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This Week You Need To Know

If Civilization Can Be Saved: We Are Going To Do It!

Democratic Presidential candidate Lyndon LaRouche gave this keynote speech to a town meeting in Los Angeles Feb. 26, 2004.

Thank you all.

You know, politicians are lucky, they get the applause before the play.

We're in an interesting situation. You mention the little shindig that's happening down the street, on CNN, which doesn't amount to a hill of beans. Kerry is a significant candidate, but I doubt that he'll say much of significance today. Nor has he so far in the campaign. There are reasons for that, but he still is, under normal conditions, a plausible leading candidate for the Democratic nomination, and thereby, considering Bush's condition, and what George Bush would wish Cheney would do about his own heart condition—retire—normally you would say, Kerry would be the next President, with a little bit of fuss along the line.

But that is not yet the likely situation. Nor is Kerry presently manifest as a person qualified to be the President of the United States, under the present conditions. And what I can predict fairly, will be what is said tonight, in the other location, where "Brand X" is assembled, will be of no consequence with respect to the issues of the time.

Now, we're in a crisis. We're in an existential crisis, which has been coming on for a long time. I referred in a recent paper, to the fact that what we're dealing with right now, is the collapse of a world empire, which began to come into existence 250 years ago, with the onset of what was called the Seven Years War in Europe, during the course of which, the British Empire, which was then otherwise known as the British East India Company, defeated France, consolidated the process of occupation of India, conquest of India, grabbed the properties of France, colonial properties, from North America, or most of them, except for a couple of islands, and went on to become an empire, which has dominated world history, from that time to the present.

In the course of time, the only force which has effectively challenged that British Empire, is the formation of the United States as a republic. No other form of government has proven durable over this period of time. And what is called the Anglo-Dutch Liberal parliamentary system, is the dominant force in Europe, and is the dominant force among the greatest number of nations of the world today.

Let me just describe that part, before getting on to the main subject for tonight, just to get the background.

Neither Fish Nor Fowl

The British Anglo-Dutch Liberal model of parliamentary government, is a form of dictatorship. The way it works is this: You have three elements of government, under a parliamentary system of this type, a liberal system. One, is you have the institutions of state, as a leftover from the state under feudalism, typified by the monarchical state, or by modern heads of state, who actually function as a stand-in for what would have been a monarch in a previous situation.

You have then a parliament, which is highly unstable. Parliamentary governments are easily overthrown. They are neither fish nor fowl. They exert executive powers of government, but they don't really have them.

Then, there's a third element, which is called today a central banking system, an *independent* central banking system. The bank, or the independent central banking system, has a monopoly over the issuance of currency, over the control of debt, over the control of finances, and usually in a crisis, when a crisis occurs, the bankers overthrow the parliament, introduce more or less dictatorial measures—Hitler is an example of this—and then preserve their interest, by looting the people, and looting people of other countries. And therefore, the problem of the European today, is that outside of Russia, where they still have a memory of being a world power, in Europe, there is no government which has the character capable of doing what the United States can do; that is, responding to a crisis with sovereign power, in sovereign interest of the nation, and in defiance of the power of the bankers.

The issue today is: We're now in such a crisis, a crisis which has been brought on by a decadence of the British-Dutch-Liberal parliamentary system, as represented in the United States by the international banking interests and the Federal Reserve system. We're now in a crisis where we see, in the case of Argentina, that Argentina is being murdered, as Hitler murdered the occupied countries of Eastern Europe, and others. Looting these countries for the benefit of the financiers, which he represented, and for his own looting purposes, of course.

What is happening in Argentina, is what is going to happen to the people of the United States, were John Kerry to be elected, as chief office-boy of the United States. Because that's what he would be, if the banking interests, which now control the Democratic National Committee, and control his candidacy, were to come into power. And that's the reason why John Kerry, who may be personally a nice guy, personally a courageous guy, in some respects, and so forth, is not competent at the present stage. He's demonstrated this incompetence because he has not got the guts, or the independence, to take an independent position against the people who control the Democratic Party—which are a bunch of bankers, typified by the banking firm of Lazard Frères. Lazard Frères was a key part of the Nazi system between 1922 and 1945, in Europe. And Felix Rohatyn is a typification of Lazard Frères. And Big MAC, in New York, is a typification of the kind of handiwork, the slaughter, that Felix Rohatyn perpetrates.

That's the issue.

Now, therefore, there are solutions. There are many contributions from Europe, from South and Central America, from Asia, and even possibly from the Middle East, which could be helpful, and even indispensable, in the course of solving the present world financial crisis. But none of them, so far, have the capability—putting Russia to one side, and what might come out of the new Putin election coming up this week—none of them have the ability to face up to a crisis of this type, without resorting to imposing dictatorship for the purposes of looting the population of the world, to save the bankers. None!

Only under the U.S. Constitution, and our tradition, as exemplified in most recent history by the case of Franklin Roosevelt, do we have on this planet, the kind of Constitutional institution which, if properly rallied, can save the United States, and lead in saving the world from something worse than Adolf Hitler. That's our situation. That's our crisis.

What's Wrong With the American People?

The question is, therefore, why don't the American people show the good sense, to arise and demand that their government take this course of action, when everything they possess, everything they hold dear, is about to be taken away from them, and in many cases, already has been taken away from them, including their lives, by present health-care policies.

Why don't they? Why are the American people so stupid?

Of course, obviously, they're not all stupid. A bunch of us are still surviving, and fighting. And we're recognized as real, where the other candidates are not considered real. Maybe Kerry begins to be considered real. But none of the other DNC-approved list of candidates, is real. They're not in the real universe. They have no relationship to reality. And that is why we have the largest real support, in numbers, from within the U.S. population. Not people who go to buy a ticket to the grandstand, and cheer for the gladiators slaughtering each other below—that's what this election's been so far. People sit in the grandstand, and *cheer* for this gladiator, and that gladiator. One drops dead, they cheer for another one. And they're going to do that with Edwards. His supporters will also cheer for Kerry, or something, when Edwards drops out of the race.

So the American people, in the main, are behaving like fools, because most of them don't have the care or sense to do what a few of us are doing, of rallying the support to what we're doing with this campaign.

Now, this is not an unusual thing in history, and the way to understand our problem, is to look at history, and realize that your grandparents and parents were also human. This is something that some of the younger people today have difficulty in recognizing, when they think about the way their parents have behaved.

So, therefore, what we are, unlike baboons, or chimpanzees, or gorillas, what we are, are cultural products of our ancestors. We're not the same thing as our ancestors, but embedded within us, is the transmission of cultural experiences, which one generation transmits to the next. And most people who have a good family relationship, over several generations, do recall, whether with some criticism or not, their grandparents, perhaps their great-grandparents, as well as their parents. They recall a shared experience. They recall the schools they went to. They recall the things that happened in previous generations. These things subtly, and otherwise, invade them. And people who are living today, are an embodiment of an accumulation of a cultural heritage, which had been transmitted actually over thousands of years.

For example, take the case of tracing modern European civilization, from its origins, as I've often said, in the shadow of the great pyramids of Giza, about 2700 B.C., where astronomy was perfected in the form expressed by the pyramids, and that perfection transmitted to Greece, ancient Greece, in the period of the revival from the Dark Age, became the basis for founding modern European civilization. Founded on the ideas of astronomy and some other things.

But there's also a history embedded here, which, if we look at it in broad sweep, helps us to understand what's wrong with the American people today, and probably indicates to us, what the cure for this problem might be, even a rather sudden cure.

Homer's Troy

Go back to the beginning of the literary history of Greek civilization, as reflected in the *Iliad* and *Odyssey* of Homer. Think of the fall of Troy. Think of how the fall of Troy occurred. Here was a city, sitting up in the area which is between the waters of the Mediterranean and the Black Sea, a sort of a pirate-nation which dominated that particular strategic neck of the woods. And a gentleman from that place, a prince called Paris, seduced and abducted a woman who was married to someone else, and hauled her back, in a sort of a honeymoon trip, to Troy. And this caused a great degree of consternation among the Greeks, who decided this was the opportunity to pick a quarrel with Troy, and destroy it. And this became the so-called history of the Trojan War.

And in the midst of all these wonderful festivities, which were actually used as the foundation for Greek culture, there's a woman, who's a leading woman of the city, called Cassandra. And she stood on the battlements, and similar occasions, and prophesied repeatedly, the collapse of Troy, the doom of Troy, as a result of perpetrating the crime of allowing this cause of conflict, with what are called today the Greeks, to occur. And so Troy was destroyed.

But, more important, through the *Iliad*, in particular, as well as the *Odyssey*, which is a much more heroic story, the horror of Troy, was passed down as an integral part of the conscious history of Greece, by the Greeks of the relatively more modern time, of which Classical Greece emerged.

But then, *then*, at the height of the power of Athens, which is the most important state of all Greek culture, at the time of Pericles, at the time of the greatest maritime power, and general power of Athens, Athens destroyed itself, just as much as Troy had destroyed itself, with the aid of the incident of Paris and Helen. And all the well-informed Greeks knew these Homeric legends, which were actually history, as well as being legends. And they repeated the mistake.

They went to the island of Melos, and said, "Submit to us. You're the new Iraq, and I'm Cheney. You submit to us, or we'll kill all your men, and haul your women and children off as slaves." And the people of Melos, who had been allies of Athens in the war against the Persians, said, "You can't do that to us." They said, "We can and we will, if you don't submit." And they did.

And this slaughter unleashed the so-called Peloponnesian War, which resulted in the destruction of the power of Athens, and the disintegration from the inside, of an independent Greek culture at that time.

And from that time, to modern times, with a great degeneration, which was known as the Latin Rome, the Roman Empire, the medieval tyranny of ultramontanism under Venice, the Guelph faction, and the Normans, up until the time approximately of Richard III and the preceding Black Death period in the 14th Century, Europe, despite certain progress that had occurred, but Europe as a political existence went through a process of recurring, worsening degeneration, up until the time of the 15th Century, when modern Europe emerged in the form of the 15th-Century renaissance. And the first modern nation-states existed, which recognized the humanity of people; which recognized you could no longer hold most of the people, as either wild cattle to be hunted down, and eaten or destroyed, as the Romans did, or as herded cattle, to be bred, kept in herds, and killed when they become too old.

The Modern Nation-State

That was the culture we had to deal with. And for the first time, with the Council of Florence, from that, the emanation into the work of Jeanne d'Arc, to the formation of the first modern nation-state under Louis XI of France, and the second modern nation-state through the overthrow of England's Richard III, by Henry VII, we had the modern nation-state.

But then the same forces of evil, led by Venice, and with the Spanish Inquisition, and similar forces, destroyed Europe, in religious and related kinds of warfare, from 1511 to the Treaty of Westphalia in 1648. Europe then emerged as a progressive civilization. But then again the corruption came back in. Venice was weakened as a political force, but it created the Anglo-Dutch-Liberal phenomenon in northern Europe, which *replaced* Venice, such that the British parties of the 18th Century were called, by themselves, the Venetian party.

Then the United States came along, because the corruption of Europe, the best minds of Europe, contributed to creating the formation of the United States, with the first Constitutional republic of our character, and to this date, the *only* Constitutional republic of our character, as a challenge, to the recently emerged Anglo-Dutch Liberal empire of the British

East India Company.

So, naturally, Shelburne, the political leader of this new empire, set out to do two things: to destroy the United States, which he worked at from before the United States existed, from 1763 on; and to destroy Britain's great rival on the continent of Europe, France. And Shelburne organized the French Revolution, hip and joint. He created the Martinist cult; he organized things like the Queen's necklace affair, he controlled Necker; he controlled Philippe Egalité; he organized the Bastille event; he organized the Jacobin Terror. He set into motion Napoleon Bonaparte, as a tyrant, who is the model in modern times for all fascist-like tyrants since, including those of the 1922 to 1945 period, and Cheney today.

So, this is what we are! This is our history, as globally extended European civilization. It's a history of repeated crises, but with a couple of good factors in it. First of all, we are not monkeys. If we were higher apes, there would never have been more than several million of us living on this planet at any one time. We now have a reported population in excess of 6 billion. This is only possible because there's something good about mankind. The power of reason. The ability to change. The ability to make discoveries that no animal can make. Principles of science, principles of the universe, principles of Classical artistic composition. No animal can do it. Only a human mind can do it.

And what we call culture, in its best aspects—science, and Classical art—is a product of the reflections of an accumulation, both in the formation of language itself, for example, of the development of man, the self-development of mankind, through cultural development, transmitted from one generation to the next. Sometimes with fallout in between, but always it keeps coming back. Even during all these times of crisis.

In most cases, especially in the history of European civilization, going back to the time of the Homeric period, from that time, there has always been resurgence of progress, and net progress over the long span, in the history of mankind. The good things we have developed, have been transmitted from one generation to the other, or they may crop up two generations later, but there were always there.

We have in ourselves, the accumulation of that. And every American who sees himself as being part of this process, has within them, something of that potential, to call forth from not only within themselves individually, but as groups of people, to act in concert, by saying, "This is our legacy. This is our cultural heritage. This is what we share, this belief. We can therefore act together to bring forth new good, as humanity has produced good in rising over all these probably 2 million or more years, of rising from the condition of a higher ape, to modern civilization. We can do it again."

And therefore, at the time that we recognize tragedy, and the folly that we've bequeathed to ourselves, we recognize that man is essentially good, that within man there's an essential goodness which, if tapped and brought forth, brings forth not only the goodness which is the original goodness of man, but also the good things that have been transmitted over successive generations, as cultural gifts down to our time.

Now, therefore, that being the case, why don't we capture it? Why do we put up with what has happened to us?

A Downward Trend

For 40 years—of course, we weren't too good before then—but 40 years approximately, since the aftermath of the assassination of President Kennedy, since the launching of the Indo-China war, the trend in the United States has been downward, as typified by the transformation of the United States from the world's leading *producer* nation, to a *parasite* nation, which, since 1971-72, has been living on the blood sucked from the poorer parts of the world. We shipped our employment overseas, to cheap labor. Why is the labor so cheap? Because we dropped the value of their currencies, and compelled them to work for nothing. We looted them, by collecting payment on debts that they never incurred. We did this,

and we sit here, no longer a producer nation, with great industries, with great centers of technological progress, we sit here, sucking on the blood of other parts of the world, the poorest parts, including right below our border, Mexico. We suck the blood of Mexico, which we *ruined*, especially from 1982 on, by sapping their currency.

We suck their blood, in Mexico, by employing them as slave labor. We suck their blood when they cross the border, even as illegals, to come in, and perform cheap labor, as terrified cheap labor, who will work for anything, to get some money to send as a remittance to their family back in Mexico.

