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## **This Week You Need To Know**

### **Lyndon LaRouche: Issue is Still The Physical Economy, Stupid!**

"The U.S. and the world are facing the greatest financial crash in history," Lyndon LaRouche declared on Nov. 3, in the wake of Democratic Presidential contender John Kerry's concession speech to President George Bush. "By the inauguration date, the economic, financial, and security crises will be hitting this country and the world, full force, and the Bush Administration is thoroughly unprepared to deal with any of it. Had John Kerry been elected President, there would have been a possibility of stopping this onrushing series of crises. Those who voted for Bush and Cheney will now bear the consequences of what they did."

On Nov. 4, Lyndon LaRouche issued the following statement on the 2004 elections for *New Federalist* newspaper's election coverage:

"By the standards of the present world system, the U.S.A. under the just-reelected President George W. Bush, Jr., is bankrupt. Under his fanatically stubborn policies, it is hopelessly bankrupt, and will be plunged into the relevant deep, global, chain-reaction collapse very soon. There will soon be widespread grave doubts, even among U.S. "fundamentalists," that the voice which that President has said he has been hearing, is that of the Creator.

"However, President George W. Bush might soon have very painful reasons to wish he had not been elected. The next President of the U.S. may absolutely rely on the rapid arrival of a bankrupt economy, a virtually bankrupt U.S. government, and no signs of a let-up in the tidal waves of troubles he never thought were possible, hitting Washington, D.C., from all around the world.

"As I have emphasized, repeatedly, the present world monetary-financial system is now entering a terminal phase of general, global collapse, from which it will never recover in its present form. The desperate attempt to maintain that system beyond the point of its onrushing early date of demise, would plunge the world as a whole into a new dark age of mankind for one or more generations to come. What is summarized as a proposed mode of corrective action, in a report on the role of animations in economics which will appear in the upcoming issues of EIR magazine and EIR Online, represents the only practical approach to reforming national and world economic systems which will be accepted by literate and actually sane adult men and women.

"The general remedies required for this onrushing monetary-financial catastrophe, if they were adopted, would be viewed by contemporary historians as a return to the remedies tried by President Franklin D. Roosevelt. However, as I have already indicated in the cited report, the solution will not be quite that simple. As I have warned: What threatens us immediately now is far, far worse than the world crisis of 1929-33; the level of destruction to which the economies of Europe and the Americas have been subjected, during the recent four decades, vastly exceeds, in relative degree of destructiveness, anything experienced during the period of the U.S. Herbert Hoover Presidency.

"The remedies required do include putting the present world monetary-financial system, including the U.S. Federal

Reserve System, into government receivership for reorganization-in-bankruptcy. However, however necessary that action shall be, it is not to be overestimated as a solution for the problem in and of itself. Rather, receivership-in-bankruptcy-reorganization must be considered as merely the appropriate legal form of action by which our Constitutional system of government brings the mess under sufficiently efficient control to permit the taking of the other measures which will actually generate the economic recovery on which the continued existence of our form of government now depends.

"To state the required quality of crucial difference in approach as succinctly as possible:

"Instead of attempting to manage a recovery of the physical economy through reforms of the monetary-financial system, we must recreate a national monetary-financial system through what are, Constitutionally, "typically American dirigist" measures in the domain of physical-economic policies. An insightful wit who has read the preceding sections of the cited report, might say: 'Our job is to reanimate the U.S. physical economy.' If we take the right approach to that task at home, we will be providing the matrix for our role of leadership in rescuing the world."

For more on the 2004 election, see this week's InDepth, by Nancy Spannaus.

## Latest From LaRouche

*Lyndon LaRouche gave two lengthy post-election radio interviews, Nov. 4 and 5. Here are the transcripts.*

### **LAROCHE TAKES A SUBLIME LOOK AT A VERY DANGEROUS WORLD - AFTER THE VOTE ON NOV. 2 -**

*Lyndon LaRouche was interviewed by Jeff Rense on his nationwide Internet/radio program, late in the evening on Nov. 4, 2004.*

JEFF RENSE: And welcome back as we continue to reel and recover, hopefully as much as that is possible from this week. I'm Jeff Rense, coast to coast and around the world as well on the internet side of our broadcast. And on Nov. 9, exactly one week after the U.S. Presidential elections—Presidential selections? I don't know if they stole the election, or they just flat out gave it to him this time, but—Lyndon LaRouche, former candidate for the Democratic Party Presidential nomination will address the nation, and the world, via an internet webcast, from the LaRouchePAC website. We'll talk more about that.

We're very honored to have back on the program today, a fairly frequent visitor and guest, and a man who has really caught the attention of a lot of people, not only in this country, but around the world, for the decades he has been speaking from his mind, his intellect, and his heart, about what's really wrong with the planet. Agree or disagree, it is always a pleasure, to speak with and to hear Lyndon LaRouche talk. Welcome back to the program, Lyndon!

LYNDON LAROCHE: Thank you.

RENSE: How are you feeling?

LAROCHE: Well, I'm not doing too badly.

RENSE: So, did you vote Tuesday, and vote often?

LAROUCHE: No. They suspended that. They didn't want me—I was enough trouble as it was, without just voting.

RENSE: All right. Let's go back now. When you withdrew from the race, a couple of months ago, I guess, and threw your entire organization behind John Kerry, you were optimistic—as were many people, for a variety of reasons. Most people I know, who were not—boy! died-in-the-wool Bush neo-con disciples, wouldn't *dream* of voting to sanctify and to underwrite the kind of slaughter/butcher/crime/theft/perversion/and abrogation of the Constitution in this country, the likes of which we have never seen before, and which we have been painfully watching for years! And yet, what happened on Election Day has left not only half of America in shock, but much of the intelligent world! And I wanted to ask you the obvious questions: How did it go, in your mind? And how much of a likelihood was it that there was a fix involved here?

LAROUCHE: Well, there was a certain kind of fix. But, the problem was, the Democratic Party had generally goofed up the entire election, up past the Convention. As matter of fact, until after the Republican Convention.

RENSE: Mainly what you're talking about, is the campaign, I think?

LAROUCHE: Yeah, the campaign.

But, then, it started late, even after that: That until you had former President Clinton talk directly to Kerry, there was no effective Kerry campaign.

RENSE: How can that be, Lyndon? I agree with you, and I'm still pondering this: How could it have been such a limp, lackluster, *zero* campaign, which stayed about a half a mile from all the major issues of importance—how did that happen?

LAROUCHE: We had a good reading on that. In California, we plunged into the Recall election, to defend against Schwarzenegger. Now, Bill Clinton came out there, in the course of that effort, and offered to make a contribution. But, he realized that the Democratic Party machine, the national Democratic Party, was not going to fight this one. And were leaving Gray Davis out to hang.

I and some other people in the Democratic Party, decided and fought. Now, we had limited forces, largely our youth movement. We went into the Los Angeles area and the Bay Area, which are strong points in California. In that area, we carried the area against Schwarzenegger, in both the Bay Area and in Los Angeles. The rest of the Democratic Party sat on its hands, and just waited for Schwarzenegger to walk in.

Now, this problem in the Democratic Party continued all the way through the Convention and past the time of the Republican Convention, until Kerry agreed with Clinton, in effect, that the campaign was a bummer, and we got started, really after Labor Day, on serious campaigning. Now what—

RENSE: [interrupts] Excuse me, Lyndon—but, honestly, how could John Kerry have been that blind? I mean—

LAROUCHE: He was not blind, no. The Democratic Party—he was being advised by the Democratic Party, pressured by the Democratic Party, to go to 50% plus 1 vote, not to try to get a sweep. I said, this is nuts. You have to bring out the lower 80% of the voting population, income brackets; you have to bring in the youth, especially. They *resisted* the youth. They resisted going to the population who's been losing jobs, and things of that sort. And they said, we're going to stick with the customary programmed people who voted during three of the last four Federal elections.

RENSE: That's a suicidal wish.

LAROUCHE: It turned out that way.

Then, you had Karl Rove, on the other side, who was playing the politics of fear, with religious cultism and so forth, and we could have knocked that off. But, the problem was, as you saw in Ohio—we might have even won Ohio, you know. We don't know yet; it was that close.

RENSE: We'll never know, because of the—

LAROUCHE: Well, no. Who knows? We might actually know. We had, for example, we had over 100,000 extra votes in Cleveland alone, which have not yet been counted, or possibly counted. So, there is a big margin there.

But, the point was, nationally, the Democratic Party lost it. And they lost it, because there was no serious campaign, as there should have been, since actually November of last year—

RENSE: Was this stupidity, or sabotage, Lyndon?

LAROUCHE: Ideology. Remember, that what happened with the Carter Administration—and it wasn't Jimmy Carter's fault entirely. But, under Brzezinski, the Trilateral Commission went with a "me, too" approach to competition with the Nixon Republicans. And the Democratic Party has moved in that direction, up to now. Not to contest the thing, to be part of the system, not to go against it. To work within the system.

This became worse, with the founding of the Democratic arrangement between the Republicans and the Democrats. So, this imported from London.

And so, we now have, in the Congress, and around the Congress, we have people who are just running one party with two divisions. And the fundamental issues—for example, the problem with Clinton was, when he was President: Clinton was probably the brightest President we've had in a long, long time. But his policy as a President, was to go for tactics first, and then try to bring policy in second. My approach is different, directly the opposite: My point is, subordinate the tactics to the issue.

For example, now: We'll have a fight now in the Democratic Party. You know, a friendly quarrel. Some people agree with me, some don't. Some people say, "Well. The lesson is, we've got to go with the flow," which means, go with what happened with this election, and appeal to them, instead of appealing the other way. I'm saying, don't go with the flow. Because this financial crash which is coming down now, is going to convince even George Bush, that he wishes he hadn't been re-elected. This financial crisis, is also going to take people who were wrong—and they were wrong, as you and I know—they voted for Bush. *That was morally wrong!* That was intellectually wrong. They weren't voting for their own interests, they were voted for some crazy politics of fear, concocted by Karl Rove.

Elections, in my view, and politics, what I always stood for: Stand for what you stand for. Don't try to sell yourself as a travelling salesman, and find out what product you're going to sell. And that's where the problem lies.

RENSE: I agree. I think that's a good analysis. I still cannot believe that the Democratic leadership was that stupid, but that's what we're hearing.

LAROUCHE: Yup! That's what I'm seeing.

Now, it's not hopeless. Because, it's hopeless in the sense, that were this to continue without interruption, the United States will be soon finished, as a nation—and I mean "soon," within this period.

RENSE: Yeah, you're right. And thank you for saying that. I've been suggesting it, and to hear it from you underscores the importance of this issue. We will be *finished*, on not just one or two counts, but on multiple—

LAROUCHE: The war, for example. People know that we are *losing* the war in Iraq. It's a loser.

RENSE: Right. Correct.

LAROUCHE: People in the State Department *know* we are losing that war. George Bush says, "no." Cheney says, "no." Others say, "no." The mass media often says, "no." We are losing it!

Now, the collapse of the international financial-monetary system is coming on now. It can not be stopped. We are bankrupt. George Bush and company hocked every piece of asset in sight, to try to hide the collapse for the duration of this election campaign: Now the collection agencies come in! So, we're going to face the worse financial crisis in modern history. It's going to hit in the coming period. And George Bush is going to soon wish that he hadn't been President, when he really gets hit with this.

RENSE: Hold on, I agree. Let's develop that theme a little further. We have a break here.

The dollar, clearly, teetering, like a prize fighter, groggy, almost out on his feet now, ready to go down. Back in just a minute with Lyndon LaRouche. [station break]

RENSE: Okay, welcome back, we're talking with Lyndon LaRouche, on this post-Election Day, plus two.

All right, Lyndon! The dollar, groggy. There are constant rumors about, perhaps Russia, dropping the dollar in favor of the euro; other nations as well. Certainly, Saddam Hussein did, in fact, drop the dollar, shortly before he was overthrown, and ousted, in favor of the euro.

How does it look to you, at this point now? And, if there was an impact on this issue of the dollar's weakness, by the election, address that, too.

LAROUCHE: Oh sure, there is an immediate impact, because, for example, had Kerry been announced as the winner, even by the morning of the 3rd, at that point, some things would have kicked in between the United States and Europe. Now, of course, Kerry would have no ability to *make* U.S. policy, directly through the Executive branch at that time. But the fact that he was coming in, would cause Europeans to talk to him, and there would be a discussion of options between an incoming President, two and a half months down the line, and Europeans. So, they would, in a sense, would hedge their bets on the assumption that the cooperation they discussed with an incoming President, would be an agreed deal.

Now, when Bush came in, the Europeans despise Bush. They're not going to tangle with him now, at least not as they've determined at this moment, as they tangled with Bush over the Iraq war onset—they're not going to do that kind of thing. But, they are simply not going to go along. Because, they can't.

Now, there is another factor—national factors. Now, the dollar is about—1 euro buys about \$1.29. We're looking at, very soon, a steep climb of the euro relative to the dollar, maybe \$1.50, maybe \$2 for a euro.

In the meantime, Chinese and others, are moving their large dollar assets—the Chinese have tremendous dollar holdings—they're moving some of these dollar holdings into agreements with various parts of the world, such as Brazil; potentially Argentina, Canada, so forth; on raw materials, foodstuffs, oil, and things of that sort—needed by China.

So, what's happening is people are moving *away* from an endangered dollar, into investing in something which is more secure than a dollar, a contract on something useful for the future.

Under these conditions, and once people realize that the U.S. and British housing bubble, that is, the mortgage-based securities bubble, the financial derivatives system generally, and the fact that the oil-price level, which is still going to soar, is headed toward \$60 now, maybe \$75, and possibly \$100; if there is a Middle East crisis, a new war in the Middle East, you're going to look at potentially, \$100 a barrel oil. Now, within two months of that on the futures market, it's going to trickle into the home market, into heating oils, gasoline and so forth and so on, and also into the role of petroleum as a feedstock, for the chemical industry, as well.

So, we're in deep trouble. And George Bush and company, have postponed everything that should have been dealt with; it's now going to suddenly hit them, and *they don't have alternatives*.

RENSE: You know, we talk about this \$50 to \$100 a barrel oil increase, Lyndon, and we don't think—usually most people don't think—that this isn't just our driving our cars. The petroleum industry is beyond gigantic: We're talking about the delivery of every single consumer item we *eat*, we use, we buy, we sell, by truck! By diesel engine. It doesn't matter! This impacts the entire economy, not just driving your SUV or your Volkswagen around town. People miss that point—not everybody, and not this audience. But, many Americans *don't get it*—they compartmentalize everything.

LAROCHE: What we're dealing with, we're dealing with a society, which is engaged very largely in a culture of *fear*. The effect of 9/11 and the effect of the way George Bush and company reacted to it, the way Karl Rove has exploited it: The biggest factor in this election, in turning out a vote for Bush, was the *politics of fear*. Fear and denial. It's a psychotic condition. And it's a very dangerous condition, because, on the day after denial, you get an explosion of, "We was betrayed!" from the very people who turned out for Bush, even voting against their *own apparent, vital interests*.

RENSE: Capital "D"—capital Denial. I just—and your point earlier, about how voting for the Bush-Cheney neo-con Tel Aviv axis, that cartel, was an immoral thing to do.

We just learned, two weeks ago, that we have—Americans have killed/slaughtered/dispatched between 100 and 200,000 Iraqi civilians, since the most recent war began. That is about as immoral as it gets. Now, that's not even counting the people on our side, we've lost, maimed, and brought home to basically hide away with ever-lessening veterans benefits. The morality of this thing—it's beyond negative. It's evil. And anybody who can support that, I don't understand. Unless they're completely brainwashed, totally bought, hook, line, and sinker, into this crap that's been spewed for months.

LAROCHE: See, the average person doesn't think that way, not the lower 80%. They *don't* think that way. What they think is, in terms of denial. What they do is—of course, the generation between 30 and 50 years of age, in the lower 80% of family-income brackets, is the most vulnerable. They are living in a fantasy world, which is largely a mass-media-oriented fantasy world. Our news programs don't mean anything, any more; they don't actually get news. They are desensitized to the world.

Now, when you get a figure like 100,000 or more, of deaths in Iraq, against say 11,000-12,000 U.S. casualties, what you're dealing with is a ratio which reminds you, or should remind you, of Vietnam, which should remind you of the French in Algiers: That when you get people of that percentile, that is *willing* to continue to fight, under those penalties, it means that

you are not dealing with some terrorist organization: You're dealing with a people in revolt, against terror! And *we* are the terror! Not the people! Then, that has to be understood. Then we can deal with it.

