (Alabama) Democratic Conference. City Councilman Rev. Horace Patterson introduced the first speaker, Mrs. Robinson, the vice chairman of the Schiller Institute, who in turn introduced LaRouche.

Patterson: Before I present this gifted lady, I want to emphasize that she has been a civil rights activist ... [which] involves some tiring, tiresome work. You get tired; and when you get tired, strength is often zapped, because you not only have to deal with ignorance, you have to deal with stupidity. You can fix ignorance with knowledge. But it's hard to fix stupidity. It's hard to fix stupidity. And so often, in the arena of civil rights, you have to sometimes even fight with the people you're trying to help. And this, of course, makes this lady so unique.

It is also a thankless task, from time to time. Many times, those who give of themselves, find themselves unappreciated. She was one of those people who made it possible for Dr. Martin Luther King to do the kinds of things he did. Many people who were there, understand. When it was time to register folk to vote, many times, many of us would go into their homes, and it was the first time they had ever registered to vote: And you have to promise—, you'd say, "I'll take care of the baby, if you'll go down and register. I'll wash your clothes." I'm serious! "I'll cut your grass. I'll do anything, if you will go down, and vote." And so often, the people who did these kinds of things were never fully appreciated. Dr. King understood it, and therefore he mentioned it, when he received his Nobel Prize.

This whole work, also, is a threatening work. It is very, very dangerous work. Because the evil we face, is systemic. It is an old evil. And many times, it is dressed up in new clothing. But, it's still the same old stuff.

And therefore, as we look at realities of civil rights activism, and we look at the hurdles that must be crossed, it makes this lady so unique. Mrs. Amelia Robinson was one of the persons who marched at the Edmund Pettus Bridge, on March 7, 1965. She was beaten so badly, they thought she was dead. It was a horrible, horrible day. I can speak to that: I was a young, 17-year-old kid, at that time. And I have such respect for those adults, who went through the *horror*, the horror of that hour—and yet, maintained a sweet and blessed spirit.

From the 1930s, Mrs. Robinson and her husband involved themselves in the fights for voting rights and property ownership, throughout the state of Alabama. During the 1960s, in her home in Selma, and her office, she often invited the King leadership team, Dr. King himself. And many times, they put together strategies that worked. In 1964, she was the first African-American female, but also the first female, who ran on the Democratic ticket for Congress.

Today, Mrs. Robinson is a leading member and vice chairman of the Schiller Institute, founded by Lyndon LaRouche and

Helga Zepp-LaRouche in 1984. In April and May of 1990, Mrs. Robinson spent five weeks touring East and West Germany with the Schiller Institute, where she addressed thousands and thousands of German citizens about the lessons from the life of Dr. Martin Luther King, Jr. On July 21, 1990, Mrs. Robinson was awarded the Martin Luther King, Jr., Freedom Medal, honoring her lifelong commitment to human rights and civil rights.

Today—in her nineties! in her nineties! And I want to talk to her, before she leaves here: Whatever she's been drinking, I want a bottle of it!—Today, in her nineties, Mrs. Robinson is still a vibrant, charismatic leader, touring the nation, and speaking for the Schiller Institute, on behalf of the principles of civil rights and activism.

Would you be kind enough to give a warm, Talladega County welcome to Mrs. Amelia Robinson?

Amelia Boynton Robinson: 'Footprints on the Sand of Time'

That's a beautiful tribute. But, that tribute makes me realize, that I still have a lot to do! God is not through with me, yet. And, I will be here. I happen to be in the B class. I never was supposed to be a very smart person—I'm in the B class. So, I'm going to be here! And, I hope, I will be here, to see every one of you become a registered voter, and use your vote, in order that we can destroy the evils that we have in our country.

And I believe that Martin is looking down now, Martin Luther King, who, to me, was just "Martin," because I'm old enough for his mother. And when he came to Selma, people rejected him.

I believed we could make a type of plan, that we are going in different places, and we are going to get people to realize that a vote-less people is a *hope*-less people. And the only way that we are going to be able to get our rights, is to get the ballot.

And, when we were small, we used to decide that we were going to make a resolution. And, of course, every year, the resolution was, "I'm not going to tell any more stories—or lies!" But I would like to see you make a resolution on this day: a resolution that, "I am going to become a registered voter," if you're not. Because, if you haven't voted in two years, you've lost. That you are going to exercise your ability as an American citizen, and vote. I would like for you to make that resolution, *this day*, that you're going to exercise your God-given right, and become a registered voter.

I worked with Dr. King, and I cried when he came to Selma. Because, on the street that my office was on, we had all of the professional African-Americans. Not *one* of them came to him, and said, "Thank you for coming." "I am glad that you're here." "I would like to give you a drink of water." Or, "I would like for you to come to my house." Nobody!

Because, you have evil against good. And the people who were evil feared our getting together, because they were successful in dividing and conquering. So, they said, "Don't have Dr. King to come into Selma"—they even called me—"because he's a rabble-rouser. He's an agitator. He's a Communist!" And most of them didn't know what Communism was, but that's what the white folks said, so "we're not going to have anything to do with him."

And some of these professional people closed their doors. And the only place he had to go, was to my office, and to the house; so I turned everything over to them. And thank God, out of that came, as you know, not only Resurrection City, but also, March 7, which was known as "Bloody Sunday."

So, I would like for you to make that resolution, this day, that you are going to follow in the footsteps of Dr. King—the *little thing* to register, vote, and become a first-class citizen.

He was rejected. But so was Christ. Mahatma Gandhi was rejected. Kennedy was rejected. Martin Luther King was

rejected. But all of them left footprints on the sand of time.

But, you know, God has leaders to take up the helm, and to have somebody to carry it on. And we have, this day, a man who is walking in the footsteps of all of these people: a combination of trying to right the wrongs.

Unfortunately, we went to sleep after 1965. In 1967, people got positions, and they fought for it. But, the young generation feels as though it has everything made. We don't have to do—we can go in any hotel; we can go into any restaurant. We don't have to sit in the back of the bus. But, you don't have it made! The evil spirit, like a mold—I don't know whether you know anything about molds, or not; but, in my grandmother's home in South Carolina, we would see the ground breaking. We couldn't see what was under it, but it was something like a mold. And, as it goes along, it breaks the ground. So, you don't be like the mold. You come up to the top, and break the ground, and break out! Because, self-esteem is something that everybody can have. You *are* your brothers' keeper, you are God's child.

God Makes Leaders

And, we know that we have to have leaders. This is something that I would like for each and every one of us to realize: that leaders are not those that feel that, "Well, I want to be a leader tomorrow. And I'm going to lead." God makes leaders. And we refine those leaders. Thank God, that we are now at the place where we don't look at the color of the skin, but the contents of a man's character, regardless of who he might be.

But, we have to fight hate! And, I am so happy, that the gentleman whom I am standing beside, is a man who will tell anybody: Hate does not help! Hate only destroys the hater!

It used to be a time, that people of color were hated because of the color of their skin. But, hate is like—it's like a cancer. It starts, sometimes, with just a little pimple. And, if you don't stop it, it grows. It grows into a sore. Then it takes over the whole body. And that's what hate has done. It's not because of the color of a person's skin that people are hated now, only. It's gone into our cities, our counties, and even our nation: They *hate*!

And this is *one man*: Talk with him, day or night, wake him up, and he'll tell you, that love can overcome everything; that we have to love. We have to look at the person's inside. And I am very proud to say, that this gentleman is a man that I have known for many years. And it's not because of what somebody said. Like Martin: When Martin Luther King, before he came into Selma, Martin Luther King was told, "Don't go into that section." He was hated. But, he did what he was supposed to have done. And that is, what God had him to do. And then, He took him away. If he were living today, maybe, the rabble-rousers might have killed him mentally, rather than physically. But he did the job, that God had him to do.

And I think of people as—let's say, a school: Here, the teacher comes in, and says, that "I'm going to give an examination today. And I want you to take your papers and pencils out. And we're going to have an examination." Okay, in this class, you have Martin Luther King; you have Mahatma Gandhi; you have many other people, including the Kennedys, including Lincoln. You have Lyndon LaRouche—and, because of my age, you've got me!

Then, she passes out the examination. Then, she says, "Now, I want you to be sure that you're quiet, and do your work." And, as soon as she turns her back, you find, let's say, Martin Luther King: "Miss Teacher, I've finished."

"Bring your paper up here." She looks at it. "You have a perfect score. You may pass on." And he passes off of the scene of this Earth, and God says, "Come up a little higher. You've done a good job."

The Kennedys, 15 minutes afterward, the same thing. "Okay. You've got a good score. You may pass."

But, 40 minutes pass—the time is only 45 minutes—40 minutes pass. Many of the people have finished their examination, and they pass on. Forty-five minutes pass, the bell has rung—and Lyndon LaRouche and I are *still* working!

So, we are here for a purpose. And I am so happy to see a man, that knows no color. He's color-blind. He is working for people, for the human race. And he realizes that we are our brothers' keeper, whether we are on this side of the ocean, or the other side. And he realizes, also, unless people throughout the world begin to recognize people, justice, understanding, love, humility, then we have not completed our job.

So, I introduce to some of you, present to others, the man that God has ordained as a leader for people throughout the world: Lyndon H. LaRouche.

Lyndon H. LaRouche, Jr.:

Thank you, young lady. Oh, thank you Amelia! She's very special to us, and to my wife—when I say "we"—my wife, as well. She's been like a mother to my wife. And she's been precious.

We have two problems, I think, which should be the basis for reflecting on Martin's life, today. One, we have a national crisis. Now, I'm not going to mince words; and I'm not going to do any political hacking. But the facts have to be told. This economy is collapsing! The situation, relatively speaking, in terms of basic economic infrastructure, of the United States today, *is worse than in 1933*, when Roosevelt came into the White House, in March.

That is, you look around you: infrastructure, energy, so forth; the conditions of life of our people, around the world; and don't look in the big cities, where they put on a façade, and say, "Things are fine." Look in the communities. For example, Detroit, now, has half the population it used to have. An industrial city is gone. Look around Birmingham, you see how the same thing is reported. It was never rich. But, their sense of loss, of loss, of loss, of this, of that: That's the situation of the United States.

Then you get an indifference, an indifference to the problems of the United States. We have 48, at least, of the 50 states are bankrupt, hopelessly bankrupt. That is, the states can not possibly raise the tax revenue, without sinking the economy further, to meet the essential obligations of government. This is characteristic of at least 48 states.

And it's getting worse.

'We're in Trouble'

If you look at the cost of living, the increase of the cost of living, as compared to what is officially reported, look at the prices of food in grocery stores, over the past six months, in the United States.

Look at the fact that the U.S. dollar—not long ago, 83 cents would buy a euro; today it takes a \$1.26 or \$1.28 to buy a euro. The U.S. dollar is collapsing in value.

What is increasing, is the amount of money associated with gambling. And the biggest form of gambling is occurring on Wall Street. The money is going to drive up—in a purely speculative way, on side bets on the economy—to drive up the value of stock prices for some companies. And, as soon as some company gets rich, the leaders of the company go to prison, like Enron. Because we have gone from the "steel" business, to the "stealing" business. The nature of the economy.

We're in trouble. We're in trouble on a world scale. Since January of 2002, when the present President made an unfortunate speech, in the State of the Union Address, the attitude toward the United States, has fallen rapidly to the lowest I've ever seen, among nations all over the world. Throughout Eurasia, throughout the Americas, the United States is despised, where it was still at least respected, or even loved, before. We are in trouble.

And look at the world. The world faces a great crisis. And the United States faces a great crisis, in dealing with the world. The largest concentrations of population of the world are China, for example, at one point, 1.3 billion or more; India over 1 billion; then you have Pakistan, Bangladesh, and the countries of Southeast Asia: This is the greatest concentration of population on this planet. It's an emerging part of the world. The question is, what's the relationship of the United States to these people of Asia, who represent, by and large, different cultural backgrounds, than those of us in the United States or in Western Europe?

How are we going to find peace in a troubled world? How are we going to find reconciliation in a troubled world, with countries which have turned against us, because of the war policies of Cheney and some others?

So, we face the situation.

Now, go back a little bit, to the time that Bill Clinton was inaugurated as President. Now, think about something some of you know about: Think about the status of the Black Caucus, Legislative Caucus, or Black Congressional Caucus, in 1993, when Bill Clinton came into the White House. Now—go through the list of names: Where are those people, and their replacements today? There has been a winnowing out of the political achievements, throughout the country, of the black caucuses.

This is the problem I deal with constantly, actually from 1996 on. It became worse, accelerated. Brutally.

The Significance of Martin Luther King, Today

So, we do not face a new problem today, in one sense. We face the same problem, in principle, that Martin faced. And he faced successfully. And I would propose, that in the lesson of Martin Luther King, and his life, there is something we can learn today, which brings him back to life, as if he were standing here, alive, today. There's something special about his life, his development, which should be captured today, by us, not only in addressing the problems of our nation, which are becoming terrible; but the problems of our relationship with the world as a whole. How are we going to deal with these cultures that are different than our own? With an Asian culture; with the Muslim cultures around the world—over a billion Muslims around the world; with the culture of China, which is different than ours; the culture of Southeast Asia, which is different than ours; the culture of Myanmar?

They're all human. They all have the same ultimate requirements, the same needs. But, they're different cultures. They think differently. They respond to different predicates than we respond to. But, we must have peaceful cooperation with these people, to solve world problems.

Then you start thinking about someone like Martin. And I want to indicate, in the context I just stated, what the significance of Martin is, today. We had no replacement for Martin, lesson number one. Martin was a unique personality. He was not a talented person who happened to stumble into leadership, and could be easily replaced by other leaders who would learn the job, and take over afterward. We had no replacement. No one in the position to replace him. Many wished to be—they didn't have it.

What did Martin have? What was the essence of Martin, that made him something special? Let's compare three cases, to

get at this. One, Martin himself. The other, the case of France's famous heroine, Jeanne d'Arc—and I'm rather familiar with the details of the actual history of the Jeanne d'Arc case, which is comparable, in a sense, a very special way, to the case of Martin. And then, also, with a fictitious case, but which points to the problem we face: the case of Shakespeare's Hamlet, especially the Hamlet of the Third Act soliloquy.

Now, what was the issue? Martin was truly a man of God. Truly. In a way that very few people are actually able to realize in their lifetime. It wasn't just that he was a man of God: It's that he rose to the fuller appreciation of what that meant. Obviously, the image for him was Christ, and the Passion and Crucifixion of Jesus Christ. That was his source of strength. He lived that. He had gone to the mountaintop, at a point that he knew his life was threatened by powerful forces in the United States. And he said, "I will not shrink from this mission, even if they kill me." Just as Christ said, and I'm sure that was in Martin's mind, at that point. The Passion and Crucifixion of Christ is the image which is the essence of Christianity. It's an image, for example, in Germany, or elsewhere, where the Bach *St. Matthew Passion* is performed. It's a two-hour performance, approximately. In those two hours, the audience, the congregation, the singers, the musicians, re-live, in a powerful way, the Passion and Crucifixion of Christ. And this has always been important: *To re-live that*. To capture the *essence* of what Christ means, for all Christians. And Martin showed that.

The difference is this—and I'll come back to Jeanne d'Arc (or call it, Joan of Arc, in English). The difference is, most people tend to believe, "Yes, I wish to go to Heaven," or something like that. Or, don't. Don't care. But, they are looking for answers within the bounds of their mortal life. They're thinking of the satisfactions of the flesh. The security they will enjoy, between the bounds of birth and death. Whereas, the great leader, like Martin, rises to a higher level. They think of their life, as the Gospel presents it, as a "talent." That is, life is a talent, given to you: You're born, and you die. That is your talent, what you have in that period. The question is, you're going to spend it anyway. *How* are you going to spend it? What are you going to spend it for, to secure for all eternity? What are you going to do, as a mission, that will earn you the place you want to occupy in eternity?

Martin had a clear sense of that. That mountaintop address, for me, struck me years ago—*clear*: It was just a clear understanding of exactly what he was saying; what he was saying to others. Life is a talent: It is not what you get out of life; it's what you put into it, that counts.

Martin had that. That's why he was a leader. And I've known many of the other leaders with him, in that period. *They didn't quite have the same spark*. They may have accepted the idea. They may have believed in it. *But, it didn't grip them* the same way it did Martin. And it came to grip him, I'm sure, more and more, as he took on more and more responsibilities. As a leader, you feel this. You see your people. You see the things you have to cope with, the suffering; you see the danger. And you have to find within yourself the strength, not to flinch. Not to compromise.

The Martyrdom of Joan of Arc

Take the case of Jeanne d'Arc, to the comparison—Joan of Arc, as she's called. This is the real history: She was such a significant figure, in the 15th Century, that her history was thoroughly documented at the time, and cross-checked and so forth. She was a figure in all Christianity. She was a key figure in the history of France.

Here she is, a woman, a young woman, coming from a farming background, who is inspired to believe that France must be freed from the terrible occupation of the Norman chivalry; that France must become a true nation. And that it must be risen out of its condition, to become a nation, to take care of these problems; that God wished this to happen. So, she went, through a series of events, to a Prince, who was the heir, nominally, to the throne of France. And she said to this Prince—having gotten in there with various credentials—"God wants you to become King." And he looked at her, and he said, "What do you want from me?" She said, "I don't want anything from you. God wants you to become a King."

And so, because of her power, of her personality and her mission, the King gave her the command of some troops, in a very serious battle at that time, under the assumption that she would be killed, as the leader of these troops, and that would settle the whole problem. She wasn't killed. She won the battle! Personally leading the battle!

And, France was mobilized for the idea of its independence, to a large degree, as a result.