This is what we've become. This is not us! But this is what we've become over the past 40 years, in the process of going from being, having the ideals of a great producer society, an engine of technological progress, a nation that helped to rebuild Europe and other parts of the postwar world, with a monetary system of that time. We went from that, with all our faults, into becoming a purely parasitical, post-industrial, decadent society, in which I've said repeatedly, the idea of beauty is a poor girl, so underfed, so naked, so skinny, that you can't see her without clothing—so you put some dirty old shiny rags on her, and you call it high fashion. And now, that's the definition of the entertainment society. Poor anorexic woman, killing herself in order to be unbeautiful, and wear dirty rags, and call it high fashion.

Talk about Hollywood, which is in approximately this area, the product of that area is about of the same quality, and I think there's a certain consistency there. That's what we've become.

How is it, that if we're so good, as human beings, and humanity has demonstrated that, if we sometimes do such wonderful things, why do we keep repeating destroying ourselves? As in European civilization? Why did Troy destroy itself, and much of ancient Greece in the same process? Why did Greece, or Athens, at the height of its power, and culture, destroy itself? Why did mankind destroy itself, by allowing the Roman Empire to come into existence? Why did we fail to rise, as Charlemagne's effort indicated, why did we go back to something evil, more evil—the Venetian, the Guelphian, Norman system of chivalry, which dominated Europe from about the end of the 10th Century, up til the beginning of the 15th Century Renaissance. Why did we do that?

Why, after having created in Europe a great Golden Renaissance, which for the first time, actually recaptured the best aspects of Classical Greek culture in literature, art, and so forth, as typified by Cusa, by Leonardo da Vinci, and others—why, having done that, having created the first kind of state, in which the state was held accountable for the welfare of all of the people and its posterity—why did we go back to something else? Why did we allow the Spanish Inquisition? Why did we allow the religious wars in 1511 to 1648? Why, having conquered this problem with the Treaty of Westphalia, did we slide into a world dominated by the Anglo-Dutch-Liberal parliamentary imperialism, as we have now?

Why, having created a great nation in the United States, did we allow ourselves to become corrupted, by that filth of the Anglo-Dutch Liberal system, spilled over from Europe? Why, with all the things we accomplished, with Franklin Roosevelt pulling us out of the pit of degradation, which his predecessors had imposed upon us, why did we at the end of the war, go back to a right-wing terror, emulating the same kind of Hitlerism which we'd fought against in Europe, during the war?

Why did we, having built up a recovery of the world, with U.S. help, and our currency, in the post-war period, turn, with the assassination of Kennedy, and the launching of the Indo-China war, into a great cultural degeneration of this nation, from which we have not seen any kind of recovery since? Why?

What is the fault in us? What is the tragic feature in us? What is the tragic susceptibility of mankind, that we act like such fools, as humanity, again and again, as in the United States today?

This System Is Finished

This is the issue of this election, because we've come to the point, this system is finished. It's over. This financial-monetary system is finished. This economic system is finished. Parties that continue with these policies are finished. If the United States continues with this kind of policy, *it's* finished, and the danger is, even by electing a man such as Kerry, who is not a bad person at all, by any normal standard, but, under these conditions, in which his tendency to go along to get along, would mean that he would submit to the financial powers which are trying to ruin us, and have been ruining us, he would become, effectively, the office-boy in the White House, working for these bankers, the predators who are eating our people, and the people of the world.

That's the problem.

That being the case, what's our problem? Why did we do that? How did we get into this mess, and how do we get out of it?

Well, there's a fault in us, there's a faulty belief—you see it all the time. You ask the question: Why did we do it? Why don't we recognize that this system is coming down? All it takes is a visit to the grocery store, on a regular occasion, to realize that there's a hyperinflation that's been in progress in the United States. *What is the price of beef?* How many people have been able to afford to go into a grocery store recently? What's the price of beef? What's the price of cereals? The price of staples of all kinds? Have these prices been increasing? At what rate? What's the percentile of the cost of food, compared to the level of the average income? What's the cost of rent, of occupation of a place of residence, compared to the income that's available?

What percentage of the population has been cast away, not counted any more as unemployed, although they are unemployed, and in need of employment? How much of the health care has been peeled away, by so-called health-care reform?

Now, they're trying to remove Social Security.

How can people say that prosperity is just around the corner? How can people say, "How can you prove, how can you doubt popular opinion, that this is a prosperous economy? How can you doubt prevalent opinion, by great authorities, that this economy is going to recover, is in the process of recovery? How can you doubt this? How can you say, 'There's going to be a depression'? What's your proof? What's your evidence?"

Look inside your pockets. You're lucky if you find a hole there.

So, why do people do that? What's the basis for this? What's the characteristic human behavior which causes this to occur?

Well, I've often used the case of a Cartesian geometry, as an example of insanity. And there are worse forms of insanity than Cartesian geometry; there's the kind that's taught as New Math, that's even worse, and that's more popular today. But, what's wrong with Cartesian geometry?

First of all, it's a denial of reality. It says that there are certain assumptions, which are intuitive, *unprovable*, but widely shared. About the nature of a point, of a line, of a surface, and so forth, and these things are called definitions, axioms, and postulates. Are they real? No. They're not real. None of these things actually exist! But we agree, to believe that they exist. We say, "We *have* to come to some agreement."

Now, you go back to ancient Greece, the time before—just after Plato, it was a little different—but up to Plato's time, what was the basic mathematics of Greece? Was it Cartesian? Was it Euclidean? No. Euclid came later, after the works of Aristotle. Euclidean geometry did not exist in the time of Plato. But, the greatest scientific progress in Greek culture, was

made up through the time of Plato. So, the greatest progress in Greek culture occurred, without this notion of definitions, axioms, and postulates, which is the standard of education, among foolish people in universities, still today. They believe in definitions, axioms, and postulates. They believe in the existence of Bertrand Russell. I have philosophical doubts about the existence of Bertrand Russell. They believe in information theory. They believe in all kinds of silly things. In the IT miracle—all nonsense—ruined us!

But, why do people believe these things? How does this work?

Spherics

Before the time of Aristotle and Euclid, in the period of the degeneration of Greece, following the Peloponnesian War effects, the mathematics and physics were united. They were united in what was called spherics. Spherics was based on actually Egyptian astronomy, principally Egyptian astronomy, as the Great Pyramids of Egypt demonstrate that to the living, still today. If you look at the bores, in the Great Pyramids, these are astronomical instruments. These astronomical instruments have implications. The taking of certain measurements in the nature of an experimental demonstration of a principle, any such equipment, any such design, gives you a clue, with insight into what the principle was, that this equipment demonstrated.

So, when you look up at the sky, you don't see distances, you only see angles between points of light. You see those things which appear to be regular, and those things which appear to be less regular, such as the motion of planets, as differentiated from the so-called fixed stars. That was where we got the idea. So, the world is a vast spheroid; the universe is a vast spheroid. That's what we mean by the term "universal," in Classical studies.

We look up, and we can determine angles. We can not measure exactly what things are; we have to discover. We have to discover by experiment, what it is we're seeing. So, this became known as spherics, come from Egypt. It was reflected in the work of the famous Thales of Ionia, and the Pythagoreans of southern Italy. And this was science.

This was based on a principle, which was defined well by the Pythagoreans, and defined with certain experiments, which were also the subject of dialogues by Plato. That is, what is this discovery of a principle? And what has this got to do with politics, and you, and just what I discussed earlier, today, here?

When we find an anomaly, which defies the notion of some regularity, corresponding to our sense-perception of the world around us, we have struck upon the possibility of discovering a universal physical principle, like gravity. None of you have ever touched gravity; you have never seen it; you have never smelled it; you've never tasted it; you've never felt it. You have felt its effects; but, you've never felt *it*. And yet, it controls, in the way Kepler defined, it controls the way the whole Solar System works, including the planet Earth. *It is a universal physical principle.*

There are many other things that are universal physical principles. There are also demonstrations, in elementary geometry, as by the Classical Greek geometry, of the doubling of the line: Can you double a line, if you try to define the universe as a line? You can't do it. How do double the area of a square, by construction? How do you double a cube, by construction? Each of these things demonstrates a principle, which is knowable to the mind, but, as the doubling of the cube demonstrates most acutely, the operation you perform in construction, to produce the desired result, is one which is not an object of the senses.

This is always the case, *in every thing we justly call a universal scientific principle*. You discover an irregularity in the behavior of the world around you. You discover something that's happening, you can't explain, in terms of regularity, or in self-evident sense-perception, or so-called common sense. You conduct an investigation, to try to understand this anomaly,

this irregularity, like the crazy back-looping of Mars, in its orbit, from a normalized observation. You can actually see this thing, on the right night, when the back-looping of Mars is apparently occurring. An anomaly. From this, Kepler was led to the discovery of universal gravitation.

All like that! The discovery of how you double a line, as a matter of principle. How you double the area of a square. Or, particularly, doubling a cube. Or, why, in construction, there are only five regular solids, that are constructible in the universe? Another principle.

So, these are concepts, which you can not visualize, you can't detect them directly with the senses. You can prove them experimentally, by aid of the senses. They affect the way the world of the senses works. So, you have this problem. You have one thing, the world of the senses. What do the world of the senses show you? They show you the effect upon the universe, on your sense organs. Do they show you the universe? They do *not* show you the universe. The existence of a single, physical principle, means that your senses don't show you the actual universe. They show you a shadow of the universe: the effect of the universe impacting *on your sense organs*.

Now, so therefore, what you see, in a sense, is real. It's a shadow. Well, that's not bad! At least the shadow is real. It's a real shadow! That's reality. That's physical reality; it's a shadowy one, but it's what you got!

Universal Physical Principles

Now, then, you find out, that there's something that controls the way that shadow-world behaves. You can't see it; you can demonstrate it; it's infallible. It's a universal physical principle. It exists as an object of your mind.

So, now, you have what Gauss developed, and others developed, as the complex domain; or the catenary principle, as understood by Leibniz. There are two domains: One is the domain of discoveries, that the human mind has made, discoveries of universal physical principle. These discoveries control what you *can see*, as shadows of sense-perception. You demonstrate this. In mathematics, in physics, when you conduct an experiment, you have to take *both* into account: You take the principle, and you take what you can observe as the shadows of sense-perception, either directly, or through instruments. This is knowledge.

But only a human being, only the human mind, can discover these principles. These principles have always existed in the universe. We just didn't know them, until we discovered them. But! When *we master* such a principle, and *we apply* such a principle, to our purpose, *we change the universe*. In other words, the principle remains the same. The difference is, man, and man's will, is now using that principle of the universe, as a *tool for changing the universe*. And it works. And that's how man got ahead.

And, that is what you mean, essentially, in physical science, that man is made uniquely in the image of the Creator.

And therefore, the most precious thing we have, is not our experience, as such. The most precious thing we have, is the transmission of discoveries of principle, from generation to generation; the transmission of a continuing *process* of discovery, not just finished discoveries, but an ongoing process, of unresolved problems: which one generation discovers the problem, other generations, later, find the solution.

This is a cultural process, of the transmission from the ancient past, to the present, of certain things we can call principles, which have come to us today, which are embodied in us as knowledge. These principles are mankind's power to exist in, and over the universe.

Social Principles: The Human Singing Voice

There are also kinds of principles, apart from physical principles. There are *social* principles: For example, the human singing voice, or the potential of the human singing voice, is natural. Human singing voices come in certain types. It's an array of types: such as soprano, alto, tenor, baritone, bass. There are about six basic types, and there are variations on them. They all have unique characteristics, as expressed by natural register-shift values, and other specific values. These values can be developed, by training, to bring forth a better mastery of these principles—but they're the same. When you combine these different voices together, as Bach does, in Bach's development of the well-tempered system, you now are actually unifying the human race. Instead of having someone say something, you're now saying something in concert, together, with an effect which would not be there, unless these voices were combined, in a certain, integrated way, to express their natural potentialities.

This function of well-tempered composition, has functioned for a long time in human history. We know it as poetry. The rules of musicality, of Classical poetry, which even we know, for example, from the case of the ancient Vedic, through the studies of the ancient Vedic hymns by modern people, studying the Sanskrit form of those hymns. The hymns are highly reliable, in terms of certain, very specific astronomical information, contained in some of them. These can be precisely dated to certain intervals in history, because of the precision of the astronomical observations which were made, like equinoctial characteristics, and things like that.

But, the point is, these things were transmitted by *oral* transmission, *over thousands of years*. And yet, retained a certain accuracy—*thousands of years*! Because, by speaking in poetry, with musicality, in this way, you have an automatic way of correcting errors in the memory of that poem. And therefore, the poem is preserved by the mind, because it is expressed musically. Not like words, scattered about and pasted together, which you easily forget. When a truly Classical poem is composed, there's a musicality involved.

Now, also, this is true in the dramatic stage, in the Classical dramatic stage. Part of the effect is not the lines, not the work—but it's the expression! And the expression touches upon this peculiarity of the human voice, the human mind, which involves this kind of musicality.

So, in this, we have not only the mastery of the individual mind's ability to understand the principles of the universe; in trying to cooperate with one another, in applying such principles *to* the universe, we have to understand, there are certain principles involved, in the way people can communicate, and share ideas with one another. And Classical art, Classical poetry, Classical drama, Classical music, also Classical painting, as in the case of Leonardo's new perspective. These things are all media, by which we are able to work together, to a common purpose, in cooperation, in dealing with the physical tasks of society.

This is what we are. This is what's *good* about us. And, we're good, when we recognize this in ourselves, and love other people because they're part of this process. We admire and feel great affection for people from the past who have contributed this to us, whose ideas we have replicated, we have rediscovered and replicated; that makes us happy. We feel an affinity.

We also feel something else: We have a sense of our immortality. If we are part of a human species, which is so constituted, then we are willing to give our lives, if necessary, to ensure the preservation of that which has gone before us which is good, and to ensure the birth of the future. We live as much in the past and the future, as we do in the present.

Now, when are we weak? When are we corrupt? It's when we are saying, "Look, I know there's a crisis goin' on, but I'm not gonna worry about it. I gotta take care of my neighborhood." "Look, I got this sex-life problem—look, buddy, don't bother me with this—" [general laughter]. It's when we become petty, small-minded.

Now, what happens, is, people are saying, there's a crisis going on—"I don't wanna hear about it!"

"I don't go there!"

Right? I say, "Well, I won't go to Kerry's lecture, then. I want reality. Not that."

What happens is, we substitute, as in the case of Euclidean geometry, Cartesian geometry, we substitute certain faults, arbitrary conceptions; we deny that there is a universe lying beyond the shadows of perception. We deny the existence of principles. We come up with mysterious kinds of religious belief, like there are little green men, under the floorboard, who make sure that free trade works. It never works. "I'm sorry! It may not seem to work to you, but it works for me, because I believe in it!"