RENSE: Exactly. All right. We'll take this break and return with Lyndon, just in a couple of minutes. I'm Jeff Rense, inviting you to [rense.com](http://www.rense.com), for real news, for real people. Back in a minute.

[station break]

And we're back, talking with Lyndon LaRouche, about the election. Lyndon, let's talk a little bit about the military aspects of this alleged war. As you know, they're drafting now men over 50, pulling them back into the military. The U.S. Army is now negotiating to try to get the ban on women in combat dropped, so they can send our young girls, 18 and 19, into the front lines to die, with their 18 and 19 year old friends and fellow soldiers. In January, they want this to begin. The American military allegedly, is stretched now to the point where—well, we have a presence in over 140 countries around the world—it is stretched so thin, that talk of invading Iran becomes rather amusing. If you're going to fight a stand-off battle with Iran, that's another story, but then we have a whole dynamic there we could talk about.

But, in general, how is the American military, from your perspective, and from what you've been able to glean?

LAROUCHE: It's a mess! We are destroying it. And we are destroying it especially in Iraq.

It was vulnerable when we went into Iraq, and we destroyed it, by the way of doing that. The key factor in destruction, of course, was the transition from Garner to Bremer. As I've said a number of times—I don't know if Bremer was personally responsible for that change of policy, or just carried it out. But, when we received the surrender of the Iraq officials—that means the Ba'ath Party and the military—under normal military operations, as Garner perceived it, then you take over, and you get these guys working for us. And with the idea, they're going to fix the country, under our direction. And when the thing is working, we're going to leave!

Now, so, instead of taking this force, which was an Iraqi force, and working with them, we turned them loose, and said, "We don't want you." We turned a military force which was capable, into a recruiting ground for guerrilla warfare against us. Then we had the policy, which would enrage people enough, they'd do that, in reaction.

So, this is totally insane.

The problem here, is not a military problem, though it's become one. I think, as I looked at this thing as a candidate, I knew how we could fix it; it's a tough problem, but with our professional military, and our leading generals, including retired generals, we knew how to fix it!

Now, under Bush's re-election, there's no prospect of fixing it.

What we're going to have to do, and of course, it involves the factor of orderly retreat: We're going to have to get out of there. We're going to have to, really, completely change our policy of employment; we're going to have to rebuild our military forces in a rational way, not the Cheney way. And we're going to have to do a lot of other things, in terms of developing our economy.

We can have a secure system. I know, from my knowledge of the world, the United States, if it's sane, can essentially have about as secure a world as you want. We can have cooperation to that effect. That's not a problem. But, the way we're

going now, we're creating the insecurity, not trying to deal with it.

RENSE: And, I might hasten to add: the Russians, eminently capable, in a strategic, technological and military sense; and the Chinese, certainly growing by leaps and bounds every month militarily, on every front, are watching the diminution, the deconstruction of America's military preparedness, very keenly, and probably smiling and chuckling.

One asks, almost rhetorically but not quite, is this destruction of the American military, this abrogation of it, as it were, being done with intent, by somebody? Is it being directed? Or is it sheer stupidity of these beast-men, as you called them so appropriately, using every tactic and tool they can to line their coffers of wealth?

LAROUCHE: It is the beast-man factor. But, the problem here—say, take the case of the Russians: The Russians are now, because we refused to continue our arrangement with them, are re-MIRVing SS-18s.

RENSE: I know they are!

LAROUCHE: All right. So, but, this is part of the program, which the Bush Administration set into motion! It's not because the Russians are gloating over our aggressiveness. They don't want it! They don't want a conflict! They've got plenty of conflicts of their own. They're not looking for that trouble. The Chinese are not looking for that kind of trouble. But, we are pushing, pushing, pushing—partly because of malice, and partly because of sheer stupidity and incompetence.

RENSE: Well, well-said.

Let's look quickly at the job issue. You mentioned something about policies on employment here. How do we create new jobs in America, Lyndon, when the jobs have been literally destroyed, here, by relocating—

I talked to two customer-service agencies, for two different companies. One was in the Philippines, and the other was in India, somewhere. He wouldn't tell me the name of the city. I mean, they come on with this very thick accent, saying "Hi, this is Andy," and I can hardly understand him. "Yeah, right, Andy, what's your real name?" "Uh, Ahmed." Anyway.

How're we going to reconstitute this job-destruction. Because it's not just a drain. These jobs are literally being eradicated. I mean, they're gone.

LAROUCHE: Yeah, well. Only one thing: Go back to a Bretton Woods system, as designed in 1944, under Roosevelt. And as we kept it, generally functioning through the period of President Kennedy's Presidency, and destroyed beginning with the Kissinger presidency, followed by the Brzezinski presidency. We destroyed the economy!

What we did, is, we, like the Romans, after the close of the Second Punic War: The Romans, which had been a people in Italy whose farmers and so forth had maintained the Italian system of Rome, went into a predatory mode of stealing from abroad, instituting slavery at home, shutting down their own farms, and things of that sort; and that became the Roman system, which eventually died. We have done, in the past 40 years, beginning with the time of the Vietnam War, we have done the same thing to the United States.

Now, there's only one thing to do: Take the entire policy, which has been adopted over the past period since especially 1971-72, under Nixon: *Scrap the whole thing!* Take Milton Friedman, and finally put him into permanent retirement! We don't need this flea-trade market, any more!



We'll have to rebuild on the basis of long-term trade agreements with other countries. I'm talking about 25- to 50-year trade agreements and credit agreements. We're going to have to rebuild our cities; rebuild our power systems; rebuild our transportation systems; rebuild our water systems. This will create enough employment, which will bring us up about 10 million jobs above the present. We have to *protect* that employment *with fair trade policy agreements*, with protectionist measures.

RENSE: Very logical. Very pragmatic. That is always the case, when Lyndon talks economic policy. Back in just a couple of minutes.

[station break]

As always, Lyndon just made a very key point, which again, was just about virtually ignored in the alleged campaign. America's—not only is America bankrupt, but, America's infrastructure—roads, bridges, water, sewage, public works—is literally, most cases, in need of replacement, major rehabilitation, or outright scrapping. We are a nation that needs probably a couple of trillion dollars worth of work, at least, to try to reconstitute a reasonable measure of competence for these systems. Freeway overpasses, bridges, these things wear out. You know that.

We should have had a high-speed rail system in here, coast to coast, 20 years ago! You should be able to get on a train in Los Angeles and be in San Francisco in an hour and half, or in two hours. And they can do it in Japan. They can do it in Europe. But, we don't see it happening here. Take you five hours to fly on a plane sometimes—by the time you drive to the airport, and wait in line—.

The same issues exist for the East Coast population corridors as well.

I don't see anybody really addressing this, Lyndon, at all. I see talk of more overseas adventures, to fight "terror," "terrorism." Which you're supposed to define as anybody who doesn't agree with us any more. [LaRouche laughs] It's joke! This country—.

You have the answers. You always have. They're not a big mystery. You articulate them beautifully. But, the traitors in Congress—I'll call 'em that; 99%, 98% of them shouldn't be there—don't give a damn about this stuff! Not that I'm able to see.

LAROCHE: No—well, they do. They do and they don't.

RENSE: Talk's cheap. I know what you mean, but I don't see 'em doing anything! They're passing the Son of Patriot Act, and pork barrel legislation, and tacking on BS amendments to various laws and things, to further upbraid and curtail our freedoms and liberties. You know what they're doing.

LAROCHE: I know what they're doing. But, the problem is a lack of guts. That will lead to all kinds of apologies for various things that you're afraid of doing. That's the essential problem. There is a corruption; there's a lot of corruption. But the worst kind of corruption is simply cowardice: "Why should I put my neck on the line? Why should I lose this or lose that advantage, by doing this? It's not going to work anyway! I'm not responsible. I'm not going to put myself on the line." That's the system. I think 80% of the Americans react that way, not just people in Congress.

It's bad morality, but that's what we've induced over the past—that's what we've induced over the past period.

RENSE: What you're saying, is these people are basically motivated and governed and ruled and intimidated by fear as

well.

LAROUCHE: Yeah, sure. This is—

RENSE: We are a fear-based society.

LAROUCHE: Yeah, exactly. For most people. That's what I'm up against. You know, people like me, but they're afraid of me, because they're afraid what'll happen to them by being associated with me. You see that, very clearly, in the millions of people I have supporting me in various ways. But, when it comes to an election, they don't want to get caught!

RENSE: I know. I know. Well, one thing, I think has changed in the last two or three or four years, and you've been talking about it and others have; I know I've been talking about it for many years: It is now okay for people—eh! It's always been okay, let me rephrase that: People are less paranoid about criticizing Zionist Israel, the neo-con agenda, and those who would seek to reduce America to nothing less than a slave state of a Zionist agenda, which does not have our best interests at heart.

LAROUCHE: I'll tell you where the strength comes from: It comes from young people, under 29, especially under 25. I'm talking about young adults: They know, that they have no future, under the system the way it's going. And therefore, they're either persuaded to be completely pessimistic and give up entirely; or, if they have any spark of life in them, to say, "this is wrong.: And they were a very positive factor in the turnout of voters in this campaign. We did *not* fail entirely with the Democrats. We had some successes. Successes were getting the mass vote out, and also, especially, getting youth out—under 29, but especially 18 to 25 age group. That made, in say, the city of Cleveland, Ohio for example, *made a big difference*.

RENSE: Will the young people, will these people stay motivated over the next four years, or will they just say, "To hell, with this. My future is not Zionist. I want nothing to do with this garbage."

LAROUCHE: No, these young people—that's my job. My job is to, in a sense, give these guys the ability to become a growing, independent force in the United States. I have to think about the future, which is not people of my lifetime, but people of three generations, or two generations, after me. They are the future. I have to do something for them.

RENSE: Uh-huh. That's the most wonderful gift anybody can do for our future.

LAROUCHE: We all ought to do that! We're all going to die, you know! So, sooner or later, we better get around to thinking about what we're leaving behind us. And try to leave something good, which will be alive after we're gone, which will be good, and will ensure that there is a future.

RENSE: Did John Kerry fold up his tents too quickly?

LAROUCHE: I think he did. But, it was a call that's hard to criticize, because he's in the Congress. And on his side—you know, if you know the President of the United States is nuts, and a very disturbed personality, and if you know that the President of the Senate, Vice President Cheney, is a sociopath, who kills, or has people killed; and you're in the Senate, and you're trying to get some kind of legislation passed for the benefit of your constituency, or the benefit of the country, you say, "Well, let's back off a little bit, from confrontation with these guys." And that's essentially what happened.

Once you decide to stop the fight for President, that's what happens to you.

RENSE: So, who emerges for the standard-bearer for the Democratic Party?

LAROUCHE: Well, I'm going to have to do that job, right now. But, I'm going to do my part, to ensure that there is, in the Democratic Party, a *reorganized* Democratic Party, a revived one—

RENSE: If they don't rebuild it, and rethink it, and reinvent it, they're toast, again.

LAROUCHE: Well, we did that before. That's what Roosevelt did. Franklin Roosevelt did that with a party which was disgusting! And the Republican Party had just become disgusting. And so, the Democratic Party became a reincarnation of the best that had been left over from previous parties.

RENSE: Well, you said it all, earlier, when you said, we have one party, with two divisions, now.

LAROUCHE: Yeah, sure!

And, we have to change politics in the United States. You know, the American people have made a mistake, not just their leaders. They've made a mistake. I know. I've lived all through this stuff. They just didn't have the guts to do it. Well, I can't criticize that—I just have to have the guts to help them do it!

RENSE: We got a problem, though, in this country. We have, apparently, about 50% of the voting public, which doesn't see things like we do, like the other half of the voting public sees it. This country is shattered. The tear in the fabric is profound. I—the talk about "healing" is all nice, and [LaRouche chuckles], smarmy, but forget about it! These people are diametrically opposed to each other right now.

LAROUCHE: Well, there's shocks that are delivering. You have to take, sometimes, catastrophe as a blessing. It's this principle of the Sublime in history, as opposed to tragedy: You have to take the terrible, sometimes, as a blessing: Not because you want it, but because you know that this is the thing that is going to show the other guy, that what we've been doing is wrong.

It often—for example, let's take 1763: You had the Treaty of Paris, the British have been established as an empire. We were about to be crushed by our British ownership from abroad. We mobilized, in that catastrophe, behind Benjamin Franklin who created our Republic. To this day, this Republic, with all the corruption that's been done to it, is the rallying point in the world for people, as it was during Roosevelt's time. A lot weaker, a lot poorer, but we still have that. So, it wasn't a waste of time.

We took, out of the terrible conflict of our oppression, the struggle for our Constitution, our independence, we built something positive. With Lincoln, we built something positive out of something that was absolutely horrible. With Roosevelt, we built something positive out of something absolutely horrible. And the lesson of history is, that sometimes bad news is good news, if it gets you to respond to the bad news in the right way.

RENSE: I like that positive, positive look at it. All right, speaking of "look," let's look at the immediate future now: With the drums being pounded that Iran has to go. The Iranians, of course, in all likelihood, are not going to go quietly, if at all. And I'm curious as to how you see the next two, three, four months?

LAROUCHE: Well, it's going to be a point of decision. And either this President, or this Presidency, will be tamed by the circumstances of the experiences that are going to come down upon it; or else, there isn't much of a future.

And, you know, I'm on the positive side: I'm looking for the alternatives, the opportunities, constantly, to bring the changes that are needed about. And I'm not squawking too much about the bad things, because I know that I have to *use* the bad things to bring people to their senses: Maybe we can change this. I think there is opportunity.

But, I must admit, the world, for the United States and for its people, is a far, far more dangerous place than it was before the vote on Nov. 2.

RENSE: Far more dangerous. And, if Americans don't get it, and don't wake up now, Lyndon, I concur with you, fascism in this country will not just be a rumor—. Well, it's not a rumor, now. But, fascism will kick in very strongly, very quickly, and profoundly.

LAROUCHE: We will call the fascists, "Rove-ing" idiots! (After Karl Rove.)

RENSE: Well, there you go, that's a perfect use of that name.

Lyndon, thank you for being here tonight. A pleasure. I wish we had better news to talk about, but let's be optimistic, and let's talk again, soon.

LAROUCHE: Okay, thank you.

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## **LAROUCHE TELLS STOCKWELL SHOW: NOV. 9 WEBCAST WILL START - - WITH YOUTH CHORUS SINGING BACH'S 'JESU MEINE FREUDE'**

*Lyndon LaRouche was interviewed by Jack Stockwell on KTKK radio in Salt Lake City Utah, on Nov. 5, 2004.*

JACK STOCKWELL: [off air] Good morning, sir. Welcome to the state of wackos!

LYNDON LAROUCHE: Which state is that? We've got about 50 of them.

STOCKWELL: The state of Utah, the one that gave the highest per-capita percentage for Mr. Bush. All right, you hold on a second, we'll get you on very shortly.

[on air] Five and a half minutes after 7 o'clock, it is the fifth day of November 2004. You're listening to the Jack Stockwell radio talk show program, this morning brought to you live, with 25% extra for free just for listening in today.

I have a special treat for you. This was arranged at the very last second: Mr. Lyndon LaRouche will be on for one hour. He's on hold right now, in fact. We'll have him on here in just a second. He'll be on for an hour, and then for the second hour, I would like to address the subject for the rest of the program this morning, what do you see your life being, with another four years of Mr. Bush: What you can expect? What you're preparing for? And all the horrors that might be involved with that.

Let's see, it's a Friday. This coming week, I have several guests lined up for you—everything from UFOs, to the coming economic crash, and some off-setting strategies that you might employ now to better prepare yourself for that, since the

administration has been re-elected that may very well be Hoover reincarnated, and will help to spread the horror even faster....

Lyn, you there?

LYNDON LAROUCHE: I'm here, I think.

STOCKWELL: Yeah—good morning, sir!

LAROUCHE: Good morning.

STOCKWELL: Good morning. I just have one question, to get things going here, and that is, as I looked at all the polls Monday, and I have been forecasting for a number of months now, a Kerry landslide, and that didn't work out; and there's only one of two possibilities: Number one, there was vote fraud, particularly in Ohio. Or, we actually re-elected this President.

LAROUCHE: I think probably there's a mixture of all of that. First of all, there was *tremendous* irregularities in Ohio, as to whether you call it vote fraud, technically, or not, I don't know. We've got over 100,000 of these pieces of papers which have not yet been evaluated, and other things like that. We have the fact that in many areas where the greatest density of population was, the fewest voting machines were available. Things like that. So, a lot of things happened, and Karl Rove played a dirty deal.