Then the time came that the Prince was crowned King. But then the King betrayed her to the enemies of France, to the British, the Normans. And she was put on trial by the Inquisition, which is a *horrible* thing. This is the worst kind of injustice you can imagine. And in the course of the trial, she was offered bait: "If you will back off a little bit, girl, we won't burn you at the stake, *alive*." And she said, "No." She flinched—"Maybe I should compromise." She had priests in there, trying to get her to compromise. She said, "I won't compromise. I can not betray my mission."

She had gone to the mountaintop. "I will not betray my mission. I will stay my course."

So, they took her. They tied her to a stake. They piled the wood on the stake. They set fire to the stake, while she was alive. They cooked her to death. Then, they opened the pile of wood, to see if she was alive or not; they found she was dead. And they continued the process, restarted the fire, and burned her, into ashes.

But, out of that, two things happened. Out of that, France revived and got its independence. And later, got the first modern nation-state of Louis XI, that is, Louis the Eleventh of France. And the significance of that is this, for us today: Because of that victory, because of what happened with Louis XI of France, we had the first European state, in which the government was responsible for the general welfare of all of the people. The general welfare, means exactly what it means in I Corinthians 13, when Paul writes of *agape*; or we sometimes call "love," or "charity." It's that quality. It is not the law, it is not the rule-book, that counts. It's your love of humanity that counts. That you must always live for your love of humanity. And therefore, government is not legitimate, except as government is efficiently committed to the general welfare, of not only *all* of the people, but also the improvement of the condition of life of their posterity.

And, for the first time, in France, with that state, the principle of constitutional law, that government can not treat some of the people as human cattle—it is not legitimate; it is not a nation, if it treats some of its people as human cattle—it must think of the general welfare of *all* of the people. It must be *captured* by a sense of responsibility to all of the people *and* to their posterity.

Because we're all mortal. And to arouse in us the passions, while we're alive, which will impel us to do good, we have to have a sense that our life, and the consuming of our life—the spending of our talent, is going to mean something for coming generations. The best people look for things—like Moses—that are going to happen, when he will no longer be around to enjoy them. It's this sense of immortality. It's why parents, in the best degree, sacrifice for their children. It's why communities sacrifice for education, for their children, for opportunities for their children. You go through the pangs of suffering and shortage, but you have the sense that you're going someplace, that your life is going to mean something. That you can die with a smile on your face: You've conquered death. You've spent your talent wisely, why life will mean something better for generations to come.

That was the principle! That principle inspired the man who became King Henry VII of England, to do the same thing against the evil Richard III, and establish England, at that time, as the second modern nation-state.

In a sense, that's what Martin was doing, the same kind of process.

Hamlet, and the Problem With Education

But, now, let's take the other side of the thing. Let's take the case of Hamlet: Hamlet says, that we have the opportunity to fight, to free ourselves from horrible conditions, but! But, what happens after we die? What happens beyond death? And, it is the *fear* of what happens beyond death, which makes people cowards: And, that is our problem, in the United States, today! It's the problem of our leadership in the Democratic Party. It's the problem in the Republican Party, because not all Republicans are bad. Some of them are very good. I intend to incorporate some of them in my government. I'm not very partisan, when it comes to government. I'm partisan about getting it established.

So, that's the point. The problem here is this: [Most Americans do not] actually believe that man is different than an animal. Do you think, in the schools today, in the newspapers today—do you think that Americans believe, in any significant way, that man is different than an animal?

Our teaching, we don't teach that. Look at our standard curriculum. Many of you know something about education. What our education policies are now, nationally, are a crime. You don't *know* anything—you learn to pass a test! And you wonder if the person who designs the test knows what they're talking about. Tests are issued in various parts of the country, not to test what you've done to the students, in terms of what they know. Sometimes the students come out, saying, "I know nothing." Honor students say, "In my years in secondary school, I learned nothing! The way it's being taught now, under the standard now." What they're testing is the obedience training of the students, in that school district, or that part of the country, as measured by some standard. Districts are *competing* for money! And the performance, like the dog training, of the students in the school becomes a standard, for how much money and how many honors that district will get in the following year.

We're no longer concerned. We don't *believe*, as a nation—we don't believe in developing people! We have become like Rome, ancient Rome, a society of "bread and circuses." Get your crumbs, and be entertained. And the entertainment gets more and more vicious as it goes along.

For example, today, do people work? Is their mentality one of working? Do they believe in work? Do they believe the society gives them the opportunity to work? No. It doesn't. It gives them the opportunity to get some money.

What is the biggest growth industry in the United States? Gambling. What is Wall Street? Gambling. What is Enron? Gambling. What're these guys that are going to jail in New York? Gamblers.

The mentality of the country is that if you're getting lucky, and winning the lottery, and winning at the track, that you're getting ahead. Even though your industry is collapsing, your farm is gone, the city government can no longer afford to take care of your essential needs: We've gone into becoming a gambling society.

We rely on what? *Mass entertainment!* What kind of mass entertainment? Isn't this something you really should be ashamed of?

We no longer regard human beings as human. We no longer understand what is human.

I started a youth movement, some four years ago. It concentrates on young people 18-25 years of age, that is, the university age-group. And, as you know, people, when they get to about 18-25, under normal conditions, have passed over from thinking of themselves as adolescents—as being half-adults/half-children—into becoming, in a sense, adults. They have adult confidence, adult impulses, and so forth....

If man were an ape, for example, the population of human beings on this planet would never have exceeded several million individuals. So, don't make a monkey out of man. We have now, over 6 billion people on this planet, to take care of—and

they're growing. The point is that man has been able to discover what no animal can do: To discover universal physical principles of the universe, to apply these discovered principles to make improvements in society, which increases man's power over nature, just as you can read in Genesis 1: man and woman made equally in the image of the Creator, in the likeness of the Creator, and responsible for this function. That's what we are.

When we teach physical science, when we teach Classical art, and when we teach history from that standpoint, we are actually imparting to young people, a sense of their humanity. They are capable of re-enacting the great discoveries of principle from the past, whether in art, or whether in physical science. When they know that, they know the difference between themselves and the beast. They pride themselves on this, and they say, "We're human." And they can look at each other with love, a kind of love which is expressed in education by the proper kind of class, in which students *share* in the process of fighting through the act of discovery for themselves, a principle presented to them as a challenge and a paradox.

I mean, there's a loving relationship, a class of the size of 15-25, typical, good university, good secondary school class; in which the students are given the responsibility, given a challenge, to try to fight it through *among themselves*. And, the good teacher tries to evoke this kind of response from among the students, find two or three in the class that'll start the discussion; and try to get the entire class involved in the discussion. So that, what comes out of that is not *memorizing* something in a textbook. What comes out of that, is the process of a social experience of discovering the meaning of a principle, *as if they had made the original discovery themselves*. This is done, not by teaching the individual student (although that sometimes works)—*it's done by getting the students to interact, in the process of discussion!*

That's why you want a class size of between 15 and 25. Not too many, to exclude the opportunity for people to participate. Not too few, so you don't get the stimulation of starting the discussion. But, it's this social process of relationship, among people *who love each other*, in a higher sense, because they have shared the process of discovery of a principle; or they've understood something about history. But, they shared it! And, the idea of sharing human knowledge, as human knowledge, is the essential act of loving. And you love mankind, and you're happy with mankind, when you have worked together to make a discovery together with people.

And you realize you can rely on those people for that kind of method. You got a problem with them? Well, go back to the method. Talk to them, the same way you do in a classroom. Fight it out with them. And these young people are fun: They fight it out, until 3 or 4 o'clock in the morning. I usually—you know, when I give a lecture with these guys, they go at me for about four hours. I give them about a one-hour presentation, or something like that, and they're at me—they're at me, all over the place! But, it's beautiful! It's wonderful! And, I think anybody who's been in education, knows exactly what I'm talking about. It's beautiful—it's wonderful.

So, this is the problem: We have a population, we have a world, in which there's a shortage of people who actually understand, fully, the meaning of the difference between man and beast. That man is a creature, as defined by Genesis 1, is made in the likeness of the Creator of the universe.

This is us!

Because we transmit these ideas, because we transmit this work as no animal can, we love one another. We love the people who come before us. We love those who are coming after us. We care for them. In a very selfish way: Because, in our spending our talent of life, our sense of beauty depends upon what was coming out of our life, in future generations. We love children for that reason. They're our children. We love grandchildren, even more than children, sometimes. Because, our children were able to produce these children—that's great! I mean, you love them specially. Particularly, a person becomes a grandparent, they love these grandchildren especially for that reason.

So, this kind of loving is lacking, generally, in the population, in leaders.

Reach the 'Forgotten Man'

Martin obviously had that. Martin was one of the rare people, in his time, who had a deep sense of what it is to be a human being. Who had a deep sense of the lesson of the Passion and Crucifixion of Christ. He was able to bring to politics—which he didn't go into to get in as politics, as such—he was a natural leader. The natural leader is one, who comes not from the political process as such, but from the people. Martin never achieved political office. Yet, he was probably as important a figure of the United States as any modern President. He achieved that. His authority, as a leader, came from the people. He fought against the people, and with the people, to free them. He was a leader, in a true sense. His power as a political force, in the nation and in the world, came from his relationship to the people.

And, that's our situation, today. And why I'm so glad to be here, and have this opportunity to be with you: Because you typify those who are struggling, in this country and abroad, for the so-called "forgotten man," as Franklin Roosevelt was summoned, in 1933, to the Presidency. Eighty percent of the population of the United States, in particular, and many around the world, are the forgotten man and woman. Nobody really cares about them. Take the case of health care, the health care history; take the case of all kinds of things.

The only way you can renew a nation—as Martin made a great contribution to renewing the United States—is, you have to go to the forgotten man and woman, especially to the "have-nots," and if you can express a loving attitude, toward the problem of the have-nots, those who are the lower side of life—then, you are capable of representing the principle, upon which modern government should be based. The same principle that Jeanne d'Arc made possible, in a sense, in her contribution to the emergence of France as the first modern nation-state, committed to the general welfare.

If you want to be a true politician, you must be committed to the general welfare. You must be committed to mankind. And to be committed to mankind, is to look at the person who's in the *worst* condition, in general—and uplift them! Then, you really have proven, that you care about the general welfare. If you don't go to those people, you're not *with* the general welfare. If you don't have your roots in a fight for the general welfare, you're not capable of leading our nation, which is a nation Constitutionally committed to the general welfare.

Martin had that.

All the great leaders of history have usually come out of that kind of background. They were not born leaders. They were not elected to be leaders. Some of them became elected, in the course of life. But, they didn't start out and establish their leadership by being elected. They established their leadership, by finding their roots in the struggle for the well-being of humanity. They became the representatives of some groups, struggling for that right; or, advocate of that group, struggling for its rights. And they rose to a position of leadership, because they had the moral character, built into them, in the image of the Passion and Crucifixion of Christ.

And, as they get deeper into the business, and it becomes more dangerous, as they get more influential—life does become more dangerous, as you become more influential—then they realize that they are *risking* their life. And, they have to ask themselves: "For what am I going to risk my life? For what will I *not*? What will I not betray, even at the cost of losing my life?"

And, you're thrown right back to the question of the Crucifixion and Passion of Christ.

The Passion of a True Leader

And that's where we are today. Martin had that. The problem in the United States, and the movement today, is we have, in the movement itself, become—shall we say—"civilized" in "going along to get along" with the political establishment. And, it's in tending to believe that the road to success is "going along to get along," you lose sight of the passion which should motivate the true political leader. The passion is this commitment: You have a talent. You have a sense of what your life means. You have a sense of obligation, a mission in life to uplift the nation, by uplifting a certain part of the population, or all of it.

And you will do *nothing* to betray that! That gives you power: It gives you the power of being a creature made in the image of the living Creator. You tap it. Martin tapped it. He was a man of God—not just by God, but *of* God. He was a man, who in the course of life, destiny gave him the mission of being a man *of* God. And, he had the strength to do that. He had the strength to walk the road of Christ. To walk through Gesthemane. To walk through the Crucifixion. He had that strength, as Jeanne did, in her own way.

And, that's the lesson, I believe, that has to be taught, has to be understood, if we're going to save this nation. We need to tap into that power. And, as I say, of all the images of recent political leaders of the United States, Martin, both as a national leader, and as a world leader—which he also was, in terms of his influence—is the best example of the kind of personality who we must have, and must develop, to get us out of the horrible, frightening mess that threatens us today.

Thank you, very much.

Latest from LaRouche

***Georgian Times* Runs Interview with LaRouche**

*The **Georgian Times** published in Tbilisi, Georgia carried an interview with Lyndon LaRouche by Kate Bojgva in the Jan. 15 issue of its English edition, under the headline, "U.S. to exploit the situation to make Georgia a strategic foil against Russia." The article begins with a brief introduction:*

*"The **GT** offers an interview with Lyndon LaRouche, the U.S. Democratic Presidential Candidate in 2004. As his personal website has it, Mr. LaRouche is 'the only qualified candidate for U.S. President with a political movement representing what Franklin D. Roosevelt referred to as the 'forgotten man,' who is now facing ruin in the ongoing Global Depression and the Neo-con drive for perpetual war."*

The interview follows.

GT: Georgia has recently faced presidential elections one more time voting for the presidential candidate beyond alternative, how can you evaluate this fact and could you make a comparison with the U.S.?

LaRouche: It is difficult to assess those elections as such from here. However, I can emphasize that there is no equivalent for the U.S. Federal Constitution and Presidential system in Europe. So, few Europeans, even those in higher positions, really understand the U.S. Presidential system. Today's European notions of democracy, for example, are based upon the model of the Eighteenth-Century Anglo-Dutch Liberal Parliamentary systems. The original U.S. system, as defined by the anti-British-Liberal model of the 1776 Declaration of Independence, was derived from the influence upon the circles of Benjamin Franklin and others, of Gottfried Leibniz's anti-John Locke report, "New Essays on Human Understanding." Similarly, the heart of the U.S. Federal Constitution is its Preamble, which sets forth three great principles of natural law to which all other features of the Constitution and Federal law in general are subordinated.

Although Britain's King Edward VII succeeded, through his New York representatives, in introducing the anti-constitutional institution of the Federal Reserve System, the idea of a privately premised central banking system of the Anglo-Dutch type is anathema to the U.S. Constitution and its Presidential System. Since the only significant internal U.S. opposition to the Federal Constitution are the continuing financier interests originally planted in the U.S. by the Eighteenth-Century British East India Company, all important U.S. Presidential elections are implicitly a conflict between the patriotic conception of our Constitution and the Liberal, and frequently explicitly treasonous interest which continues the heritage of the British East India Company. That was the conflict between President Franklin Roosevelt and his opponents then; that is the conflict between me and my rivals today.

GT: How can you evaluate the Rose Revolution that has taken place in Georgia and particularly the resignation of Eduard Shevardnadze?

LaRouche: Again, that set of changes involves considerations which I am not yet prepared to assess. What I can state with confidence is my own perspective for the region. My view is as follows:

World history is presently dominated by four phase-spatial developments: a) The onrush of the immediately threatened, greatest financial crisis in more than a century; b) The need to remove the threat caused by the resurgence of the fascist international of the 1922-1945 interval, as expressed most significantly by the policies and role of U.S. Vice President Dick Cheney and his "neo-conservative" confederates; c) The keystone political role of Russia in an urgently needed system of Eurasia cooperation in global economic development; d) The essential role in a global economic recovery, of a U.S. which might seek to reverse that forty-year-old change from the world's leading producer society, to the self-doomed decadent, parasitical, "post-industrial" economy it had become today. The fate of Transcaucasia as a whole will depend upon the optimal conjuncture of those four factors.

The outcome of the recent Georgia election will be judged in that context.

GT: The *Georgian Times* has published critical articles about Soros Foundation representation in Georgia. What do you think about the activities of this organization all over the world?

LaRouche: According to his own account, as a Jewish youth in Nazi-occupied Hungary, young George Soros participated in the looting of properties taken from Jewish victims of the Nazi occupation. He went on from there to training in practices of a kindred moral quality, on behalf of Anglo-American financier interests. His predatory role in the so-called "Asia crisis" of 1997 is typical. He is also a leading factor in the promotion of increase of the international traffic in illicit drugs, and plays a related role in attempted overthrows of governments for the benefit of pro-drug-trafficking interests, as in the cases of Peru and Bolivia. Such a man is a wretched creature, and the kind of a tool of predatory interests which should be in prison, rather than influencing the overthrow of governments.

GT: How can you evaluate the role of Georgia in the U.S.-Russian relations?

LaRouche: I am aware of the existence of special relations under which the territory of Georgia has been exploited by certain U.S.-backed circles. The character of these arrangements clearly defines an intent to play a strategic game among the Transcaucasia states with the intent to affect Central and Southwest Asia, and to undermine the possibility of a reemergence of Russia as a regional or global power. When such exploitation of states of Transcaucasia is studied in light of the medium-to-longer-range strategic trends being promoted by U.S. Vice President Cheney's practice of "preventive nuclear warfare" throughout much of Asia, any nation which is drawn into the strategic games coming from certain factions in the U.S.A. and U.K., is setting itself up to become the victim of a terrible nightmare.

GT: You have been called American Zhirinovksi for your radicalism. How do you comment on that?

LaRouche: People who express such a foolish opinion are of little importance. I am certain that no respectable current in leading circles in Russia would actually believe such a silly rumor.

GT: Have you any information about Georgia's Mikheil Saakashvili? How can you characterize him?

LaRouche: I have nothing worth reporting so far. I am curious, and I am watching.

GT: As a Presidential candidate, how can you evaluate the Presidential campaign of Mikheil Saakashvili, if you have any information about that? The whole Rose revolution has been his Presidential campaign in fact and what do you think are the priorities of American-Georgian relationships right now?