You may be bankrupt, the country—. My days, my incarnation as a management consultant, I was often called in, on mortal cases of bankruptcy, and I can tell you something about the way the mind works in business, from my experience with bankrupt managements. They have certain kinds of behavior, which lead to this bankruptcy.

And this is the same thing with people, the same thing, today: People do not want to believe, in what? Well, one of the problems of the United States is—we had a discussion of this, around here, recently, because, one gentleman did a fine job of reviving a play, *The Big Knife* of Clifford Odets. And the Odets play contains an historic significance for people today, who don't understand what's wrong with the United States, today. When we came back from the war, after being revived to optimism by the successes of the Franklin Roosevelt Presidency, by late 1944—actually by August 1944, Roosevelt was ill, and was known to be going to die, because of complications of the poliomyelitis affliction; and overwork.

So, they put in Harry Truman, who was a racist, Ku Klux Klan veteran, from Missouri. And he was a bankers' man. And the same bankers who had put Hitler into power—that is, American bankers, like Harriman, Morgan, du Pont, Mellon, and so forth—who had put Hitler into power, from the United States, in 1933, and had worked for that, before; had objected to Hitler, because he was European, not because they objected to fascism. Fascism, they liked; they loved it. These bankers loved it. Lazard Frères loved it, they practiced it, from inside France—against France, on behalf of Nazi Germany. Nice people.

A Right-Wing Turn

So anyway, but we came back. We were here around '44, we're coming back from the war, and everything has turned nasty: The Roosevelt period is dead. You come back to the shock of the Hiroshima/Nagasaki bombing, for which there was no excuse—and you find a right-wing turn has occurred. You'd no sooner land and you're demobilized, you've got your little ruptured duck on your lapel—the veterans, you know, we'd got this thing we'd call this "ruptured duck," for military service during the war; you'd just got this thing on your lapel. You were able to buy a suit, because we were short of suits at that time, and you really had to struggle to find a place that could produce a suit for you, coming back, trying to get out of uniform. About this time, Churchill and Truman had gotten us into another war, this time, picking a war with the Soviet Union—for evil purposes. It's a game, I've written about a good deal.

But, we made a right-wing turn. And, by 1946-47, we had become, a real right-wing terror in this country. I saw men who had been courageous in war, turn into stinking cowards under the pressure of their wives, during the immediate post-war period, saying, "Don't get into trouble. Don't say anything that'll get our family into trouble. The FBI is gonna get you, if you say anything."

So, we lost our courage, and my generation lost its courage, in large degree. Many of them, those who went into university life afterward, went into suburbia, or places like that. They developed careers, and they taught their children, their pretty little children, called the Baby Boomers, they taught them, "Don't get our family into trouble. When asked about that, lie. Say what you're supposed heard saying. Don't get our family into trouble."

And so, these pretty children went off to universities, later on. But, in the meantime, we had the Missile Crisis, where everybody was looking for God in a beer barrel, for several days. They thought the thermonuclear missiles were going to come in on us. They were terrified. I saw it! The whole population was terrified; some of you who were living through it, probably remember the effects of those days, in 1962. For several days, many people believed, and we were being told, that the missiles would come crashing in, and wiping us out, at any morning. Right? And the pretty children, who had been told to lie, when threatened, became frightened. And they went to universities. They went into the counterculture, especially after the Vietnam War was declared. They took LSD—"anything to fix my head!" "I can't stand what's going on in my head!" "I hate technology! I'm going to destroy it! I'm going back to the animals! I'm going to take my clothes off, and be natural," running around, doing that kind of thing.

So, what happened is, we had a change in our people. We had the "I don't go there" change. "I arbitrarily assume that certain things are true. I arbitrarily assume that certain things are not true. I'm looking for, what? My head is terrible. *I need entertainment!* I've become jaded, with the old entertainment. I need *new* entertainment! I need new thrills! I need *ugly* thrills! Sweet thrills! All kinds of thrills, *so I can get through the night!* I've got to take a pill, to get through the night. I've got to smoke this, to get through the day. I'll get out there, and I'll drive this big truck, with this joint goin' on, so I'll crash into something—whadda wonderful way to go!"

This was the culture! So, what you have is, you have, in the United States' generation, in the people who are 62, 60, 55, so forth, who are living in a no-future society—that is, they say, "Don't bother me about the future! I've got this problem. I've got a vacation coming up. I've got a retirement coming up. We've got this thing we want to do—and I'm having trouble getting through the night. I need entertainment. I need illusion. I need escapism. I have to believe, that this is going to be all right. I have to believe, that what I need is coming to me.

"I don't want to hear about the future! Don't bother me with the future. When I die, it ends!"

You see, they no longer believe in immortality. They may go to churches, but that's only to deny immortality. Huh? That's what they do, actually.

So, that's what we've become.

Remember Ancient Rome

So, we're in a society, and I think something like this has happened in the past: Remember ancient Rome. Remember "bread and circuses." The Roman people, especially after the Second Punic War, began to degenerate as slavery took over, inside Italy. And as Italy lived on the foodstuffs, and materials, that it looted from foreign countries that it conquered and looted, the Italian people were shut out of the process of production more and more. And they were sustained, as a population, by a dole. By various ways, they were paid off, paid off by various kinds of politicians, but they were paid off. One of the big pay-offs, was *entertainment*, typified by the Colosseum and the Circus Maximus: entertainment! They entertained themselves, by massacring each other. Take the case of the massacres under Caligula: The elite of Rome, massacred each other! Claudius, the same; Nero! An orgy of massacre of the leading families of Rome itself, *by* the leading families of Rome. Same kind of process.

We're doing something like that to ourselves, now, on a world scale. We're going through that kind of process, of a flight from reality, so therefore, people build up this insulation. You see a typification of this, in this crazy Mel Gibson movie. I haven't seen the movie, but I've seen the promotions. I've seen the propaganda. I've seen the debate. I know what's happening.

Helga [Zepp-LaRouche], in an address she gave in Virginia, at the conference recently, referred in one aspect, to a very significant figure from *The Brothers Karamazov* of Dostoevsky: the case of the Grand Inquisitor. The Grand Inquisitor is a true Joseph de Maistre figure. He actually turns out, as Helga described it, to be Satan. Jesus Christ comes back, and Satan appears in the form of the Grand Inquisitor, and puts Christ in prison and announces he's going to be killed. And said, "Didn't you learn from Gethsemane? You turned me down in Gethsemane. Now, I run the Church. *I* run the Church, and you're going to die!"

That's what this is!

For example, just take the thing from a New Testament standpoint: What is the reality of the Crucifixion of Christ? The reality is, that Jesus Christ made a parade into the city of Jerusalem, like our youth group, going into the main part of Los Angeles, and fighting against the Schwarzenegger beast. And the people in the community cheered. They cheered for Christ coming through the streets of Jerusalem. The Roman Empire was not pleased. Tiberius, a *real monster*, a real Satanic figure, was sitting in his villa beside the cliffs of the Isle of Capri. And his son-in-law, his legal son-in-law, Pontius Pilate, whom he'd gotten out of the way for sexual reasons, and assigned him to become the Procurator of Judaea, acted in Roman style. Now, there's only one authority in occupied Judaea, who could order a crucifixion: the Roman Emperor. The Roman Emperor's representative Pontius Pilate. A crucifixion was done by *Rome, by imperial Rome*, not by the Jews! Who were the Jews? The Jews were nothing but the local quislings! They were the local neo-conservatives! They were *not* the typical Jews! The majority of the Jewish population of Judaea *wanted* to get rid of the Romans! And there were various kinds of Jewish groups, who were in a state of revolt, against the Roman occupation, which continued all the way through, until the mass killing of Jews by the Romans, at a later point.

Jesus Christ comes along, and to the Romans, being hailed by the people of Jerusalem, from the streets of Jerusalem, as the King of the Jews—what does that say to the Roman Empire? *Kill him!* And kill him, in a way which is a lesson, to be taught to the rest of the population of this territory. "That's what we do to *all* of similar type." As Nero did to St. Peter. And was done to St. Paul, by the Roman Empire.

Now, if you want to portray the reality of the Passion and Crucifixion of Christ, you obviously start with *not less*, than Christ's entry into Jerusalem. You don't paste on the end, a little scene in Gethsemane, a fantastic scene of Christ's reappearance. You don't do that. Because, the essence of Christianity, as we know it historically, from the whole *history* of Christianity, especially from the Apostles, was the great transformation in European civilization, which Christianity represented, which is reflected in its impact, in part, on the Jewish population, which did not really have much of a religion at that time; and many parts of Jewry accepted, as in the case of Philo Judaeus, accepted the lessons of Christianity, as a reform of Judaism. You had, in the case of the birth of Islam, you look at the essence of Islam, there are characteristics of the impact of Christianity on Islam. In the case of the great Moorish culture, of southern Spain, the same thing: the impact of Christianity, directly and indirectly, on Islam; where the Moorish culture, with its Jewish component, in Spain, represented the highest level of Spanish culture, probably to the present day. And they were expelled by the Inquisition.

So, the lesson here, is a lesson of *optimism*! Not pessimism. But optimism. This is not somebody being killed: This is Martin Luther King, being assassinated by the whim of J. Edgar Hoover. Is Martin Luther King dead? Not if I'm alive. [applause]

Is Jeanne d'Arc dead? She made possible modern society. She made possible the establishment of the first modern nation-

state, in the case of France. She was an integral part of the great Renaissance, under which the best features of modern European society occurred. Are those who have suffered and died for the cause of human freedom, in such a heroic manner as that, who've done it, as I have compared Martin Luther King to Jeanne d'Arc—a very comparable case, in terms of the principle of the thing—are they dead? No, they're not dead: What they have done, in their contribution to humanity, is immortal. And, when we reflect upon them, and what they gave us, with their sacrifice, with their courage, they are part of us. They live within us. They are positive, they inspire us. They don't depress us. They don't frighten us. We say, "Yes, he died. Yes, he suffered. But, look at the gift he gave us, in the process of suffering. And the price he paid, for our benefit, is our cause of rejoicing: That he loved us enough, to do that for us. He lives forever."

So, what the film does, it turns—and this film is promoted by, guess who? That great, loving, mankind-lover: John Ashcroft, the racist. Ashcroft's crowd are the biggest pushers of this film. The group that Mel Gibson is associated with, is a known fascist group, radical fascist group, of the Francisco Franco variety; of the Carlist variety. They're not Christians. They are, as Helga described the situation, the Grand Inquisitor, from *The Brothers Karamazov* of Dostoevsky: That's what they are.

They are the greatest danger to the United States, in the sense: This film, the way it's being promoted, among the *people* to whom it's being promoted, among crazy right-wing Catholics, and crazy right-wing Protestants of the worst type—this is the Ku Klux Klan type. This is the marching song, of the Ku Klux Klan! Threatens the greatest wave of anti-Semitism, and similar kinds of phenomena, that you can imagine at this time. And it's being done, as part of an election ploy, for the re-election of George Bush, although George Bush himself may not be part of it. But, that faction that wants to control the United States, by controlling the re-election of George Bush, is the faction behind this, that has pushed this thing. And they pushed this thing *as a Satanic effort*, to brainwash the population.

And when you look around you, and you see the people that are impressed by this propaganda, the people who admire and defend the film: Ah! You're getting a smell of the rot! You're getting a smell of the things that caused the crisis of Troy, as reported in the *Iliad*; the crisis of ancient Athens, as reflected in the Peloponnesian War; the crisis of civilization under Rome; the crisis of Hitler and what he represented: It's the same thing, again.

Youth: The Great Movers of History

We find the same flaw, lies among us, in our population. And therefore, the key to this is, as follows: You have to have, what we already had, first of all. You have to have a large minority, an influential and active minority, including a significant component of young adults, who are generally the great movers of history, in most parts of history. You have to have a core that understands, that is ready to push and act. Just ordinary people, but who are *extraordinary*, in the fact, that they have this commitment. *Then*, the moment of crisis—and it will come soon, this financial system is about to disintegrate. It's the greatest financial crisis, in all modern history. It is *not* a repetition of 1929-32. It's much, much worse. It's systemic.

In 1929-32, we were still a producer society. Our strength, our economic strength, despite the Depression, a collapse of the income by about half during that period, lay in our farms. People went back to the farms, to eat. It lay in what remained of our industries. It remained in the productive skills, of people of who had laid-off from their jobs in factories—who still had those skills. So that, when Roosevelt called out, and sounded the horn, for people to get back to work, we had the infrastructure; we had the farms; we had the remains of industries. We had to put it back together, but we had the means to put it back together.

In the past 40 years, we took what was the most productive society on this planet, our own: We destroyed several things. We destroyed the morale of our people; we destroyed our agriculture; we destroyed our industries; we destroyed our productive technology; we destroyed our self-sufficiency; we destroyed our positive role, in building up other nations, such

as our neighbors in Central and South America—which we had done, actually, in the earlier period, or in Europe. We were no longer a positive factor in the world, standing on our own feet. Depending upon our friends, but standing on our own feet, making our contribution. We were not parasites, sucking the blood of others, and giving up our own industries at home, our own employment, for the sake of getting goods from cheap labor through Wal-Mart, from overseas.

So, we're much worse off, than we were then. But, being a sly old fellow, and knowing how these things work, we can put it back together again. There are ways of doing it. And the fact that there are people in the society, who will stick to this, stick to this commitment, for a great revival of our nation: That will work. Because at the moment, when the crisis hits with full force, we will be the factor, who will give courage back to our fellow people. Get them out of the gutter. Get them out of the depression. And, say, "Okay. We were right. We're not rubbing it in. Let's do what we have to do, now."

That will work. The problem here, is exactly of that nature. People will cling to illusions as long as they can. Especially the form of illusions which constitute denial of reality. And only when the forces of circumstance *break their resolution to cling to unreality*, when they're finally willing to get off the *Titanic*, at that point, their minds suddenly become miraculously open, as I saw, back in the time that Roosevelt, even as a very young man—a boy, in fact—as I saw the effect of Roosevelt's election on the American people. When a moment comes, when people recognize two things: That the situation as it has existed is impossible, intolerable; there is no way of denying it's intolerable. But, when, at the same time, they see there's leadership, organized leadership, embedded in the population, which shows there's a *way out*, then people at that time, *will go for the life raft*. They will get off the sinking ship, and jump on the life raft.

That is our function. If this civilization can be saved, if this United States can be saved, *we* are going to do it—not because we have any miraculous powers, but because I'm going to stick to the job, and people like you are going to be there, when your friends and neighbors finally come to their senses. [applause]

LaRouche in Salt Lake City

'If I'm Part of the Process, We Survive'

Lyndon LaRouche gave this press conference in Salt Lake City on Feb. 24. A selection from the question-and-answer period follows LaRouche's opening remarks.