But, the essential thing was this: First of all, the Democratic Party didn't start this campaign on time. I wasn't involved in the so-called debates. The thing was fairly dead. Kerry has a lid on him, most of the way, even till after the Democratic Convention, and even after the Republican Convention. So, it was not until after Labor Day, that the campaign got started.

Then, there was a certain amount of vacillation, less and less. Edwards vacillated less than Kerry did. But, when they got onto the issues of youth, the issue of the economy, the issue of the lower 80% of the family-income brackets, this sort of thing, suddenly, Kerry was taking off. But, the problem was, it was too late.

As in Ohio, you have a evangelicals out there—I don't know if they qualify as fundamentalists or not; many of them don't. But, they were in this business, that they believed that George Bush was right, when he said the economy was going up. And that had not been adequately addressed by the Democrats. I had addressed it, but not enough of it, and therefore they had a lot of big turnout for Republicans. So, there was a big turnout for Republicans in that state in particular, which was a crucial state.

You know, actually, we may have won the state. That's technically possible. We don't know. But, that's where we stand right now.

STOCKWELL: Well, the last thing that CNN was reporting, was that President Bush was still ahead by a greater than the uncounted provisional votes. And that even if there were a significant percentage of those uncounted votes for Mr. Kerry, it wouldn't be enough to offset President Bush's lead.

LAROUCHE: That's the argument. We found now that the CNN report is not necessarily accurate.

STOCKWELL: Yeah, well, I rather suspected that to begin with. What about Florida? Are there irregularities in Florida?

LAROCHE: Oh, they're all over the place. Well, I knew there were going to be irregularities! I said so, from early on in the campaign. I said it in New Hampshire, during the New Hampshire primary campaign. We had to expect it. We had vote fraud with voting machines—everything.

STOCKWELL: Well, regardless, it looks like President Bush has been re-elected. It didn't take the Supreme Court this time to do it. It looks like he got the popular vote, as well as the Electoral vote—

LAROCHE: That's the key thing that influenced Kerry. Kerry thought that Bush had the popular vote. He thought that if Bush had not had the popular vote, then it would have been different.

STOCKWELL: Okay. You're still on the air. I need to get Bob on here for a traffic update.... [break]

All right, if you're just tuning in, Lyndon LaRouche is my guest this morning, for about one hour, till 8 o'clock, as we kind of try to make sense out of what's happened earlier this week.

Now, Lyn, I will ask this question: What can we expect—well I suppose, we can expect what we've seen the last four years, maybe even worse, now; worse attacks against American liberties, worse attacks against foreign nations. But, the thing that I would be the most concerned about, that seems to escape the minds of most people who re-elected this man, is this economic situation that we're in, and that there is an asteroid on its way towards this country, in the name of dollar collapse—among a host of other problems. Some comments on that, please?

LAROCHE: Well, this President is going to be very unhappy, soon, to find out he's been elected: Because what is going to hit the United States, and it's going to come in waves, one thing after the other—it's going to be more than the poor man can bear. And suddenly, you're going to have a situation in which all those people who voted for Bush, because they thought he must be trustworthy on the economy; or because they were voting out of the politics of fear of Karl Rove—afraid not to vote for him—they're going to suddenly turn against him.

Now, that turn is dangerous: Because many of these people, especially on the religious side, people who would follow Tom DeLay, for example, or that sort—these people will turn fascist, with the loss of their money. And therefore, unless there is a positive alternative to a total crash, visible out there, I think the world may be on the edge of not suffering, but a new dark age.

*This may be in the worst case, the election of George Bush, may be the death of the United States, before that term of office is finished.* That's how bad it is.

STOCKWELL: Well, what is it about him, and his cadre of associates, and neo-cons that surround him, that would leave America so defenseless in the face of an economic disaster?

LAROCHE: Well, let me tell you: Remember Adolf Hitler?

STOCKWELL: Yeah—

LAROCHE: Remember, how the fascists came into power, beginning with Mussolini, one after the other? Over the period from 1922 to 1945: That operation was run by a group of international bankers—they're not bankers, in the sense of just banks; they're private financiers of an oligarchy, who control many banks, the banks of Europe and control much of the banking system in the United States. Now, these bankers, in the United States, these financial oligarchs, merely

typified by the case of Felix Rohatyn, who's a well-known figure, these guys who are the people who are the children of the people who put Hitler into power in Germany.

Remember, these are the same people behind banks that financed Hitler, from New York City, including Harriman, including Prescott Bush, the grandfather of the incumbent President: Who moved the money controlled by Harriman's bank, Brown Brothers Harriman—moved the money, by a letter, to a German bank, to release U.S.- and British-controlled funds, to revive Hitler's party, in time for Hitler to be nominated as Chancellor.

Now, these people are still here. These were my enemies then, even though I didn't know it. I knew they were my enemies in the post-war period, immediately. I knew these were the guys that Truman had let back in, as Nazis, into the system. I knew all through, that the right-wing, behind the neo-cons in this country, as we call them today—the utopians, as we called them before then—behind that was this financier interest, which was using all kinds of flaky people, to try to make fascist coups, then.

We resisted it, then. Because Roosevelt saved the nation, from the mistakes that Hoover was making. Today, the Democratic Party is worse than it was under Roosevelt, by far. Remember, the Democratic Party was worth shucks, in the 1920s. It suddenly became something, because Hoover had become discredited, and suddenly the Democratic Party, *despite* Raskob, despite the head of the Democratic National Committee—which was more on the fascist side—despite that, Roosevelt pulled the Democratic vote, and saved the nation. Now, this time, there is no Franklin Roosevelt in there—not even nominated; not even elected. And people are distressed.

Therefore, the biggest factor here, the difference in change is: The Nazis are there, the Nazis are behind what happened with the Bush campaign. *These financial interests are the ones that used Karl Rove, et al., et al., et al., to run this operation.*

STOCKWELL: All right. We'll be right back right after a quick commercial break with my guest Lyndon LaRouche, at the voice of Utah!... [break]

[off air] Hey Lyn?

LAROCHE: Yeah.

STOCKWELL: Is there a certain direction you'd like to go?

LAROCHE: Just this one: Who's doing what to whom. Where's the problem.

STOCKWELL: All right: who's doing what to whom—I love that one. Hold on.... [on air] My guest for the rest of this first hour this morning, Mr. Lyndon LaRouche out of Leesburg, Virginia, who is on the line with me right me—we're going to have traffic coming in here any second.

But, the subject I would like to bring up at this point, is, I would just like to name some names, here: who's behind who? Who's supporting whom? Where is this influence coming from? Is there any indication that this second Bush Presidency, could be an awful lot like the second Nixon Presidency? As the people start falling out of the woodwork. There's a lot of questions there, Lyn. Take whatever one you want.

LAROCHE: [laughing] Well, first of all, you have to look at the international financier cartel, which was called, back in

the 1920s, 1930s and beyond, the Synarchist International. These guys are the mothers of fascism.

STOCKWELL: Synarchist International? Okay.

LAROCHE: Yeah. And these are banks like Lazard Frères, so forth, these kinds of banks in Europe, and in the United States. All right. So these are the guys who're behind it.

Now, you've got other factors: You've got a factor today, which is, the U.S. population of the past 40 years has undergone a cultural paradigm shift, from a *producer-society* orientation, to a post-industrial, utopian model. Most people who are now heading corporations, and key positions in government, are people who had not yet matured, or just about entered university or were about to, when this change came. This is the generation which took its clothes off on campus, took LSD, and had sex with trees.

They no longer have the kinds of values on which we relied, in Roosevelt's time, or in the post-war period, the value of our country as the leading producer society in the world. We are no longer the leading producer society in the world. We are the world's leading parasite.

STOCKWELL: Okay, Lyn, with that thought, just hold on a moment, I've got to get another traffic update, but we'll come back with the parasite.... [traffic break]

My guest Lyndon LaRouche, will be on here till 8 o'clock this morning Mountain Time. Now, the last thing you said, we have gone from being the greatest-producer nation on the planet, to the biggest parasite.

LAROCHE: Yeah: It's called "globalization." It became worse over the course of the past 15 years. But already under Carter, which is really under Brzezinski—under Kissinger, actually, even earlier—we went from being a nation which had the highest standard of productivity in the world, to becoming a nation, which used slave-labor internally, and which went to cheap-labor markets overseas, to produce what we had produced earlier.

We destroyed our schools; we destroyed our family farms; we destroyed our family industries, that is the closely held firms that had high productive power. We went into a counterculture. We're now collapsing, and our income, our physical income, as you see in malls, depends upon virtual slave labor overseas. We have the biggest current account deficit we ever had. The United States is financially bankrupt. Nearly every bank in the United States is, in principle, bankrupt, except for government protection. A similar situation exists in Western Europe.

The economy of the world is now based, on raw-materials speculation: that is, you take raw materials, including petroleum, and you will find that most of the income from markets is sustained by the income those markets are making on financial derivatives, of buying into possession of petroleum and other things.

For example, there is no petroleum shortage in the world. It's because of speculation in petroleum futures stocks, that the price of petroleum is headed toward \$60 a barrel now, probably \$75, probably \$100. Any crisis will send the price of petroleum up to about \$100 a barrel.

In the meantime, the U.S. dollar is now worth—that is, the euro, is worth \$1.29. The euro is headed toward \$1.50, a collapse of the dollar.

We have an unpayable current account deficit. Our accounts of the Federal government have been strained to the limit, to try to win this election just over the past two years, and we no longer have the assets to cover it: We are about to go



bankrupt.

We have a housing mortgage-securities bubble, through Fannie Mae, Freddie Mac and other things—and a worse situation in the United Kingdom. It's about to pop.

So, everything is about to collapse: This is far worse, in its potential than 1929-1933. What is going to hit George Bush, in the coming weeks, is that.

Now, this is dangerous: Because, the bankers out there, the ones who are behind this right-wing turn, the ones who put everything they could, into ensuring that Bush was elected in the United States, *these guys want fascism*. And their attitude is, "We'll sink everything, let everything go bankrupt. We'll own the joint. We'll put in dictatorship."

That's why I say, we are on the edge. We're not over the edge, yet, but we're on the edge, of losing our Republic.

STOCKWELL: Lyn, let me ask this question—we're going to go to break in just a few seconds; let me ask this question, and maybe you can address it when you get back: With what you just said in mind, and how easily the German people, because of their desperate economic conditions, were lured into and finally trapped by fascism; and then you talked about the evangelicals in Ohio, not necessarily the fundamentalist variety, but those people caught up in desperate situations, especially the low guy on the financial totem poll, are the ones most easily seduced by fascist government design, when push comes to shove. Let's talk a little bit more about what might have to happen, in order for us to give up the rest of what liberty we have left. We'll be right back.... [break]

It is 30 minutes past the hour, you're listening to Jack Stockwell radio talk show program this morning. Lyndon LaRouche from Leesburg, Virginia, my guest for about another 30 minutes. Kind of, his take on what has happened as a result of Tuesday's election.

And then, the question I was asking you there, before the break Lyn, I think it's kind of more like: When you consider the *lack* of national outrage with the passage of the Patriot Act, with the further incursion of Homeland Security and FEMA into our private liberties, our God-given liberties, what's left, before they just finally step in and, say, blow the whistle: "Get out of the pool. Your former life is over with. Here is your new life as a good citizen of the state"?

LAROCHE: Well, let me give you two pictures, because there are two pictures, not just one.

Now, what's happened to the American people, lower 80% of family-income brackets, as you look, 1977 to the present, what's happened is, as in the state of Ohio, which was once the most prosperous state in the Union, which has been transformed into one of the poorer ones. Now, in that state, all the people who were farmers, who were employed in industry, who've lost those jobs, they've lost the security, what's happened is, they've fled into the status of seeing themselves as a lost generation, as the forgotten people. Therefore, their attitude toward religion is, everything has failed them; nobody cares about them; maybe God cares about them. Or, maybe other things—it may be witchcraft. You'll find all kinds of things going on there. It may be gambling. Look at gambling psychosis in states around the country. When communities are investing in gambling, "taking in each others' laundry" so to speak, and losing on it, this shows you a state, a mentality, which has been induced in a proud people of the United States, or in the lower 80%, largely, no longer a proud people. *They can be cheaply bought*, with a promise, or money—even a promise.

All right, now, that's our situation, and that's where the danger comes, now. That's why people voted for Bush. Because of that factor. And because the Democratic Party wouldn't tell them the truth. Or, did start to tell them the truth, too late.

Now, the positive side is this: Our Republic, which was created actually, by a process out of Europe, and which began to take shape in 1763, after the British became an empire with the Treaty of Paris in 1763, we were about to be crushed. And the best minds of Europe, as well as the people here, put everything possible into Benjamin Franklin's effort to prepare a republic. We formed one. But, then we were betrayed by the French Revolution, which turned Europe into a nightmare—under British direction, incidentally.

So, out of that, our Constitution, our Constitutional system, which is deeply embedded in our people as their culture—even though it may not be obvious on the surface, is there—this nation is the only nation on this planet, which, faced with the threat of fascism, under a George W. Bush, is capable of resisting it. And therefore, my bet is to put everything I have into my confidence, in that cultural factor, in our Republic, in our people: We can, as Roosevelt did at a time when the world situation was hopeless for mankind, we can, once again, lead this world from this nation, into options which can deal with even these present problems. It's our only chance. And therefore, being an older man, and having nothing to worry about except the future of mankind, I bet everything on that.

STOCKWELL: Well, I don't hear a whole lot of statements of faith like that, about the ability of the American spirit to revive itself from many other sources, as I do hear from you. I've always heard that attitude and spirit from you, in the several years that I've personally known you, is your constant faith in the American spirit to get back on track and do what it needs to do.

Maybe you have more faith in that, than I do. I was born in '50. I came out of an education in the Washington, D.C. area, that was kind of—I think it was more after the old cult of Rome, in the sense, of "make hay while the getting's good, and if you do better than somebody else so much the better; and fortune favors a few, and don't worry about the rest." Rather than seeing something as an entire community, born of the same spirit, the same resilient spirit that came together under Roosevelt, and was able to defeat this horrible enemy in Europe, and then propel America on to become the strongest, greatest, most productive nation on the planet. I guess that momentum carried us into a period of insensibility, because the people of my generation laid around and enjoyed the benefits of the generation that created it for us [LaRouche chuckles], to the point where it's just like sand falling through our fingers.

You know, because of a better industry out here in Utah, we haven't been hit here in this state, like some states have. There's a lot of people out here hurting, and Geneva Steel's all closed up, and turning to rust. But we haven't been hurt like some states have been hurt. And so, I don't think that is as real, what's happening especially in northern and eastern Ohio, is not as real in Utah, as it is to people back there.

LAROCHE: Yeah right. Well, the key problem we have, is the 30 to 50 age group. These are people who come immediately after the Baby-Boomer generation proper, who have lived in a world of unreality, which is more unreal than what the Baby-Boomers were exposed to over the past 40 years. They live in a withdrawal world. They live in a world of fantasy, media-oriented fantasy. You look at their entertainment habits, you look at their behavior; they're not in the real world.

Now therefore, you have people who are—we found in the election campaign process, that people over 50, especially over 60, would tend to vote against Bush, because they had a sense of reality. People between 30 and 50 predominantly, did not have a sense of reality. Then, a younger generation, under 29, which had a preference for Kerry as high as 65%, but is even stronger in the 18 to 25 age bracket, which I'm dealing with.

Now, these young guys, especially 18 to 25, but also the 18 to 29, these are young adults, not adolescents.

STOCKWELL: Yeah, let's hold on, hold that thought. We've got to go to a break just for a minute. We'll be back with my guest Lyndon LaRouche.... [break] My guest Lyndon LaRouche, only going to be on here for about 20 more minutes. I

want you to go ahead and finish that last idea.

I have a couple of people who want to ask a question of you, as well, Lyn.

LAROUCHE: Okay!

STOCKWELL: And a great—you were talking about that last group, the 18 to 26, and how they came back out in heavy support for Kerry. And I think you were trying to isolate that middle-age group, you know, 30s to 50s, that were definitely in support of Bush. Let's finish that idea, and then I have another good question here to ask, and a couple of people who are off the air.

LAROUCHE: Okay, good. Well, what I found is this: First of all, young people, about four years ago or five years ago, now, that polls indicated that the young adult generation, that's particularly the 18 to 25, sometimes higher, age group: They think as adults, not as adolescents. Their emotions are adult, not adolescent. For example, the suicide factor which is higher among adolescents; if people get through adolescence, they have a lesser suicide potential for their condition when they become young adults.