LaRouche: I can speak competently only of the second of the two matters: U.S.-Georgia relations. The actual strategic interest of the U.S. in that region of the world, is to thwart, as much as possible, all of the "Balkan-style" interventions in Transcaucasia, in favor of economic progress and peaceful relations of the entire region of Southwest Asia bounded by Transcaucasia, Iran, Turkey, Syria, and Egypt: including a resolution of the Israel-Palestinian warfare. Alliance by the U.S. against other nations within, or adjoining that region, are contrary to the vital interests of the U.S.A., despite the fact that certain U.S. factions are playing such games.

GT: It is said that the role of the United States of America in the November revolution in Georgia was huge. What is your comment?

LaRouche: I believe that it was an important factor.

GT: Do you agree with the speculations that after the Rose Revolution Georgia and U.S. will have closer partnership?

LaRouche: There will be a tendency by some inside the U.S. to exploit the situation, to attempt to make Georgia a strategic foil against Russia. I produced a film, "Storm over Asia," as part of my 2000 U.S. Presidential campaign, in which I warned against the threat of such a pattern of developments. Four years later, it appears that my warnings were correct.

GT: If you win the Presidential elections what are you going to do about Georgian-American relationships?

LaRouche: The mere fact of my being chosen as the likely President of the U.S.A. would automatically change much around the planet, even before any actions by my Presidency. I have a policy of U.S.A.-Eurasia cooperation in long-term economic development, which, with the probable support of leading nations of western Europe and the Russia-China-India strategic triangle, would become the dominant trend-setting factor in Eurasia for two generations to come.

LaRouche in Jackson, Mississippi: The U.S. President Can Change the World

Democratic Presidential candidate Lyndon LaRouche arrived in Jackson, Miss., on Jan. 21, following a three-day visit to Alabama, where he celebrated the birthday of Dr. Martin Luther King, Jr. LaRouche addressed a luncheon meeting of 25 members of the state Legislative Black Caucus, where he was introduced by the chairman, Philip West.

LaRouche's provocative speech challenged the African American leaders to face the reality of the financial and economic crisis:

"This thing is over," LaRouche declared. "We've now come to the end of the road. We should have made the changes, every time I proposed them beforehand. The changes have not been made: Now the country has no choice, but to make those changes. I'm the person for the time to make those changes, and I have been for 25 years."

This elicited tough questions from caucus members, who demanded to know how LaRouche could claim the economy was collapsing, when the stock market keeps rising, and there's supposed to be a recovery underway. LaRouche was blunt: We're in trouble he said. We've gone from the steel industry to the "steal economy." There's no future. People don't want to see it; there's severe denial, both among political leaders and citizens.

The LaRouche Youth Movement played a significant role in building LaRouche's tour through the South, and also participating in many of the meetings. For example, five LaRouche youth appeared for 45 minutes on "Straight Talk," a black radio talk show hosted by state legislators; they organized on campuses, attended Martin Luther King Day events, including a noon-time event at City Hall in Jackson, where they spoke about the Youth Movement, and announced the upcoming town meeting; and thousands of pieces of literature were distributed over the five-day period.

LaRouche began his second day in Jackson with an interview with Mississippi Network News, a radio network with 75 stations throughout the state. He was then interviewed by the *Jackson Advocate*, the oldest black newspaper in the state, after which he held a news conference there. Mrs. A.M.E Logan, the "Mother of the Civil Rights Movement" in Jackson, and LaRouche's authorized representative in Mississippi, spoke at a reception for the candidate.

Later that day, LaRouche addressed a Town Meeting at Tougaloo College, where he was introduced by Mississippi State Rep. Erik Fleming, who has endorsed LaRouche for President. Fleming is also the former State President of the Young Democrats for the State of Mississippi and a member of the Democratic National Committee.

Here is Erik Fleming's introduction of LaRouche at Tougaloo college, followed by LaRouche's keynote. (Subheads have been added.)

Erik Fleming: 'We Didn't Get the Memo'

Good evening. First of all, I want to thank Tougaloo College for allowing this to happen. I've got some friends of mine that I've met from Jackson State—Jackson State is my alma mater. But, since Tougaloo College is my legislative district, I wanted to kind of show off Tougaloo a little bit; and they said, they'd forgive me for that.

Let me just tell you a little bit about my relationship to Lyndon LaRouche, as the best the way to introduce him. When I was a young boy, growing up in "north Mississippi"—for many of you, that was Chicago, Illinois—I remember, it was a statewide election year, and there was this guy named Fairchild, who got nominated Lieutenant Governor for the Democratic Party for the state of Illinois. And the guy who was at the top of the ticket, was a guy named Adlai Stevenson III, and he was favored to win the election. But he was having these conniptions about this Fairchild guy—just was losin' it on television. And he essentially lost the election, because he basically didn't want to campaign with this guy. So, of course, being the inquisitive future political scientist that I was going to be, I wanted to know: Well, what was this connection with this LaRouche guy, that had Adlai Stevenson basically give up being governor of the State of Illinois? A position that his father and his grandfather held.

And so, as I got older, and came down to Mississippi, and got involved in politics at Jackson State, I started reading some

of the materials from EIR. We would get these New Federalist papers. And it was the most in-depth analysis about what was going on, in the country. A lot more in-depth, of course, than the national media, were allowed to portray—and even more so, now, considering with all the news channels, and cable channels, and all this stuff, everything has to be homogenized.

So, prior to me being elected, many of y'all have heard about James Chaney, and his compadres, who were murdered in 1964. Chaney's brother was involved in the LaRouche movement for a while, and we used to hang out at Mrs. [A.M.E.] Logan's house, as Mrs. Logan is coming in. And we used to sit around and talk about who this Lyndon LaRouche guy was, and what his vision was for America.

And over time, somehow, this boy from "north Mississippi" got elected to the state legislature. And during that period of time, even more so, I got involved with Lyn's movement; got involved in going to the national meetings, because there were so many rumors floating around—and I have to say this: there was this awful rumor floating around that Lyn was this racist person, that he was anti-Semitic. And when I went to the first conference, the only people who were there were people of the Jewish faith and black folk! And so, I said, "Well, obviously, we didn't get the memo." Something happened—or, else, we wouldn't be there.

And, having a chance, then, to really get to know him and work with him, and I really got intimate with him, when we had the fight to save D.C. General Hospital, which, at that time was the only trauma hospital in Washington, D.C. And the unfortunate irony of that, is that they did succeed in closing the hospital, and then about nine months later 9/11 happened. And so, you can imagine, he's been on the cutting edge.

The other privilege I had, was, I went to Mexico. And I had the privilege of talking to my counterparts in Mexico about a major policy decision they were going to make: They wanted to sell—in Mexico, the government controls the oil and gas rights, for the whole country. And they were actually contemplating selling the oil and gas rights to this company you may have heard of, called Enron. And, fortunately, myself and another state senator from Nevada, we made our trips to Mexico. We talked to them. The Mexican government decided not to do that, and I guess maybe that was the last straw that broke the camel's back for Enron, because they ended up going bankrupt, and y'all know the rest of the story.

And so, I throw those two things out to tell you that, the man that I'm introducing to speak to you tonight, is a visionary; he's one of the most intelligent men that you will ever meet. And on a college campus, that's what this is all about: Allowing college students to be able—and grown folk, because we never stop learning, right, grown folks? Where're the grown folks at?—we never stop learning. And so, to be privileged to have a man, with his intellect, with his knowledge of world history as well as U.S. history, and his commitment to helping average people—because that's what his political campaign is all about, this Presidential campaign.

And you may not have heard about him in the mainstream media, although we finally did get a write-up in the *Clarion Ledger* today, showing up in Mississippi—he's been here yesterday and today. And we did get, and we are starting to get some notoriety—he has raised more money than one person, who's already dropped out of the Presidential race, and three people who are still pretending that they want to be President. And he has been, basically, the most articulate candidate on the issues. But they're afraid to let him sit in the room.

So, tonight you have the privilege of hearing probably the most intelligent, most capable person, who can be President of the United States, and I give to you the Honorable Lyndon H. LaRouche.

Lyndon LaRouche: The Presidential System

Thank you, Erik. That was very sweet.

What I'll try to do, because, with me, as some of you know, I give you a presentation, and then I let you get at me. It's the best way of getting communication two ways, in this process.

First of all, let me just summarize what the situation is, and look at it from the standpoint of *a* President of the United States, or a prospective President of the United States. What must the President do? What are the things that he's important for, as opposed to things that other parts of government may deal with?

Under our system, the President is the center of the system. The system is largely, first of all, the Presidential system. The Presidential system is all of these things that go together, to make the Executive branch of the U.S. government. This includes people who are in government; people who *were* in the Federal government; retired people; people who go in and out—like diplomats, who sometimes go out as a diplomat; then they go back someplace else, and they teach for a while, and breed more diplomats; then, after breeding more diplomats in the educational process, they go back and be a diplomat again. And so, these people are always in the environment, whether in the intelligence community, military, so forth, they're always in the environment of the Presidency, as an institution. And their voices are always heard, even if they're in office or out of office, they're part of the discussion process within the Presidency, which makes most of the policies, and decides most of the direction our country takes.

The Executive branch has a very important function, including: Checks and balances are the most important; lawmaking, and checks and balances. The Legislative branch does not run the country. It makes laws, which may run the country, but it doesn't run the country. The Executive branch does; the Presidency does.

However, the legislature also controls the Presidency, especially in areas, such as military areas. When the Constitution was formed, we created a form of government, a Presidential system, which concentrated great power, Executive power, in one branch of government, the Executive, the Presidency.

The problem of concern, as the Constitution was being framed, is, how do we make sure that some bum doesn't become President, and do like George III of England, and start a war, all on his own, against even his own people? So therefore, the most important of the checks and balances, affecting the Presidency, is war powers: The President can not go to war—he can conduct emergency action, under rules of engagement, but he can not go to war without the consent of the Senate, without the consent of the legislature. That's the most important of the checks.

This has been violated. It was violated with the consent of a bunch of weak-kneed Congressmen who consented to allow George Bush to go to war, illegally! As it turned out, he went to war, on the basis of allegations which were fraudulent, largely organized by the Vice President, who actually is the controller of the not-so-intelligent President. And "not-so-intelligent" is a euphemism.

So, anyway, that's one big problem.

Preventive Nuclear War

We are now in a situation, where the Vice President of the United States represents a policy, which the President of the United States does not oppose—as a matter of fact, he carries it out—on orders from the Vice President! So, we have the "President of Vice" running the President.

This policy is called "preventive nuclear warfare." It means trying to set up a world empire, by using nuclear weapons as such a threat, that nations will submit to dictatorship by the United States. It is also an intention to set up a dictatorship *in*

the United States, something very much like the Hitler operation in Germany. *This is very much in the cards.* That is what Cheney and his people represent. That is problem number one.

Problem number two, specific problems: The relationship of the United States to other nations, since the January 2002 State of the Union Address by the President, has been the worst in our history. We are more disliked and more hated around the world, as a nation, because of this Presidency, that is, under George Bush, than ever in my memory. Never before, since the bad guys controlled Europe, universally, has the United States been so hated. And we brought the hatred on ourselves, by having the Bush Presidency being run by Dick Cheney, and the people around him.

This is severe, because, at the same time, we are gripped by the worst depression we have known in more than 100 years. The depression is onrushing. It is happening now. Many of you are experiencing it, directly or indirectly. We have a situation, in which 48 of the 50 states of the United States are bankrupt: That is, they can not possibly raise sufficient money to maintain the essential functions of the states, by government, without raising taxes, which would have a negative effect on the income of the state. In other words, they would have to dig so deep, that they would actually collapse the state. So, there's no possible way, that they could not be bankrupt, under the present conditions. That's at least 48 of the 50 states of the Union, are in that condition.

People are not aware of this, in one sense—not that they're not aware of the poverty; not that they don't feel the pain; but what they believe is, somehow, they have to believe in the "market." Now, if you get around Washington, and you go through the Congress, and you're talking to people in the Congress (I have not been there recently; but our friends are there all the time), you can get into an intelligent conversation with a Congressman, about all kinds of subjects.

Suddenly, he stops! He says, "But, what about the market? What's the market doing?"

What's the market?!

We have shut down our industries. We have shut down our agriculture. We've exported our jobs, through NAFTA, and other kinds of things—and people say, "Yeah, but the economy is doing well." What do they mean, by "the economy is doing well"? They mean that the *gambling casino* is doing well! Wall Street, which is nothing but a gambling casino, is doing well. And they think they have "investments" in Wall Street, in stocks, and bonds, and whatnot, and as long as they *believe*, that what they've got is increasing in price, they pretend to be confident and happy.

Even while everything is collapsing behind them!

The United States is now bankrupt. We have an annual current-account deficit, that is, our trade deficit, payments deficit, to foreign countries is *over a trillion dollars a year*. And the United States' total magnitude of economy is estimated at \$11 trillion a year.

At the same time, recently, under Bush, the unified currency which was created in Europe, called the euro, would buy \$0.83 of a U.S. dollar. Today, a euro will buy \$1.28 of U.S. dollars. In other words, the U.S. dollar is collapsing in value. The U.S. economy is collapsing. We are a bankrupt nation. Most of our banking system is ready to disintegrate. All that is needed, is someone to light the fuse.

And what keeps this going, politically, is the delusion, that as long as the "market" continues to inflate, with foreign money, and U.S. printed money, that somehow the market is growing—even while the number of jobs is collapsing! Even while the number of businesses is collapsing! Look at the prices of food. Some of you go to grocery stores: Think of the rise, in the past six months, of the cost of food. Just by basic prices. We are in a collapsing economy.

What is going to happen is, this bubble, this gambling casino, is going to collapse. It'll pop soon; it's inevitable. We're at the edge. People we talk to around the world—bankers in various parts of the world—agree. Leading economists in Europe and in the United States, agree with me: This thing is about to go. Not at some distant time, or the distant future, not maybe—but absolutely! It's going to go!

So, you put together these three things, so far, and you have, first of all, you have the war danger, and the war danger will spread, unless we get rid of Cheney, get him out of there. We have the economic crisis. Our relationship with our foreign friends, deteriorating.

The 1960s Paradigm-Shift

Now, what's behind that? Go back about 40 years: In the middle of the 1960s, the United States was still the most prosperous producer nation on this planet. We produced more wealth per capita, than any other country in the world. And we were growing. We were high-tech. We were making progress. The conditions of life for most people were improving, sometimes slightly, but they were improving. Job numbers were expanding. The Civil Rights Movement was a reflection of part of this process. It seemed like opportunities were going to begin to open up. Until the reversal came, when Dick Nixon went to Biloxi, Mississippi, and met Klan—and then things began to get not so good!

But, now, for the past 40 years, we're not the leading nation in the world. We're not a producer nation. We live on the sweat, of virtual slave labor, in parts of the world which supply us with what we consume. Much of the quality is poor, poorer than what we used to have. But we're supplied by the sweat of nations, from whom we loot their labor, like Mexico.

What happened? What happened to us, 40 years ago, and more?

What happened was, coming out of the last war, at the end of the war, things turned nasty. Roosevelt had been a hero, a beloved hero. A leader. The nation had improved. But Roosevelt was getting sick. We had won the war in Europe, essentially, by June/July of 1944. And then some of the same people in the United States, who had put Hitler into power before, and in Britain, who had put Hitler into power before—who had opposed Hitler because he was German, not English-speaking—but, they liked an English-speaking Hitler. They didn't like Hitler, because some foreigner was going to control things.

But these guys moved in; pushed Harry Truman into the nomination for the Presidency, and began a big right-wing turn in U.S. policy: It was called Trumanism. Later, they talked about McCarthyism. McCarthy was a joke! Truman was the real problem. Truman was the one who created McCarthy.

People became demoralized. The right-wing turn—everybody was afraid of J. Edgar Hoover. He was in your bedroom, he was everywhere.

So, the people who came back from the war, most of them, as I knew them, were frightened. They were keeping their noses clean: "Be careful what you say, be careful with whom you associate, you can get into trouble." "Be careful, child, don't say the wrong thing, your father can lose his job!"

This was the kind of terror we came to live under.

When Eisenhower became President, it eased up a bit. But then when Eisenhower left office, Kennedy did not have the power that Eisenhower had as President, to control the extreme right wing. We began going back in that direction.

Kennedy was killed. We had the Missile Crisis; Americans were terrified. Kennedy was assassinated; Americans were terrified. We went into the war in Indo-China; Americans began to be terrified. They became so terrified, they said, "The best way for me to get through the night, is to lose my mind. Take LSD, dope up, drop out."

And a generation of young college students dropped out—not all of them, but many of them. And the dominant culture today, is led, at the highest levels of employment, by people in their fifties, who are running many key corporations, many key parts of government: They were the drop-outs of the second half of the 1960s.

What happened in this process, is we were transformed, from a society with a culture of a producer society, of more jobs, of upgrading employment, of improving agriculture, of improving the standard of living, of improving people's education with the idea of opening up new opportunities, at higher grades of employment in terms of technology. These were our values.

And, suddenly, it changed. We went from a producer society, to this—the consumer society: post-industrial ideology.

What happened? Gradually, as this took hold, over the 1970s, by the time Carter had left office, we were no longer the same. We had become a "pleasure society," a "bread and circuses" society.

And, then people began to—beginning with Garn-St Germain, and Kemp-Roth legislation in the Congress—we began to say, what's important is financial gain. Invest for financial gain. We went to the idea, if you have money, get it.

I recall, in the neighboring state, Louisiana, Governor Edwards (you'd never have thought the Edwards family would go for it), but when the Texaco crisis occurred, they suddenly decided that legalized gambling was the thing for Louisiana. Legalized gambling spread; it spread through Indian reservations, where they looted the Indians, by bringing in reservation organized gambling. And they brought in gangsters from South Africa, like Sol Kerzner, to run some of these reservations, and to loot the Indians. Everybody was going. Senior citizens were going down to Atlantic City and other places, where there were gambling casinos, and gambling away their income, hoping to get a hit.