I'll just summarize two issues: First the state of the campaign in general, that is, the national campaign; and secondly, the implications of the attempted exclusion of me from the [Utah] ballot. Because, the second has to come in the context of the first.

All right, we've now reached a new stage, in the overall campaign. Heretofore, even though there's been a tendency for a larger vote participation, as witnessed in New Hampshire, for example, than in previous campaigns, the voters are still spectators, sitting in the grandstand and voting for their favorite gladiators in the Arena. The gladiators are dropping, one after the other. We don't when Edwards is going to drop, but he has the capacity to drop, which he exercised recently: He's about to fold. And he's holding onto last breath.

The issue now becomes, essentially—the other candidates are out of the picture, really, in the long run. On the Democratic side—it's between John Kerry and me. John Kerry is a serious candidate, with certain shortcomings. Whereas, I'm key on the issue.

The issue is this: We have two issues, one which I've been raising, especially since August of 2002, demanding that Cheney

be ousted from the government *now*, on the basis of his commitment of impeachable offenses, in pushing the Congress toward an Iraq war, which has deeper implications. At this point, Cheney is on the ropes. The President is still supporting him, but Cheney's on the ropes, and he's facing very serious investigations, which lead toward possible criminal action against him or his associates, and impeachable offenses, which would tell George Bush two things: that he can not win if Cheney is his Vice Presidential candidate; and maybe he couldn't win if George Bush is the leading candidate. These are the situations now.

The other issue, apart from the issue of military and related policy—but they're interrelated—is the economic crisis. We are now at the point, that the present world monetary-financial system is in the process of disintegrating. We don't know what day the disintegration will occur, but we know the situation is overripe: There is no possibility of a recovery of the U.S. economy, under present policies and conditions. It could not happen. Only a reform of the international monetary system, along the lines that a Franklin Roosevelt would have done, would prevent a catastrophe from this present crisis.

The problem is this—the problem which involves my exclusion by certain forces of the Democratic Party, is: I have been on the "not-wanted list" as a political figure, since 1971, when I defeated a professor of economics, Abba Lerner, in a debate in New York City. After that, I was marked as No. 1 Enemy, of all of the major, relevant financial circles in the United States. Then, at the beginning of the 1980s, because of an acquaintance with Ronald Reagan, I was instrumental in inducing Reagan to adopt a policy, in which I conducted a back-channel exploration for the Reagan Administration with the Soviet government. This policy became known as SDI.

After March of 1983, the policy underwent modification in a disastrous direction. The policy was a good one, but as a result of that, I became Public Enemy No. 1 in the Soviet Union; I became, also, Public Enemy No. 1, of right-wing Republicans, and also of many Democrats.

So, today, those issues are the reason why there's an attempt to exclude me from the Democratic process. What was done was illegal, that is, in effect. The Democratic National Committee—certain circles, including the circles associated with Al Gore—moved to have an overturn of the Voting Rights Act, through the judicial system. They succeeded in getting the Voting Rights Act repealed, under the pretext of so-called "shareholder value," which is a doctrine famous from the Confederacy, when it was called sometimes "slaveholder value," and under the aegis of Associate U.S. Justice Antonin Scalia.

So, what you have now, in effect: The Democratic Party has marked itself as racist, by overturning the second of the most important civil rights acts of the past 30 years, and they're sticking to it. Why are they sticking to it? Because the bankers know what's happening: This system is coming down. And you have bankers like Felix Rohatyn, who is associated with Lazard Frères—these bankers are determined, that when the crisis comes, they're going to have an office-boy in the Presidency, not a President in the FDR direction.

Therefore, the issue now—with Kerry as a front-running Democratic candidate—is for me to engage, especially, in public debate, in effect, with John Kerry, not for the purpose of demolishing him, but for the purpose of seeing to it, that we don't nominate an office-boy in Boston, to become the Democratic Presidential candidate, this summer. I'm not an office-boy. And, maybe by my educating the Democrats, they'll either, at least, vote me in, or at least will have a Kerry who will not be an office-boy.

That's the situation. So, shoot.

An FDR Democrat

Q: The Democratic Party says that your positions aren't in line with their principles, according to the DNC. How do you respond to that?

LAROUCHE: They don't have any principles! How can I be against them? [laughing]

The issue is, that what they're really opposed to me on, is these two issues: Bankers, number one. That's where Felix Rohatyn and Lazard Frères and others come in, in terms of excluding me, even on the Kerry coalition side. There are many people inside the Kerry coalition, that want me in the process. There are some people in the Kerry coalition, who *don't* want me in the process. Those people are tied to Felix Rohatyn and this crowd. That's the issue. It's the most important issue right now.

There's other quarrels I've had, as I said, on the SDI, on economics questions, and so forth, in the past. But the basic thing is, I'm targetted as an FDR Democrat. Not a copy-cat for FDR, but an FDR Democrat. *They don't want an FDR Democrat, in the White House, at the time of crisis*; they don't even want someone in the Presidency, who's *influenced* by an FDR Democrat—that's what the real issue is.

Q: Have you been in some primaries, already?

LAROUCHE: Yeah.

Q: How many votes have you gotten?

LAROUCHE: Well, the Democratic Party is not counting the votes. These are Democratic primaries. In any case, some people in the Democratic Party who are election officials, bucked the party—just on a morals basis. They say, "If the citizen cast a vote, the citizen has a right to have his vote represented." Other party officials ... say, "No! The vote is not legitimate. And if a voter makes the vote, the vote will simply be ignored." And that happened. So, you have a division. Nobody knows what the vote is. And it's complicated by the fact of the widespread use of computer-based voting, which is inherently fraudulent.

There's now a major fight in the United States, especially from Democrats, to overturn touch-screen voting and similar kinds of computerized voting. It's one of the *biggest* issues in Washington, right now.

So, right now, it doesn't make any difference. What's important is the American people. Going into a convention, in Boston, in July, *after a crisis has exploded*, after people have come out of the grandstands and they now know they are gladiators, down in the Arena. So, they're no longer voting for their favorite competitor: They are now competitors. And when they have to think seriously about their future, their family's future; when reality strikes, it can not be denied. See how the Democrats vote their conscience at the convention. That's what I'm shooting for.

Q: I haven't had a chance to read your pamphlet yet, but the cover implies that Vice President Cheney is a "child of Satan." Is that what you believe?

LAROUCHE: No. He *is* in a sense a child of Satan, historically. The Beast-Man concept was introduced into modern politics, actually by Torquemada of Spain, with the Inquisition. This was revived in connection with the French Revolution by Joseph de Maistre, who was the leader of a Martinist cult. Napoleon Bonaparte was trained, and educated, and steered, by Joseph de Maistre. Napoleon, as the conqueror and looter of Europe, is the image of the Beast-Man. Hitler was a Beast-Man. Mussolini was a Beast-Man. Laval was a Beast-Man. Francisco Franco was a Beast-Man. Cheney is in that tradition. And his people around him are in that tradition.

This is a Beast-Man: that you rule by terror, the idea of rule by terror. The way Hitler killed the Jews, is an example of a Beast-Man. There was no reason, there was no motive, for Germans to kill Jews. The German Jewish population had been one of the most essential parts of Germany's rise to importance in the 19th Century. The Jews of Eastern Europe, the so-called "Yiddish Renaissance" Jews, were an essential part of the culture of Europe. If you wanted to develop an economy, in Europe, why do you kill off some of the best people, who make a contribution to the economy of the nation in which they live? There's no motive for it.

But, the motive was to terrify the world, by committing an act so horrible, that the world would fear the beast. And that's what Cheney's policy is: to intimidate people by beastly actions, as they did in Iraq. There was no need for that war—absolutely none whatsoever.

The Democratic Convention

Q: What about going to the Democratic Convention?

LAROCHE: I'll be there.

Q: Will you be allowed in?

LAROCHE: Who knows? To me, it's not relevant. To me, the question is now: Now, we're in the process now. This is the end of February. We're in a process, between now and the summer: During this time, the biggest financial crisis in history is going to hit the United States. You're going to have a phase-change in politics.

In the meantime, people in the Congress and elsewhere, are moving for the impeachment of Cheney, for the outing of all of these characters, who were behind the Iraq war. This is dead serious, now. So, these changes: Bush is going to have to change. Republicans are turning against Bush, saying, we can not vote for such a dumb President a second time. This guy is too dumb to be elected.

Q: Will you demand to be included—?

LAROCHE: Oh, I'll do all that, but that's irrelevant. Now, the process between now, which is the end of February, and Boston, in July, is going to be a decisive period in U.S. history. Nobody can predict exactly what will happen. I have my principles. I will act according to the principles I've stated here. That's my course of action. And what I do, may surprise me. But, it will be within those parameters.

Q: Since you have so many concerns about the Democratic Party, why not run as an independent? Why not go on your own, instead of fighting the—.

LAROCHE: See, that's what people get on to. They don't understand our system of government. People look at our system of government as if it were some kind of European parliamentary democracy. And many people in government, or in the parties, think that way.

See, the President of the United States is not an individual who just gets elected in there. The President of the United States has to have a base. I have a base, in the Presidential system. By virtue of having taken the oath, I'm part of the Presidential system. In other words, the President makes a decision. How's it carried out? It's carried out by people who are professionals; people who are in the system, whether serving, or maybe Professor So-and-So out in this university. These

are the people who are the advice, the strength, the gut, the muscle, including retired officials, who will jump in and make a President effective.

See, the President is not an individual, like a chief of a parliament. The President is the head of an executive branch of government. Our system of government is unique.

Therefore, you have to work, to become a President—unless you're running for the long term for 20 years from now, as I have done in the past; unless you are in the system, you can not become a President. I am in the system. That's the reason why some people want to get me out of it. Do you think they would bother trying to run Al Sharpton, that joker? He's not a serious candidate. He's a joke! A bad joke. But, he's not a serious candidate.

The reason they want to exclude me, and not just ignore me, is because they are afraid of me. Why are they afraid of me? Because I'm in the system. And because I've done the job I've done, over the past nearly two years, in bringing down Cheney and his crowd. They're afraid of me.

If they were not afraid of me, if I were not in the system, I would not say, "I can become President." I might say, I would run for President, as an educational effort, which I would have a right to do. But I'm in this *for real*. I have the backing. I have the potential support, among institutions of government; I have relations with foreign governments, in terms of knowledge of me on policy. I can walk into the White House—if I walked in today, I could assume the function of President. I would be capable of doing it, and I would have the roster of people, from inside the government, from inside the Presidential system, from among certain circles in the Congress: I would have the ability to run this country, as President. That's why I'm running.

Q: We have a new individual in the Presidential process. What are the likely effects of Nader's efforts?

LAROCHE: I think it has two effects—interesting: I don't know what Nader thinks he's doing. That, I don't know. But I can tell you what the two effects are: First of all, it scares the Democratic leadership, the Democratic National Committee. What it means—how does it scare them? The estimate has been, among leading Democrats, the Democrats can not win the Presidency, if they continue to exclude me. Now, what this means, it puts them up against the wall—McAuliffe and company. They're up against the wall.

With what I represent, which may be only a margin of vote, but if I'm in the process, if people out there say, "Okay, they've let him in. He's now in the process," you will find a very significant—10 to 20% of the vote—will tend to come back in, because of me, for various reasons. *They need my participation in the process, to overwhelm fringe operations, such as Nader's.*

That's where the problem was last time. You know, Clinton was the biggest vote-getter we've had in a long time. And if he hadn't had Al Gore, as his proposed successor, there would have been a shoo-in. Al Gore *blew it*. And, he blew it, because he was out to exclude me and others. And the people he excluded from the process, were the margin by which he lost.

And what he lost to, was, partly, Ralph Nader. Ralph Nader and the Green Party took fringe vote away from the Democratic Party, because he [Gore] was so disgusting, that people voted a protest vote for Nader in several states, including Florida. And that margin of the Nader vote sank Gore, in those electoral contests.

And so, the point is, the Nader thing, today, means: Either they bring me in, or the Democratic Party's campaign this year, is a dead duck.

The Principle of Tragedy

Q: What will happen if you're not elected President?

LAROUCHE: Well, that's getting at—what is going to happen if the right measures are not taken? And who is around who understands the issues adequately, and is willing to take them? It's a matter of leadership.

In other words, you have two things: You have a reality. You have a possible solution for the crisis—there always is a possible solution, except in certain natural forces which are beyond, presently, man's control. But, in political processes, political-economic processes, there are always solutions. Can you define the solution? Yes. Are you going to solve it? Not necessarily. If you don't have the leadership: This is the principle of tragedy. In every case, a tragedy of a society, a self-inflicted tragedy of any society, comes in a case, in which the issue is clearly defined—like the Peloponnesian War. When Athens started the process of the Peloponnesian War, which led to the destruction of Athens over a period of almost 30 years.

All right. Was the solution there? Yes, it did exist. Don't butcher the people of Melos! That would have saved it. But, the Sophists prevailed, and the war went on, including in Magna Graecia. And Athens was virtually destroyed, as Plato describes this in some detail in his dialogues. And others, as well.

The point was, there was not a man, there was not a leader on the scene, except Socrates, who resisted this process, who could have led Greece out of this crisis. So, they kill off the one available leader, and the thing goes down.

So, the problem is often in history, that you have a limited number of people who could be leaders. If you kill off, or eliminate them in other ways, then the tragedy will probably happen. Because tragedy comes from the *people*, it does not come from mis-leaders, as such. The people accept corruption. The moral corruption leads them to their own self-destruction. And if a time comes, that you don't have leaders, who say to the people, "You behave like fools. Change your ways." And if they stick to it, then the people are doomed.

Q: I'm looking for a more specific answer: Is there anyone else in the field who you think would do a good job, right now?

LAROUCHE: I don't know. I don't think so. I don't think so. I know things, pretty much, worldwide. For example, in Russia, Germany, France, Italy, other parts of the world—South and Central America—and our own country: I know most of the people who would be considered leaders, potential leaders. And what I know of them all, they're none of them could cut it.

Q: So, then, what will happen, if you're not elected?

LAROUCHE: Well, the alternative is, can I make a tough man out of John Kerry? I mean, that's why I said, what I said today: Yes, I should be the President, right now. But, I'm 81 years of age. I'm in prime condition, for an 81-year-old. And I expect to be, for another 10 years or so, because of my genetic background and so forth. I'm fortunate in that respect, and I'm tough.