All right, now, these young adults recognize, and have recognized for the past four years or so, that their parents are crazy; their parents' generation is crazy: That they can no longer talk to these parents, because the parents are living in a withdrawal in fantasy-land. And therefore, the young people don't hate their parents, they just realize there's no sense talking to them, because there's no reality there.

The young people, however, see, estimate themselves as having 40 years of life yet before them, or maybe more perhaps, say, "We've got no future. We're in a society which has been given to us, which has *no future in it*."

Now, I've worked with these young guys, and I've demonstrated, in my limited way, with my limited resources, these guys are smarter in general, than the ones who are going to college. Because, we go through a program which is cognitive, not textbook. And they are smarter. They also are more optimistic.

Now, my building of a young movement around these kinds of ideas, internationally, as well as here in the United States, is to try to overcome the pessimism, which hits these young guys, if they're convinced, "Yes, there is no future, there is no option." As long as these guys think there is a future, they will not give up their optimism; they will fight for a future. They will also inspire the older generation, to join their ranks: That's our only chance.

STOCKWELL: That's what happened back in the '60s. Hold on a second here, and let me get another traffic update....  
[break]

All right. Let me get this off-air call out of the way, first. A fellow called in wanting your opinion on what might the Federal Reserve demand of the United States government, in place of our default on those loans with the collapse of the dollar, should that occur?

LAROUCHE: Well, here we are, we're up against the situation. There's no way, in which that can happen, except by the installation of an absolute fascist government, in the United States. The minute that happened, you're under a fascist regime.

The alternative is, the fact is, the major banks are bankrupt. Therefore, the task is, of the government, is to put the banking system, as Roosevelt did, or the direction he went in—put it into bankruptcy, into receivership by government, to prevent

the banks from folding, and to put the financial system under reorganization to protect the country against chaos.

This kind of thing that he's talking about, is actually panic-time. This is not 1933, this is panic-time. There is no *bottom* to this thing. You're going into a period of disintegration. You're may go into wars; certainly Cheney will try to go to wars. He's got some already in mind. They're somewhat restrained because they're trying to rescramble the government real fast, now.

But, the United States will *not win any wars*! The United States is losing the war in Iraq! And that's going to have to be admitted pretty soon—losing it to asymmetric warfare. We're going to lose every war we go into! We may destroy a lot of people, but we won't win any wars.

So therefore, in that kind of situation, we are at the fag end of the Roman Empire, before the Roman Empire actually started. And that's the situation.

So therefore, these kinds of things are possible: They mean the *death* of the nation, the *death* of civilization. But, because they *are* the death of civilization, you may find, in the United States in particular, even among Republicans and other institutions, you'll find resistance to destroying this Republic.

STOCKWELL: Yes. I put some faith and hope in that, myself.

Helen, my dear, you have a question for Mr. LaRouche?

CALLER: Yes, yes, I do. Let me say something to Mr. LaRouche. I supported you with many dollars, Mr. LaRouche, along with Dr. Stockwell. I want to say that this coming crisis, this economic crisis that's about to hit us, was unleashed by Richard Nixon, Aug. 15, 1971, when he broke the Bretton Woods agreement. Now, you said something today, that was terribly important: There will be no Mr. Roosevelt, to save you this time. That's just my point. They have vilified the name of Mr. Roosevelt in history, so that people today that I know are enlightened, who have not known him and what he did with this country, despise him. This man needs to have his reputation redeemed. And in doing so, if you would do it, they might see you in his light. And that would help tremendously, so we have someone to save us from these men. In a crisis, they will take everything from the people.

LAROCHE: Well, Helen, I'm optimistic. I think it can be done. I'm trying to do it. I think the lever here, is the youth movement. You know, for example, when you get—we're going to do this webcast on Tuesday: And it will begin with a performance of Bach's motet *Jesu meine Freude*, done by a youth chorus, because I want to set the right tone. I want people, now, coming out of this crisis, to have an image of beauty, an image of what our civilization is. Not to start out by wallowing in the mess, the mire we're in now. You have to start up.

You know, the whole history of tragedy, the history of tragedy in drama: In ancient Greece, they started with tragedy, which showed how bad things could get, and they got worse. But also, Plato and others brought in the concept of what's called the Sublime: Do not start, from how bad things are, to try to win support for hating the badness, or for joining it. Start from the beauty, which is inherent in the nature of mankind. Appeal to the sense of beauty *in* mankind. And then say, "How can we apply this concept of beauty to the problem that threatens our beautiful mankind?"

That is the only way it works, and that is what I'm doing. It's the only thing that'll save this civilization.

STOCKWELL: Thanks for your call, Helen.

There were a couple of moments in the Kerry campaign, where I thought he was going to bring some real economic alert in what he had to say, when he referred to Roosevelt a couple of times, but I never heard it after that.

LAROCHE: Well, what happened is this, essentially. You had, in the campaign you had a lot of good people—as opposed to those who were out of the campaign. But, among the good people, you had people who had a big streak of pessimism. The issue is this, the leadership of the campaign, as merely typified by James Carville and Joel so forth, that crowd The leadership was for optimism, saying, "We have a problem in the country. The challenge is to fix the problem. The challenge is to show people how we can solve the problem. The challenge is to define the policy which the nation needs, whether the majority is for it, or not, at this moment. Stick to that."

Others would say, "Yes, well, we will have the right policy. We agree the policy is right. But, should we support the policy, if it goes against what the majority of people are feeling?" And the problem here, the weakness in the Democratic Party, through all these decades of decadence—they've given decadence its true meaning—as a result of that, they no longer have a sense of policy. They have a sense of *tactics*, of short-term tactics; of how to get ahead, how to get by. They're like the guy who buys a house he can never pay for, and says, "But, I'll live in it this week anyway."

STOCKWELL: All right, we'll be right back with my guest, Mr. LaRouche in just a moment.... [break] Another off-air question, Lyn, and then I'll get a last question on the phone: I had Al Martin out of Florida on the show a couple of weeks ago, and in fact he's going to be on again next week, and he made the comment, that the Bush family already has in store, during this second term, efforts and attempts to pick up all the gold, again. Only a little different reason than Roosevelt did. So, and your feelings on that. And also, what do you see happening to the price of gold and silver during the next four years?

LAROCHE: Well, you are now in a binge, on a world scale, there's nothing available on a large scale, for investment, except raw materials and related things. That's why you're seeing the plunge to get control of petroleum stocks, the plunge of various kinds of minerals. The effect on the gold price is obvious for this; the silver price will tend to follow.

So, people are going to flee into trying to create a physiocratic monopoly. You have four powers in the world: You have the United States; you have Western and Central Europe, including the United Kingdom; Russia; and China. China is the biggest bidder for raw materials, in northern Canada, in Brazil, now in Argentina, elsewhere. Russia is one of the large possessors of raw-materials potential. And the other part of the world is buying into raw-materials stocks all over the world.

So, what is happening, is, you're getting a shut-down of a productive economy, into an economy which could not support, perhaps a billion people on this planet, physically; into an economy, in which control over raw materials, an empire, imperial control over raw materials, is the name of the game.

So, I need gold, as a reserve currency, a reserve stock, in order to manage easily, an international monetary system, which we need, like the Bretton Woods system that we had from 1944 on. Others want the gold, as the British gold standard did, to get a control over the gold, internationally by a cartel, and to use that power over gold, as a monetary weapon to *crush* any part of the world, they want to crush.

STOCKWELL: By playing games with their currency?

LAROCHE: Yeah. As they did with ours.

STOCKWELL: Okay, I gotcha. I gotcha. All right, let me squeeze in one last question. Bob, you have just about a minute

for a question.

CALLER: Okay, I'm staring at the clock, knowing Helen's observation and a question.

Yes, Mr. LaRouche, good morning: I would like to say that talking about neo-cons and that sort of thing, I think you yourself might be a neo-con, and we'll get to the question, here, Jack, in just a second, at the end of the minute. [Lyn laughs] But, in any case, I would suggest that you are a born-again, or maybe a born-again sectarian—but whatever.

The question is this, we mentioned it before: John Maynard Keynes, a Marxist economist teaching at Harvard made the comment was that the quickest way to drop us into Marxism, was to debauch our currency, and I make the suggestion that your plan would do that; and also that your plan for the High Frontier protecting this country, is unilaterally disarming us, and that we're headed, considering the armaments of the Soviet Union remaining, we're headed toward a catastrophe, there.

LAROCHE: Well, Bob, you're wrong on all counts. First, of all, John Maynard Keynes was not a socialist; he was a fascist. His most famous work, his *General Theory*, was published in Berlin in 1938, in German, with praise for the Nazi regime of Adolf Hitler. So, you miss it, on that.

On the other issues, you're missing the point: We are in a collapse of the system. This system is collapsing, nothing can prevent it from collapsing. The only thing that can happen, as Roosevelt indicated by his measures, in 1933: The power of the Constitution, and only the Constitution of the United States, gives our government the power to save us, and save our currency, in a way which other nations, if we did it, would follow. It's our only hope.

So, don't be such a pessimist. And don't buy into the buncombe. The neo-cons are all for your enemies, so, don't praise them.

STOCKWELL: The neo-cons are in there, controlling the White House in such a way, that they can use the power of the Presidency of the United States, to help better secure for the corporations that they represent, secretly or openly, to use the power of the United States, the armies of the United States, what financial power is left of the United States, to secure what they can possibly steal, that's left in the sense of raw materials from these defenseless countries.

LAROCHE: I'll give you one historical parallel: In Germany, the character of the Nazi system was typified by the Goeringwerke, because the Hermann Goering, who was the bonzo of the Nazi regime and the agent of the bankers, began gobbling up industries and putting them into his firm, Goeringwerke. But: If you look at the paperwork, the Goeringwerke were actually owned by an international cartel, which was never touched, in the post-war period. It was the cartel that Truman knew all about. This cartel is the right wing. This cartel is here, today.

The Halliburton syndrome is a poor caricature of Hermann Goering. Cheney is a poor caricature of Hermann Goering, who works for George Shultz.

STOCKWELL: [laughs] Well, that about says it all. Lyn, we're out of time.

LAROCHE: Okay! Have fun.

STOCKWELL: I deeply appreciate your comments as always. I have the greatest respect for you and your organization. You're welcome on this radio show any time.

LAROCHE: Okay, thank you very much.

# Feature:

## Our Economics Policy: Animation and Economics

by Lyndon H. LaRouche, Jr.

October 14, 2004

Foreword

It was not the 1929 stock-market crash which elected President Franklin Roosevelt. It was the collapse of the U.S. economy by approximately one-half, a collapse caused by the austerity policies of President Herbert Hoover over the October 1919-February 1933 interval, following that crash. Hoover's austerity policies paralleled those of his contemporaries, those Brüning and von Papen governments of Germany which paved the way for Hitler's coup d'état. Roosevelt rejected such austerity measures, and thus saved the U.S. from the fascist dictatorship in the U.S.A. which would have been soon virtually inevitable, had Hoover been re-elected.

# Economics:

## An Influenza Pandemic Summit Is Called by Alarmed WHO

by Colin Lowry

The current influenza vaccine shortage shows just how unprepared the United States and the world is in dealing with a global flu pandemic. The looming threat of a new and very lethal avian influenza—that has already infected 44 people in Asia— mutating into a form that can spread easily from person to person, prompted the World Health Organization (WHO) to call an unprecedented influenza summit meeting of health officials and vaccine companies, announced on Oct. 30, to take place in Geneva, Switzerland on Nov. 11.

- Three Flu Pandemics Hit in 20th Century  
Marcia Merry Baker
- What State Authorities Face To Get Vaccine

Senators Susan Collins (R-Me.) and Jack Reed (D-R.I.) sent a letter Oct. 26 to Health and Human Services Secretary Tommy Thompson, again prodding the smug Bush Administration that 'It is essential that use of the remaining influenza vaccine be optimized to achieve greatest effectiveness.'

## Camdessus' Austerity: No Solution for France

From Our French Bureau

As many have feared for years, in the absence of any serious change in French economic policy, the 'shock therapy' of the International Monetary Fund has finally been invited into France, in the form of the report submitted Oct. 19 by Michel Camdessus to Nicolas Sarkozy, the Minister of Economics and Finance. With this, we are offered the spectacle of a France reduced to the status of a developing country and forced, like a developing country, to accept the destruction of its economy and its labor force, for the profit of the financial markets and the banks which determine the economic policy of nations.

# International:

## German Economist Backs FDR, Calls For New Bretton Woods

An Interview With Prof. Dr. Heiner Flassbeck

The economist Prof. Dr. Heiner Flassbeck was Germany's deputy finance minister in 1998-99, during the early phase of the first Schröder government, and is now chief economist of the United Nations Conference on Trade and Development (UNCTAD), based in Geneva. Flassbeck has become known for his strong attacks on the European Union's deflationary Maastricht Treaty, now strangling Europe's economies, and his public calls for a 'New Bretton Woods,' a 'multilateral international monetary system with fixed exchange rates.'

## European Union:

### New Constitution Is 'One Big Time-Bomb'

by Gabriele Liebig

This article was translated from Neue Solidarita't, newspaper of the LaRouche movement in Germany.

Prof. Dr. Hans R. Klecatsky teaches constitutional law at the University of Innsbruck. From 1966-70, he served as Austria's Justice Minister. He is a highly regarded expert in the field of constitutional law, and over many decades has lectured and published books on the subject. He is also an experienced politician, having, among other things, served as Justice Minister of the Republic of Austria. In early October, we at Neue Solidarita't asked him for his evaluation of the so-called 'EU Constitutional Treaty,' which virtually all European politicians have been praising in public, while their actual views are in fact quite different.

## Interview: Gen. Harold Bedoya (ret.)

### 'I Had Hoped LaRouche Would Be the U.S. President'

On Oct. 27, Colombia's Gen. Harold Bedoya (ret.) gave the following telephone interview to EIR's Ibero-American Editor **Dennis Small**. Formerly Commander of the Colombian Army, General Bedoya formed his own political movement, and ran for President, on a program of fighting the narco-guerrillas and developing the country, after narco-owned President Ernesto Samper Pizano forced him to retire in 1997.

## Synarchists Regorganize Ground Troops

### The merger of two biggest radical right-wing parties in Germany could lead to German-Turkish clashes and other violence.

by Rainer Apel

...In an attempt to keep their public political record clean, the DVU and the NPD have (unlike synarchist-backed right-wingers in Italy and Spain) distanced themselves from Adolf Hitler and the worst crimes of the Nazi period, and try to give the impression that they want to achieve their proclaimed 'national revolution' by peaceful means only.

# National:

## LaRouche: It's Still The Physical Economy

by Nancy Spannaus

'The U.S. and the world are facing the greatest financial crash in history,' Lyndon LaRouche declared on Nov. 3, in the wake of Democratic Presidential contender John Kerry's concession speech to President George Bush. 'By the inauguration date, the economic, financial, and security crises will be hitting this country and the world, full force, and the Bush Administration is thoroughly unprepared to deal with any of it. Had John Kerry been elected President, there would have been a possibility of stopping this onrushing series of crises. Those who voted for Bush and Cheney will now bear the consequences of what they did.'

## Secret Bush Prisoner Transfer a War Crime

by Edward Spannaus

In what many legal experts view as a serious war crime, the United States secretly transferred a number of prisoners out of Iraq over the past 18 months, so that they could be interrogated and tortured, out of the sight of any authority, including the International Red Cross.

## Eye on Washington

by William Jones

### Boykin Pleads Ignorance on Guantanamo

Known for his crusade against Muslims, the general wants to strengthen the Pentagon's role in intelligence-gathering. Deputy Undersecretary of Defense Gen. William G. 'Jerry' Boykin is no stranger to controversy. In fact, controversy has been a constant companion to this Christian fundamentalist warrior in U.S. Army green, presently holding one of the most important posts in the military intelligence community. In one of his rare public appearances on Oct. 26, at the annual meeting of the Association of the United States Army, Boykin flatly denied that he had any



knowledge of what transpired at the incarceration depot at Guantanamo, Cuba. One expected at any moment that his nose, like Pinocchio's, would start growing, but any such movement was not noticed by this observer, who had posed the question to that zealous crusader.