Wall Street became nothing but gambling. The stock market was nothing but gambling. Pensions funds were gambling. Nothing was secure any more.

So, we began a society that believed in luck, in gambling.

So, the ideology's changed. People said, "Well, we don't like to work any more. We want to wear white shirts, not blue shirts." So we changed our values.

The U.S. Is Bankrupt

But this couldn't go on forever. We're building up, piling up debt, in the United States and other countries, piling up around the world. Do you know that the world total product is estimated at about \$41 trillion equivalent? Do you know how much financial debt there is in the world? If you include derivatives debt, short-term derivatives debt, you're talking about hundreds of trillions of dollars of debt.

Our banking system, the U.S. banking system and the IMF financial system, are *bankrupt*. The U.S. banking system is bankrupt! There are no solid banks in the United States. Bob Rubin, who is the former Treasury Secretary, made a statement recently—he told you half the truth, or one-quarter of the truth, if you listened to him. This thing is ready to blow, *right now*!

Now, why is it ready to blow, and what's the problem? The politics? We have a generation which is in a dominant position in society; these are people in their fifties or sixties. These are people who are running the major corporations, in key positions in government and similar kinds of things, in professions. They are absorbed—not in every individual case—but as a generation, they are absorbed with this idea of this post-industrial, bread and circuses society.

Remember, there are two things that dominate the American people today: One, is the money market—that's generally for people who are looking for a buck someplace. The other thing, is mass entertainment. Mass entertainment, which is mostly in the form of what you see on video, what you see in rave dances. Mass entertainment of the most corrupt type, more and more sadism in the entertainment. Killing, meaningless killing, not drama, not plays, not real entertainment, as we used to see—but the most degraded kind of entertainment.

This reminds you of the Roman Empire in the process of its disintegration. We have gone from being a producer society, a producer of wealth society, into becoming a society of bread and circuses—get a hand-out; get something, to get by; stay poor, but get a hand-out. And rush into the Colosseum, to watch the Christians eating the lions, or vice versa. Or men eating each other, virtually. That's what you're seeing! That's mass entertainment. That's mass sports entertainment. We have become a society of games, a society of gambling.

We've become a people without purpose in life. We have created a generation, in the top ranks of society, who have *no purpose in living*. The purpose in living is to be entertained! To enjoy the passage from one day to the next, by being entertained! You don't have a sense of accomplishment as a motive in life. A sense that your life is committed to accomplishing something. That when you die, you will have left something behind which humanity can use and be proud of.

It used to be that people would think of their children and grandchildren, they would sacrifice for their children and grandchildren's sake. They would get great pleasure out of the fact that they were going to give their children and grandchildren a better opportunity in life than they had enjoyed. They would enjoy that. We've destroyed that. We have become a society which is corrupt, on bread and circuses; mass entertainment, which is corrupt. Gambling, called the stock market, which is our God.

'We Want a Future'

But then along come some of you, who are younger. Now, 18 to 25 or so, college age. And you look at this. And your generation, 18 to 25, in the recent period, has undergone a change—a shift in attitudes. Your generation, this generation, is saying now, "Our parents' generation has given us a society, which has no future. *We want a future*." This generation is effective, because it has the potentiality of turning to its parents' generation, and saying, "Mommy, Daddy, c'mon: Get out of it! We have a right to have a future. Don't you want grandchildren? Don't you want another generation coming that's worth something? Do you want a generation that will remember you, kindly? Or, a generation that will curse you, because you gave them no chance for a future?"

And therefore, young people today have the potential, if they understand this, if they understand what the problem is. The greatest power of young people, is to convince their parents' generation, that we've got to fight for a future for this nation. Because you've got a weapon, with the parents' generation. The weapon is, you say, "Look, do you want to have grandchildren that survive? Isn't that your immortality? Aren't we your immortality?" A person who has reached 50 or 60 is now getting on the edge of mortality. Death rates are increasing. Severe disease rates are increasing at that age. And medical care is collapsing, of late, especially for the poor.

"Parents, don't you want to think that when you die, which is inevitable for all of us, that when you go out, you're going to leave something behind, in the form of your children and your grandchildren, that means a future society, that means something?" *That is your power.* And that is what young people working with me have demonstrated: the ability to deal with their parents' generation, and remind them: that we *do* have a purpose in life. We are not animals; we are people. We are people unlike animals; we have a divine quality within us. We are capable of making discoveries, passing them on, adding to the stock of discoveries, making the condition of humanity better, through our lives. We have a way of expressing an immortal purpose for our existence, of contributing something to society that's important for coming generations, of making changes that are important for coming generations. We have that power, as human beings.

What has happened, is the people who joined this "lost generation," now in their fifties and sixties, have lost that connection. Younger people, who may not know much about that, or may not have been told much about it, sense it. They sense the fact, suddenly, that they're young: They have presumably their whole life before them. And they're looking at rubbish, and they're saying, "This is wrong. We've got to have a future. There's got to be a purpose in life." And they're very powerful—young people who organize that way.

So, my function is this, as a Presidential candidate: First of all, by various tricks, to make sure we survive. I have a lot of friends around the world. If it were announced that I were going to be President, say on Election Day, the world would change. Governments around the world would change their policies, in the direction I have discussed with people in governments around the world, immediately.

We would put this system, this financial banking system, this crazy thing, into financial reorganization—in much the way that Franklin Roosevelt approached the problem, back in 1933. We would not let chaos hit. We would not let the bank doors close. We would not let the pensions be cut off. We would increase employment with large-scale projects of infrastructure, which are needed. And they're all over the place. Many of you know them. They're ready to go.

We'd have a science-driver program, to get this economy moving. We'd have cooperation with other nations.

A Little Personal History

For example, let me just give you one example, what I've been working on for years. Go back—just a little bit of personal history on this, because it will help to make the thing clearer to you:

In early 1980, I was sitting at the table with a bunch of Presidential candidates in New Hampshire, at what was called the "Gun Club" or something. It was held in Concord, New Hampshire, and it was a place called the New Hampshire Highboy Hotel, right across the railroad tracks from the state government. And we were seated at this long table, in alphabetical order by surname. So I was seated next to the last person in the line, Ronald Reagan. So, Ronald Reagan and I were sitting there, with all these other candidates to the right of us. They were all to my *right*, I'll have you know—including Reagan—to Reagan's right, too.

And we just struck up a casual conversation, sitting at the table while the proceedings were going on. And, in that time, I had a big fight with George H.W. Bush, who was pulling dirty tricks against my campaign at the time. And George H.W. Bush went ape over his fight with me. So, he blew the primary election in New Hampshire, and he got into a fight with Reagan, and he lost everything. But they gave him the Vice Presidency later on, as a concession.

So, when Reagan was elected, I was invited to Washington, to present my wish-list to the incoming Reagan Administration, as to things I proposed the government should do. Some of these things were accepted. One of them was my proposal to deal with this nuclear weapons conflict, to solve it by making a certain proposal to the Soviet Union, as well as other nations, on a system for eliminating, in the long run, the danger of a thermonuclear war. It was called the SDI,

later.

In this connection, I conducted a back-channel discussion on behalf of the government, with the Soviet government. The Soviet government eventually turned down the proposal—privately, to me first, and then later, publicly to the President. But, as a result of this discussion, I told the Soviet government, at that point, I said, "It's a mistake: If you turn this down, I can assure you that your economy will collapse within about five years." I later said that publicly. The Soviet economy, as you know, began to collapse in six years. So, I was off by a year.

Now, in this process, I came up with a proposal, which I presented again, on Columbus Day, in 1988, in an address I gave in West Berlin, which then was repeated on national television here. And the proposal was, that the collapse of the Soviet system should provoke a certain kind of response from the United States, which would mean the reunification of Germany, help for the countries of Eastern Europe, and economic cooperation, long-term economic cooperation. As a result of this proposal in 1988, after the Soviet system had collapsed, suddenly where I had been on the hit-list of the Soviet government under Gorbachov, suddenly I was some kind of a hero among many people in Russia—because I had been right, and some of them had been insiders on that, and knew what I had done.

So, as a result of that, we developed an approach in Eastern Europe, and throughout Asia, which has resulted today, in the development of projects for long-term cooperation, from Western Europe to the Pacific. These are large-scale operations, which include China, India, Southeast Asia, and so forth. Major projects, covering 50 years to come. These projects, involving the largest concentration of population in the world, are the greatest market for long-term markets for our future economy.

People in Italy, the Italian government, the Chamber of Deputies, have voted to support my proposal on reform of the monetary system in this direction. They are ready to do it. Countries around the world are ready to do it.

Great Opportunities

So therefore, we don't have to have a crisis. We could take Roosevelt's approach generally to the financial crisis. The Federal government has the means and the precedents, to reorganize the financial system, the monetary system in any crisis: There's no need for great suffering. There may be hardship, but there's no need for great suffering, if the government is organized and gets its head together in the right way, we can fix it. It may take us 25 years to fix it, properly, but we'll fix it. And the nation will be standing 25 years from now, and healthy.

In the meantime, we have great opportunities for cooperation with Eurasia. If we have cooperation with Eurasia, we can fix the problem in Africa, where genocide prevails today. Without that cooperation, the physical means to deal with the genocide in Africa will not exist. We can make the world better, not perfect, not paradise, but we can give a future to the coming two generations, that they can carry on with, afterward.

Now, that, to me, is the function of the President of the United States. We have the Presidency, which deals with all the day-to-day problems, of the military, the intelligence, and the various functions of government. These people can function well, if they have a good Presidency to lead them. But the President himself, under our system, must sometimes make crucial decisions, that only the President can make. And these are the decisions on which I have concentrated, which I'm prepared to deal with. And, I have the friends abroad, or the people who acknowledge me, who would cooperate with me as President. I can assure the American people, these countries would cooperate with me personally, were I elected.

And, under those conditions, there's no doubt, of what we can do. We will not have paradise. But we will have survival, and we will have improvement. And *if we learn the lesson* of the foolishness we did, since 1944, the right-wing turn at the

end of the war; McCarthyism; the out-of-control military right wing—that sort of thing, like Cheney: If we've learned the lesson of these mistakes, and come out safely from this crisis, then the younger generation, and those who follow them, who will eventually, soon, take charge of this country, one would hope, *they would never let us make the kind of mistakes we've made in past 50-odd years, again.*

That way, we'd make it. And that's my job.

Links to articles from *Executive Intelligence Review**

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Feature:

On Southern Tour, LaRouche Speaks To 'The Forgotten Man'

by Nancy Spannaus

While the 'other' Democratic Presidential candidates frenetically sought votes in Iowa and New Hampshire the week of Jan. 19-23, Democratic Presidential candidate Lyndon LaRouche accepted invitations to tour the Deep South, to address what he called 'my constituency.'

The Immortal Talent Of Martin Luther King

by Lyndon LaRouche

Keynote speech given at the Jan. 19 Martin Luther King Prayer Breakfast on Jan. 19, sponsored by the Talladega County (Alabama) Democratic Conference.

Sci-Tech:

Expose The Myths About The Apollo Program

by Marsha Freeman

President Bush has announced a program to return to the Moon and head for Mars. But unless the lessons of Kennedy's Apollo program are learned, there is little chance of success.

Economics:

On Dollar Crash: LaRouche Against Greenspan in Berlin

by Our Special Correspondent

- Rubin Warns on Crash

(see box at bottom of pdf document)

Can Argentina v. Vulture Funds Bring System Down?

by Cynthia R. Rush

The Fed and its allies are panicked over Argentina's current brawl with creditors holding bonds on which the country defaulted in 2001—many of them the notorious 'vulture funds.'

Alaska: Gas Pipeline or Bering Straits Crossing?

by Paul Gallagher

Austrian Social Dems Reject Neo-Liberalism

by Alexander Hartmann

Book review of Wirtschaft für die Menschen — Alternativen zum Neo-liberalismus im Zeitalter der Globalisierung (Economy for Human Beings — Alternatives to Neo-Liberalism in the Age of Globalization) edited by Michael Häupl.

International:

Shades of 1920: Occupiers Now See the Real Iraqi Resistance

by Muriel Mirak-Weissbach

Up to a million people demonstrated in Baghdad against the Paul Bremer plan for 'transfer' of power—and, contrary to Western media reports, these were not just 'the Shi'ites,' or 'followers of Saddam Hussein,' but Iraqis of all ethnic, religious, and political groupings.

Czar Alexander II and Vladimir Putin

by Michael Liebig

The Czar was no genius in statecraft, but a reformer who made Russia's recovery possible after the Crimean War.

Bush Agenda Slammed At Monterrey Summit

by Valerie Rush

The Geneva Peace Accord and 'Nathan the Wise'

by Our Special Correspondent

Report from a Frederick Ebert Stiftung-sponsored panel presented by top Israeli and Palestinian organizers and backers of the Geneva Accord which took place in Berlin on Jan. 15th.

Sharon Named in Bribery Indictment

by Dean Andromidas

Israeli Prime Minister Ariel Sharon could soon become the first sitting prime minister of Israel indicted for bribery. On Jan. 21, real estate contractor and top Likud Party money-bags, David Appel, was indicted for bribing Sharon.

Israeli Officers See No Threat From Syria

by Michelle Steinberg

Well-placed Israeli sources in Israel and New York have told EIR that Israeli Prime Minister Ariel Sharon and Defense Minister Shaul Mofaz, Sharon's top henchman in the drive for a 'Greater Israel' war with Lebanon and Syria, deliberately provoked the Jan. 19 incident in which one Israeli soldier was killed and another wounded.

Shanghai Cooperation Organization Comes of Age

by Mary Burdman

Russian President Vladimir Putin, in a message to the Shanghai Cooperation Organization's (SCO) meeting in Beijing on Jan. 15, underlined the ambitious role that the high-level group can play in Eurasian cooperation.

India Seeks More Nuclear And Military Cooperation

by Ramtanu Maitra

Russian Defense Minister Sergei Ivanov and his Indian counterpart, George Fernandes, signed a \$1.5 billion deal in New Delhi on Jan. 20, whereby the refurbished Russian aircraft-carrier Admiral Gorshkov would be delivered to India by 2008.

International Intelligence

News Shorts

National:

Electronic Voting is a Threat to the Constitution

by Edward Spannaus

Democratic presidential candidate Lyndon LaRouche has emphasized the threat to the fundamental constitutional right of the citizen to vote, and to the right to a fair election, which is posed by the introduction of new computerized vote-counting systems—systems which are easily rigged, and which render it impossible to verify the vote count.

Congressman Moots Cheney impeachment

by Jeffrey Steinberg

On the eve of the Iowa Democratic caucuses, Rep. Jerry Costello(D-Ill.) stunned voters at a Gephardt rally by mooted there could soon be impeachment hearings against Vice President Cheney, stemming from the Congressional probe of Halliburton sweetheart contracts in Iraq.

Where They Stand: Threat of Police-State, Rule by 'Emergency' Decree

The 4th in a series of documentary comparisons of the views of 2004 Democratic Presidential contenders.

Cover-up Continues On 1967 Mideast War

by William Jones

The documents recently released that concerned the outbreak of the Arab-Israeli Six-Day War in 1967, were made the focus of much closer examination by a gathering of scholars during a two-day conference at the State Department on Jan. 12-13, undoubtedly with the intent of helping bring the languishing Middle East 'Road Map' back to center stage.

Schwarzenegger Hangover Sickens California Dems

by Harley Schlanger

During the campaign to recall Gov. Gray Davis (D), which culminated in the election of Republican Arnold Schwarzenegger as Governor of California, Democratic Presidential candidate Lyndon LaRouche warned at a Burbank town meeting on Sept. 11, 2003 that the election of Schwarzenegger would have devastating consequences for the state.

Would Today's Edison and Einstein Be on Ritalin?

by Donald Phau

Today, millions of children under 18 years of age are being prescribed the behavior-controlling drugs Prozac and Ritalin. But an announcement in December 2003 by the British equivalent of the U.S. Federal Drug Administration (FDA) called for a partial ban on this mass drugging of youths.

- **'Read Brave New World: This is Soma'**

Read Presidential candidate LaRouche's response to a question about Ritalin from a member of the LaRouche Youth Movement at one of his campaign events on January 10, 2004.

National Intelligence

News Shorts

U.S. Economic/Financial News

Is JP Morgan 'Too Big To Fail'?

Is the "off-balance sheet trillionaire" JP Morgan "too big too fail"? This question was raised by *Financial Times* columnist John Plender Jan. 19, following the announcement of the JP Morgan Chase/Bank One merger. Plender thinks that JP Morgan Chase is indeed "too big too fail." However, this is not good news for Bank One shareholders. Plender quotes from the latest OCC (Office of the Comptroller of the Currency) report on the derivatives exposure of U.S. banks, noting that JP Morgan Chase alone had \$34 trillion in derivatives by September 2003. "That is more than half the derivatives in the U.S. banking system, or 28 times the value of Bank One's own derivatives. JPM's credit exposure to derivatives as a percentage of its risk-based capital in the third quarter of 2003 was 783%. There was a time when people would have lost sleep over this and other such numbers." There is a "risk inherent in running derivatives positions on this scale," Plender warns. If something goes wrong, JP Morgan Chase might be "too big too fail," that is, they might receive some form of bailout. But its shareholders, and now those of Bank One as well, would still lose everything.

U.S. Personal Bankruptcies May Hit 1.6 Billion for 2003

U.S. personal bankruptcies are on pace to hit a record of more than 1.6 million for 2003, while credit-card delinquencies reached a record high of 4.09% for the third quarter, according the *MSNBC* Jan. 18. Confirming what Lyndon LaRouche has repeatedly described as the collapsed state of the U.S. and world economies, the Federal Reserve reported that outstanding consumer debt (excluding mortgages) for the first time rose above \$2 trillion in November. That translates into \$17,000 per household; per-household credit-card debt is estimated to be \$6,200. *MSNBC* notes that "some economists" are worried about this enormous rise in household debt. When interest rates eventually rise, "millions more consumers will get caught in a debt squeeze, possibly posing a risk to the commercial banking system."