But, the point is, I'm concerned about what I do now, for the future of the United States. My job, is to do *my job*, now. Now, this goes all the way through. If I'm not the President, what should happen? What is the possible alternative? Can I take a group of Democrats, and others, and what I know about people in the Presidential system: Can I pull them together, through a discussion process, over the coming four months, which produces a Presidential candidate for the Democratic Party, with a group of people around him, *who can prevail over the bankers*? Yes, then we can survive.

If I'm part of the process, we survive.

We reprint here excerpts from the question period with Lyndon LaRouche, after his keynote speech Feb. 14 to the annual ICLC/Schiller Institute Presidents' Day conference.

FREEMAN: We going to take a question, now, from the West Coast....

HARLEY SCHLANGER (West Coast LaRouche spokesman: Hello! Well, first, let me belatedly send the greetings from Thousand Oaks, California to the East Coast conference....

And so, we'll start the questions from Brendan Barnett, here, and I will then be turning this over to Limari Navarette from the LaRouche Youth Movement, to preside as the moderator from here.

The Essence of Tragedy

QUESTION: I'm Brendan from Los Angeles. We've been in discussion with the youth movement—a couple individuals—about how it's going to take a crisis, for the population to react. But, Lyn, you've been stating over and over, that with Ashcroft and these figures, that they're willing to lock the country down in a police-state. So, how do we deal with this problem, if both of these situations are coming into existence at the same point?

LAROUCHE: Really, it's another aspect of the same question, that's been asked several times before today. The question is a question of power: Now, I knew what John Ashcroft was, and I tried to stop Ashcroft from being chosen as Attorney General. Some other people in the system, Democrats, supported my proposal, and tried to act on it.

Al Gore, and people in the Democratic National Committee, intervened to prevent that protest from being registered at the appropriate time.

On the basis of that policy, by Al Gore, I was able to foresee an event, such as that which occurred on Sept. 11, 2001: That someone was going to play a Hermann Goering, because our system was incompetently led by a bum, the President, who was incapable of doing anything right on his own. And therefore, somebody's going to try to create a dictatorship, by creating a Reichstag Fire, or the equivalent, in the United States—and that was done, on Sept. 11, 2001. And there's been a jam-up on any serious investigation of that event, since.

Why don't they want it investigated? Because, if the investigation were honest, it would lead to discoveries, which would be very embarrassing to friends of Mr. Dick Cheney.

It's a question of power: It's a question, will the American people choose to support a power, which is a counterforce, to what's coming down on them? Now, I have the power, in the sense of knowing what to do. But, if the American people don't choose me to use that power, which they can give to me, I can't do it. And apparently, there's nobody else around who could. That's the reality.

This is the essence of tragedy! I mean, if people had actually understood the Classical Greek tragedy, especially as this question was addressed by Plato, in the Socratic dialogues; if they had understood Shakespeare; if they had understood Lessing; if they had understood Schiller, they would understand this. Tragedy occurs! Tragedy is the common destiny of most of mankind's history! Most societies have failed! Most *people* in society have failed. Most democracies have failed.

The will of the people has failed, repeatedly.

You have to understand this. These are questions of power. And, it's a question, a test, as I said 20 years ago: I said, the question posed to me then—1982-83—I said, the question posed, "*Do the American people have the moral fitness to survive?*" And I said then, in the fall of 1983, that I doubted they did. And the reason I doubted they had the moral fitness to survive, was the reasons which involve the Baby Boomer syndrome: That the United States had gone so deep into cultural decadence, that I did not think it was necessarily the case, that they still had the moral ability to come out of it. That's still the case.

So, what we're engaged in—and the Classical tragedy, especially with the Sublime element that was introduced in the case of Aeschylus by the "Prometheus Bound," implicitly; by the dialogues of Plato; and by some of the aspects of Shakespeare's plays, and the plays of Lessing and Schiller—the idea of the Sublime: That mankind can step outside the limitations he has imposed upon himself, and *do things which are unthinkable!* But, which nonetheless lead society to a solution, to what seems to be an impossible crisis.

We're in such a situation. There is no master-plan. There's no scheme which can guarantee the survival of this society, of this civilization. *We have gone too far down in our corruption.* There's no automatic reflex. There's no court, which will give you justice, these days. It doesn't exist on this planet. It will have to be created.

The question is: Can we persuade, under the stress of crisis, can we—? We're not going to make a frontal victory. But, we might make one helluva good flanking attack. And by exploiting a flanking situation, which presents itself to us, and having the will to seize that situation, *we can, then, survive. That is the chance we have. We have nothing but that chance.* Otherwise, doom were inevitable.

I'm confident. I'm optimistic. I see the flanking situations being developed. I focus much of my attention on what *precisely* I know to be the flanking opportunities. Don't waste your efforts on useless things: Define the flanking opportunity; prepare for it; and move on it. That's *all* we can do. Don't try to assume that there's something in the system, that's going to make this system work for you. The system is against you. The system is against the continued existence of the United States. It will require a miracle to save the United States and civilization: We have to provide the miracle, that's all.

FREEMAN: Okay. We'll right now take a question from the audience here. We're going to alternate back and forth, between the East Coast and the West.

The next question is from a member of the LaRouche Youth Movement from Lyons, France: Christophe.

Finding the Flanks

QUESTION: I'm Christophe Pequien from the French youth movement, from the European youth movement. And first of all, I want to say that we have fun, in Europe, by helping our American cousins. The thing is that the situation in Europe is becoming more and more tense, and the institutions don't want to act.

My question is, what can we do, to give them the courage to do what they know they have to do?

LAROCHE: Well, two things you can do. One thing is specific: Flank the situation. Always look for the flanks. Don't waste your time on things that are not flanking opportunities. They will fail. Frontal assaults against bastions of power, will fail. Flank 'em. We're doing very well at that. Continue to do it.

The other thing, the other side, lies within ourselves. It lies within our moral and intellectual development: The capability for executing a flanking operation, lies in our ability to carry through. And that lies in our moral development.

The issue, which is implicitly what I addressed today, but only implicitly, is, we have to have a sense of ourselves which is rooted in history, of actual history. We have to see ourselves in terms of the actual history of mankind. We have to see ourselves as an *instrument* of history.

And the problem that I tried to address in Talladega, the problem, where the solution is exemplified by the case of Martin Luther King: If you see yourself, as a mortal instrument, deployed for an immortal purpose, then your motivation and your self-interests are defined by your *immortal* purpose, not your mortal resources. Under those conditions, you have the capability to mobilize your *will* for the *immortal* purpose, and even to *spend* your mortal existence for the immortal purpose.

To do that, you can't do that out of blind faith. Blind faith is not a very durable quality. You can only accomplish that, if you have a deep sense of history, of actual history. And therefore, a sense—you know, look: A sense of European civilization, for example: Most people don't know, in Europe, what European civilization is. They don't know how you would define what became known as "European civilization," emerging in Greece, in the shadow of the Great Pyramids of Giza. That's the beginning! The beginning of our knowledge, in European civilization, of the idea, of universality. Universality: Universal principles discovered *in* the universe, through astronomy, as demonstrated by the Pyramids of Giza. Universality. There are universalities in the universe, but it's not a *fixed* universality. It's a developing one. In which man discovers new principles, and *changes* the universe, by man's will, through discovering the principles which man's will must apply to the situation. Called "science."

It began there. With the Pythagoreans, and Thales, and so forth—this is the beginning, of a conception of man: That man, by his nature, as a person, is something distinct from the animals. That man is an immortal creature, by virtue of transmitting ideas and development, which are transmitted to future generations, and which realize the intention of previous generations.

When you see yourself in those historic terms, and know the actual history, know many of the crucial battles, which mankind has fought, within the context of European civilization, to bring about this idea which was unleashed by the 15th-century Renaissance; unleashed in a sense, by the mobilization around the American Revolution—. When you see yourself as a person, a mortal person, embedded in that immortal mission, spanning past and future, and looking to all mankind, you have tremendous strength. You have moral strength. You must have the knowledge to match that.

You must understand history; you must relive history. The study of tragedy is extremely important, for that reason. The study of Classical Greek tragedy—extremely important. You must relive it! You must study Shakespeare—relive it! As real history.

And so—these kinds of things. Study science, from a standpoint of the *history* of science. Relive it!

Then, you have the strength inside yourself, because you say, "I know!" Not, "I guess"; not, "I believe"—but, "I know." And, when you know what it is, to be immortal, in that sense, you have tremendous strength. And when you have that kind of strength, you are able to utilize the opportunities presented to you.

I mean, this is—. You know, old Moltke would probably give a different version of this, and so would Scharnhorst and so forth, but, this is the principle of strategic defense. This is the principle of the flank. Always, the principle of the flank. Look at what the other people overlook. Don't be in the fishbowl of popular opinion—not a goldfish in a bowl that's being carried to the toilet—but, be free of the fishbowl. Get outside the fishbowl, into the real ocean, and change the course of

history in a real ocean. And outflank the fishbowl.

LAROCHE ON "FOCUS ON LOUDOUN" Taped Feb. 17, shown Feb. 19.

PATTI MORRISSEY: Hi, Mr. LaRouche.

LAROCHE: Hi.

PATTI MORRISSEY: Well, we welcome you tonight, and want to give you a chance to kind of give some background on yourself, and we'll get to some more questions, but why don't we start with just an overview of where you come from, where you were born, how you ended up in Loudoun County, because I know you're a Loudoun resident.

LAROCHE: I was born in Rochester, New Hampshire. Lived for a number of years in the Greater Boston area. Was a New York resident for a long period of time.

MORRISSEY: New York City?

LAROCHE: ... and then I was involved with President Reagan's administration, in initiating what became known as the Strategic Defense Initiative. At that point, there was a request that I move to Northern Virginia, to be more convenient to the Administration, for informal, or quasi-formal consulting on science matters. So, that's how I ended up down here.

MORRISSEY: So, your education is... you've got a science background?

LAROCHE: Well, I'm actually one of the world's leading economists. That's on my notable achievement side. Long-range forecasting. I've always been right, at last for about 35-40 years, and that has made me somewhat of a celebrity, and a very controversial figure.

MORRISSEY: Give us an example. So, you have a degree from...

LAROCHE: No, I was one of these wonder-children sort of things, and so I have a very checkered, and very complicated career. But I became, during the 1940s, I became a specialist in the science of physical economy.

MORRISSEY: Physical economy?

LAROCHE: Physical economy, as opposed to financial economy.

MORRISSEY: Okay.

LAROCHE: And I became an opponent of the policies of people like Norbert Wiener, John von Neumann, in this area, which was then the so-called coming area of economics. I became a management consultant, which I was for a long period of time.

MORRISSEY: Who did you work for then?

LAROCHE: Oh, I worked with various companies, and I worked as an independent. Actually, I was in consulting, off and on, from boyhood. My father was a consultant, and I became associated with him, and then my father and I always didn't work the same way, so I worked more independently.

MORRISSEY: And that was as far as your economic expertise, that was based on that...

LAROCHE: Essentially. I got into forecasting because I was an economist. Then the forecasting, in connection with managing consulting in the 1950s. Which, the time came in which I was concerned about where the U.S. economy was going. So, in '57, when I was an executive with a firm, I just took on this question of estimating. Ah, we're headed for a nice delightful recession in 1957, early 1957, and it came on on schedule. And my success in making that forecast, and what was involved in it, got me making much longer range forecasts about where things would go, if... And in economic forecasting, there's always a big if. You cannot forecast what is going to happen, against free will.

MORRISSEY: Got different variables.

LAROCHE: You have to know what the alternatives are. This policy track will take you in this direction, this policy track will take in this direction.

WEBER: How would the... where is the jump between forecasting and economics, to the strategic defense initiative, and the SDI program? Obviously, they are two very different, very distinct areas. Unless, of course, you were working to try to outspend the former Soviet Union...

LAROCHE: Not outspend. We had ... Actually, of course, I've always been opposed to the so-called utopian military policy. That is, at the end of the war, people like Bertrand Russell, and his followers, believed in preventive nuclear warfare. And that was U.S. policy until the Korean war, until the Soviet Union developed a thermonuclear device. At that point, we dropped Truman and brought in Eisenhower, to get rid of this insanity.

I was quite content when Eisenhower came in, I thought things were going along nicely, and had my nice consulting career, and things like that. But then, with the missile crisis, the assassination of Kennedy, with the attempted assassination of DeGaulle, the entry into the Indochina war, I was concerned, that we were headed in a very bad direction.

In the course of this, I began to look at, very seriously, what the alternatives were. I did not believe in mutual and assured destruction, that sort of thing.

WEBER: But you did believe in detente?

LAROCHE: Well, not really. Detente is a funny word, it can mean a lot of things to a lot of different people. What I believed was, and this was particularly in the middle of 1970s, where I knew what some people were up to, in the United States side, and I said, they're lunatics. What I did was propose that we go in a new direction, and look at a new proposal to the Soviet Union, on how to try to get us out from under this threat of thermonuclear destruction. Not by the things that Kissinger was doing, but a different track. I began to be involved with scientific work, with scientists, on what we could do, and came up with a proposal, because I had a friendly exchange with Reagan, while he was campaigning, on one occasion. Then I was invited to go to Washington to meet with his team, after he'd been elected. And I gave them —

WEBER: At this point we're up to 1980-81.

LAROCHE: Actually, 80-81. But in this period, I made a wish list. The question is, what would you want us to do? That kind of thing. I'm a Democrat, therefore, what do you as a Democrat want this Republican President to do? And Reagan...

MORRISSEY: Did you always call yourself a Democrat?

LAROCHE: Yeah, sure. I always ran as a Democrat. I had a little thing in 1975-76 which was different, but that was a special operation. But I ran in 1979-80 as a Democrat, and I've run as a Democrat ever since.

But in this case, remember a lot of people, a lot of Democrats, went with Reagan in the 1980-81, and I didn't go with Reagan, but this is the President of the United States. He's a new President. Our country's in trouble, always is in trouble, and therefore you cooperate with the government, with the Presidency on a non-partisan basis, on whatever you think is good for the country.

So, I made the proposal and his people liked it.

MORRISSEY; What was the proposal?

LAROCHE: Well, the proposal was, that we could develop new technologies, which were available. These technologies would be the alternative to thermonuclear ballistic missile attack. They wouldn't work immediately—it would take time to do it. But my view was that if we could get the Soviet Union, and other countries, to accept the idea of going in this direction, rather than continuing with mutual and assured destruction, that we could orchestrate world politics in a new way, and get out of this knot.

MORRISSEY: Were you trying to eliminate nuclear weapons altogether?

LAROCHE: No. That wouldn't work. What you have to do is manage...

See, it's not weapons. It's a question of military and strategic policy. How do you deal with other...

MORRISSEY: I have a Master's degree in it, that's why I'm asking. I did my Master's thesis on how eliminating certain nuclear weapons would change our whole deterrent policy, with UFM's, vis-a-vis the Soviet Union, and actually the average viewer has no idea what we're talking about, right now?