# Books:

## **Reviving Roosevelt's Commitment to Our Constitution's General Welfare**

**by Nancy Spannaus**

### **The Second Bill of Rights: FDR's Un•nished Revolution and Why We Need It More Than Ever**

**by Cass R. Sunstein**

New York: Basic Books, 2004 294 pages, hardcover, \$25

There are several reasons for recommending this new book by Chicago law professor Cass Sunstein. The first, and most important, is that it will be the first introduction most Americans will get to a remarkable speech, and conception, by President Franklin Delano Roosevelt, called the 'Second Bill of Rights.' The second is the brilliant way in which Sunstein pulls the legal rug out from under the 'don't tax me' zealots of laissez faire. The third is the historical review which Sunstein provides of the influence which FDR's 'second bill' had, especially internationally.

## **U.S. Economic/Financial News**

### **Infrastructure Breakdown on D.C. Metro System**

On Nov. 3, an out-of service Metro train, in Washington D.C.'s subway system, which was parked, had its brakes fail, and started rolling backward down an incline. It gained speed, up to 30 miles per hour, then slammed into an in-operation train that had just picked up passengers. The out-of-control train was sheared in the collision, landing on top of the lead car of the in-operation train.

Investigators say that for this accident to occur on the automated Metro system, at least two systems had to fail: First, the Metro has a roll-back protection system, in which electronic signals built into the track are supposed to recognize that a train is moving backwards and to notify computers on the train to engage the brakes automatically. Second, it has an automatic control system that is supposed to stop a train from hitting another train. Neither system worked.

The Metro system is relatively young—only about 35 years old—but underfunded. It has incurred a series of serious accidents and mishaps this year: In March, a fire chased Metro Red Line riders onto the street at the height of morning rush hour. In June, Metro applied budget-cutting, reducing trains from four to two cars at night: The overcrowding was so severe it had to revert to four cars. In July, part of the ceiling of the Farragut North station collapsed. In August, a train derailed at Silver Spring, and last month, service was slowed twice by cracks in the tracks.

Metro gets some funding from passenger fares, and some from the municipalities it serves, led by Washington D.C. Mayor Tony Williams has been preoccupied with clearing out Washington to make it a center of gentrified high-priced real estate; two years ago, he instituted the genocidal closing of the city's only public service hospital, D.C. General.

### **Auto Sales Plummet as Interest-Free Loans Dry Up**

GM and Ford sales fell in October, as the two largest U.S. automakers stopped offering long-term interest-free loans that had boosted sales in the last week of September. Chrysler posted a 2% gain in sales. General Motors reported that sales fell by 5%. Ford said U.S. sales dropped 5.3%, as car sales plunged 20% while truck sales rose 2.5%.

### **Major Auto Industry Layoffs in the Offing**

Major layoffs are in the offing at Visteon Corp., the second-largest U.S. auto-parts supplier, with many of its 21,000 employees in Michigan, the *Detroit News* reported Nov. 2. Visteon was split off from Ford Motor Company four years ago, under conditions where it employed a large number of Ford workers at union scale—an average of over \$25 an hour. Now, with the downturn in business, Visteon is looking to send these workers back to Ford, and hire new workers at \$14 an hour. Other alternatives being considered for cost-savings are the layoffs, selling off plants, compressing the work week, and the like.

## **Bush Clan Defeats Florida Bullet-Train**

Florida Governor Jeb Bush used his muscle, along with that of fellow Republican, the state's chief financial officer Tom Gallagher, to defeat plans to build a bullet-train in Florida. An election-day referendum was defeated by a 2-to-1 margin.

The pro-bullet-train forces had been organizing to construct such a train for more than a quarter of a century. In 2000, they succeeded in passing a constitutional amendment requiring the state commit to high-speed rail. They created the Florida High Speed Rail Authority, a state entity, and proceeded to line up a consortium of companies—Montreal-based Bombardier, Fluor Corp., and Virgin Group PLC—to build the first phase of the system from Tampa to the Orlando International Airport, a stretch of 90 miles. The proposal provided for future electrification and a full double track on a new rail line dedicated just to high-speed rail. High-speed rail is any rail that travels at above 125 miles per hour, but the Florida bullet-train sponsors were hoping to achieve speeds in the range of the French TGV, of 186 mph. Following the building of the Tampa-Orlando section, construction of the system would continue northward up the Florida coast.

Jeb Bush, after maneuvering to block the plan for several years, helped form a group, "DErail the Bullet Train (DEBT)," which portrayed the project as "unwanted government spending," claiming that the project would swallow up \$25 to \$30 billion, although its first phase would cost only \$2.4 billion—most of it absorbed by the private sector—and even under the worst-case scenario, would cost Florida's state government only \$417 million over the first 10 years. The DEBT group poured money into a nasty ad campaign, which featured "fear tactics," according to a spokesman for Bombardier, the lead company in the consortium, including suggesting that prisoners would be let out of prison, were the state forced to pay its share of the project. As a result, the Bush clan blocked a chance for rail modernization, of national importance, eventually leading to maglev.

## **More Than Half of Bridges in One Louisiana Parish Need Repairs**

Reflecting the growing urgency for Lyndon LaRouche's "Super-TVA" program to rebuild the nation's dilapidated infrastructure, inspections show that repairs are needed on 44 of the 85 bridges on roads in Livingston Parish in Louisiana, KACT-TV reported Nov. 3. Problems on seven of the bridges are so severe that state highway officials have prohibited school buses—and fire trucks—from using them. The load-limit order affects about 400 children who ride buses that will have to be rerouted.

# **World Economic News**

## **Soaring Oil Prices Harm Asian Economies**

The soaring cost of oil, which is still above \$50 per barrel, has gouged the national economies and treasuries of several Asian nations, some of which are the least able to afford it. Although an oil producer, Indonesia also provides fuel subsidies to hold down the price of oil to the equivalent of 76 cents (U.S.) to the gallon. Struggling to subsidize its citizens' oil costs, the Indonesian government has quadrupled its allocations for fuel subsidies, to \$6.5 billion. Malaysia plans to

spend \$3.7 billion on such subsidies over the next 12 months, which is substantially more than it normally spends.

In India, which imports three-fourths of the oil it uses, the state-owned oil company estimates it will spend \$27 billion for oil imports—up 50% from \$18 billion it spent in 2003.

## **Oil Cartels Wrack Up Record Profits**

ExxonMobil announced that for the third quarter of 2004, its profits jumped to \$5.68 billion, an increase of 56% from the level of the comparable quarter of 2003. Shell Oil, an Anglo-Dutch asset, reported third-quarter profits reached \$4.4 billion, a 70% rise from the comparable quarter of 2003, while British Petroleum unveiled profits of \$3.9 billion, an approximate 50% rise from the comparable period of 2003. These three companies are at the top of the House of Windsor-pivoted raw materials empire, which extends through marketing and distribution.

## **UK Profit Decline Threatens Pensions, Jobs, Schools**

A fall in profits for British manufacturers, caused by soaring prices of oil and metals, could hit pensions, jobs, and schools, the Confederation of British Industry (CBI) warned in a report Nov. 1. The amount enterprises make as a share of GDP has shown a "marked and worrying" decline since 1997, the CBI said. CBI director general Digby Jones warned: "We have been through a period of profitless prosperity with firms not making as much money as in previous economic upswings. Ministers and voters alike must realize this is not merely a business issue.

"With a significant proportion of all corporate profits going to pension funds and insurance companies as shareholders, poor profits mean lower pensions, less tax and fewer schools and hospitals."

# **United States News Digest**

## **Dems Can't Win by Trying To Sound Like Republicans**

The Democrats can't win when they try to sound like Republicans, is the conclusion of a thoughtful post-Election Day note from leading Texas Democrat David Van Os, who was defeated in a statewide campaign for judge. Van Os was writing in response to a Nov. 3 *Washington Post* article, "For Bush and GOP, a Validation," by staff writer John Harris, which argues that the election outcome is a vindication for Bush's strategy, based on appealing to his "conservative base," and governing "based more often on trying to vanquish political adversaries rather than split the difference with them."

Van Os begins by saying it is a validation, "that if you give the voters a choice between a real Republican and a Democrat trying to sound like a Republican, most of them will choose the real thing. It was the height of foolishness for Kerry to build his campaign around national security and terrorism. That played to Bush's strength and gave Bush his choice of ground to fight on. There are so, so many examples of Bush's Administration and indeed his entire career being built on lies and deceit, yet Kerry consciously gave Bush a free pass on 99% of it.

"To [Kerry's] Democratic base, George W. Bush himself was the real issue—his fraudulence, his politics of deception and deceit, his arrogance ... his love affair with theocracy, his suppression of dissent, his suppression of democracy ... his imperialism. Yet Kerry and his patrician political consultants insisted on campaigning on the basis of, 'We agree with Bush's foreign policies but we can do it in a more competent manner' and ignoring the real issues that had the Democratic base charged up."

Van Os then took up the problem of the Democratic Party deployment going into the election. "Personally, I think they [the GOP] probably stole it with voter suppression tactics and rigged voting machines, but we had to have margins that rendered it not close enough to steal. It is incredible that Kerry actually designed his message to create a tight election." He accused Kerry of not trying "to expand the Democratic base, while Bush designed his campaign to expand the Republican base by getting more people charged up about the things that charge up the Republican base."

Van Os concluded by writing that the Democratic Party "must never, ever again build its campaigns around appeasement."

Lyndon LaRouche said he found Van Os's report to be "a very interesting and competent assessment of the problem," adding that we "were not able to get our brother Democrats to come to their senses in time, so we didn't have enough of a margin to overcome dirty tricks."

## **Kissinger Updates NSSM 200 for Anglo-American Empire**

Henry Kissinger issued one of his diatribes in the Nov. 8 issue of *Newsweek*, on global challenges the next President will face. After repeating his spin on why 9/11 ended the era of sovereign nation-states, initiated by the 1648 Peace of Westphalia, as well as on the need for preemptive war (if moderated on the surface by clever diplomacy), and the need to crush North Korea and Iran, after finishing off Iraq, Kissinger then gets to the point: "The equitable management of access to energy and raw materials is beyond the capacity of the international system as presently constituted. If nothing is done, there is the real risk of a return to the rivalries of the colonial era—the contest over the direction of pipelines replacing the contest over territory—and a commodity pricing crisis that could drive the world into general recession.... All this brings us back to Atlantic relations."

Kissinger ends by comparing the "dilemma of our age" to that confronted by Immanuel Kant in his *Perpetual Peace*, which, as Henry well knows, is actually a call for perpetual war and global dictatorship.

## **Rehnquist Too Ill To Return to Court**

Chief Justice William Rehnquist failed to return to the Supreme Court Nov. 1, as expected. All press accounts featured the evaluations of medical experts and cancer specialists, to the effect that Rehnquist appears to be suffering from the most severe form of thyroid cancer, one which progresses very rapidly, and is nearly always fatal. President Bush has already indicated that, should an opening on the Court arise, he will appoint an ultra-rightwinger, on the model of Clarence Thomas or Antonin Scalia.

## **Hollinger Sues Richard Perle for \$22.6 Million**

Hollinger International, Inc. added former Defense Policy Board chairman Richard Perle as a defendant in the lawsuit it has filed alleging that former Hollinger CEO Conrad Black and chief operating officer David Radler looted the company of hundreds of millions of dollars. The suit holds Perle jointly liable, with Black and Radler, for damages Hollinger suffered due to actions of the executive committee, of which Perle was a member. Perle is accused of breaching his fiduciary duties, by improperly approving a loan to Black's holding company, as well as signing consent forms for illegal transactions through which Black and Radler reaped financial gain. Hollinger is seeking disgorgement of \$5.4 million in pay, plus up to \$17.2 million in damages from Perle.

## **Army Corps of Engineers Official Scores Halliburton's Contract Abuse**

Army Corps of Engineers contracting official Bunny Greenhouse called Halliburton "the worst case of contracting abuse

she has ever seen," in an interview with NBC's Nightly News. "It was misconduct, and part of that misconduct was blatant," she said. Her comments came as U.S. government memos revealed that the Pentagon extended a Halliburton contract for 11 months beyond its expiration, despite warnings that the company was "out of control" in providing troop support in the Balkans.

The London *Independent* Oct. 31 reported, "Ms. Greenhouse has already demanded an investigation into the contracts that last year were granted to Halliburton, the energy services firm run by Vice President Dick Cheney from 1995-2000. According to her attorney, the FBI has since asked her for an interview on the matter. The Bureau has launched a criminal investigation of the work. A spokesman for President Bush on Friday [Oct. 29] said he expects a full investigation into allegations of wrongdoing in how Iraq-related contracts were awarded to Halliburton."

Greenhouse denied that she was trying to influence the U.S. elections by coming out with her charges when she did, or that she was blaming Cheney.

Regarding the Balkans, Greenhouse had told Corps of Engineers commander Lt. Gen. Carl Strock, that it should not have halted plans for open competition for a successor Balkans contract. Corps officials initially said a "compelling emergency" would exist if Halliburton's work were interrupted, and bidding should be stopped. But when she challenged this argument and sought an explanation of the emergency, Corps officials shifted gears and said that Halliburton subsidiary KBR was the "one and only" company that could do the job.

## **Iraq War Has Psychological Costs, Too**

The Nov. 1 *Washington Post* profiles an Army Reserve lieutenant who is simultaneously being treated for post-traumatic stress disorder and under court martial for checking into a psychiatric hospital without requesting leave, during a mental breakdown. Lt. Julian Woodrum spent three months running convoys across Iraq last year, before being medically evacuated for psychiatric reasons.

While certain aspects of Woodrum's case are undoubtedly unique (his PTSD apparently has its origins in the 1991 Gulf War, when he was serving in the Navy as a gunner's mate onboard the USS Missouri, which was nearly hit by an Iraqi missile), the psychiatric cost Woodrum is paying is not. According to the Army's own medical statistics, more than 10% of all non-battle disease evacuations of Army soldiers, 8,117 as of Sept. 30, have been for psychiatric conditions. And, the psychological effects of the war may be going under-reported. Not only is there stigma among soldiers associated with seeking psychiatric treatment, but it has been suggested to *EIR* that the Defense Department does not want to carry the costs of treating such individuals. The Department of Veterans Affairs, in a document dated July 22 on the utilization of VA health services by Iraq war veterans, reported that almost 20% of those individuals sought treatment for mental disorders, a significant difference from what the Army is reporting.

## **Troops in Iraq Still Lack Armor, Other Essentials of War**

Yet another story on the shortages of armor, radios, ammunition, and other critical items appeared on Oct. 31 when CBS News' "60 Minutes" ran a story focussing on an Oregon National Guard unit in Iraq that still puts sandbags and plywood in its trucks for protection, uses store-bought walkie-talkies for communications, and relies on Vietnam-era M-16 rifles, for which there is not enough ammunition.

Oregon Guard commander Gen. Ray Byrne told "60 Minutes," after being shown pictures of his men's humvees and trucks armored with plywood and sandbags, "If you have nothing, then that's better than nothing. The question becomes then again ... when are they going to receive the full-up armored humvees? And I don't have the answer." He added, "It

distresses me greatly that they do not have the equipment. I don't have control over it. The soldiers don't have control over it." He confirmed stories that families in Oregon are buying their sons and daughters radio equipment, body armor, GPS gear, and night vision goggles, because they weren't being issued.

The "60 Minutes" report fails to nail the real culprits for this disaster: the Bush Administration's incompetent war policy, and 40 years of post-industrial economic policies, and instead blames it on pork-barrel spending by the Congress, quoting Sen. John McCain (R-Ariz) to that effect.

## **House Democrats: Use Science and Technology for Jobs**

In a report prepared for Rep. Bart Gordon (D-Tenn), by the House Science Committee Minority Staff, the Bush Administration is scored on its use of resources in science and technology. The grades range from C- to F in eight policy areas.

Avoiding the trap of buzzword single-issue science questions, like stem-cell research, the first policy area in the report is "supporting technological innovation to create good-paying jobs." The second is "leadership in manufacturing at the Department of Commerce." Stressing that the manufacturing sector has lost 2.5 million jobs, especially in small and medium-sized firms, the Democrats report that the Bush Administration has cut back or eliminated Federal programs that provide technical assistance to thousands of small businesses that could otherwise not afford it, and funds for companies commercializing new technologies. In addition to funding these programs, the Democrats propose establishing a National Manufacturing Agenda, technological education programs, and an Undersecretary of Manufacturing at Commerce to oversee Federal policies and programs.