Pension Funds, College Endowments Pour Money into Hedge Funds

Pension funds and university endowments are pouring money into risky hedge funds, to increase their yield on investment, according to *USA Today* Jan. 20. Harvard University's endowment has put 12%—one-eighth—of its assets into hedge funds, while Calpers (California), the nation's largest public pension fund, has allocated \$1 billion to hedge funds, and is considering increasing that exposure. Hedge funds are investment funds with very high entrance requirements, that invest in high-risk, high-yield investments, often using a considerable amount of leverage.

In 2003, global hedge-fund assets swelled to an estimated \$750 billion, an increase of 25% from 2002 levels, and 88% since 1999, according to Tremont Capital Management.

Neo-Con Columnist Lauds Terminator's 'Fiscal Responsibility'

'The Terminator and Ms. Fixit Get To Work,' is the title of an op-ed written by neo-con columnist George F. Will in the Jan. 18 *Washington Post*, which just can't say enough about how wonderfully well California's new Governor, and his hatchetwoman Donna Arduin, are doing, bringing "fiscal responsibility" to that profligate state. While giving priority to Herr Gropenfuehrer's aura of power, Will is also impressed with Arduin's proven talents as a slasher of living standards.

"The plan is for the good ship California to float to safety over jagged economic reefs—mostly of its own making—on a tide of testosterone," says the hyperventilating Will. "But the second-most crucial member of the ship's new crew is named Donna. Being director of California's department of finance is not for the fainthearted."

After noting that Arduin found the state budget problems "breathtaking" and "staggering," Will hints that she will soon move to break the power of the state's labor unions: "None of the other states where she has done budget diagnostics matched California's entanglement in union contracts that limit competitive bidding by private-sector providers of services." Arduin has previously sharpened her knives in Lansing, Albany, Tallahassee, working for some of the nation's most vicious budget-cutters: Florida Gov. Jeb Bush, New York Gov. George Pataki, and former Michigan Gov. John Engler.

According to Arduin, the good news for California is the severity of its budget crisis: Change becomes easier, an Arduin aide says, "when you have one foot in the fiscal grave." Will blames California's carried-forward commitments to the general welfare of the population, which are fixed in the budget by state law, rather than outsourcing, globalization, and the collapse of the dollar, not to mention the raping of the state by Enron & Co., for creating an unfavorable climate for investment.

But, not to worry: "Arduin's mastery of budget mechanics, which was known, in the service of Arnold Schwarzenegger's political subtlety, which is surprising, is already producing successes." Subtlety? Wait, there's more: "Here testosterone enters the equation. Six months ago the question was: Could an intergalactically famous Hollywood hero heal California's self-inflicted wounds? Today the question is: Can only such a person do the job? On a Schwarzeneggerean scale, fame—the fever of renown, Samuel Johnson called it—might today be a political asset necessary for governing a state this big and broken. Fame can help him strike separate deals with large interest groups, so he will not confront a vast, unified opposition."

Even the unions will be convinced to kneel before his throne: "The California Teachers Association has agreed to only modest cuts in education spending. But Dan Walters of the *Sacramento Bee* notes that this will help the Governor isolate unions representing non-teaching employees of the schools. Those unions oppose revisions of a law that impedes outsourcing of non-teaching services to private contractors. "

And, using his star power, the Terminator can go directly to the *vox populi* to accomplish his fascist objectives: "Schwarzenegger's fame can generate public support sufficient to pressure state legislators.... And with the coin of fame, Schwarzenegger can buy public mobilization to enact through referenda those reforms that the Legislature spurns." And this charisma can help Arnie convince Californians to accept deep cuts in care for the elderly, disabled, and sick: "Schwarzenegger proposes to stop paying family members to care for their own relatives."

"What is unfolding," concludes George (Triumph of the) Will, "is a drama worthy of Schwarzenegger's talents, which were wasted on make-believe dramas."

World Economic News

Bank of Japan Goes Wild with Currency Interventions

Last year, the Bank of Japan, authorized by the Japanese Finance Ministry, spent 20.1 trillion yen (about \$188 billion) for interventions on foreign-exchange markets, in a desperate attempt to keep the yen from rising too fast against the dollar. This amount was not only an historic high, but triple the previous all-time record. Nevertheless, the dollar has plunged to the lowest level against the yen in three years. All of the 2003 interventions are probably nothing against what's going on right now. According to a recent report in the Japanese daily *Yomiuri*—the official data will be presented much later—Japan has already spent another \$56 billion on currency interventions during the first 18 days of the new year.

In order to make these interventions, the Japanese Finance Ministry first has to borrow money, which is then used to buy

dollar assets through the Bank of Japan. For the current fiscal year, which ends March 31, the Japanese government has already used up its entire 79-trillion-yen borrowing limit for currency interventions. In the new fiscal year, the limit will be nearly doubled, to 140 trillion yen. In the meantime, the government relies on short-term credits from the Bank of Japan for its currency operations. On Jan. 14, the BoJ granted the government a first injection of 5 trillion yen (almost \$50 billion). As a byproduct of these operations, the interest rate on short-term interbank borrowings on the same day plunged to minus (!) 0.30%, which is an all-time record low for Japan.

Another consequence of the currency interventions is the fact that Japan has now by far the biggest holdings of U.S. Treasuries—\$525 billion—of any country outside the United States. Japanese Finance Minister Sadakazu reported on Jan. 20 that by the end of the fiscal year, Japan will have about 8 trillion yen (\$74 billion) in unrealized losses on its foreign-exchange holdings, following the sharp decline of the U.S. dollar.

Bundesbank Chairman Warns of Global Risk from U.S. Deficits

In a speech at the traditional New Year's reception for the northern German bankers in Hamburg Jan. 19, Juergen Starck, vice governor of the Bundesbank, departed twice from his usual "everything is under control" rhetoric, to warn of "risks" that cause grave concern.

Starck mentioned "world economic imbalances, which are manifest predominantly in the dual deficit of the USA. It is unclear, how long and under which conditions the rest of the world is going to finance the rising balance of payments deficit of the USA, and what medium- to long-term influence the high budget deficit will have on the U.S. and worldwide interest rates."

Starck furthermore noted that the current flowing supply of liquidity to global financial markets, which has also led to a "massive increase of volumes and pace of transactions," could "favor the emergence and growth of bubbles, for example on real estate and bond markets, for the time being."

As Starck certainly attended the Bundesbank event with U.S. Federal Reserve Board chairman Alan Greenspan in Berlin last week, his remarks seem to reflect the impact of LaRouche associate Jonathan Tennenbaum's intervention, and Greenspan's admissions of crisis symptoms, in his exchange with Tennenbaum there.

Mahathir: Trade Oil in Gold Dinars, Not U.S. Dollars

Trade oil in gold, not dollars, former Malaysian Prime Minister Mahathir bin Mohamad told Saudi Arabian officials on Jan. 18. Speaking at an economic conference in Jeddah, Saudi Arabia, Mahathir noted: "The price of oil is \$33, but the U.S. dollar has declined by 40% against the euro, so you're effectively getting \$20 [worth]. So you're being shortchanged." He again presented his proposal that countries should tally their total annual imports and exports, and settle the difference, at the end of the year, in "gold dinars."

Mahathir further warned Saudi Arabia against joining the World Trade Organization (WTO): "Everybody should be careful before joining the WTO, because it is not all positive. It can be very negative if you don't handle it properly. They try to impose their agenda without regard for some other countries."

High Debt Places Millions of Britons 'At Risk'

Millions of Britons are "at risk" from high personal debt levels, warns Britain's Financial Services Authority (FSA) in its "Financial Risk Outlook for 2004," released on Jan. 20. The report states that a large number of British households have

overestimated their ability to repay their debts, and even a 1% rise in interest rates could force families to cut spending or sell their homes. There is already mounting evidence of financial stress, such as an increase in cash withdrawals on credit cards, and this could get much worse once interest rates or unemployment rise. "There are signs that some households have already borrowed more than they can comfortably afford. Households may begin to reach the limits of their ability to borrow relative to their income and a small change in borrowing costs or household outgoings may have a significant impact."

On the very same day, the OECD put out its latest "country report" on Britain, warning that the British real estate bubble is about to burst, and this could lead to a "dramatic decline in private consumption."

Spanish Personal Debt Rises to Record High

Here is a short example of "Sancho Panza" accounting in Spain, according to *El Mundo* Jan. 21, in the article "Spanish household indebtedness for the first time above 500 billion euros." According to the Bank of Spain, the indebtedness of Spanish households rose for the first time in history, above 500 billion euros, in the third quarter of 2003, representing a dramatic 14.7% rise compared to the same period the year before. The main trigger for the rise of household indebtedness was the low level of interest rates and the rise in home prices, luring people into expanding consumer credit and mortgages.

El Mundo claims that all of this is no problem, because in the same period, the financial assets of Spanish households went up by 12.6% to 1.219 trillion euros as stock prices recovered last year. Therefore, the households' "net financial wealth" grew in the second consecutive quarter, reaching 719 billion euros.

The problem, of course, is that the assets are concentrated among the highest income classes of Spanish private households, while the lower income classes are sitting on most of the debt. And what happens once interest rates shoot up and home prices drop?

United States News Digest

***New York Times* Warns Against Computer Voting**

"The morning after the 2000 election, Americans woke up to a disturbing realization: Our electoral system was too flawed to say with certainty who had won," noted the *Times* on Jan. 18. "Three years later, things may actually be worse. If this year's presidential election is at all close, there is every reason to believe that there will be another national trauma over who the rightful winner is, this time compounded by troubling new questions about the reliability of electronic voting machines." As the now-discredited punch-card voting machines are being discarded, the editorial continues, "[T]here has been a shift to electronic voting machines with serious reliability problems of their own." A hacker on the outside, or a malicious programmer on the inside, or purely technical errors, can cause the machines to misrepresent the votes cast.

The editorial reports a number of examples of electronic machines failing, or producing dubious results, and notes correctly that since these machines produce no paper record, there is no way to check the votes cast. The *Times* supports demands, in some states and in Congress, that these machines be modified to produce a paper trail.

Compounding the problems are the political entanglements of voting machine companies, says the *Times*, citing the widely reported case of the head of Diebold raising large sums of money for Bush (and Cheney, they should add).

Other aspects of elections which pose threats to democracy, cited by the *Times*, are:

* Low voter participation, with only 51% of voters participating in the 2000 Presidential elections, being compounded by the Help America Vote Act (HAVA), which encourages Florida-style purges of voting rolls and new requirements for voter identification which could turn away potential voters.

*Partisan gerrymandering in redistricting, which has resulted in a situation where only four incumbents were defeated in the 2000 Congressional elections, and where the outcome is in doubt in only about 30 of 435 Congressional districts.

British Commentator: It's the Cheney Administration

"When I visited Washington in the spring of 2001—the early days of the Bush administration—Professor Colin Campbell, the Canadian political scientist then at Georgetown University, told me that it wasn't really a Bush administration at all, but one run by Vice President Dick Cheney," writes William Keegan in the Jan. 18 London *Observer*. "George W. Bush was more likely to be in the gymnasium than the Oval Office."

Keegan says that after Sept. 11, perceptions about Bush and Cheney changed, as the President proceeded to assume the role of commander-in-chief. But now, he continues: "All the suspicions about the Bush-Cheney relationship have been confirmed in the new book, *The Price of Loyalty*, written by Ron Suskind, but essentially containing the damaging memoirs of sacked U.S. Treasury Secretary Paul O'Neill. O'Neill used to confide his frustrations with Bush to his old friend Cheney, only to discover rather late in the day, that his confessor was also his Control." The column is entitled: "The overruling of the President."

Bush Policy on Israel Is Insane

Bush policy on Israel "is my definition of insane," writes *New York Times* columnist Tom Friedman, on Jan. 19. On the eve of the State of Union address, Friedman, who in 2002 first wrote about Saudi Prince Abdullah's offer for a regional peace, has an exceptionally (especially for him) direct and hard-hitting column on the Middle East disaster.

Well-informed Washington sources report that in writing this, Friedman had very heavy input from certain Middle East experts who are close both to Bill Clinton's circles, and to former President Bush 41's advisers—James Baker III and former Ambassador Edward Djerejian, who have both been appointed as current Presidential envoys for George W. Bush, with different functions relating to the Middle East. Friedman writes, "Let's not mince words. American policy today toward the Israeli-Palestinian conflict is insane." He says the Palestinians and Israelis are "gripped" in fanaticism, "*Yet, the Bush team, backed up by certain conservative Jewish and Christian activist groups, believes the correct policy is to do nothing. That is my definition of insane.* Israel must get out of the West Bank and Gaza Strip as soon as possible and evacuate most of the settlements.... [I]t is an urgent necessity. Otherwise the Jewish state is in peril. Ideally, this withdrawal should be negotiated along the Clinton plan" (emphasis added). But, even if Israel does it unilaterally, "This can't happen too soon, and the U.S. should be forcing it."

Nothing would "help the war of ideas" in the Middle East, or protect Israel better than this. Without the U.S. forcing Israel along this course, America is simply acting out "hypocrisy."

Friedman details how the hatred of the U.S. is growing every day in the Middle East, the greatest violence *ever* is playing out between Jews and Palestinians, and Palestinian population growth is such that "the Palestinians will either soon outnumber the Jews and Israel will either become an apartheid state or a non-Jewish state."

Codevilla Demands End to Iraq as a Nation

In a letter to the *Wall Street Journal*, published on Jan. 19, Angelo Codevilla, a professor at Boston University and visiting professor at Princeton, calls on the United States not to restrain those forces which will naturally rip Iraq apart in civil war. Under the headline, "'Falling Apart' Will Be the Best Thing for Iraq," he writes, "Iraq is the last of the bad ideas of 1919 to fall apart.... [T]he artificial construct called Iraq benefitted only a minority and could be held together only by a dictatorship.... [C]ommon sense ... makes it impossible for Americans to hold Iraq together.... America's vital business in Iraq was to destroy a regime the very existence of which inspired ... anti-American violence throughout the world.... Excessive concern for Iraqi unity and for the sentiments of other foreigners led the Bush team to postpone until spring 2003 serving America's interest by attacking Saddam. Since then, the same misguided concerns have led the administration to rein in the majority Shi'ites' and Kurds' desire to strike at the people and arrangements that are the base of the Saddam regime."

Codevilla formerly co-directed the Jerusalem- and Washington-based Institute for Advanced Strategic and Political Studies (IASPS), which in 1996 concocted the "Clean Break" plan for Israel's Likud government, for permanent Israeli occupation of the West Bank/Gaza and the overthrow or wrecking of governments in Iraq, Iran, Syria, Lebanon, and Saudi Arabia. Codevilla is a leading advocate for the release of Israeli spy Jonathan Pollard.

RNC Meeting Fixated on Tax Cuts

According to a participant in the day-long Republican National Committee (RNC) sessions in Washington, D.C. Jan. 21, where 185 of the faithful gathered for President Bush's State of the Union address and party confab, the meeting had absolutely no discussion of any kind on the economy. The source said, "It was psychotic. There is total fixation on the tax cuts issue. Completely ideological." The source reported, "At one point, I raised the problem of the current account deficit, and how a chain reaction could set in, leading to a dollar crisis. There was no reaction at all. Just a stony pause." He said that he picked up from informal chat, that Bush doesn't like any differing opinions around him. So "mono-think" now prevails, and it seems that life-long party ideologues are sticking to the line on the economy, "like John Snow, who does a Melvin E. Snerdley imitation" (the associate of Alfred E.—"What, Me Worry?"—Newman). Most of the day was devoted to briefings on where the Congressional election races stand, with most focus on Tom Daschle's Senate seat.

Recall Campaign Launched Against D.C. Mayor

On Jan. 21, organizers filed an official "notice of intent" with the District of Columbia Board of Elections and Ethics, thus launching a drive to recall Mayor Anthony Williams, who shut down D.C. General Hospital on behalf of Wall Street's Financial Control Board in 2001. The notice says that Williams' "malfeasance, misfeasance, and nonfeasance endangered the well-being and even the very lives of District residents." The chairman of the D.C. Democratic Party immediately issued a statement denouncing the recall drive, and personally attacking the chief organizer of the recall, Barbara Lett Simmons, accusing her of using her role on the D.C. State Democratic Committee without the support of other committee members. Simmons is also one of D.C.'s representatives on the Democratic National Committee, as well as being the senior member of the State Committee. She is also a former chairman of the D.C. Board of Education. She has attended and spoken at many LaRouche events and webcasts.

Recall organizers cite the Mayor's shutdown of D.C. General, his cuts in funding for education, and his austerity policies—one of whose results is the city's 12,000 homeless, who are seen everywhere, while at the same time, Williams courts major real estate developers, is building a \$1-billion convention center, and is going all out to get a Major League baseball team into the city.

Once the petition is officially approved, and the Mayor issues his counterstatement, organizers have a 150-day period to collect 36,300 signatures. The matter will then be placed on the November ballot. The wimpy Mayor, a pushover when it

comes to bankers and real estate moguls, is vowing "to use every effort at my disposal to crush the recall."

Senate Passes \$328-Billion Appropriations Bill

On Jan. 22, the Senate passed the long-awaited omnibus appropriations bill, finally closing out the fiscal year 2004 appropriations process, more than three months after the Oct. 1 deadline. The bill, which also includes almost \$500 billion in mandatory spending, wraps up seven of the 13 annual spending bills. The bill had been rammed through the House last November, with little debate, and Senate Majority Leader Bill Frist (R-Tenn.) wanted to pass it through the Senate on a voice vote, but was blocked by Sen. Robert Byrd (D-W.Va.), who insisted that Senators ought to debate the bill and pass it on a roll call vote.