WEBER: We can talk about the North and South Korea, where I've worked on the deliberation issues, there, but maybe we should move on with regards to some more...

Mr. LaRouche, there were some issues that had come forth in the mid-1980s, in which there was a ... in regards to your political campaign, and you were here in Loudoun County, and the ... I was wondering if you elaborate on that.

LAROCHE: It's very simple. It all goes back to this SDI business.

Two things I did. When I had a debate in 1971 with Abba Lerner, and some economists, I really became... certain financial interests were very upset with me, because of what I had said about what had happened in '71. The second issue, which involved me, was this issue of SDI. All the hot issues about me, during the 1980s, involved the SDI. It was well known internationally that I was the author of what Reagan had called the SDI.

WEBER: You were the father of the Strategic Defense Initiative.

LAROUCHE: Absolutely. It worked this way. I made the proposal, I, on behalf of the government, conducted a back channel discussion with the Soviet government on this, to probe it. Reagan decided to adopt it. He named it SDI, and he broadcast it as SDI. But it's what I negotiated.

MORRISSEY: How did you have links to Soviets that really were influential? I mean, how did you get inroads with Soviets?

LAROUCHE: We had a walk-in from a top Soviet official in New York, in the United Nations, who came up to one of my associates, and dropped some words in my direction.

WEBER: A walk-in, in other words, for the viewers, would be an individual who was seeking asylum, or...

LAROUCHE: No, this guy was an official, but he was walking in to try to drop some messages in my direction. The idea was, your man has now got close relations with the new incoming President. We would like to know what his policies were on certain things.

So, I sent a memo, into the Presidency on the contact, and they came back, saying, we would like to have you set up a back-channel with the Soviet government. So I proceeded to set up a back-channel with a representative of the Soviet government, in Washington.

MORRISSEY: Who was your UN associate?

LAROUCHE: Well, it was a fellow Dan Sneider, who was a correspondent, press correspondent. He was covering the UN at the time. And he was the one that received the drop-in.

WEBER: During your run in the mid-80s... let's get back.

LAROUCHE: So, what happened was, was I conducted this discussion, and proposed this development, which you can say was a technological development. What it was... if we develop technologies that would potentially defeat a thermonuclear missile attack, then the very fact that we agree with the Soviet Union and others, to develop in this direction, moves us off this dead-end business of "we bomb you, you bomb us." And this would open the way — because I knew the Soviet Union was in serious financial, economic problems, and therefore I said, Okay, the debate on this is, this will solve some economic problems for them. It will solve it for us too, because we too had economic problems at that time.

Therefore, let's go in this direction, a science-driver program, which will build up the world economy, help solve some of these problems, and with this bait, that it's going to solve some problems for a lot of nations, maybe we can make this thing work. That was the idea.

What this did, I became, on this basis, the enemy of Yuri Andropov, who wanted me dead. I also became the enemy of Gorbachov, who also wanted me dead, and said so publicly, over this issue. So, this was the issue.

All the issues.. The Democratic Party was down on me, because I made this proposal.

WEBER: And this why, in a 1985 Washington Post article, they talked about your area, where you lived in Loudoun

County, was turned into a security compound of sorts.

LAROUCHE: That's nonsense. But the Washington Post has a different policy...

WEBER: Remember, the Washington Post is predominantly a Democratic newspaper?

LAROUCHE: Not exactly. It's really... it maybe Democratic, but it's not. It's a rightwing...

WEBER: Rightwing?

LAROUCHE: It is, the ownership is.

MORRISSEY: You guys are totally losing me here. All right, let's get back...

WEBER: I don't think Mrs. Graham...

MORRISSEY; Here's what I'd like to ask. I'd like to ask, rather than going through all these details, how would you characterize your political philosophy? Because what we've seen sort of, just knowing a little bit about you, is that you were allied in the 50s with some Marxist-communist related causes, and then you kind of went the other way, and now people call you rightwing. And I was reading some writings by you, and I want you to tell us how would you describe your political philosophy?

LAROUCHE: From the standpoint of U.S. politics, I'm a follower of Franklin Roosevelt, and I believe that his policies, as expressed then, as an orientation... We came out of a great crisis, the 1920s. Roosevelt saved the United States in more ways than one. The methods he used, while they may not precisely what we would do today, is the way of thinking, the orientation, which is required today. That's my view.

The Democratic Party has moved in a different direction, though there are many people in the Democratic Party, who would like to return to a Franklin Roosevelt viewpoint.

I think, for example, John Kerry, in some respects, has an instinct in that direction. He doesn't know economics at all, but he has an instinct in going in this kindly direction, sort of thing.

MORRISSEY: So, do you... you kind of consider yourself a New Deal type of Democrat? Cause, what I'm trying to do is understand, how you're approaching the role of government in society, and what it sounds like is, that you believe that government needs to do a lot to fix things. Is that why you consider yourself a ...

LAROUCHE: Not exactly. I believe that our Constitution is right. Ours is a Presidential system, not a parliamentary system. Fifty percent of the U.S. economy should be, and is, basic economic infrastructure, which is either done by the Federal government, the state government, or is done by private utilities with the backing and regulation of state and federal authorities.

MORRISSEY: Fifty percent of the economy?

LAROUCHE: Really, it's 50 percent of the economy. And this is the way we can get out of the mess.

For example, we have a 4 trillion dollar deficit, capital investment deficit, in things like power generation and distribution. We have a tremendous collapse. We have a worse situation, relatively speaking, in basic economic infrastructure than we had in 1933. This is the problem. Therefore, we need a recovery program.

But this involves all kinds of things. I wouldn't say I'm a New Dealer. I'd say that I came out, as a young, with the experience of the New Deal, the experience of the 1930s and the war, and I look back to the influence on me of what I saw in Roosevelt's leadership then, up through the war. That made a very strong impression on all of us. I say, today, if you want to make a policy change, back in that direction, you have to use precedents which will be acceptable to the American people, because they're recognized as successful precedents, from a former comparable period of time.

WEBER: Mr. LaRouche, we're going to have to take a break right now. We'll be back with Focus Loudoun in just a moment.

[commercial]

MORRISSEY: Welcome back to Focus Loudoun. We're here having a very interesting discussion with Mr. Lyndon LaRouche. A Loudoun resident, and candidate for President, correct?

We'll let Ben have the first question this time, and try to bring it back to kind of more local, and right here and now politics.

WEBER: I'm obviously not going to put you on the spot, sir, and ask you, as a resident of the Round Hill area, who you voted for in the Supervisor elections, so we'll let that thing slide.

MORRISSEY: Just say you voted for Ben.

WEBER: But I am curious to know, with the Virginia primary, I'd like to get your readout on what recently happened. You had achieved 1.28 percent of the vote, which is approximately came out to be about 130 votes, just slightly ahead of Dick Gephardt and Joe Lieberman—I had to think of the others.

MORRISSEY: They had dropped out.

WEBER: They had already dropped out, but they still received votes in Loudoun County.

LAROCHE: I thought Joe Lieberman joined the Republican Party. (laughter)

WEBER; You know, again, I'm being cornered by two registered Democrats, here.

MORRISSEY: I'm ... a retired colonel friend in the Pentagon told me he was going to write me in.

WEBER: That's very nice, something to write home about. But I was wondering if you could comment on that, and what you feel... I know you're working very hard to get on a number of ballots throughout the United States.

LAROCHE: I'm on 30 odd ballots in the United States. Virginia... the election so far, even though they mean something, on the other hand they don't mean much. What has happened, we're going through a phase change in this election process.

WEBER: What do you mean, we're going through a phase change?

LAROCHE: The country is going through a phase change. Up to now, even though there's an increased interest in the vote, as the New Hampshire primary demonstrated, there was a larger turnout than before in New Hampshire, which indicated more voter activation on the question of the Presidential elections than before. Compared with the falloff in local election heretofore.

Now, what's happened, though, is the voters so far are still behaving like spectators in the bleachers, watching a gladiator contest. They're voting for their favorite character; they have not put themselves yet, in the arena. What is going to happen, with the financial crisis hitting now, and once the dollar goes down to 1.30 dollars for the euro, that level is going to produce a crisis, a major crisis.

At that point, the American voter is going to see himself in the arena, not in the grandstand. His voting behavior will tend to change. Exactly when that shift will come, is uncertain, but people have a lot of things on their mind, but they're still in a wishful state, of hoping that the financial crisis is not actually happening.

MORRISSEY; Who are they going to blame that on?

LAROCHE: I don't we can blame...

MORRISSEY: I think they should blame it themselves, because the financial crisis of this type, did not come around because of any one administration. It came because we went through a cultural paradigm shift.

WEBER: Well, that's interesting, because John Kerry would blame that Bush had everything to do with the economic downturn.

LAROCHE: John's a good guy, but John's being advised on how to run. I think that if I were talking to him privately, I would get a completely different kind of discussion, than what he feels he has to say in public.

WEBER: What do you think about him? He indicates and his representative here in Loudoun County, John Flannery, I believe, indicate that they aren't taking any particular type, the Kerry campaign's not taking any special interest money, it's not taking any PAC money, but then George Soros is funneling money into this campaign.

LAROCHE: I know Mr. Flannery. I think that I wouldn't take his views on what John Kerry think.

MORRISSEY: Okay, let's stick to that special interest thing. Because we decided last time, that everyone's got a special interest. And the way our campaign finance system is set up, anybody can weigh in with their resources, and one person's special interest is another person's, you know...

WEBER: But that reminds me, that the way the Kerry campaign seems like they're doing it, it's very interesting. What is the listing of some of your contributors? Who are the...

LAROCHE: I have twice as many financial contributors as John Kerry.

WEBER: But are they obviously...

LAROCHE: Not the big bucks.

MORRISSEY: And where are they mostly come from? Where is your network?

LAROCHE: All over the United States.

MORRISSEY: And what's your unifying principle? What is it that makes people see you as the person who has the answer to...

LAROCHE: Well, first of all, I'm known by a lot of people in the United States. I have a very broad base of recognition, higher than most of the so-called major candidates, who are known only as media figures, not as issue figures.

MORRISSEY: I'll debate that.

LAROCHE: No, they don't know them as gut issues. For example, on me, it's on economics, civil rights. I'm a leading figure on civil rights, on these issues...

MORRISSEY: Did you work on... were you a civil rights leader in the 1960s?

LAROCHE: No, I was a civil rights supporter in that period. Always have been. My civil rights record goes back about 200 years in the family.

WEBER: You had indicated that issues was one of the things that helped separate you from the media figures of the other Democrats. You know, a few years ago, after the Oklahoma bombing, you were interviewed, and indicated that England was actually behind that..

LAROCHE: No, that's a misquotation. That was a misrepresentation by some of the press. What happened...

WEBER: The gentleman that interviewed you, had also interviewed you about 8 other times, within the last 5 years.

LAROCHE: I know, this is what happens in these things. What had happened is that Rees-Mogg, who had been chief editor of the London Times, had made a comment on the Oklahoma bombing, of the foreknowledge of what was going to happen, like this, in the United States. I made a comment on that, and said that this was something that we had to take seriously — that some one was planning something of this type.

I also, of course, was familiar with some of the counterintelligence problems involved in that area. There were certain things I was looking at, as potential problems from certain kinds of groups and so forth...

WEBER: Because you had actually gotten very specific, in indicating that the individuals in the Oklahoma, the gentlemen that were convicted, were not capable of creating a shaped charge...

LAROCHE: No, not a shaped charge. This was a very sophisticated operation, and an operation is not just putting a charge of a certain shape in place. It's knowing and doing a lot of other things to make it work. It was a very complicated operation, very thoroughly planned. And these two guys may have been part of the operation, but they were not capable of doing the overall operation.

WEBER: So, you believe there were some other...

LAROUCHE: It wasn't that, it was a matter of policy. When you get to be in politics, as I am, you think of these things not as matters of scandal, but as matters of what has to be done about something. Which doesn't mean you jump to a conclusion.

My conclusion was, that everything we had to do, had to concentrate on the investigation, a thorough investigation. And I was opposed to the shutting off the investigation, on the basis of, "we got the guy, let's hang him!" I don't want to hang the guy, I want to find out what's behind it, because maybe there's something more that we have to be concerned about in national security. And therefore, I don't believe in executing the guy you've got. I want to squeeze that thing for everything you can know, possibly, that might point either to a connection, or might point our attention to a similar danger, coming from some completely different quality.

WEBER: Let me just ask another question, not about that. You just talked about, to squeeze as much information possibly out of that individual. As a presidential candidate, what is your view on capital punishment?

LAROUCHE: I'm against it.

WEBER: You are against it.

LAROUCHE: Counterproductive.

MORRISSEY: Let me ask you this, because I've read a few things that had been written, I guess, in the last few decades, by either you, or your supporters.

WEBER: Isn't EIR your newspaper?

LAROUCHE: Yes, EIR.

MORRISSEY: Yes, Executive Intelligence Review.

LAROUCHE: Precisely.

MORRISSEY: What I want to know, is what is your connection to your intelligence community, because in your writing, it kind of portrays some kind of official capacity for collecting intelligence, and passing it along to the CIA. And, is that a formal relationship, or is that kind of open source intelligence that you guys bring, and offer up? Or how does that work?

LAROUCHE: It's no secret. I mean, there are certain things, I don't cross the border.

I've had, at a certain point, as in the SDI period, I did have some intelligence, had taken the oath, so to speak, for that purpose, in that period.

MORRISSEY; What clearance were you granted?

LAROUCHE: This was this operation, qualified thing, National Security Council. It's that simply.

But obviously, people know me in the intelligence community. Top officials, Casey, for example, people like that, I knew, knew me, and so forth. So, I'm known for what I am in these circles, and internationally.

The SDI was a very large intelligence operation. I was involved with the top-ranking people there. French military services, German military services, Italian military services, and others, as well as our own [] operation. The magazine...

MORRISSEY: SDIO was the organization that was purely research and development, for technologies to support the capability to basically take Soviet ICBMs, or SLBMs, out of the sky. So, obviously intelligence and threat and understanding of the actual technical intelligence that it takes to be able to project Soviet technical capability — it sounds like you're characterizing it as a whole different...

LAROUCHE: Well, it is. I was in the middle of it. That's what I was in the middle of.

WEBER: You know, with

LAROUCHE: With people in various countries. And we were doing that as a joint project. We had the closest relations between the United States, Germany, France, and Italy, that we've had in the postwar period, during that period. This was very close relations.

The Germans, for example, the German military said to me, that what I had done, had put strategy back on the table, and gave them hope that we could do something about the world situation.

MORRISSEY: Were you on the National Security Council?