Issue number seven is "protecting the right to vote." The Help America Vote Act (HAVA) mandated that the National Institute of Standards and Technology (NIST) recommend standards and guidelines relating to voting equipment. But the Bush Administration never requested funding for NIST to do this, and it began to implement HAVA's requirements after it was "too late to improve the quality of voting equipment to be used in the 2004 election," the report states. HAVA must be implemented, because "the greatest democracy in the world cannot afford to hold elections in which there is widespread disenfranchisement due to failure or manipulation of technology."

## **Ibero-American News Digest**

### **BNDES Preparing Great Regional Industrial Project**

Meeting with Venezuela's Hugo Chavez in Rio de Janeiro on Nov. 3, Carlos Lessa, the outspoken president of Brazil's National Bank for Economic and Social Development (BNDES), spoke of the possibility of Argentines, Brazilians, and Venezuelans creating "a great industrial project," a project which he called an "easily executed" dream, *Folha de Sao Paulo* reported on Nov. 3. Lessa thinks the project will be ready to be revealed to the press within two months.

The official subject on the agenda of the Chavez-Lessa lunch, was the establishment of a \$300-400-million investment fund to guarantee trade financing between the two countries. Chavez was in Rio for the Nov. 4-5 summit of the Rio Group, the informal group founded for policy discussion in 1986, in which 19 Ibero-American nations participated.

Under Lessa's leadership, BNDES has become the leading advocate within Brazilian institutions for a return to dirigist economic policies, which drives the financier interests wild. On Oct. 25, Lessa charged that BNDES is subjected to a constant barrage of slanders in the media that it is "inefficient," "overly bureaucratic," etc., the purpose of which is ultimately "to dismantle" BNDES entirely. The attacks are coming from "the defenders of neoliberalism, ... the same

people who recommended that the last one to leave the country from Galeao [Rio's international airport] please turn out the light.... They are the ones who say that, given globalization, Brazil has only one option." The newspapers love to publish these "true pearls" emitted by economists associated with former President Fernando Henrique Cardoso, whose motivation, Lessa noted, could only be "arrogance, stupidity, envy, or mediocrity."

## **Argentines Die of Hunger Daily**

Four hundred fifty thousand Argentines died of hunger between 1990 and 2003, according to Argentine agronomist Alberto Lapolla. Citing the IDEP thinktank, Lapolla reported in a June 2004 study that every day, 55 children, 35 adults, and 15 elderly die from illnesses related to hunger. Lapolla, who has written extensively on the transformation of Argentina from the "granary of the world" to a "soy republic," told this news service that he has used Lyndon LaRouche's analysis of the foreign debt in his studies on how globalization has destroyed the country's agriculture. LaRouche was "one of the first in the world to denounce the gigantic fraud of the foreign debt of the Third World, and of Argentina in particular," he stated.

In his June study, Lapolla identified that it was the financiers' *policy* to create hunger, citing a 1967 book written by the infamous synarchist who served as Finance Minister of the 1976-86 military junta, Jose ("Joe") Martinez de Hoz, hated as the man who oversaw the looting of Argentina for the foreign banks, and the quintupling of its foreign debt. In his book on Argentine agricultural development between 1930 and 1960, de Hoz complained that the Peronist government of 1945-55 had regrettably "discouraged" agricultural exports, which, he said, was the result of "Argentina's huge internal consumption of food."

## **Will Another Ecuadorean Government Fall Soon?**

"Ecuadorean democracy is at serious risk," Foreign Minister Patricio Zuquilanda stated Nov. 3. Zuquilanda announced that he would be asking the Rio Group to send a commission of foreign ministers and Organization of American States representatives to Ecuador, to convince the political opposition "that it is necessary to calm the country down, and give it stability."

On Oct. 27, congressmen from three opposition parties—the right-wing, neo-liberal, banker-run Social Christian Party; the leftist indigenist radicals of the Pachakutik Party; and the Democratic Left—announced they had enough votes among them (50) to initiate impeachment proceedings against President Lucio Gutierrez, and would be now focussed on lining up the 67 votes necessary to actually impeach. Gutierrez's alleged crime is the use of public funds to promote his Patriotic Society party.

Ecuador's political class—including its so-called left radicals—are thus proving themselves as suicidally petty and irresponsible as those of Venezuela. No one, either from the government or the opposition, has the guts to state the truth: that Ecuador is disintegrating, and cannot survive, under free trade and globalization. Gutierrez—the then-Hugo Chavez-allied lieutenant colonel whose January 2000 uprising with the indigenous movement toppled then-President Jamil Mahuad—won the 2002 elections by promising to reverse dollarization and stop IMF looting, which promise he promptly reversed upon taking power. Now, the opposition is joined together in an unprincipled alliance to topple *him*, in hopes of getting the "franchise" themselves.

Zuquilanda will make his request to the heads of state of the Rio Group, when they meet in Rio de Janeiro Nov. 4 and 5. Ecuadorean President Lucio Gutierrez was to attend, but he cancelled his visit, due to the crisis.

## **Renewed Separatist Drive Against Bolivia**

Leaders of Bolivia's richest department, Santa Cruz, threaten to lead a region-wide strike, unless the government agrees to hold a referendum to approve "regional autonomy" by the Dec. 5 municipal elections. The demand plays right into the efforts of financiers and the neo-conservative American Enterprise Institute (AEI) to split the country into two. (See InDepth, EIW #27, 2004, "Bolivia Is Targeted To Redraw South America Map.") Santa Cruz is the largest of Bolivia's nine departments, with more than a million inhabitants, and it is the center of oil and gas and agro-industrial interests.

On Oct. 28, civic leaders of Santa Cruz and the neighboring departments of Tarija (also gas-rich) and Beni issued a joint manifesto threatening to call a "simultaneous strike," should two demands not be met: the referendum on autonomy, and a postponement of all discussion of a new law governing the oil and gas industry, until after the municipal elections.

Congressman Evo Morales—the George Soros-tied head of the *cocaleros* (coca growers) who, for his part, is threatening to shut down the government unless it immediately nationalizes the oil companies, something Bolivia does not have the power to do at this moment—charged that Santa Cruz interests are organizing for a military coup. Cardinal Julio Terrazas issued a worried call for leaders to give up their "entrenched" positions, and act with "maturity."

A high-level military source in La Paz commented on Oct. 30 that what Santa Cruz leaders are really angry about, is the influence which Evo Morales has gained within the Mesa government, through the constant threat to send the people out to the streets to shut down the country. This is something they cannot stomach. He said also, that if it were not for the fact that the U.S. embassy opposes it, there would be a military government now in power in Bolivia. When he walks down the streets of the capital in his uniform, people stop him, asking why the military has not moved to stop the anarchy into which the country is sinking. He also agreed, that without the ability to create jobs, the military would not be able to address the source of the anarchy, either.

## **Will Uruguay Try To Pay Its 'Unpayable Debt'?**

Tabare Vasquez, candidate of the EP-Frente Amplio coalition, won Uruguay's Presidential Elections with 51% of the vote, on Oct. 31, and his coalition won a majority in both houses of Congress. His victory—this was his third bid for the Presidency—was a smashing defeat for the ruling Colorado Party, which garnered only 10% of the vote. Outgoing President Jorge Batlle had imposed IMF-dictated austerity, in an insane attempt to pull the country out of a crisis caused by the global financial crash. Those policies created a 30% poverty rate, double what it was in 1998, and drove 100,000 young people to emigrate in search of employment since the end of 2001.

The general anger against the IMF policies was also demonstrated in the 65% approval given the constitutional amendment prohibiting privatization of potable water and sanitation services. In previous referenda, Uruguay has prohibited the privatization of telecommunications and marketing of oil.

Vasquez won because he promised that his first priority will be to implement an emergency program to address pressing social needs. Thus far, however, he continues to reiterate that he will follow Brazilian President Lula da Silva's model—who talks of handing out aid to hungry people, but who refuses to challenge the legitimacy of the IMF system which creates ever more hungry people. Vasquez's appointed Finance Minister, Danilo Astori, promised Wall Street in advance that a Vasquez government would not break the rules of the game.

Holding to that promise will not be easy. The new government's only option will be to "negotiate, renegotiate, and renegotiate," said Jose Mujica, after he was elected Senator in the Oct. 31 elections with more votes than any other senatorial candidate. Mujica has been named Production Minister in the government that will take power on March 1, 2005.



Mujica, whose Popular Participation Movement is part of Vasquez's coalition, spoke bluntly about the \$12 billion Uruguay owes the IMF and foreign bankers: "We know we're not going to pay them, and they know it too, but we'll make it look as though we are.... We can't tell them we won't pay, because we're a small country."

Astori says there will be no requests for a debt writedown, but rather an extension of payment deadlines.

## **Brazil's Workers' Party Loses Key Mayoral Elections**

Candidates of President Lula da Silva's Workers' Party (PT) lost in the cities of Sao Paulo and Porto Alegre, in the Oct. 31 second round of elections. The defeat of Sao Paulo's crazy "sexologist" Mayor Marta Suplicy by the Social Democratic Party (PSDB) candidate, former Health Minister Jose Serra, with 55.6% of the vote, was not unexpected, but it is significant because Sao Paulo is Brazil's largest city and center of the country's industry. In Porto Alegre, held up worldwide as the PT's "model" city, Jose Fogaza of the Popular Socialist Party defeated the PT candidate, with 53.3% of the vote. Porto Alegre became synonymous with the PT, which governed the city for the past 16 years, after the left-synarchist World Social Forum was founded there several years ago.

The losses will feed the building opposition within the PT itself, to the Lula government's policy of sticking to IMF austerity policies.

## **Chavez 'Sweeps' Latest Elections in Venezuela**

As expected, Venezuelan President Hugo Chavez consolidated his tyrannical hold over that country on Oct. 31, by sweeping out the opposition in all but two of the country's 22 states. The elections, for gubernatorial, mayoral, and municipal positions, were largely won by the "Chavista" candidates, due to the opposition's decision to withdraw from the tainted electoral process, leading to an "historic abstention rate" of about 55%. In two states where the opposition candidates refused to yield to the Chavistas' preemptive claims of victory before the votes were in, Carabobo and Yaracuy, Army soldiers have been deployed to surround the government office buildings in the capital cities, to "avoid outbreaks of violence."

To drive home the policy that no opposition will be tolerated, a Chavista prosecutor issued arrest warrants on Nov. 3 against former Caracas mayor and leading opposition figure Alfredo Pena, and two of his metropolitan police chiefs, for "intellectual authorship of homicide," a reference to the 20 people shot dead in the streets on April 11, 2002, when a peaceful opposition march on the Presidential palace led by Pena, among others, was fired on, triggering the coup that ousted Chavez for 47 hours. The opposition claims that Chavista provocateurs did the shooting; the Chavez government insists it was members of the Caracas metropolitan police—which the newly elected Chavez candidate intends to purge—who did the shooting.

## **Russia and the CIS News Digest**

### **Putin Welcomes Bush Win; Other Russians Not Convinced**

Speaking Nov. 3, Russian President Vladimir Putin said that the reelection of George Bush demonstrated that Americans have not bowed to intimidation. Putin said that international terrorists had decided at all costs to prevent Bush from winning, citing the recent tape attributed to Osama bin Laden, as evidence of this. "If Bush has really won," Putin was quoted by RIA Novosti, before Sen. John Kerry had conceded, "one could only be happy that the American people have not conceded to intimidation and just have done what they thought was reasonable. I have known Bush for four years as a consistent and decent man. If Bush gets reelected, we will congratulate him, and we will be glad that the dirt that has been

cast on him has not stuck, and we will express our hope that he would reveal all his best qualities and all his experience gained in the four previous years of leadership over such an important world power as America."

Putin admitted, however, dialogue with the United States will never be easy.

Not everybody in Russia is on the "Bush is better for Russia" line, spouted by many analysts and endorsed by Putin. Dmitri Rogozin, Deputy Speaker (and former Foreign Affairs Committee chairman) of the State Duma and leader of the Rodina party, was quoted by RIA Novosti as warning against Russia's being dragged into U.S. "adventures." He expressed concern that Bush would continue policies of "maintaining instability in the Persian Gulf region and threatening to use force against Iran and Syria."

On election eve, senior Americanologist Sergei Rogov, director of the USA-Canada Institute of the Academy of Sciences, continued to rebut the "set of arguments to the effect that George Bush's victory would be more in our interests," telling Interfax on Nov. 1 that, "there are no less serious arguments that John Kerry's victory would be in Russia's interests."

## **U.S. Ambassador Hails Russian Base in Tajikistan**

The U.S. Ambassador to Tajikistan, Richard Hoagland, has welcomed the Russian military base there as "a key element in building stability in the region." The Russian presence would "open new possibilities to cooperate in the anti-terrorism struggle," Hoagland said, in Dushanbe Nov. 5. The Russian envoy, Maksim Peshkov, said Russia and the United States were facing a common enemy in international terrorism. The Central Asian republics of Tajikistan, Kyrgyzstan, Uzbekistan, and Kazakhstan have offered landing rights for coalition aircraft engaged in battling the Taliban and al-Qaeda in Afghanistan.

## **LaRouche-Associate Cheminade Interviewed in Russian Paper**

The Russian trade union website [www.trud.ru](http://www.trud.ru), which carries contents of the newspaper *Trud* (founded in 1921) published an opinion column by Jacques Cheminade Nov. 31. Titled "The Caucasian Chalk Circle" (the allusion to playwright Bertold Brecht having been chosen by the editors, not Cheminade), the article was based on an interview with Cheminade, conducted by *Trud's* Paris correspondent, Slava Prokofyev. Cheminade was identified as leader of the Schiller Institute and the Solidarity and Progress movement. His commentary dealt with the American Presidential elections, how the situation in the Caucasus is being manipulated by outside powers, the worldwide economic crisis, and the role of Lyndon LaRouche.

## **FSB Chief Warns of Suicide Bombings**

Addressing the State Duma on Oct. 29, Russian Federal Security Service (FSB) chief Nikolai Patrushev announced that the FSB had "established that there are more than 80 suicide attackers trained abroad, who are ready to be sent to Russia to carry out terrorist acts." Some of them had been neutralized, he said, but it remained unknown, "what route they might take to get into Russia, and this creates certain problems."

At the same Duma session, Prosecutor General Vladimir Ustinov previewed the 44 anti-terror measures, which his office will submit to the Duma in new legislation next month. Included are the confiscation of property and money, to undercut the finances for terrorist attacks. Another measure mentioned by Ustinov, "the detention of the relatives of terrorists during the commission of a terrorist act," touched off an uproar in the Duma. Speaker Boris Gryzlov said that such a bill would be considered, but First Deputy Speaker Lyubov Sliska, from the same majority United Russia party as Gryzlov, attacked the proposal. She said Ustinov's proposal "will return us to barbarism," and suggested the Prosecutor General start looking for

another job.

Similar measures against family members have been debated in Israel. Patrushev, in his testimony, greatly played up the international "exchange of experience" among secret services and law enforcement. Without providing details, he said that three international conferences have been held in Russia for this purpose, with the participation of such agencies from 80 countries. In addition, visiting foreign intelligence personnel have asked and received permission to visit the scene of the Beslan school massacre (which Putin and others publicly blamed on foreign intelligence agencies) and study its circumstances.

## **Russia Debates Budget-Surplus Allocation**

Russia's Federal budget surplus will reach 505.7 billion rubles (\$16.86 billion) in 2004, due to high oil-export earnings, according to an Oct. 30 report in the government newspaper *Rossiyskaya Gazeta*. *Three-hundred seventy-nine billion rubles will go into the government "stabilization fund," bringing it to 500 billion rubles by year's end. Rossiyskaya Gazeta quoted Deputy Finance Minister Tatyana Golikova as saying that some of the stabilization-fund money could be used to cover pension-fund shortfalls and that increased spending on defense and security, agriculture, and health care was also possible. Finance Minister Alexei Kudrin and Presidential economics adviser Andrei Illarionov, however, both fiercely oppose any such increased spending. Illarionov, with dire warnings that spending the money inside Russia will touch off inflation, told Interfax on Nov. 2 that every spendable penny in the stabilization fund (by law, only amounts over \$17.4 billion) should be given to Russia's international creditors, to pay down the foreign debt. "Stabilization-fund money must not be spent inside the country. Never!" said Illarionov, adding that this prohibition "should be written in gigantic neon letters and put on the roofs of the Finance Ministry, the Ministry of Economic Development and Trade, the government building and the Kremlin."*

The London *Independent* reported Oct. 31 that some people in Russia are mobilizing to prevent these funds from being spent on infrastructure: "Still others believe that with state monopolies such as Transneft, the pipeline operator, and the national power utility openly discussing projects they would like funded, the result would be waste and corruption.... Igor Shuvalov, a Kremlin adviser, has suggested spending on railways, highways, airports, powerlines, and pipelines...." Then there is Alexander Lebedev, a banker and former government member (under Boris Yeltsin), who says that Russia needs a "New Deal" to better the lot of the impoverished majority of the population.