When the Senate came back on Jan. 20, the bill was the first item on the agenda, but the Democrats initially blocked the bill on a 48 to 43 cloture vote, 12 short of the 60 required to limit debate. However, Senate Minority Leader Tom Daschle (D-S.D.) conceded from the outset that the bill would eventually pass, in spite of unsettled disputes over overtime regulations and country-of-origin labelling for food. The Democrats gave in two days later, under GOP threats to replace the bill with another one funding the government at fiscal 2003 levels, about \$6 billion less than in the omnibus bill. A number of Democrats joined the Republicans in invoking cloture on a 61 to 32 roll call vote, and the bill then passed 65 to 28.

Ibero-American News Digest

Outspoken Brazilian Science & Technology Minister Resigns

Brazil's outspoken Science and Technology Minister, Roberto Amaral, was the first to go in an overall Cabinet shuffle which President Lula da Silva planned to complete by Jan. 23, when he was to leave for a state visit to India.

As Minister, Amaral fiercely defended Brazil's right to develop all possible aspects of advanced technology. In his view, he told an international conference in Brazil in December 2003, developing nations should join together to assure the access of their citizens, "to the goods generated by science.... We have the right to have rights. We won't get out of the condition in which we find ourselves, if we do not invest massively in research and technology. We must develop, and science and technology is the path to this," he urged.

Amaral became the target of international fire, from day one, for his defense of Brazil's right to develop the full nuclear-fuel cycle. In an interview broadcast by *BBC* on Jan. 6, 2003, Amaral declared that Brazil must master "all scientific knowledge," including "the technology of the atomic bomb"—not to build a bomb or weapons of mass destruction, he said, but to apply nuclear technology in all areas of scientific endeavor: medicine, combatting hunger, and energy, among others. Nuclear energy "is strategic" for the country, he said. As Minister, he pressed for the completion of Brazil's third nuclear plant, Angra 3, long stalled by opposition from the environmentalists.

Amaral was forced out of the government in the midst of an international campaign aimed at shutting down Brazil's program to produce commercial-scale uranium enrichment, scheduled to begin within a few months. The campaign by neo-conservative imperialists, joined by the the International Atomic Energy Agency (IAEA), went into high gear in December, when the IAEA demanded Brazil grant even more intrusive inspection rights.

Replacing Amaral is Eduardo Campos, a 38-year-old economist and member of Congress. (He heads the Brazilian Socialist Party [PSB] faction in Congress.) Whatever scientific background he may have, is unknown to *EIW* at this time. Whether the shift will bring changes in Brazil's aggressive nuclear program, is also not known. As Campos himself pointed out, it is

the President and the National Council of Science and Technology, and not he, who makes nuclear policy. Other institutions, including the military, the Foreign Ministry, and Brazil's broad-ranging scientific community, can also be expected to weigh in.

Morales Raises Specter of New Bolivia-Chile War

Following the lead of his buddy, Venezuelan President Hugo Chavez, George Soros's favorite Bolivian coca-producer, Congressman Evo Morales, told an Argentine radio station on Jan. 15 that there could be another war between Bolivia and Chile, and suggested Bolivia impose a trade embargo on Chile, until it agrees to give Bolivia an outlet to the sea. Morales was set to arrive in Chile on Jan. 16, but his ravings cost him his invitation. With Chilean left and ultra-right parties equally calling for him to be declared *persona non grata*, the environmentalist NGO, Oceana, retracted its invitation for Morales to attend their seminar.

Bolivian territory extended to the Pacific Ocean until Chile seized Bolivia's coastline in the 1870s, in the war known as the War of the Pacific. In that conflict, Chile waged war against Peru and Bolivia, on behalf of British interests. Regaining access to the sea remains a hot issue in Bolivia, and a cause of longstanding hostility toward Chile.

Synarchist agent Chavez sparked the latest flare-up of the border issue last November, with a speech given at the Ibero-American Heads of State summit in Bolivia, declaring Bolivia's right to the sea to be the key to securing justice for Bolivia. He wished to swim in the ocean off a Bolivian beach before he died, Chavez proclaimed melodramatically. As one high-level Bolivian military officer commented to this news service, Bolivia doesn't need a beach, it needs a port—a perspective which opens possibilities for reaching some just solution. Left-wing elements within Bolivia's Mesa government, however, jumped onto Chavez's provocation, also declaring the border question *the* key to Bolivia's security and development today—an absurdity in the midst of the world economic blowout!

Bolivia's President Carlos Mesa and Chile's President Ricardo Lagos exchanged sharp words over the issue at the Monterrey American Heads of State summit. Several Ibero-American governments have gotten involved in the issue, offering to mediate, or making other diplomatic overtures. Chile's Foreign Minister Soledad Alvear asserted Jan. 20 that "there are no pending" issues to be resolved between Chile and Bolivia. The current borders were defined by the 1904 treaty between the two nations, and that will not change, she said.

Bolivia To Announce Suicidal Austerity Plan

Bolivia's government will announced a suicidal austerity program on Jan. 31, guaranteed to blow up the very precarious situation in that country. At the moment when border tensions are heating up between Bolivia and Chile (see above), the government of Carlos Mesa is preparing to announce a *paquetazo*, a number of austerity measures, intended to reduce the current budget deficit, which is close to 9% of GDP. This involves "severe" cutbacks in government spending—eliminating some Deputy Secretary positions, merging ministries, etc. Other measures include eliminating the subsidy for liquefied gas, which will hit the population very hard. Note that this is a measure recommended by the IMF in a study last year, to increase revenue.

There is talk of imposing more taxes on businesses, as well as an income tax on "large" salaries, which, in Bolivia, means anything above \$520 monthly. Most ominous is a proposed "pension reform," about which there are few details, but which could well include some type of privatization scheme. Following the Jan. 16 meeting in Washington of the "Support Group" for Bolivia, in which multilateral lenders, the IMF, and representatives of 19 nations pledged no financial aid, Minister to the President Jose Galindo explained that the austerity program is the way that Bolivia is "doing its part"—as if the impoverished population could tolerate any more such measures.

Already, labor, peasant, and other organizations are promising social protest, threatening to oust President Carlos Mesa for failing to change the previous government's policies. Juan Melendez, leader of the COB labor federation, based in El Alto, site of last October's violence, demanded that "the landowners, not the people, be punished." Business leaders are also angry, protesting that new taxes on them are unfair.

FARC Demands Captured Leader Be Freed in Prisoner Exchange

In a statement issued Jan. 13, the leading command body of Colombia's narcoterrorist FARC put out a statement acknowledging that the recently captured terrorist leader Ricardo Palmera (a.k.a. "Simon Trinidad") was a high-level figure in their hierarchy, the Colombian daily *El Tiempo* reported Jan. 15. The statement also demanded that Palmera be included in ongoing negotiations with the government of President Uribe for an exchange of FARC terrorists currently in jail, for captive hostages of the FARC, some of whom have been held for years.

The FARC claimed that "Simon Trinidad" was in Ecuador at the time of his capture, to set up a meeting with UN Secretary General Kofi Annan and French officials, to discuss the prisoner-exchange negotiations. Both the UN and the French have denied that any such meeting was in the works.

The FARC charged that "the action of U.S. and Colombian security agencies in this capture, in addition to representing an affront to Ecuadoran sovereignty, reveals the existence of a shadowy alliance between [Ecuadoran President] Lucio Gutierrez, the fascist Alvaro Uribe, and the White House ... against the revolutionary leaders of our two countries." On the contrary, responded Colombian Defense Minister Jorge Alberto Uribe: Trinidad was captured by the Ecuadoran police, and the FARC is merely seeking to "drive a wedge" between Colombia and Ecuador, a tactic which will not succeed, the Minister said.

Why Brazil's Debt Bubble Hasn't Blown—Yet

Brazil's country-risk rating fell to 4% in the second week of January, its lowest level since the October 1997 blowout of Asia's finances, the *Financial Times* reported Jan. 15. Country risk is a purely political fiction, set by the international creditors through JP Morgan, which determines how much over the price of U.S. Treasury bills a country has to pay to roll over its debts.

At its highest point, in the midst of the election in October 2002, Brazil's country risk had hit a phenomenal 24%, a rate so usurious that the government, de facto, could not roll over its debts. Terrified of the looming Argentine-style bankruptcy, the government of President Lula da Silva in its first year in office imposed an IMF program harsher than that of its predecessor. As a consequence, the average worker's inflation-adjusted wage fell 13% between November 2002 and November 2003, and retail sales fell every month, over the same 12 months.

Foreign financiers "rewarded" the Lula government by lowering the country-risk rating, and putting in more foreign capital. That lowered the exchange rate, which, in turn, lowered Brazil's debt load. Over 40% of its public debts were linked to the dollar, which meant that with every devaluation of the real, Brazil's debt would rise proportionally. Over the course of 2003, the government lowered the percentage of the total debt which is linked to the dollar, to "only" 23% today.

Brazil's total debt rose in 2003, however, reaching a new record, of US\$343 billion (calculation by the *Financial Times*). In 2004, the government must pay US\$37 billion in amortization. Any capital flight and jacking up of the country risk, and Brazil won't be able to finance its debts. The *Financial Times* warned Brazil that it got by in 2003 because foreign capital favored it, but "how many of Brazil's gains could unravel with a shift in investor sentiment?" Last year's cuts in social security benefits and brutal budget austerity helped "the sustainability of its debt. Yet to consolidate investor confidence, Brazil must implement further structural reforms to make the public and private sectors more competitive," the *FT*

demanded.

Panamanian Gnostic Slanders LaRouche; Defends Drug Runners

On Jan. 11, the Panamanian daily *La Prensa* published a byzantine slander against U.S. Presidential candidate Lyndon LaRouche, penned by one of the paper's leading columnists, the notorious anti-Semite, self-avowed gnostic, and long-time LaRouche-hater Guillermo Sanchez Borbon. This was not the first time Sanchez Borbon and *La Prensa* had slandered LaRouche. The daily is still stinging from the fact that *EIR* exposed the owner of the paper, Roberto Eisenmann, as being tied to a Florida drug-trafficking ring, in *EIR*'s famous July 1986 Special Report, "White Paper on the Panama Crisis" (re-issued in expanded form in December 1987).

Ostensibly, Sanchez Borbon's latest rage fit was triggered by the fact that a leader of the Democratic Revolutionary Party (PRD) of Panama has submitted a copy of the aforementioned *EIR* report, as documentation in a corruption suit filed against the current Controller General of the country, Alvin Weeden. Weeden's ties to the same drug-trafficking ring as *La Prensa*, are documented in the *EIR* Special Report.

The only truthful statement made by Sanchez Borbon in what is otherwise a rehash of the usual tired slanders of LaRouche (he sees "conspiracies even in his soup," etc.), is that he (Sanchez Borbon) got a terrible headache when he tried to read LaRouche, because he was incapable of understanding anything.

The article does reveal that some very dirty Panamanian circles evidently feel upset enough at LaRouche's exploding influence, to publicly fulminate against it.

Western European News Digest

Hoon Faces Censure for Failing To Equip Soldiers

The British House of Commons Defense Committee is expected to accuse Defense Minister Geoff Hoon of failing to procure proper military equipment for British soldiers fighting in Iraq, the *Independent* reported Jan. 18. The censure will coincide with the growing pressure on Prime Minister Tony Blair, related to the soon-to-be-released Lord Hutton report on the death of weapons inspector Dr. David Kelly.

When Hoon testified before the Defense Committee last year, he said there were no logistical difficulties in getting proper equipment to British soldiers in Iraq, and contemptuously remarked that any grouching arose because there "may have been the odd soldier who did not like his ready-to-eat meals."

Very high-level military officials have contradicted him, providing reports that gunners and armored-vehicle drivers on the front lines had been stripped of their flak jackets. Adding to the controversy is news of the death of Sgt. Steve Roberts, who was killed in Iraq three days after he was ordered to return his body armor.

One MP told the *Independent* that the Defense Committee's report, titled, "Lessons of Iraq," is "going to give [Hoon] a kicking. He tried to tell us the system worked very well, when his own officials and people on the ground contradicted that."

Nor is Prime Minister Blair unscathed by this case. Military sources who spoke to the *Independent* said "political prevarication" by Blair had caused delays in sending needed equipment to Iraq. Blair wouldn't give the okay for these

supplies, because he didn't want to alarm Labor Party backbenchers just prior to the November 2002 vote on the war.

Shadow Defense Secretary Nicholas Soames said that "the government was doing all they could to prevent their own party getting a hint that it was planning for a war. Orders were not placed on time and that caused huge difficulties."

French Defense Minister in U.S. To Thaw Relations

Michelle Alliot-Marie addressed the Washington, D.C. think tank, the Center for Strategic and International Studies (CSIS) on Jan. 16, and urged the United States to "turn the page on tensions with France."

Officially, her speech was titled "Renewing Transatlantic Relations," but France's *Le Figaro* headlined the address: "Transatlantic Detente."

The Minister pointed out the divergences between the U.S. and Europe, comparing U.S. willingness to rely on the use of force vs. international crisis management; the role of the United Nations; improving relations with the Arab/Muslim World; and Europe's opposition to the death penalty in the United States.

That said, she reviewed the historically close relationship between France and the U.S., calling for a strong "renewed trans-Atlantic partnership."

"Europe and America have shared responsibilities in the building of a peaceful world. Yes, the world is becoming multipolar. The world should not be considered politically incorrect or hostile to the United States. Who can fail to see the emergence of China, India, and Brazil? Who can ignore European integration or the place of Russia...? The multipolar world must be one of partnership. And we must make sure that the privileged link between the European and American poles of influences be maintained.... The sole alternative to the multipolar world would be chaos," the Minister said.

New Witness Comes Forward in Diana, Dodi Deaths

A British tabloid, *The People*, carried a story Jan. 19, claiming to have interviewed a new eyewitness to the Aug. 31, 1997 Paris car crash that claimed the lives of Princess Diana, her friend Dodi Fayed, and driver Henri Paul. The witness, Souad Mouffakir, told *The People* that "she kept silent for six years about what she saw, because she feared she would be killed."

What prompted her decision to speak out after all this time, she says, was an interview her ex-husband, Mohamed Medjahdi, gave to British papers the week before, denying that there had been a white Fiat Uno at the scene of the crash. Souad Mouffakir told *The People* that she was driving with her husband in front of Diana's Mercedes and saw, through the back window, the crash of the white Fiat and the Mercedes. She said that just seconds before the crash, the white Fiat had sped up next to her car, and then slowed down, so that she could see the driver, whom she described as a short, dark-skinned Mediterranean man.

"I became very scared," she told the paper. "I thought he was a madman and I told Mohamed to speed away. We did that, and a moment later, we heard the screech of tires." The woman said that when she and her husband were interviewed by the police the next day, they did not mention the white Fiat, out of fear. "I was convinced what I saw would lead me to being killed." What made the story potentially credible is the fact that two of the woman's friends came forward to report that she told them, at the time of the crash, what she had actually seen.

The whole matter will likely be taken up by Scotland Yard, which has been mandated by the Royal Coroner to conduct a thorough investigation into the circumstances of the Paris crash.

German Construction Forecasts Further Job Losses

The German construction sector expects an additional loss of jobs because of low corporate and public-sector investments, according to a Jan. 20 release by the national association of German construction-sector firms (HDB). In its review of 2003, and preview of 2004, the HDB tried to convey some artificial optimism, voicing hopes that the low point of the conjuncture will soon be overcome.

But the HDB also said that 40% of the firms in the sector expect no improvement in 2004; that another 36,000 jobs in the construction sector, and an equal number in industrial-supply sectors, will be axed this year, because of low corporate investments (25% of German firms would rather invest abroad than in Germany); and the lack of public-sector projects, especially in transport and urban infrastructure.

Polish Government Faces Budget Crisis, Early Elections

The minority government of Prime Minister Leszek Miller goes into a parliamentary vote on the FY 2004 budget plan of Finance Minister Jerzy Hausner Jan. 27, without certainty of getting a majority in favor.

Among the opposition parties, there may be many who would vote for the cuts, under other circumstances, but the two anti-European Union parties, Samoobrona and Citizens Platform, have recently surged in popularity ratings, and see a realistic chance for blocking the government over the budget issue, and even replacing it in early elections. However, the government's rapid loss of popularity has mainly to do with the economic situation and the announced budget cuts, which are "justified" with the "need" to cut 7 billion euros to make Poland acceptable for EU membership. This naturally provides Poles who are skeptical of the EU with additional arguments against it.

Also, Miller's pro-Bush policy on Iraq is increasingly unpopular in Poland. Latest opinion polls have given Miller's SLD party only 17% of the vote, but 18% to Andrzej Lepper's Samoobrona, and 26% to the Citizens Platform of Jan Maria Rokita.

In what appears to be a move driven by despair, Miller fired Interior Minister Krzysztof Janik Jan. 21, in order to make him chairman of the SLD parliamentary group, and appoint his main inner-SDL rival Jozef Oleksy as Interior Minister and Vice Prime Minister. But Miller's attempt to coopt Oleksy and his greater popularity (he is less "reformist" in economics, and keeps more distance from Bush in foreign affairs) into the Cabinet, may have come too late.

Polish Privatizations Minister Resigns

Several hours after the resignation of Polish Interior Minister Krzysztof Janik Jan. 21, Minister for Privatizations Piotr Czystewski resigned as well, after only nine months in office. The development is taken as another hint that the present minority government will hardly be able to last until after the mid-June European Parliament elections, even if it survives the final budget vote for FY 2004 in the national Parliament (Sejm) on Jan. 27.