LAROUCHE: No, I just served as a private citizen, who was seconded to report to certain people in the National Security Council.

MORRISSEY: As a consultant?

LAROUCHE: As a private citizen.

MORRISSEY: Okay. But they didn't pay you to do it?

LAROUCHE: No. But my intelligence capabilities, our private intelligence capabilities, are international, and quite significant, and therefore, for example, in the case of my attack on Cheney, which I launched in August of 2002....

MORRISSEY: Yeah, what's that all about? Calling him Beast-Man Cheney, or something? (laughs)

LAROUCHE: Oh, he is.

MORRISSEY: What's up with that?

LAROUCHE: Oh, this is a long story. This goes into the question of the history...

MORRISSEY: I like Cheney.

LAROCHE: This goes into the question of synarchism, which goes way back to the 18th century, and some things there. But there is along continuation of a certain policy in Anglo-American-European policy. It's called the Synarchist International. This was the organization...

MORRISSEY: What does that mean?

LAROCHE: It's actually, it's a complicated thing. It's a long story, I've published on this.

WEBER: Let's try to keep it somewhat in the 21st century, because I know if you're running for President, talking about euro-centrism back in the 1800s....

LAROCHE: This is the party that created Hitler, the Synarchist International. Mussolini in 1922, through Adolf Hitler out in 1945. This was the Synarchist International This was the enemy we actually fought, which we called fascism, during World War II.

After the war, this same tradition continued. Some of the same people — they're still around.

MORRISSEY: What is the political philosophy that characterizes that movement?

LAROCHE: Well, it's a movement which is based on the tradition of the Spanish inquisition, which applied that in the period of the French Revolution. Believes that methods of terror, as a method of controlling populations, are acceptable. And this is generally thought, as the most extreme rightwing tendencies. They have leftwing aspects, but generally you think of this as ultra-extreme rightwing.

WEBER: So, you think that Cheney is doing this type of fear-factor...

LAROCHE: He is. He is. I don't know how intelligent he is, but as a spokesman, as a member of government, with his associates, like Wolfowitz and so forth, are all part of this crew. And very nasty...

WEBER: I had a wonderful opportunity to work with Paul Wolfowitz. He's a very good man, so, be careful here.

LAROCHE; I know the man. The key thing, this is the Strauss network. This is a network which is part of this.

MORRISSEY: Robert Strauss?

LAROCHE: No, Leo Strauss.

MORRISSEY: Okay.

LAROCHE; A professor at Chicago University. He was sort of the grandmother of a lot of these people. Wolfowitz was a student of his. That's how he got into the business.

So, this is all one network which we call neo—

MORRISSEY: So, Wolfowitz, for people who don't know, is the deputy secretary of Defense, former dean of the Paul Nitze School of Advanced International Studies, very well respected national security analyst. He is considered a conservative, a hawk in the sense that he wants to take basically pro-active steps to prevent... with regard to Iraq, to prevent Saddam Hussein from emerging again as a power. We could go on forever on that. What I want to make sure we don't do, is talk about people, like they've got all these hidden agendas, because I was in the Pentagon, I see what they do everyday, I see how many hours people, like Rumsfelds' deputies, work, and they went into that field because they care about the country.

WEBER: Are you saying that Rumsfeld, you respect Secretary Rumsfeld?

MORRISSEY: Um-hum.

WEBER: You sure you're not a Republican?

MORRISSEY: He believes in transformation, and he's actually put the hammer down to make it happen.

LAROUCHE: The policy issue is, of course...

[cross talk]

LAROUCHE: The policy issue in this form goes back to Cheney as Secretary of Defense in the first Bush Administration, when he presented this policy of preventive nuclear warfare. He continued with that. He was the one that wanted to continue with the Iraq war at that time. At that point, people like James Baker III, who was secretary of state, and others, quashed him on that. But he continued the policy.

He then went, in a deal with Israel, and came up with the Clean Break policy, of Netanyahu, about 1996. This policy then became, after September 11, of 2001, Cheney marched in on this thing and said, "Okay, I was right," and began pushing it, and by the time of the ...

MORRISSEY: Pushing it, as in "Let's go after Iraq, and make sure Saddam is...

LAROUCHE: ... "let's go with the nukes. Let's take out North Korea, let's take out Syria, let's take out Iran. Let's take out another..."

MORRISSEY: You know, I think to have any record of statements like that, you would have to have access to some highly classified conversations.

LAROUCHE: Not really, they talk a lot. They've got big mouths, and they talk about it. And it's in the international field. It's out everywhere. It's well known.

WEBER: We'll have to go, and read our FBIS reports, and find out what.. we're going to have to take a break, but Mr. LaRouche, we want to thank you for joining us.

MORRISSEY: It was a very interesting conversation. All over the place. Hopefully the audience could follow it.

Economics:

New Bretton Woods Advances As Dollar Faces 'The Coming Storm'

by EIR Staff

Lyndon LaRouche's assessment of the current conjuncture--he called it "the moment of silence before the storm hits"--is being echoed repeatedly within the international financial elite, from London's *Economist* to the oracular pronouncements of Federal Reserve Chairman Alan Greenspan.

Defend Argentina—Honor López Portillo

by Cynthia R. Rush

With Argentine President Kirchner under pressure from the IMF to gouge the living standards of his nation's suffering citizenry even further, the LaRouche Youth Movement invokes the memory of the late Mexican President José López Portillo, as the appropriate banner under which to rally in defense of Argentina.

Alabama Schools Might Not Even Open Next Year

An interview with Talladega City Councilman Eddie Tucker.

Eddie Tucker is a City Councilman of Talladega, Alabama. He gave this report on the current crisis, and the last 40 years' shifts in the economy of his city, county and state, in an interview with **Marcia Merry Baker** of EIR on Feb. 14, 2004.

Germany and Turkey, For Once, Resist the IMF

by Rainer Apel

Whereas the domestic political future of Germany's Chancellor Gerhard Schröder remains uncertain, after his Feb. 6 surprise resignation as party chairman of the Social Democrats, there can be no doubt that he has intensified the foreign policy side of his activities. Since he is a pragmatist, not a man of real positive vision or mission, one cannot expect too much of him. But there are aspects in his present foreign policy that give an idea of what a really sovereign, non-monetarist policy could look like, what a German Chancellor could achieve in this crisis were he a politician capable of grand designs.

Science & Technology:

Shortsighted Congress Blocks U.S. Vision of Space Frontiers

Micro-managing by Congress and timidity could delay the next Space Shuttle flight, and cripple Bush's Moon/Mars program. An interview with former **Sen. Jake Garn**.

International:

Peruvians Reject Toledo, George Soros' Inca Slave

by Sara Madueño

Ninety-three percent of the population is expressing disapproval of President Toledo's policies of subservience to the IMF and mega-speculator Soros, who bought his election with a \$1 million "contribution."

- The Decline of Soros' Presidents

Alejandro Toledo came to the Peruvian Presidency in 2000 by virtue of \$1 million that had been donated to his campaign by drug legalizer and international speculator George Soros. As EIR has documented in this publication, and in our Special Report *The Ugly Truth About George Soros* (1997), it was with aid of this money that the blatantly interventionist maneuvers of the U.S. State Department and

Organization of American States succeeded in bringing about the coup d'état against then-President Alberto Fujimori.

- **Peru: The IMF Miracle Of 'Growth Without Jobs'**

by Sara Madueño

Anyone who still doubts that the rejection of President Alejandro Toledo by 93% of the Peruvian population is a rejection of the International Monetary Fund, should consider the following evidence...

Glazyev Runs To Solve World Economic Crisis

by Rachel Douglas

In a Russian Presidential campaign that has become farcical—if not worse, for those candidates cut out of media coverage and threatened with violence—economist Sergei Glazyev continues, at every opportunity, to put forward the need for a fundamental policy shift to deal with world financial breakdown.

Trickster Brown Rising To Prominence in U.K.

by Mark Burdman

Chancellor of the Exchequer Gordon Brown has close ties to John Kerry and the Kennedy family in the United States, and is promoting a phony "Global New Deal"—in opposition to Lyndon LaRouche's New Bretton Woods conception.

Sharon's 'Berlin Wall' on Trial in The Hague

by Dean Andromidas

The new Berlin Wall of the Middle East was the subject of testimony at the International Court of Justice (ICJ) in The Hague on Feb. 23-25. The Palestinian National Authority, supported by a resolution of the United Nations General Assembly, is seeking a judgment by the court that the wall being built under the direction of Israeli Prime Minister Ariel Sharon is a war crime and a crime against humanity. A ruling is expected in about a month.

- **The Ghosts of Ghettoes Past: Israelis Fight for Their Nation's Soul**

by M. Woodward

The Fourth Year of 'Sharon's War': It seems as though Israel has been fighting for its life since its inception. But now, it is fighting for its soul.

National:

Chalabi Hammers Final Nail: Cheney War Fraud Fully Exposed

by Jeffrey Steinberg

We lied to get the U.S. into war, but so what? says Ahmed Chalabi, the head of the Iraqi National Congress and top "source" for Dick Cheney's disinformation campaign about Saddam Hussein's WMD.

LaRouche Educates Dems On How To Save Nation

by Nancy Spannaus and Lonnie Wolfe

As the field of Democratic Presidential candidates dwindles, Democrat Lyndon LaRouche has accelerated his campaign's organizing drive, with his sights set on the dramatic changes that must be made in the Democratic Party and the nation, by the time of the Democratic National Convention, scheduled for Boston July 26-29.

Unreal Bush Budget Will Worsen Fiscal Crisis

by Carl Osgood

President Bush's Fiscal 2005 budget, submitted to the Congress on Feb. 2, is already provoking confrontation with Congress and is sure to worsen the fiscal crisis. It is based on assumptions that ignore the realities of the economic collapse, the fall of the dollar, and the consequent collapse in Federal revenues.

U.S. Economic/Financial News

Greenspan Urges Schachtian Cuts in Social Security

On the pretext of addressing the Federal budget deficit, Federal Reserve chairman Alan Greenspan in testimony to Congress Feb. 25 called for reducing Social Security and Medicare benefits—which the government is required to pay—for workers at or near retirement age. Promoting the Mont Pelerin policy of brutal austerity sought by financiers today, such as Economics Minister Hjalmar Schacht pushed through in Nazi Germany, Greenspan said that "we will eventually have no choice but to make significant structural adjustments in the major retirement programs." He told Congress to cut "as much as you can," claiming that the government was "overcommitted" in spending on promised benefits for retirees, or "entitlements."

"[O]ur problem essentially is we have been making commitments without focussing on our capability of meeting them," he told the House Budget Committee. "And I think it is terribly important to make certain that we communicate to the people who are about to retire, what it is they're going to have to live with."

Specifically, "Dracula" Greenspan urged Congress to push up the retirement age (currently 65) for Social Security and Medicare (the government's health-care program for seniors); and to reduce the cost-of-living adjustment, which is linked to official inflation, by using a new faked inflation measure.

Medicare, he added, was the "main fiscal problem." Greenspan complained that advances in medical technology have, by allowing people to live longer, increased the level of spending required for retiree health care.

Worse, Greenspan mooted the elimination of the Federal trust funds, monies supposedly set aside for Social Security and Medicare, but already looted under the sham "unified" budget. "I think that the various trust funds we set up ... don't really create anything with respect to decision-making. And if, frankly, they were all eliminated, I would find nothing would be lost." Government programs "can be extraordinarily difficult to shut down," he raged, "once constituencies for them develop."

Parmalat's U.S. Unit Files for Bankruptcy

Parmalat USA Corp., a subsidiary of the Italian conglomerate Parmalat Finanziaria, on Feb. 24 filed for Chapter 11 bankruptcy protection, listing assets and debts of at least \$100 million each. The company said it plans to sell its operations, "due to their deteriorating financial condition and lack of liquidity."

Parmalat USA requested court approval to hire Lazard Freres as a financial adviser and investment banker. Lazard, said Parmalat USA, would help the company with asset sales. "A number of prospective purchasers have signed confidentiality agreements and are in the process of conducting diligence. Certain of those parties have executed non-binding letters of intent," the company stated.

In its filings with the United States Bankruptcy Court for the Southern District of New York, Parmalat USA said its largest unsecured creditor is the Detroit-based bank Comerica Inc.

Parmalat USA said it has reached an agreement with General Electric Capital Corp. for a \$35-million debtor-in-possession loan to fund Parmalat USA's operations during bankruptcy; it has filed a separate motion seeking court approval of the deal.

Greenspan: Freddie Mac, Fannie Mae Pose 'Systemic' Threat

Fed chairman Alan Greenspan warned in his testimony to the Senate Banking Committee Feb. 24 that Fannie Mae and Freddie Mac pose a "systemic" threat, because of their massive mortgage debt and critical role in the mortgage-backed-securities market, which concentrates interest-rate risk through derivatives holdings. "The Federal Reserve is concerned about the growth and the scale of [Fannie and Freddie's] mortgage portfolios, which concentrate interest-rate and pre-payment risks at these two institutions," he told the committee. "Unlike many well-capitalized savings and loans and commercial banks, Fannie and Freddie have chosen not to manage that risk by holding greater capital," he noted. "Instead, they have chosen heightened leverage."

Greenspan continued: "[C]oncerns about systemic risk are appropriately focussed on large, highly leveraged financial institutions such as the GSEs [government-sponsored enterprises] that play substantial roles in the functioning of financial markets." Regarding Fannie and Freddie, "we [at the Federal Reserve] see nothing on the immediate horizon that is likely to create a systemic problem," he said. "But, to fend off possible future systemic difficulties, which we assess as likely if GSE expansion continues unabated, preventive actions are required, sooner rather than later."

Greenspan urged Congress to state explicitly that the Federal government would not, in the event of a default, guarantee Fannie/Freddie debt. But he insisted that Congress not constrain the actions required, in the event of a meltdown.

"For example, we are the lender of last resort. In the event of a crisis of a major institution, which we think, were it to liquidate very quickly, could create systemic instability, we will endeavor to find a way to liquidate it gradually—unwind the whole operation.... But that process is necessary in order to prevent a shock to the system and a destabilization."

Will Steel Price Surge Pop 'Recovery' Myth?

U.S. steel prices have jumped at least 30% in less than two months; things have reached the point that suppliers can't predict from week to week what steel prices will be, according to the *Wall Street Journal* Feb. 23. This is affecting all those who buy and bend steel, from appliance makers, to tool-makers, to commercial construction companies.

Bob McDaniels, president of Oncore Construction LLC, reports that he is stockpiling, in anticipation of price increases. "I bought a tractorful of nails, because I was afraid I would be paying more next month." During the past year, the cost of nails rose to \$25 a box, from \$12.