## **Russians Short of Military Manpower**

The Russian Defense Ministry paper *Krasnaya Zvezda* wrote Oct. 27, that the Ministry of Economic Development and Trade is circulating a proposal to address the shortage of military conscripts, by ending student deferments. The plan would require 18-year-old males to serve two years in the military before entering any university or other institution of higher education. *Krasnaya Zvezda* noted that last year 1.3 million men, or 36% of those available to be drafted, had student deferments. The article quoted Minister of Education and Science Andrei Fursenko as saying, "The conscription of students into the military will not be the undoing of Russian science." Besides the effect of lower birth rates in the 1980s, the manpower shortage is also caused by the physical unfitness of many youths for service, due to poor health.

## **Run-off Slated for Ukrainian Presidential Election**

There will be a run-off on Nov. 21 in Ukraine's Presidential election, after neither Prime Minister Victor Yanukovich nor opposition leader Victor Yushchenko won a simple majority in the first round. With almost 95% of the vote counted, the official returns showed Yanukovich with 40.12% of the vote and Yushchenko with 39.15%. The next three candidates were Alexander Moroz (Socialist) with 5.77%, Pyotr Symonenko (Communist) with 5.09%, and Natalia Vitrenko (Progressive Socialist) with 1.54%. Moroz endorsed Yushchenko and Vitrenko endorsed Yanukovich for the second

round.

Maps of the vote showed the country sharply split, with Yushchenko winning throughout western Ukraine, and Yanukovych prevailing in the east and the south; even in the Dnepr industrial region, where some of the leading interests are hostile to Yanukovych, he beat Yushchenko by more than two to one. There were no reports of major incidents of violence, but both the OSCE and the U.S. State Department issued condemnations of the election for "failure to meet international standards," especially concerning the use of state resources in the campaign. Yushchenko's ally, Yuliya Tymoshenko, charged during a session of Parliament, subsequent to the first round vote, that there had been "massive falsifications." The promised thousands-strong demonstrations of Yushchenko supporters did not materialize, however, at least not after this first round.

## Southwest Asia News Digest

### Though Gravely Ill, Arafat Hopes for New U.S. Peace Policy

November 5 was the anniversary of the 1995 assassination of Israeli Prime Minister Yitzhak Rabin—the "partner in peace" to Palestinian President Yasser Arafat, who now lies critically ill in the Paris hospital to which he was brought Oct. 29, by the official intervention of French President Jacques Chirac.

Ironically, current Israeli Prime Minister Ariel Sharon's life is threatened by the same radical Jewish fanatics who killed Rabin. But these settler fanatics have grown in number, as a result of their alliance with the Christian Zionist fundamentalist backers of George Bush. In 1995, Sharon was one of the godfathers of the settler fanatics who helped Yigal Amir kill Rabin; today he is their target. And, ironically, Arafat's weakened condition has not helped Sharon.

Throughout the past week of his critical illness, Arafat has continued to think strategically, and speak as the elected head of the Palestinian people he is. He was following the U.S. elections closely, and hoping for a new policy of peace for West Asia, said Leila Shahid, the Palestinian Ambassador to France, on Nov. 3.

"I think that, like all Palestinians, he is waiting to see what President Bush is going to do to revert to a policy of peace rather than a policy of war," Shahid said. "I am worried because President Bush has for four years been in charge of the American Administration that has conducted a policy of war more than a policy of peace, and which decided to put the peace process in the freezer for the last four years. What worries me is that in this second term, the desire to see a new American President, a new government continuing the peace process, is not being fulfilled."

In the last few days, only Arafat's closest advisers have been permitted to see him, including Palestinian UN Ambassador Al Kidwa, his bureau chief Ramzi Khouri, and Shahid, as well as his wife Suha. But he had been visited by President Chirac, and had communicated by telephone to the Palestinian National Authority leadership in Ramallah, including Prime Minister Ahmed Qureia and former Prime Minister Mahmoud Abbas, who was brought into Arafat's cabinet last month.

There is no question that Arafat's illness and possible death, is an unprecedented crisis for the PNA, but it is also a crisis for Arafat's self-avowed enemies, Ariel Sharon and George W. Bush. Throughout his first term, Bush was following the blueprint for regional war that had been prepared back in 1996 by the neoconservative warmongers now in his Administration. Put together originally for Israeli fascist Benjamin Netanyahu, "Clean Break: A New Strategy for the Realm," called for overthrowing Arafat, and opposing the Oslo Peace Accords between Israel and Palestine.

Without Arafat, these two allies, Ariel the war-horse and George W. the chickenhawk, would lose the excuse—Arafat—they have used since 2001 to block implementation of Oslo and the peace talks.

Most serious for Sharon, Oslo means withdrawal from the occupation of the Palestinian territories, and the closing of the illegal Jewish settlements. The faction of Jewish right-wing Bible fanatics will not allow this.

Thus, while some doom-sayers predict civil war in Palestine if Arafat dies, the Israeli peace movement leader, Uri Avnery of Gush Shalom, has predicted "civil war" in Israel among Jewish factions, triggered by the radical Jewish fundamentalist settlers who were involved in the 1995 Rabin assassination.

Many in the U.S. and Middle East had hoped that a Kerry victory in the U.S. elections, would ultimately force Sharon back to peace talks, especially after former President Bill Clinton joined the Kerry campaign.

But, even for Bush, the reality is that unless he can bring about a peace process, continued Mideast wars will bleed the U.S. dry, financially and militarily, as the threat of terrorism continues to grow, from a region embroiled in broader war and economic distress.

For their own survival, Bush and Sharon should seek the peace with the Palestinians that is advantageous to all sides. But it is unlikely that Arik and Dubya are capable of recognizing the suicidal danger they are creating.

*This report is excerpted from an article by Michele Steinberg and Dean Andromidas in the Nov. 5 issue of New Federalist.*

## **The Iraq War Is Lost**

Speaking on a radio interview on Nov. 6, Lyndon LaRouche told interviewer Jack Stockwell in Salt Lake City, that Dick Cheney already has new wars in mind, but the Iraq war is being lost (see Latest from LaRouche, this issue, for complete transcript).

That same view reaches into the highest levels of government, including in the Bush Administration.

Most striking in that regard is the report of Secretary of State Colin Powell's assessment that the war has been "lost." Powell, who had originally argued against the proposed invasion, and who eventually and reluctantly caved in to the neocon pressure, is reported to have privately confided this to a close associate, according to the Nov. 8 issue of *Newsweek*.

The magazine notes that "throughout much of Iraq, but especially in the Sunni Triangle at the heart of the country, U.S. troops are unable to control the streets and highways, towns and cities.... Attacks on coalition and Iraqi forces are now in the range of 100 a day." The insurgents have managed to thoroughly infiltrate the Iraqi government forces, and their intelligence is very good. And the level of trust by Americans of the Iraqi National Guard and other security forces is so low that recruits aren't even allowed to leave their bases with weapons, a fact known to the insurgents, no doubt, when they massacred 50 Iraqi National Guard trainees on Oct. 23.

*Newsweek* also reports that, in the run-up to the expected assault on Fallujah, the U.S. military has declared the insurgency about dead on several occasions, only to see it grow stronger each time. That suggests that, despite the declarations by senior U.S. military officials, the assault on Fallujah may turn out differently than they hope.

On Nov. 5, it was reported that the long-threatened ground assault on Fallujah by the U.S. Marines was about to begin, even though the Marines were the victims of the most serious loss of American lives this past week when eight were killed by a car bomb.

## Elite British Forces Killed in Iraq

Three British soldiers were killed and eight wounded, in central Iraq, in a double ambush outside their base, on Thursday, Nov. 4. The soldiers were from the British army's Black Watch regiment, 850 of whose soldiers were moved from Basra to Baghdad, last week, to support American operations in western Iraq. According to press pool reports, a patrol of two Warrior armored vehicles was hit by a combination car bomb and mortar attack, disabling one of the vehicles. An Iraqi interpreter was also reported killed. The British death toll in Iraq is now 70, with more than 10% coming from the British deployment last week in tandem with the U.S.

## Bush/Cheney II: War on Iran?

Even as the situation grows more ominous in Iraq, the emboldened neocons, after the reelection of Bush, are making new noises about possible moves against Iran and its nuclear-weapons program.

On Oct. 31, the Iranian Parliament again affirmed the nation's desire to continue the uranium-enrichment program that has been the target of the Cheney crowd. But, in so doing, they stated that Iran intends to ensure that the International Atomic Energy Agency and member-states meet their commitments toward Nuclear Non-Proliferation Treaty signatory states.

The plan was already approved by the Iranian Parliament committees for national security and foreign policy, energy, health, education and research, and agriculture. Following the recent discussions on the issues brought up during Iran-European Union nuclear negotiations, and the EU's suggestion that Iran indefinitely suspend uranium enrichment and halt its nuclear fuel-cycle work, the MPs ratified the bill, and then shouted "Down with the U.S.A." and "Down with Israel," the two states they see as opposing Iran's program.

The U.S. has denounced the action as a provocation, stating its continued intention to seek sanctions through the United Nations. However, the neocons may choose to allow Israel, as a "breakaway ally," to launch a strike on Iranian nuclear facilities, with or without sanctions.

On Nov. 5, Israeli military-security commentator Amir Oren spelled out, in the Israeli newspaper *Ha'aretz*, the possibility of a strike against Iran by the U.S. and/or Israel is on the agenda now that Bush is reelected.

"Bush's reelection will spark American preparations for an operation, perhaps together with Israel, against Tehran's nuclear program," Oren wrote.

Oren reports that on Nov. 11, Israeli Defense Minister Shaul Mofaz will chair a meeting about Iran's nuclearization. And now that Bush has won, Oren writes, "the use of military force against Iran is looking more and more likely. The coming year will be one of confrontation. The Iranians will not yield, Bush will not give in, Israel will not remain outside the collision."

He then writes, "The Mossad is now so preoccupied with Iran that, according to an IDF major general, it has effectively become the "Institute for Intelligence and One Special Operation. Mossad director Meir Dagan has been given the mission to sabotage Iran's Shihab 3 missile program.

Nonetheless, Oren warns, any attack would cause Iran to deploy the Lebanese Hezbollah to shoot its Katyusha and Fajer rockets into northern Israel; he adds, "The IDF, however is not prepared for an Iranian countermove, that would set the northern front ablaze."

Furthermore, the super-hawks in the Israeli military are complacent about the problem. Oren adds that the current Chief of Staff Moshe Ya'alon's term ends in July 2005, which would most likely lead to his deputy, Air Force General Dan Halutz, another super-hawk, also known as "Bomber Halutz," for dropping a one-ton bomb in Gaza that killed a Hamas leader and 14 children, to replace him.

He concludes, "Get ready for a division of labor—an operation by one or more armies against Iran—and, in its course, for an Israeli operation, either in the form of an initiative or a response against Syria and Hezbollah ... in Washington-Jerusalem relations, the victory of the Republicans might engender a joint campaign, this time against Iran and its satellites. In November 2004, Israel is still not prepared for such a move."

## **EU Wants Compromise, Not War, with Iran**

The European Union has proposed a lucrative trade pact to Iran in exchange for Iran's suspending its nuclear program, Agence France Presse reported Nov. 5, a proposal which is at odds with the United States.

Following their two-day EU summit, the Europeans did not call for a permanent halt to Iran's uranium-enrichment program as demanded by the U.S. They called on Iran to heed resolutions by the International Atomic Energy Agency, which will meet on Nov. 25 to decide whether to haul Tehran before the UN Security Council.

"A full and sustained suspension of all enrichment and reprocessing activities, on a voluntary basis, would open the door for talks on long-term cooperation offering mutual benefits," they said in written conclusions. EU officials and the Iranians were meeting in Paris, in what is seen as a last chance for Iran to avert the threat of UN-imposed sanctions.

At the same time, European leaders have signalled caution, particularly regarding any idea of attacking Iran. There are "clear indications" that the Iranian government wants to pursue dialogue with other parties on its nuclear issue, Dutch Foreign Minister Bernard Bot, whose country holds the current EU presidency, told a press conference before the summit. "It is more helpful to continue the dialogue and to convince the Iranians that there are other means if you want to have a nuclear program," Bot said.

## **Asia News Digest**

### **Joint Russia/India Cruise Missile Test Successful**

With a "100% successful" flight of the BrahMos ('Brah' for River Brahmaputra and 'Mos' for Moscow) from an operations ship of the Indian Navy in the Bay of Bengal, the Indian Navy has announced that the supersonic cruise missile is now ready to join the navy, *The Hindu* reported Nov. 3. This is the eighth test of the BrahMos, which was developed jointly by India and Russia.

BrahMos flies at a speed of Mach 2.8, and it can take out targets 290 km (about 180 miles) away. The missile launched on Nov. 3 had advanced fire-control systems. Its maneuverability towards the target was verified. It has a fire-and-forget capability. That is, when launched from a ship, it will locate the area where the target is available and home in on the target. Whatever may be the movement of the target in the sea, the missile will zero in on it.

### **Southern Thailand Disintegrating Following Muslim Deaths**

The situation in southern Thailand is continuing to disintegrate, after 78 Muslim protesters were smothered to death in custody: In the 24 hours between Nov. 3 and 4, ten people, including nine Buddhists, have been killed in the continuing violence in the southernmost Thai provinces. A policeman, two state railway workers, a salesman, and a former official have been shot dead, while a Buddhist monk from Songkhla province was in critical condition after being shot by a man on a motorbike.

The violence in southern Thailand erupted following the Oct. 28 riot in Tak Bai in Narathiwat (on the Malaysian border) by Muslims protesting the arrest of six men in the local defense force, which was horrendously mishandled by the Thai military. More than 1,000 handcuffed prisoners were packed, face-down, five deep, in enclosed trucks for a five-hour drive, leaving 78 dead by suffocation (in addition to six killed in the suppression of the demonstration/riot). Retaliations across the southern region so far include several random killings, with notes left behind about the killing of innocents at Tak Bai, and the beheading of a Buddhist village leader.

The Thai Army says the riot was not spontaneous, but was run by a separatist "operations group" controlled by a religious teacher in the area. But the treatment of the arrested demonstrators has sent the region into a fury, with official protests from Islamic countries across Asia. Thai Prime Minister Thaksin Shinawatra has yet to issue an apology, although he expressed "regret," and set up an investigation of the incident. When former Malaysian Prime Minister Mahathir bin Mohamad suggested autonomy for the three Islamic provinces in the south of Thailand, the Thai government strongly protested, and a 20,000-strong rally in Bangkok burned Mahathir's image in effigy. The Singapore *Straits Times* (a voice of the British banking interests in Asia) claimed that there were now terrorist training camps in the Thai south.

Thai officials reached by *EIR* are in a state of shock, with the sense that the situation in the south is now out of control. The deputy chairman of the Central Islamic Committee of Thailand, Dato Nieder Waba, who is a member of Thaksin's Thai Rak Thai Party, said he would organize a 60,000-person demonstration after Ramadan against the killings at Tak Bai, and called on the King to appoint a new government (which he is not allowed to do by law). He resigned from the Thai Rak Thai Party.

There will be national elections early next year, which Thaksin is expected to win overwhelmingly.

## **Thai King's Unusual Intervention in Politics**

Thailand's highly respected King Bhumibol Adulyadej made a rare intervention Nov. 3, calling on Prime Minister Thaksin Shinawatra to exercise more restraint on troops in handling the difficult situation especially in the southern, predominantly Muslim provinces of Thailand. He also called on residents in the three provinces to bring peace to the region.

In a statement made after the King's intervention, Prime Minister Thaksin told reporters that the King "expressed his concern over the situation in the South, and asked the government to consider being more lenient in dealing with problems, and to allow locals to participate in problem-solving.

Thaksin added that the King "has urged both sides to refrain from violence—both the government and militants."

King Bhumibol, age 76, is the world's longest-reigning monarch, and his usually silent manner is seen to embody Thai nationhood. Both the King and Queen care deeply about the southern provinces.

## **UN Issues Warning to Staff in Bangkok**

Following the horrific deaths of 78 Muslim protesters in the three southernmost provinces of Thailand on Oct. 28, the UN



office in Bangkok has issued an e-mail warning to its staff in Thailand to be careful, following e-mail threats, allegedly from the Pattani United Liberation Organization (PULO), which has been inactive since the 1980s. PULO allegedly issued an e-mail saying that it would now take its fight to the capital, Bangkok.