Since a successor has not yet been named, the vacated post will be administered by Budget Minister Hausner for the time being. But, regardless of who's in charge, plans for additional privatizations have been so unpopular among the Polish population, and have caused such repeated massive social unrest, that all previous governments have lost support in the Sejm, in the 14 years since the fall of the communist regime. Unless the present government changes policy, this will be its fate, as well.

French Prefect's Car Bombed

A car belonging to a recently appointed French prefect was bombed on Jan. 18 in the city of Nantes. Aissa Dermouche, the first Algerian-born French citizen to be named prefect, was, fortunately, not in the car when the explosion occurred. Dermouche was just recently named prefect of the department of Jura by President Jacques Chirac. No one has claimed responsibility for the bombing, and no previous threats had been made. However, authorities said the bomb was expertly planted.

Nantes state prosecutor Jean-Marie Huet told *Agence France Presse*, "We have no trails to follow because there were no previous threats, but it was a well-planned attack because the car was not in front of Dermouche's house, so the bomber had to know it was his. We have to ask what was the message they wanted to leave? Was it the far right or Muslim fundamentalists or jealousies of a private nature?"

Dermouche, 57, the director of the elite Audencia School of Management in Nantes, immigrated to France when he was 18. He has been honored by the French government by being made a Knight of the Legion of Honor and given the National Order of Merit.

Russia and the CIS News Digest

Ivanov: Russia-China-India Contacts Soon

Russian Defense Minister Sergei Ivanov said Jan. 20 in New Delhi that trilateral contacts among Russian, Indian, and Chinese Foreign Ministry representatives could be expected this year, to discuss security issues in the Asia-Pacific region, *Novosti* reported. He said that the improving political climate of Indian-Chinese relations is an important positive trend. Security in the Asia-Pacific region, the largest and most unstable region of the world, "will largely depend on our cooperation." Ivanov said. (For full coverage of Ivanov's negotiations in India, see In-Depth.)

Moscow Paper Features LaRouche Slamming Cheney

The Moscow daily *Stolichnaya Vechernyaya Gazeta* (Capital Evening Newspaper), published an interview with Lyndon LaRouche on Jan. 21, under the headline, "U.S. Presidential candidate Lyndon LaRouche: 'Dick Cheney Planned the Transit of American Weapons into Chechnya through Georgia'." That quotation, like a number of others in the published text, is not accurate; but, the identification of Cheney as the source of the most dangerous U.S. policies came across. The interview reflects LaRouche's enormous credibility in Russia, as a strategic analyst and American political leader.

Stolichnaya introduced LaRouche as "one of the Democratic Party candidates for President, well-known politician and economist, who, for a long time, has been considered a pro-Russian political figure." It noted that in the interview, "LaRouche identifies Russia's main adversaries within the U.S. government, and promises that if he were to become President, he would restore the ties with Russia that President Bush has broken." Highlighted in published version of the interview, was LaRouche's statement that Cheney and his grouping have no use for President Vladimir Putin, who represents an obstacle to their "Storm over Asia" plans. Also clear, was LaRouche's statement on President George Bush as a confused person. Several of LaRouche's carefully worded remarks about the new regime in Georgia, however, were significantly distorted.

LaRouche was also interviewed on the recent regime change in Georgia, in the *Georgian Times* of Jan. 15 (see Latest from LaRouche).

Leading Russian Website Compares Cheney to Hitler

The Russian site *Strana.ru* carried a commentary by Victor Sokolov on Jan. 16, titled "I Hit First. Cheney." It made the case that the Hitler regime is the appropriate historical comparison for the Bush Administration—as guided by its chief ideologue, Vice President Dick Cheney. Sokolov cited Cheney's recent speech to the Los Angeles Council on Foreign Relations, in which he declared that "America is trying to achieve the global expansion of democracy," as a demonstration of the "Hit First, Freddy" principle (a reference to a 1960s Danish spoof of the James Bond movies). "The Vice President believes that as long as Yasser Arafat remains in power, settlement of the Mideast crisis is impossible," wrote Sokolov. "He thereby hints that the Palestinian leader needs to be removed by force, just like Saddam Hussein."

Sokolov recalled how upset Soviet leaders were, when people compared Stalin to Hitler. By the same token, "It will probably seem blasphemous to compare George Bush with Adolf Hitler or America with Nazi Germany.... And yet, some very unpleasant analogies are simply glaring..... Hitler sought *lebensraum* [territorial expansion] [and] ... attacked the Soviet Union, to free the world from the virus of communism. George Bush and his government at first could win *lebensraum* without the use of weapons, but then, the United States attacked Afghanistan, threatens Syria with war, scowls in the direction of Iran and North Korea, and, of course, Iraq goes without saying. The United States, as many prominent Americans are now asserting, attacked Iraq without cause.... This was the so-called 'expansion of American democracy using preventive strikes,' which Richard Cheney spoke of....

"In fairness, it should be noted that the Americans bravely fought fascism during the Second World War, but that was a war against an aggressor. Now America itself is acting as the aggressor."

The Russian author suggested that Iraq now resembles the Soviet Union under Nazi occupation, with seemingly haphazard, but constantly growing, resistance activity by "the partisans." He cited cases of the behavior of U.S. and British troops, humiliating Iraqi men, women and children, detaining civilians without justification, and defiling religious institutions and buildings. These are "intolerable actions by occupying forces," wrote Sokolov.

In conclusion, he wrote, "Who knows, the time may come when other dictators, not only Stalin, are listed alongside Hitler. True, they will not be the dictators who wanted to quash democracy, but some of those who wanted to extend it, by force, over the whole world. And used arms to do so, and killed, robbed, and tortured those upon whom they were forcing this democracy."

At its founding a few years ago, *Strana.ru* was widely considered a semi-official Kremlin mouthpiece. Its founder, Gleb Pavlovsky, no longer runs the site (and is out of favor with Putin's aides, in any case), but *Strana.ru* remains a major news service that often reflects views held in leading Russian circles.

Russia Denounces NATO Base Relocation Plans

Touring Siberia the week of Jan. 19, Russian Defense Minister Sergei Ivanov spoke out strongly against U.S. plans to relocate certain bases from Western Europe into NATO's new members in Eastern Europe. On Jan. 22 in Omsk, Ivanov said the United States had informed Russia that it was considering moving some bases from Germany, to Poland, Romania, or Bulgaria. Said Ivanov, "I have repeatedly said that any relocation of the military infrastructure of the NATO bloc closer to our borders can only evoke a reaction and cause appropriate concern on our part."

Russian Foreign Minister Condemns War in Iraq

Russian Foreign Minister Igor Ivanov has condemned the U.S.-led war in Iraq for causing chaos and worsening world

security. "One can hardly name another period in contemporary history that saw so many unresolved regional problems in the world effectively threatening international security as we witness today," wrote Ivanov in his 3,000-word article, "The Iraqi Crisis and the Struggle for New World Order." The document was published in the Foreign Ministry Diplomatic Academy's *2003 Diplomatic Year Book*.

"The realities of the post-war situation in Iraq are the destruction of national statehood and the resulting legal vacuum, along with the rampage of violence and crime," Ivanov wrote. "All this provides a breeding ground for extremism and terrorism and, moreover, threatens Iraq with a break-up along ethnic and confessional lines. Iraq has become a pulling ground for terrorist groups from across the Middle East (West Asia).... There are reasons to fear that Iraq's internal crisis may merge with other hotbeds of instability in the region, above all the Israeli-Palestinian conflict."

Calling for a political settlement in Iraq, modelled on Afghanistan, the Foreign Minister wrote, "Russia is in favor of the UN Security Council issuing a mandate that would clearly define tasks for the international forces and the time frame for their stay in Iraq."

Chechen Leader Heads Russian Delegation to Saudi Arabia

Russia wants understanding and cooperation with the Islamic community, emphasized Russia's President Vladimir Putin in a message to Saudi Arabia's Prince Abdallah. It was delivered by Chechnya's elected President, Ahmad Kadyrov, whose official visit to Riyadh concluded on Jan. 18. Kadyrov also met Defense Minister Sultan bin Abdul al Aziz, Health Minister Hamad al Manea, and other top officials, whom he briefed on the situation in Chechnya.

According to *Gazeta.ru*, the Chechen leader discussed the purchase of oil mini-refineries (500-1,000 tons of oil per day), deliveries of medical products to Chechnya, and investment in small and medium-sized businesses. Kadyrov's spokesman said the small refining facilities would be used to clean up the 4 million tons of oil in "lakes" and "swamps" around Grozny, the Chechen capital, and its war-destroyed refinery.

Andrei Baklanov, Russia's Ambassador in Saudi Arabia, told *Itar-TASS* that Prince Abdallah expressed confidence in the development of bilateral relations. Whereas in the past Russia had been wary of Saudi involvement in Chechnya as a source of funding for the rebel movement, Baklanov said Kadyrov's visit has demonstrated an impressive potential for friendly relations and mutually favorable cooperation between the two countries. Prince Abdallah and other high-level Saudi officials visited Russia last year.

Putin said in his message to Prince Abdallah, "I would like to confirm our commitment to expanding our comprehensive cooperation with Saudi Arabia, to improving our open dialogue, as well as the personal dialogue between us. It is very important for us that the first visit by the legitimately elected President of Chechnya is a visit to Saudi Arabia. The improvement of understanding over the problem of Chechnya with the Islamic community, in which Saudi Arabia is one of the leading nations, is very important for Russia.... We hope that the Moslem community will join the process of reconstruction of Chechnya, also in the framework of UNESCO's programs."

Moscow Is Watching Syria-Lebanon-Israel Triangle

After meetings in Beirut Jan. 18, Russian Deputy Foreign Minister Alexander Saltanov told *Itar-Tass* the Russian government was closely monitoring developments around Israel, Lebanon, and Syria. Saltanov had visited Cairo on a previous tour of the region. He said the parties must refrain from escalation of tensions. Saltanov met with Lebanese President Emile Lahoud and Information Minister Michel Samaha (acting Foreign Minister). Russia is supporting Syria's proposals to resume Syrian-Israeli talks for a Middle East settlement. It would be right to take the signal to return to the dialogue, Saltanov said.

Russian Electoral Commission Rejects Gerashchenko Candidacy

As expected, the Central Electoral Commission of the Russian Federation ruled Jan. 22 that Victor Gerashchenko could not run in the Russian Presidential elections without petitioning, although he was nominated by the Russia's Regions Party, from within the Rodina bloc, which won representation in the Duma. "Parliamentary" parties are not supposed to have to petition, but Rodina is an alliance, not a party. Rodina announced it would appeal the ruling to the Russian Supreme Court.

The CEC decision leaves Rodina leader Sergei Glazyev, who filed his independent candidacy at the beginning of January, as the sole Presidential candidate from Rodina. Interviewed by *NTV*, Gerashchenko affirmed that he would support Glazyev if the appeal fails, "since there are no contradictions among us, at least regarding the problem we would want to raise during the Presidential elections—government economic policy."

Politicking and dirty tricks are the order of the day, as six non-party candidates, including President Putin, attempt to collect the required 2 million valid signatures in Russia in the dead of winter, by Jan. 28. On Jan. 22, *ORT Channel 1 TV* tried to make hay with an exposé about campaign workers allegedly buying signatures for Glazyev (for about 30 cents each, the report claimed) in the city of Saratov. At a press conference Jan. 23, Glazyev denounced the broadcasts as fabrications.

Mideast News Digest

Bahraini, Syrian Papers Publish LaRouche Berlin Speech

Under a banner headline across the top of its op-ed page, the Bahraini daily *Al-Wasat* Jan. 19 published a speech by Lyndon LaRouche, entitled, "The Role of the Sublime in History," accompanied by a photo of LaRouche. The U.S. Democratic Presidential pre-candidate had delivered the address on Dec. 18, 2003 to the Berliner Salon, a cross-section of leading political and cultural figures in the German capital.

The translation into Arabic was the work of a leading member of the LaRouche Youth Movement, and is part of an ongoing LYM project, inaugurating the "Second Arab Renaissance."

Al-Wasat includes a short introduction to the speech, inviting readers to read the full transcript of the question-and-answer dialogue with LaRouche on the website of *Executive Intelligence Review*.

On Jan. 18, the same translation was published in the Syrian daily newsletter *All4Syria*, which is sent by a group of university professors to the Syrian intelligentsia within the country and abroad, and to government institutions and political parties. The translation is also available on the Arabic LaRouche website: www.nysol.se/arabic.

Lautenberg: Cancel All Halliburton's Contracts in Iraq

Halliburton Corp. has reported "irregularities" to Pentagon auditors and criminal investigators, spokeswoman Wendy Hall said, after the *Wall Street Journal* reported Jan. 23 that two employees of the company's KBR unit accepted up to \$6 million in kickbacks from an unnamed Kuwaiti firm, in return for awarding the lucrative contract to help supply U.S. troops in Iraq. Randy Harl, president and CEO of KBR, said it has repaid the Army \$6.3 million to cover the "improper payments to one or two former KBR employees," described in the *Journal* article. The press release issued by Halliburton, on Jan. 23, does not disclose when the KBR employees left the company—meaning, it could have been in recent days or

weeks.

The Pentagon's Defense Criminal Investigative Service, a branch of the office of the Inspector General (IG), has launched a separate criminal probe into findings that KBR and a Kuwaiti company, Altanmia Marketing Co., overcharged by \$61 million for fuel deliveries.

Moreover, several anonymous whistle blowers have come forward in recent weeks with detailed allegations of KBR wrongdoing in Kuwait, the *Journal* reported, including accusations of paybacks from firms that received subcontracting work from KBR, according to U.S. officials and Congressional sources. These allegations are being investigated by the Pentagon's IG office.

Senator Frank Lautenberg (D-N.J.) demanded that "All of Halliburton's contracts with the government need to be terminated." The acknowledgement of alleged kickbacks, he said, "is a fatal blow" ... to the Administration's ability to defend these contracts."

Lautenberg had previously charged that Halliburton was padding contracts (see "Cheney's Halliburton Becomes the 'Enron' of War Profiteers," *EIW*, Dec. 23, 2003).

Nations Back Palestine in Hearing Against Israeli Wall

The Palestinian National Authority has launched a diplomatic offensive to enlist as many nations as possible to testify against Israel's "apartheid wall" at the International Court of Justice in The Hague, Netherlands, the PNA website said Jan. 20. At the request of the UN General Assembly, the ICJ will open hearings Feb. 23 on the legal consequences, under international law, of the apartheid wall, which has seized Palestinian lands, and destroyed crops and properties, in violation of the law.

The Court set a Jan. 30 deadline for the submission of written statements relevant to that hearing, and the PNA is mobilizing worldwide, to demonstrate the international condemnation of the wall. Palestinian Prime Minister Ahmed Qureia met with more than a dozen foreign diplomats Jan. 20, to urge them to speak out against Israel's grab for more territory, by building the wall between the West Bank and Israel. "We ask the entire world to restrain the Israeli madness of expansion.... This is a wall of annexation and expansion, not for security."

Palestinian Minister of Foreign Affairs Dr. Nabil Sha'th visited Moscow Jan. 20, to request the Russian government testify against the wall. Sha'th had met with the Russian peace envoy in the Middle East, Alexander Kalugin, on Jan. 17. Quoting an aide who attended the meeting, the PNA website reported that the talks with Kalugin "were fruitful, and the latter invited Dr. Sha'th to visit Moscow and explain the current situation" in the occupied territories to the Russian leadership.

The head of the Palestine Liberation Organization's political department, Farouq Al Qaddoumi, announced that lawyers from the United States and Europe will join the Palestinian side in the ICJ pleadings, and are expected to convene at the end of January. Quaddoumi arrived in Qatar on Jan. 17, as part of a tour of Arab capitals, with the mission of mobilizing the participation of the Arab states in the ICJ hearings.

Saudi Minister Calls for New Arab Peace Initiative

Saudi Foreign Minister Prince Saud Al Faysal wrote in his daily commentary that Saudi Arabia "seeks to start another Arab initiative in the United Nations in order to revive the peace process, in cooperation with the Europeans, aiming to disrupt the construction of the Israeli Apartheid Wall in the West Bank," the London-based *Al Hayat* newspaper reported on Jan.

"The hastened construction of the wall in the West Bank during the U.S. election year, and the huge Palestinian dispossession to nearby Arab states caused by it," will turn the matter into "an Arab problem, so the situation does not bear more delays," Al Faysal said. "The purpose behind the Saudi diplomatic moves and any Arab activity" must be to disrupt any Israeli unilateral measures, and start an Arab-European initiative in the UN to revive the peace process. Al Faysal also called for dealing actively with the U.S. to encourage opposition to the construction of the Israeli wall.

Russia, France: International Conference on Iraq Needed

Meeting with visiting French Foreign Minister Dominique de Villepin in Moscow, Russian Foreign Minister Igor Ivanov told a news conference that it is "necessary" to have a sovereign government in Iraq by June 30, 2004, according *Reuters* Jan. 23.

Ivanov said that Russia seeks to take a more active role in the reconstruction process, but only after "the formation in Iraq of a real, independent, and democratic government." In this regard, he said, "It would be very important to hold an international conference to examine all aspects of an Iraqi settlement, work out a program which could receive key international support, and examine regional stability in a broader sense."

De Villepin supported such a conference as a way to "bring together all countries in the region and in the world community to deal with all difficult issues." France, he said, was ready to provide help, "with a sovereign Iraqi government."

Commenting on the Israeli-Palestinian conflict, Ivanov said Russia "intends to hold consultations with Tel Aviv in order to get compliance" to resume the Palestinian-Israeli dialogue under the auspices of the Road Map. Ivanov added, "Moscow and Paris have identical stances on the Middle East settlement," reported *Itar-Tass* on Jan. 23.