## **'Bush Doctrine' May Bring Down 'American Empire'**

The "Bush Doctrine" of preemptive war threatens to bring down the "American Empire," warned former Chinese Foreign Minister Qian Qichen, in a strongly worded criticism of the Bush Administration and the neo-cons, published Nov. 1 in the *China Daily*. Qian Qichen, also a former Vice Premier, is the "eminence grise" of Chinese foreign policy. His signed commentary, issued on the eve of the U.S. Presidential elections, noted that the Iraq war issue is a "heated topic" in the elections. "Both history and practices of 'the myth of empires' have demonstrated that the preemptive strategy will bring the Bush Administration an outcome that it is most unwilling to see, that is, absolute insecurity of the 'American Empire' and its demise because of expansion it cannot cope with," Qian warned.

The U.S. has launched two wars under the "Bush Doctrine" already, and "tightened its control" in the "arc of crisis" in Asia, from southwest to northeast Asia. This "all testifies that Washington's anti-terror campaign has already gone beyond the scope of self-defense. The philosophy of the 'Bush Doctrine' is, in essence, force. It advocates the United States should rule over the whole world with overwhelming force, military force in particular," wrote Qian.

In Iraq, "Washington has opened a Pandora's box, intensifying various intermingled conflicts," while its "democratization" policy is only increasing existing conflicts between the United States and the Muslim world. "The Iraq War has made the United States even more unpopular in the international community than its war in Vietnam," Qian warned. There is also much dissension inside the U.S. about the Bush Doctrine, including in the election campaign, he wrote.

## **State Department Issues Terror-Threat Warning in Philippines**

The U.S. State Department on Nov. 1 advised Americans in the Philippines to exercise caution and maintain heightened security awareness amid concerns over possible terrorist attacks.

In an updated "public announcement" reminding travellers of ongoing security concerns in the Southeast Asian archipelago, the Department said, "The terrorist threat to Americans in the Philippines remains high."

The U.S. embassy in Manila said it continues to receive reports of ongoing activities by known terrorist groups, naming the alleged "al-Qaeda"-linked Abu Sayyaf, better known as a kidnap-for-ransom gang, and the Communist Party of the Philippines.

The State Department advised U.S. citizens to defer non-essential travel to central, southern, and western Mindanao, and the islands located in the Sulu archipelago, due to military operations against kidnappings and other criminal activity.

## **Badawi Offers Advice to Bush Following Reelection**

Malaysian Prime Minister Abdullah Ahmad Badawi, who also serves as the chairman of the 57-member Organization of Islamic Conference, and is simultaneously the chairman of the Non-Aligned Movement, carefully commented on Bush's reelection, stating: "If there will be new approaches in issues such as Iraq and Palestine, I hope that Bush will consider the opinions of world leaders and other organizations."

# Africa News Digest

## Annan: Large and Systematic War Crimes on Darfur

United Nations Secretary General Kofi Annan told the Security Council Nov. 3 that there are strong indications of war crimes "on a large and systematic scale," in Darfur, Sudan. Annan based his statement on the report of the chief UN envoy to Sudan, Jan Pronk, who was to present it to the Security Council Nov. 4. The report says, "There are strong indications that war crimes and crimes against humanity have occurred in Darfur on a large and systematic scale. This has been confirmed by a number of senior UN human rights experts who have visited the region."

The UN Security Council plans to meet in Nairobi, Kenya, where the Sudan North-South peace talks are underway, on Nov. 18-19. U.S. Ambassador to the UN John Danforth, currently Security Council president, claims the Nairobi meeting will show the Sudanese what the country would look like if there were peace, according to Associated Press Nov. 4.

## Qaddafi Joins Bush's War on Terror

Libyan strongman Moammar Qaddafi ordered the handing over to Algeria of Amar Saifi, leader of the Algerian Salafist Group for Preaching and Combat, which Libya claims is linked to al-Qaeda terrorists, the *Guardian* reported Nov. 2. Saifi, a former Algerian paratrooper, was being held in Chad by a local insurgent group. It is not clear how Qaddafi was able to gain control of Saifi, but it is believed he paid a ransom for him. The act is considered a demonstration that the Libyan leader is now cooperating with the Bush Administration on the so-called "war on terror."

## Nigeria Mass Strike Will Resume Nov. 16

The Nigeria Labour Congress (NLC) leadership announced Oct. 31, after a meeting of its National Executive Committee, that the mass strike it has been leading will resume Nov. 16, after Ramadan ends, and will continue indefinitely. In this second phase, the production and export of oil will be affected. In the first phase of the strike, from Oct. 11-14, oil production and export were exempted.

## Nigerian Labor Leaders Broaden Strike Issues

According to Nigeria Labour Congress president Adams Oshiomhole, the aims of the strike (see above) will now be "deregulated," to target "bad governance," and not be limited to reducing fuel prices. According to the Nigeria *Sun* Nov. 1, "Like the deregulation of the oil sector, Oshiomhole said the struggle would also be deregulated to go beyond the fight against [fuel] price hike to now include those things that are making Nigerians to gnash their teeth such as bad governance. 'We cannot be tired as long as they have the capacity to punish us, impose foreign ideas on us,' ... he vowed." He thus seemed to be moving closer to the position of his allies in the human rights movements that have been targetting the IMF by name.

Speaking to press Nov. 1, Oshiomhole criticized President Obasanjo for refusing to allow discussion—in talks that involved Oshiomhole—of reversing the September price rises. This despite motions asking for reversal in the House of Representatives (unanimous) and Senate. Oshiomhole said, "I would have wanted to see a government that will say, convince me that my decisions are wrong, but not a government that says you ... can't debate my decisions.... The political regime that does not allow a President to harvest the ideas, the views, [the] freedom of its citizens, is not something we want to defend. People fought and died for democracy.... This system cannot go on like this," *Vanguard* reported Nov. 2.

The Yoruba Council of Elders Oct. 30-31 urged Obasanjo to roll back the fuel price rises. Its Secretary General, Dr. Kunle Olajide, said on Osun State radio that weekend that, "We are totally against [the price rises]. It will compound the sufferings of Nigerian masses and Obasanjo should not allow this to continue." Obasanjo is a member of the Yoruba.

## **CFR Fellow Fans Flames of Religious Strife in Nigeria**

Council on Foreign Relations Senior Fellow Princeton Lyman—a former U.S. Ambassador to Nigeria—says in an op-ed in the *Baltimore Sun* Oct. 19 that Nigeria's problem is Muslim "extreme poverty," and Muslim "marginalization," and that a "new Taliban" must be avoided. Only days before, the first phase of Nigeria's mass strike had demonstrated national unity against IMF-dictated deregulation and privatization. Only half of the Nigerian people are Muslims, but the vast majority of Nigerians are poor and getting poorer.

Lyman made much of Nigeria's self-styled Taliban and their attacks on police stations in the North. He titled his piece, "Prevent the Rise of Another Taliban."

## **War Breaking Out Again in Côte d'Ivoire**

After two years of ceasefire and maneuvering by both sides, Côte d'Ivoire's government is again turning to arms to defeat the northern insurrection. Government warplanes Nov. 4 strafed insurrectionist positions and military buildings in Bouake, the northern capital, and later bombed the town of Korhogo further north.

Captain Jean-Noel Abbey, who commands a unit of armored vehicles, told Reuters in Yamoussoukro, the capital, "It's the start of operations to reconquer the territory. We've started with an aerial bombardment and we will start using armored vehicles for a terrestrial assault. We think we can finish the war in six days."

Bombing and strafing of the North continued Nov. 5. Electricity and telephone service to the North have been cut. In Abidjan, the offices of three opposition newspapers and of Alassane Ouattara's RDR opposition movement were sacked and burned by mobs Nov. 4-5. Mobs attacked unarmed UN personnel in Abidjan and burned two UN vehicles.

Kofi Annan briefed the UN Security Council behind closed doors Nov. 4.

Ever since the civil war broke out in September 2002, the North has been without effective government, social services, or even much commercial activity. According to UNICEF, 700,000 students have been out of school for these two years, 70% of health-care professionals have left, and UN emergency relief programs have been funded at 20% of what the UN says it needs. Neither side has a clear sense of inclusive and sovereign nationhood.

## **Nigeria Seeks Investment from India**

Nigerian Foreign Minister Oluyemi Adeniji, who is visiting India during the week of Nov. 1, urged India to invest more in Nigeria. Adeniji was addressing a meeting in New Delhi jointly organized by the Confederation of Indian Industry (CII), the *Press Trust of India* reported Nov. 3. Nigeria is India's largest trading partner in Africa. Currently, the annual turnover of trade between India and Nigeria is pegged at around \$3 billion.

"We are providing all assistance to overseas investors by minimizing the regulatory impediments and streamlining the system of the country," the Nigerian Foreign Minister said. Nigeria and India trade is now centered around India exporting computer software and computer peripherals, and importing crude oil from Nigeria. But the Nigerian minister pointed out that his country is looking for Indian project exports in sectors like railways, power generation, and telecommunications,

defense and machine tools. India's import of Nigerian crude is also very substantial, as the African country is one of the few producers of a variety of crude required by Indian refineries. Indian companies have sizeable investments in Nigeria in textiles, chemicals, electrical equipment, pharmaceuticals, and fishing.

# This Week in History

**November 8 - 14, 1794**

## **A Daring Attempt To Rescue Lafayette from Prison**

On Nov. 8, 1794, a young German doctor and an American medical student joined forces in an unsuccessful attempt to free the Marquis de Lafayette from an Austrian prison. Lafayette and two fellow prisoners—all three, former members of France's Constituent Assembly—were famous throughout Europe and America as "The Prisoners of Olmutz," unjustly imprisoned by the monarchists of Europe, after they had fled from Robespierre's Reign of Terror in France.

A little more than two years earlier, Lafayette had been in command of the French Army on the northern frontier, poised to repel an invasion by Austria and Prussia. The early phases of the French Revolution, led by Lafayette and Jean Bailly, had established a constitutional monarchy, but the crowned heads of Europe were determined to return France to an absolute monarchy. This was important to accomplish before any such "dangerous" constitutional notions, so recently displayed by the independence of the United States, could spread to the rest of Europe. To this end, they played a double game. While royal armies threatened invasion and the royalist party in France desperately blocked any moderate solution, Great Britain trained, and then backed Marat and Danton, the leadership of the radical Jacobins who would destroy France from within.

The moderates were still in power in France, but the Jacobin Clubs were urging soldiers to murder their officers, and were blocking supplies from being sent to Lafayette's army. Erich Bollmann, the same young doctor who would try to rescue Lafayette, was training at hospitals in Paris at the time, and wrote, "The Jacobins hate LaFayette because he is the only man that can withstand them. They preach his murder in the streets."

On June 16, 1792, Lafayette wrote to the French Assembly, denouncing the Jacobin Clubs and encouraging the Assembly to use its powers under the constitution to prevent the destruction of the nation. He described the Jacobins as "organized like a separate empire, with its headquarters and its branches, blindly directed by ambitious chiefs, which sect forms a separate and distinct corporation in the midst of the French people, and usurps the powers of the people, by subjugating their representatives and their servants." The Jacobins subjugated the representatives in the Assembly through fear—Jacobin control of the Paris mobs was well known, and they could be targetted against anyone who was denounced as being a traitor to the republic.

Trying to find some way to maintain the constitutional republic, Lafayette rode to Paris and addressed the Assembly, but, terrified by the mobs, it refused to act. When a bill of impeachment against Lafayette was entered on Aug. 8, the moderates were still strong enough to defeat it by a vote of 446-224, but the queen and the nobles opposed any plan he proposed to save the constitutional monarchy. Queen Marie Antoinette said that she and the king did not want to owe their life to Lafayette twice, and the nobles averred that although they knew Lafayette would try to save the king, he would not save the titles of the nobility.

From outside France, the monarchists added to the rage of the Jacobin mobs. The Duke of Brunswick issued an insulting proclamation which stated that if Paris did not submit to Louis XVI, then the monarchist allies would "take exemplary vengeance, memorable forever, delivering up the city of Paris to military execution and total overthrow." On Aug. 10, when Lafayette had returned to the front, the Paris Commune took over the French Government, slaughtered the Swiss Guards who defended the king, and made the royal family their prisoners. Lafayette considered marching to Paris with the loyal part of the army, but other generals refused to go with him, as Jacobin influence in the army was becoming stronger.

On Aug. 17, the French Executive Council decreed that Lafayette should transfer his command to another general and come to Paris to answer charges. On Aug. 19, he was charged with rebellion and treason, a price was put on his head, and pledges were given to bring him to Paris dead or alive. In this impossible situation, Lafayette took some of his officers with him and rode north to the border, intending to sail to America from Holland. His group was intercepted by the Austrians, and Lafayette was imprisoned under Prussian control, first at Wesel on the Rhine, and then at Magdebourg on the Elbe.

Lafayette's conditions of imprisonment were terrible—he was held in underground cells dripping with moisture and with no direct light. He was not allowed to communicate with the outside world by letter or message. He was watched day and night, and his jailers were not allowed to talk to him. He was moved from prison to prison often enough so that his friends would not know where to find him. Years later, he found out that at a conference held to decide upon his fate, it was stated that, "Monsieur Lafayette is not only the promoter of the French Revolution but of world-wide liberty.... The existence of Monsieur de Lafayette is inconsistent with the safety of the governments of Europe."

After George Washington wrote a letter to the Austrian emperor, Lafayette was allowed to write to a few friends, but his prison conditions remained grim. Finally, after a suspicious illness, Lafayette concluded that he might not leave prison alive, and he wrote secretly to friends in England that an attempt should be made to rescue him. The group that received this letter included old family friends such as the French Princess d'Henin, émigrés, and Americans such as Thomas Pinckney, Washington's Ambassador to the Court of St. James. Casting about for someone to carry out the mission, they lighted upon the young German physician Erich Bollmann, who had already succeeded in smuggling the ex-Minister of War out of Paris to England. But Lafayette had been moved to another prison, and none of his friends knew where he was.

Bollmann searched for news of Lafayette through Saxony and Silesia, and finally discovered that Austrian soldiers had been seen escorting Lafayette in the direction of the Austrian town of Olmutz. He went there and began to make visits to the hospital, where he became friendly with the chief surgeon. One day he asked casually how Lafayette was doing, and the surgeon told him that Lafayette was fine. Through the surgeon, Bollmann managed to send Lafayette some books, which had secret messages written in lemon juice on the margins. Bollmann learned from Lafayette's innocent-looking return letters that he would ask to be allowed to ride out in the air for his health, and that the escape attempt should be made when he had ridden out far from the prison.

Because he needed help and equipment, Bollmann went to Vienna, where he met young Francis Huger, an American medical student who, as a young boy, had met Lafayette during the American Revolution. When Lafayette arrived in America from France, his ship had dropped anchor off South Carolina, and he was welcomed into the Huger home. Therefore, Huger was eager to help save Lafayette, and he agreed to pose as a young English lord with Bollmann as his supposed tutor. This gave them the cover to have a carriage, a servant on horseback, and to travel freely.

On the appointed day, Lafayette rode out in a carriage with two guards, and then proposed to get out and walk. He mopped his brow with a handkerchief as a signal to Bollmann and Huger, who quickly rode in and grappled with the guards. Lafayette mounted one of their horses and was told to ride to Hoff, where the servant waited with fresh horses, but he took the wrong fork in the road. One of the other horses bolted, so Bollmann made for the border and Huger tried to escape on foot. The Austrians pursued all three and eventually captured them.

Lafayette suffered greatly from the fear that his brave rescuers would be executed on his account, for the prison superintendent swore that they would be hanged before his window. But Bollmann and Huger were imprisoned only for seven months and were released in July 1795. They made it over the border just in time, because the Austrian emperor reconsidered and ordered their case reopened because he considered their sentence too light.

Both went to the United States, where Bollmann later became involved with the western separatist schemes of Aaron Burr.

Francis Huger became a practicing doctor, and had the pleasure of greeting Lafayette when he arrived for his 1824 visit to the United States.

Lafayette endured another three years of prison, but was protected against assassination by the arrival of his wife, Adrienne. She had also suffered years of imprisonment under the Terror in France, but upon her release she immediately travelLled to Austria to share her husband's prison cell and protect his life. Their devotion is celebrated in Beethoven's great opera *Fidelio*.

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