Rumsfeld's Plans To Strike Lebanon Targets Exposed

Jane's Intelligence Digest reported Jan. 23 that U.S. Secretary of Defense Donald Rumsfeld "is considering plans to expand the global war on terrorism with multi-pronged attacks against suspected militant bases in countries such as Lebanon and Somalia." *Jane's* noted that an attack in Somalia would have little consequence, but, "Sending U.S. special forces into Lebanon—and in particular an area like the Bekaa Valley (which is virtually Syrian territory) and where the bulk of Damascus's military forces in Lebanon are deployed ... would almost certainly involve a confrontation with Syrian troops."

However, says *Jane's*, the confrontation with Syria may be the objective, since the Bush Administration "considers Damascus a prime candidate for 'regime change,' " and is committed to a doctrine of "preemptive war." What *Jane's* omits about this Syrian war plan—the covert coordination between Rumsfeld's neo-conservative cabal in the Pentagon and the office of Dick Cheney, and the government of Ariel Sharon—is the subject an article in this week's *InDepth*.

President Assad Willing To Talk Peace With Sharon

Syrian President Bashar Assad told the Arab daily *Asharq al-Awsat* that he is willing to make peace with any Israel government, even that of Prime Minister Ariel Sharon, the Israeli paper *Ha'aretz* reported Jan. 23.

"The Europeans tell us they don't think Sharon will attain peace, but ... we don't think that internal changes in Israel are a prerequisite for us to return our lands. Our goal is to reach a peace based on principles set forth at the Madrid peace conference and during previous negotiations."

Iranian President Khatami Featured Speaker at Davos

The featuring of Iranian President Mohammed Khatami speech at the World Economic Forum in Davos, Switzerland on Jan. 22, is extremely significant, Middle East observers told *EIR*. Khatami said that "Military might may perhaps bring transient security, but the gap between this type of security is the difference between a security based on armed peace, and peace based on compassion and friendship toward humanity."

Khatami was also well received at a press conference, answering a broad range of reporters' questions. In one reply, he "vehemently denied" that Iran had tried to acquire weapons of mass destruction, or had imported nuclear material from North Korea or elsewhere. Iran had signed the nuclear non-proliferation treaty (NPT), and the additional protocol, he emphasized, and has a right to the peaceful use of nuclear energy.

Bush's Middle East actions have "failed to have any success," said Khatami.

"[Bush] attacked Afghanistan—where is bin Laden now? And has the threat of al-Qaeda gone?

"The U.S. invaded Iraq to destroy weapons of mass destruction—where are those weapons? The public was deceived by the U.S.," he charged, adding, "In Iraq, Ayatollah Sistani asks for direct and democratic elections, but the occupiers, who say they came to bring democracy, block the elections." He said there had never been conflict between Shi'ites and Sunnis in Iraq. He stressed Iran's position: "We have always said: one man, one vote in Iraq."

Asked whether he would seek a dialogue with U.S. Vice President Dick Cheney in Davos this week, he said no, adding that the prerequisite for dialogue was "mutual respect." He said he "hoped" the "changes we have witnessed in the U.S. tone are not tactical" ones.

As to why Iran refuses to recognize Israel, he said that Tehran has "a moral debate with Israel and the world which is that occupation does not bring legitimacy." But he added, "We do not intervene in the affairs of others, and we respect the decisions of the Palestinian people, whatever their decisions be."

Asia News Digest

Malaysia May De-Link Ringgit from U.S. Dollar

Malaysia is considering de-linking its currency, the ringgit, from the dollar if the U.S. currency continues to decline, the *Malaysia Star* reported Jan. 21. The "breaking point" that would trigger a review of the currency peg to the U.S. dollar has gotten close, the Malaysian Institute of Economic Research (MIER) said on Jan. 20. The think tank's executive director, Dr. Mohammad Ariff Abdul Kareem, said this point could be reached before the end of the year, especially if the Chinese yuan is re-valued upward, or if the euro continues to get stronger vis-à-vis the dollar. He said the "breaking-point indicators" would include the euro hitting US\$1.40 or the dollar falling below 100 yen.

The ringgit, which has been pegged at 3.80 to the dollar since September 1998, when former Prime Minister Mahathir bin Mohammad shut down George Soros and his speculator-allies by imposing currency controls, is estimated by some economists to be some 15-25% undervalued, and has been depreciating against other world currencies in tandem with the dollar.

Ariff challenged the notion that a weak ringgit was generally good for the economy, since Malaysia is less dependent now on exports, and the auto industry is facing problems of rising production costs due to its high imported content. It is not clear whether Malaysia would re-peg the ringgit to the dollar, or to a basket of currencies, as has been discussed in China.

China Cannot Finance U.S. Economy Forever

A senior banker from the People's Republic of China, Zhu Min, who is general manager and advisor to the President for the Bank of China, China's largest and oldest foreign-exchange bank, made a very stark statement at the Davos meeting of the World Economic Forum on Jan. 22, reported *China Daily* on Jan. 23.

"All the Asian countries hold dollars for security reasons, but at some point this has to end," Zhu Min said. "There is a love affair. But everybody knows that this love affair has to end."

The United States is benefitting from China using its trade surplus to buy U.S. Treasury paper as a reserve currency, along with other Asian nations, *China Daily* cited Zhu Min saying. But in the long run, he said, this is not sustainable.

"China will focus more and more on domestic demand, which is growing fast. Then it won't be able to finance the U.S. deficit," Zhu Min said. "We cannot keep exporting our goods at a growth rate of 30%. That's too much."

Zhu Min also made it clear that China would not be making a "shock therapy" revaluation of its currency, the renminbi. As *China Daily* noted, a group of U.S. Senators wanted U.S. Vice President Dick Cheney at Davos to pressure China to relent on its fixed currency.

U.S. Bombing Kills 11 Afghans, Mostly Women and Children

Reports indicate a U.S. air raid, carried out on the village of Sawghataq in the district of Charcheno in the central Afghan province of Uruzgan on Jan. 18, killed 11 civilians, including four children and three women. The U.S. military spokesman has denied the deaths of children, but said the air raid killed five Taliban suspects.

Soon after the bombing raid was carried out, American soldiers came under attack at their base in the district of Deh Rawood in Uruzgan province. Fifteen attackers allegedly fired assault rifles and rocket-propelled grenades, which wounded three American soldiers. The attack was considered a retaliatory action by the anti-U.S. Taliban militia, which remains strong in Uruzgan.

Despite the U.S. denial, the governor of Uruzgan province, Jan Mohammad Khan told the *BBC* on Jan. 19, that the U.S. forces had spotted ammunition in one home during their routine search of the village, and it was that home that was struck by the Air Force at 4 a.m. on Jan. 18. "They were simple villagers, they were not Taliban," the Governor told *BBC* about the victims.

NATO Under Pressure To Expand Afghanistan Operations

Contrary to President Bush's statements in his Jan. 20 State of the Union message about stabilization of Afghanistan, things remain dangerous and highly unstable, and the NATO brass know most of it by now.

A resurgence of attacks by the Taliban militia in the lawless provinces outside Kabul has cast doubts in the minds of the military experts, over plans for holding the country's first Presidential elections this coming June. The *Dawn* of Pakistan

reported Jan. 20 that military and Afghan officials from Britain, Germany, and the United States were to brief those nations' Ambassadors at NATO headquarters in Brussels Jan. 21, on the Provincial Reconstruction Teams (PRTs) their countries have already set up. The briefing was likely a short one, since NATO, which has 5,700 troops in Afghanistan—all of them in Kabul—has succeeded in getting only one PRT of 170 German troops in the northern Afghan town of Kunduz. Italy said it "plans" to lead another; and Norway is allegedly looking to see where it can set up teams in collaboration with Sweden. Hopes are high that Finland and Britain would also send PRTs.

Meanwhile, the first contingent of 125 soldiers from Canada's CFB Valcartier left for Kabul to join the International Security Assistance Forces (ISAF) on Jan. 20. ISAF consists of 39 countries, including the NATO countries, and the ISAF troops are now under NATO supervision.

Indian Kashmiri Group Calls for End to Violence

The Indian-held part of Kashmir's main political separatist grouping, the All-Party Hurriyat Conference (APHC), and the Indian Deputy Prime Minister, L.K. Advani, on Jan. 22 jointly urged an end to violence in Kashmir. Advani was meeting the APHC leaders and the statement was issued after the very first meeting.

The unprecedented meeting took place two weeks after India and Pakistan had agreed to resume bilateral talks in February, to discuss a range of disputes, including Kashmir, which lies at the heart of more than five decades of enmity, and has been the cause of two wars between India and Pakistan.

"The Hurriyat delegation stressed that an honorable and durable solution should be found through dialogue," said Abdul Ghani Bhatt, a senior Hurriyat official, reading to reporters from the joint statement. "It was agreed that the only way forward is to ensure that all forms of violence, at all levels, should come to an end," he said, adding that further talks would be held in March.

APHC, a fractious grouping of two dozen political, religious, and community groups, is known to have contacts with armed militants operating within the India-held part of Kashmir. Indian intelligence sources point out that the APHC does not have control over these terrorists, many of whom come from Pakistan, crossing the Line of Control.

China Faces Huge 'Re-Employment' Challenge

Some 3 million workers will be laid off from China's state-run industries over the next three years. Re-employment agencies, set up beginning in 1998 to help laid-off industrial workers find new jobs, will also be closed by 2005, *Xinhua* reported recently. Re-employment is a big challenge, China's Labor Minister Zhang Silin said, even if the restructuring of state-owned industries is completed by 2006. There are still 2.7 million laid-off workers who have not found new jobs, and additional layoffs will continue, he said. Some 4 million laid-off workers did find new jobs last year, Zhang reported.

Since China established the re-employment agencies, some 27.8 million state-industry employees have lost their jobs. These workers are not included in official unemployment figures, since they get government stipends, however inadequate.

In addition, China has to generate 24 million new jobs in 2004, just to absorb this year's school graduates, who are entering the work force, and the "surplus" rural workers who leave the countryside for the cities. This level of employment pressure will continue in China for the next 20 to 30 years.

Norwegian Diplomat Sent Packing for Collusion with Tigers

The head of the Norwegian ceasefire monitoring mission in Sri Lanka, Maj. Gen. Tryggve Tellefsen, has been replaced by another Norwegian, Gen. Trond Furuhoiv. Tellefsen had left Sri Lanka last October, after President Chndrika Kumaratunga's party, The People's Alliance, had complained about Tellefsen's collusion with the rebel Tamil Tigers. The complaint, brought up in the Sri Lankan Parliament, said Tellefsen had tipped off the Sea Tigers—the illegal naval force run by the Tamil Tigers—and thus prevented interception of one of the rebel ships by the Sri Lankan Navy.

Subsequently, the Norwegian Deputy Foreign Minister Vidar Helgesen, under pressure from Colombo, sent Tellefsen back to Oslo, but did not replace him. Helgesen, who was under pressure from the Tigers to keep Tellefsen as head of the monitoring mission, told reporters in Oslo Jan. 17 that sending Tellefsen back to Colombo "could have been interpreted as taking sides in a particular political crisis."

One part of the "crisis" Helgesen referred to, is the power struggle between President Kumaratunga (who has made it clear that the peace talks, carried out under the guidance of the Norwegians and Prime Minister Ranil Wickremesinghe, were designed to favor the Tamil Tigers), and the Sri Lankan Premier, who was agreeing fully to the Norwegian initiative, and who believes that President Kumaratunga has undermined the talks by her actions.

The other part of the "crisis," is the threats issued by the Tigers, since talks were put on hold last month. The Tigers are threatening that unless the talks start immediately, the fragile ceasefire may break down, starting an all-out war between the Tigers and the Sri Lankan military.

Myanmar Reaches Ceasefire Accord with Karen Rebels

Following six days of talks, on Jan. 22, Myanmar's ruling State Peace and Development Council and the Karen National Union (KNU) have agreed to a ceasefire accord, which signals the end of over 50 years of conflict between the government and the largest ethnic insurgent faction, since independence was declared in the late 1940s.

"The government of Myanmar and the Karen National Union (KNU) reached mutual understanding this week, successfully ending more than five decades of conflict and agreeing to work together for national unity, solidarity of the nation, and peace and prosperity for all the people of Myanmar," both parties said in a statement. A 21-member delegation led by General Bo Mya, military commander of the KNU, left Yangon on Jan. 22.

The agreement is less formal than similar deals forged with 17 ethnic "ceasefire groups," who were required to reveal troop strengths and weapons capabilities, as well as agree to operate only in specific regions. Myanmar's ruling junta reported in its statement that a banquet was held Jan. 20 to jointly mark the outcome of talks and "to honor" KNU Military Chief Bo Mya, who turned 77 on the same day.

The KNU, which has waged one of the world's longest-running rebel insurgencies, said that when its leaders returned to their base along the Thai-Myanmar border, they would verify whether the ceasefire was holding, before restarting contacts in a month's time.

This Week in History

January 26 - February 2, 1787

Oliver Evans Brings the New Nation Into the Machine Age

A patent from the new state of Delaware was granted on January 30, 1787, to 32-year-old Oliver Evans, a former wheelwright with a deep interest in scientific experimentation. The patent was for elements of what would become a completely automated flour mill, presaging the automated production processes of modern factories. Because the Federal patent system did not yet exist, Evans also patented his designs with the states of Maryland and New Hampshire, where his application also included a description of "a steam-carriage, so constructed as to move by the power of steam and the pressure of the atmosphere, for the purpose of conveying burdens without the aid of animal force."

As Evans improved his automation process, he realized that the technical books he had eagerly devoured were inadequate and, in some cases, just plain wrong. He determined to write a technical handbook for the young mechanics of the nation, and painstakingly conducted experiments so that his introductory *Principles of Mechanics and Hydraulics* would correspond to what actually happened in practice. Despite the many people, including George Washington and Thomas Jefferson, who took out subscriptions to help fund the work, Evans had to borrow \$1,000 from John Nicholson, the Comptroller General of Pennsylvania, to have the expensive illustrative plates printed. *The Young Mill-Wright and Miller's Guide*, published in 1795, went into 15 editions, was translated into French, and was not superseded until the time of the Civil War.

In 1801, Evans set out to build a steam carriage. His work led him to believe that the nation was in more immediate need of, and probably more receptive to, steam power for manufacturing. When he proposed to the Lancaster Turnpike Company that they commission him to build a large steam wagon to carry flour on the new road, from the agricultural interior of Pennsylvania, to Philadelphia, he was turned down. He resolved to lay aside the carriage project "for a time of more leisure," and concentrated instead, on developing a high-pressure steam engine which could out-perform the low-pressure engines of Newcomen and Watt. Evans eliminated the condenser, so his engine was much smaller than a low-pressure engine of equal power, and consequently, much easier to build and transport to its workplace.

By February 1803, Evans's first engine was at work in his Philadelphia store, powering a screw mill which pulverized plaster of Paris. He also set it up to saw marble, which he knew would attract the attention of his customers, who would then learn more about the advantages of steam engines. Evans wrote that "the driving of twelve saws in heavy frames, sawing at the rate of a hundred feet of marble in twelve hours, made a great show, and excited much attention." Visitors asked him if the engine might power a sawmill for wood, or if it could grind grain, or power a steamboat. Although he always answered, "Yes," he wrote that he "found they still doubted."

But Evans kept returning to the idea of a self-propelled vehicle. Finally, in the summer of 1805, the Philadelphia Board of Health commissioned him to build a dredger which could clean docks and rid the Schuylkill River of sandbars and other obstacles. Evans designed a steam dredger on wheels which became a boat in the water. It was 30 feet long, 12 feet broad, and weighed 17 tons. He drove it through the streets of Philadelphia, exhibited it to the populace, and then floated it in the river, where it successfully completed its mission.

During the years 1806-1812, Evans built and organized the Mars Works, a full-scale complex of engineering shops, in which he constructed his engines, boilers, and heavy machinery. The works included a pattern shop, iron foundry, blacksmith shop, and a steam-engine manufactory, and then Evans added a line of iron gears used to drive machinery. By 1811, the Mars Works employed 35 mechanics, and, during the War of 1812, it produced cast-iron cannon for the U.S. Navy.

Because of the needs of the rapidly-growing Ohio Valley, Evans also organized the Pittsburgh Steam Engine Company, which not only manufactured high-pressure steam engines, but added a brass foundry and produced anvils and even anchors for Ohio River ships. By 1814, Evans had manufactured steam engines that were grinding grain, sawing lumber, drawing wire, rolling and slitting iron, grinding lead, spinning cotton, manufacturing cloth, and powering boats. In the process of perfecting his manufacturing techniques, Evans also developed designs for artificial refrigeration, steam radiators, gas lighting, self-oiling shaft bearings, and a long list of other improvements which would be brought to fruition

by others.

Because of the difficulties he had faced in bringing his inventions to the operating stage, Evans argued that the Federal government should sponsor research and development. He wrote that "if government would, at the expense of the community, employ ingenious persons, in every art and science, to make with care every experiment that might possibly lead to the extension of our knowledge of principles, carefully recording the experiments and results so that they might be fully relied on, and leaving readers to draw their own inferences, the money would be well-expended; for it would tend greatly to aid the progress of improvement in the arts and sciences."

Evans also thought that private means should be used to carry out specific research and development. He tried, in 1805, to organize a private research association called "The Experiment Company." Its immediate purpose was to raise \$3,000 to develop the steam wagon for transporting goods, the invention so dear to his heart.

Evans wrote a prediction for the Americans of his time, and for ours, stating that "men now living" would see the Western waters covered with steamboats, and that a child already born would travel from Philadelphia to Boston in a single day. "The time will come, when people will travel in stages moved by steam engines, from one city to another, almost as fast as birds fly, fifteen or twenty miles an hour," and those stages would move on rails. "A carriage will set out from Washington in the morning, the passengers will breakfast at Baltimore, dine at Philadelphia, and sup at New York the same day.... And it shall come to pass, that the memory of these sordid and wicked wretches who opposed such improvements, will be execrated, by every good man, as they ought to be now."

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