The *Journal* reports that the spot-market price of hot rolled steel—an industry benchmark—is running about \$500, with surcharges included, up 30-50% from a month ago, according to various steel buyers. Peter Fish, of MEPS Ltd, a British steel-market consulting firm, predicts steel prices will reach an eight-year high during March.

The higher steel prices (and those of commodities), could destroy the last remnants of the Bush-Cheney Administration's recovery myth. Nels Leutwiler, president of Parkview Metal Products, based in Chicago, reports that he has already laid off 80 out of his 500 workers—16%. He states that for those metal-forming companies that have survived the depression, "This sudden run-up in steel prices will be the last straw for many of them."

The steel price increase is attributed to China's heavy buying of steel, both for its industrial and infrastructural development, and on top of that, construction for the 2008 Olympics in Beijing. Indeed, in 2003, China consumed one-third of the world's rolled steel. However, though of considerable importance, China's steel import needs, by themselves, cannot explain the sudden jump in steel prices of 30-50% in some categories, during the past two months. Instead, one has to look, as Lyndon LaRouche points out, at deeper processes, of the policy of continuance of monetary emission by Federal Reserve

Board chairman Alan Greenspan, and the last several years' runaway inflation of asset prices.

Greenspan: No Worries Over Rising Household Debt

Growing household debt poses no problem, Greenspan babbled Feb. 23, because of the housing bubble and low interest rates. "Overall, the household sector seems to be in good shape," he said, "and much of the apparent increase in the household sector's debt ratios over the past decade reflects factors that do not suggest increasing household financial stress." This is due, he said, to rising home prices and use of mortgage refinancings to prop up spending. Higher credit-card debt levels, he added, "generally do not indicate financial weakness among home-owning households." That bankruptcy filings rose to a record 1.6 million in 2002, he said, was "not a reliable measure" of the economic health of households. *EIR* has reported that U.S. household debt rose to \$9.44 trillion by the end of 2003.

Bankruptcy Filings Soar in 2003 to Record High

There were 1.660 million U.S. bankruptcies filed in 2003, up 5.2% from the previous record annual level in 2002, amid rising household debt and jobs losses, the Administrative Office of the U.S. Courts reported Feb. 25. This total for calendar 2003, was only slightly lower than the historic high for bankruptcies during any 12-month period, recorded in fiscal 2003 (ended Sept. 30), of nearly 1.662 million. Personal bankruptcies rose to 1.625 million, while business filings fell to 35,037, according to the Administrative Office of the U.S. Courts.

Moreover, compared to the 1.25 million bankruptcies filed in 2000—when the dot.com bubble burst—bankruptcy filings jumped 32% in 2003.

Confidence in Economy Slides as Jobs Continue To Disappear

The Conference Board (a private research firm) said Feb. 24 that its "consumer confidence" index dropped to 87.3 in February—the lowest level since October 2003—from 96.4 in January. "Optimism has quickly given way to caution," said Lynn Franco, director of research at the Conference Board, adding that "at the core of their disenchantment, is the labor market."

"The lack of jobs has people scared," agreed David Wyss, chief economist at Standard & Poor's in New York.

Mass Layoffs Rise in January; Manufacturing Hardest Hit

There were 2,428 "mass layoff" actions in January, affecting 239,454 workers, the Labor Department's Bureau of Labor Statistics reported Feb. 25. This marked the most such events recorded during the month of January, as well as the third-highest January level of workers affected. Each "mass layoff" action involved at least 50 workers from a single employer, as measured by new filings for unemployment benefits.

Manufacturing suffered 35% of all mass layoff events, and 37% of all initial claims for unemployment filed in January.

Geographically, four states accounted for 45% of both layoff events and number of workers; these were California, New York, Michigan, and Ohio. Michigan reported the largest over-the-year increase in the number of initial unemployment claims.

Detroit, Other Midwest Cities Are Dying as Youth Flee

Detroit, Michigan is facing depopulation, along with job loss; and 33,000 young people abandoned metro-Detroit during 2000-02. On Feb. 27, a public meeting will be held by a new task force, appointed by the Detroit City Council, to address how to keep youth from fleeing the city. The committee's title is, "Young Adults Re-Claiming Detroit," which is in line with what Gov. Jennifer Granholm (D) refers to as creating "cool cities," to attract and hold hip urbanites. These developments are reported in the Feb. 19 *Detroit News*.

Apart from the insanity of the "hip" viewpoint, the crisis itself is very real. People are fleeing a hopeless situation. The two most often cited reasons are simply, housing and jobs.

Over the two-year period, from the Greater Metropolitan Detroit area, some 33,300 young people between the ages of 25 and 34 left the region.

The population of the City of Detroit is estimated, as of 2002, to be at 925,000, down from 951,000 in 2000, and way down from 1,514,000 in 1970.

The exodus from Detroit exemplifies the process underway throughout the Midwest, including the formerly industrialized cities of Chicago, Cleveland, Pittsburgh, and Toledo.

Detroit itself led the nation in the rate of loss of jobs during the last period studied by the National League of Cities. Last December alone, the state of Michigan led the nation in monthly job losses, with 32,900 gone in 30 days! Second in rank for job loss was Ohio, losing 14,400.

The new City Council task force consists of 15 members, in their 20s and 30s. The results of their small survey of 200 persons, focus on the lack of housing and jobs as the impetus of emigration.

U.S. Prison Labor: Cheaper Than Outsourcing

Perry Johnson, Inc., a Southfield, Mich.-based consulting firm that engages in telemarketing, has "chosen to remain in the U.S.," rather than, as other telemarketing firms are doing, move its operations offshore, the *Times of India* reported Feb. 26. Initially, the Johnson company had considered moving its operations to India. Instead, it chose to set up operations inside the Snake River Correctional Institution, a razor-wire and cinder-block state penitentiary in Oregon.

The Oregon Department of Corrections is pitching itself as the alternative to moving offshore. Robert Killgore, the director of Inside Oregon Enterprises, the quasi-state agency that recruits for-profit business to prisons, boasted, "I'm really excited about this. We keep the benefits here in the U.S. with companies where it's fruitless to compete on the outside.... This is a niche where the prison industry could really help the U.S. economy."

Oregon is one of 10 states that employs inmates in for-profit call centers. Chris Harry is an inmate at the Snake River Correctional Facility, serving a nearly 11-year prison term, who makes \$130 per month—which is \$40 per week, or less than \$2 per hour. He is never late or absent.

Globalization, within an economic breakdown, is driving the United States toward the choice between outsourcing, and captive prison labor.

World Economic News

London Bankers: British House Prices Are About To Crash

In a report titled "Bubble Trouble," David Pannell of the London-based investment bank Durlacher, said that house prices in Britain will crash by 30% from their peaks and this crash will be "sharper but shorter than in the 1980s," *Reuters* reported Feb. 24. He added, "Our pessimism is based on international and historic experience—for example, the UK housing market has never experienced a soft landing.... Our analysis suggests a correction will take place even if interest and unemployment rates remain at their current levels."

Capital Economics, an independent research company in London, also came out with a warning concerning a 30% fall of British house prices before the year ends.

Asia Warned: Deal with Dollar Crisis Now

A leading Malaysian economic journalist warned Asia to deal with the dollar crisis now, according to *New Straits Times* Feb. 22. Munir Majid, in a headlined "The Big Picture: America Has the World by the Dollar," leads with a quote from Treasury Secretary John Connally in 1971: "The dollar is our currency, but it is your problem." He continues: "More than 30 years on, it still is; perhaps even more so. The current Bush Administration policy of benign neglect of the dollar, which has seen the greenback plummet against all major currencies, is leaving in its trail a lot of problems for many countries, as the U.S. struggles to address its trade deficit and assumed loss of jobs to foreign imports. And the Bush Administration, as we know, is not one to take half-measures.... There is plenty more benign neglect to come, to impart certain clear messages and to hurt certain countries over their currency management policies."

Munir points out that if the U.S. intends to close the trade gap, it is not working. "Exporters to the U.S. have squeezed their profit margins to ensure volume and to protect market share. In the luxury car market, for instance, European automobiles are selling almost 30% cheaper than in Europe.... Has the dollar to fall further? This is the worrying part....

"Every once in a while, after the Americans have chalked up an unhealthy current-account deficit, the whole world will have hell to pay. Stuck with the dollar as the international reserve currency, there is not very much the rest of the world can do, except to dance to the American tune."

United States News Digest

Senate Threatens Subpoenas of Bush Administration Documents

The Senate Intelligence Committee voted Feb. 26, on a bipartisan basis in closed session, to initiate steps which are likely to result in a subpoena to the Bush Administration for documents on pre-war Iraq intelligence.

According to a report in the Feb. 27 *New York Times*, the committee set a three-week deadline for voluntary compliance, and will then take "further action." Senator Jay Rockefeller (D-WV), the ranking Democrat on the committee, said: "We need these things, we want them, and if we don't get them, we will resort to other means," which can only mean a subpoena, says the *Times*. The committee approved a plan under which Senators Pat Roberts (R-Kans), the committee chairman, and Rockefeller will issue a letter to President Bush with an explicit warning, if the documents are not provided. Among documents sought, are copies of President's daily intelligence briefings—which have also been a subject of much contention with the 9/11 Commission.

In early November, shortly after Roberts and Rockefeller had sent strongly worded letters to the White House, the Pentagon, and the State Department, demanding documents, the Republican leadership, acting at the behest of Vice

President Cheney, shut down the investigation.

The investigation was put on ice for several months. Then, on Feb. 12, Roberts and Rockefeller announced that the committee was proceeding, and was in fact expanding its investigation to include information provided by Ahmed Chalabi's Iraqi National Congress, and to probe the Pentagon's Office of Special Plans and the Policy Counterterrorism Evaluation Group.

Probes Force Perle To Quit Defense Panel

In a Feb. 18 letter to Secretary of Defense Donald Rumsfeld, Richard Perle, leading neo-con manipulator of the Bush Presidency and architect of the Iraq war, tendered his resignation from the Defense Policy Board. Now, Perle, a top ally of Vice President Dick Cheney and advocate of preventive nuclear war, may be brought to justice, along with Cheney and the rest of the neo-con cabal.

In March 2003, the *New Yorker* published an article by Seymour Hersh titled "Lunch with the Chairman" which exposed the activities of a company created after 9/11 called Trireme Partners; Perle was one of the principals. Other articles reported that Perle was being paid hundreds of thousands, and sometimes millions, of dollars for private business deals related to the topics he took up at the DPB, with access to classified materials. Perle's associates in Trireme include two other DPB members: Henry Kissinger and Gerald Hillman.

Concerns about Perle have multiplied since the March 2003 Hersh piece. These include:

—Did Trireme receive a \$20-million investment from Boeing? Competing to beat out Airbus for contracts for the refueling tankers for the U.S. Air Force, Boeing paid millions to Defense Department advisory personnel for help in pushing the contract through. Perle got a \$20-million investment promise from Boeing for Trireme (it actually received a few million). In August 2003, Perle wrote an op-ed defending the Boeing tanker deal, as it was being questioned by Congress. Some top Boeing executives were fired and forced to resign in a probe of DOD officials passing internal memos and information to Boeing. A larger investigation continues. Perle denies that his op-ed praising the tanker deal was solicited and paid for by Boeing.

—Trireme Partners received up to \$14.5 million from Hollinger International, while Conrad Black was in control of the Board of Directors, paid both directly to Trireme and through Gerald Hillman's Hillman Partners. Conrad Black's decisions to make investments and payouts are being investigated by the U.S. Securities and Exchange Commission, and are the subject of a lawsuit that just blocked Black from selling his share in the company.

—Perle gave paid briefings on "axis of evil" countries to Goldman Sachs on the topic, "Implications of an Imminent War: Iraq Now, North Korea Next?" Rep. John Conyers (D-Mich) asked the DOD to investigate whether this constituted a conflict of interest; no conflict was found, based on the technicality that Perle did not work for the U.S. government for the required 60 days a year to justify a "conflict of interest." Conyers is pursuing a change in the law.

—The \$125,000 payment from the bankrupt telecom giant Global Crossing for Perle to help them overcome Defense Department objections, on the grounds of national security concerns. Perle was to have gotten a bonus of \$600,000 if he succeeded. Perle pulled out of the deal, and said he donated the money to charity, when the contract was exposed, and a letter to Global Crossing came to light promoting him as a member of the Defense Policy Board.

—Consorting with terrorists—i.e., the Mujahadin E-Khalq, at a Jan. 24, 2004 fundraising event, allegedly to help Iranian earthquake victims. Perle would not say how much he was paid, and said that he didn't know the organizers were connected

to the MEK, even though he's a terrorism expert, by self-description; and even though Rep. Bob Ney (R-Ohio) had asked the Justice Department to stop the event from taking place. The *Washington Post* reported on Jan. 29, "FBI agents attended it [the rally] and as part of a continuing investigation, the Treasury Department on Monday froze the assets of the event's prime organizer...."

Add to all that, Perle's role in promoting Ahmed Chalabi, whose Iraqi National Congress flooded the Pentagon's rogue war-rooms with false intelligence.

Perle wrote a Feb. 18, 2004 letter to Rumsfeld which says, "I would not wish those views [referring to his more extremist neo-con positions] to be attributed to you or the President at any time, and especially not during a Presidential campaign." In typical Perle style, his resignation announcement was released with a threat from his attorney that he is now "free" to sue those who accused him of conflict of interest. For the last year, Jack Shafer of the online magazine *Slate* has run a weekly column called "Perle Libel Watch," pointing out that Perle has not made good on his threat to sue Seymour Hersh in British court. Shafer says Perle has 14 days until his window to sue expires, and they are still counting.

Pentagon Criminal Probe of Halliburton

The Defense Department said Feb. 23 that the Defense Criminal Investigative Service (DCIS), an arm of the Pentagon Inspector General's office, is investigating allegations of fraud, including overpricing of fuel delivered to Iraq, by Halliburton's Kellogg, Brown and Root (KBR) subsidiary. A spokeswoman for Halliburton denied that the company had committed any wrongdoing, maintaining that all of its dealings have been in line with U.S. law, including those in Nigeria and Iran, except for a couple of employees who may have been involved in kickbacks to a Kuwaiti subcontractor.

According to a Jan. 16 letter from Rep. Henry Waxman (D-Calif), the Inspector General's staff had told him and other Congressmen, that the IG had referred the matter to the DCIS for criminal investigation on Jan. 15, the day after the Defense Contract Audit Agency had referred the matter to the IG.

In a new letter Feb. 24, Waxman and Rep. John Dingell (D-Mich) requested that the IG also investigate the waiver given to KBE by the Army Corps of Engineers on Dec. 19, which declared that the prices charged by Halliburton were "fair and reasonable" and waived the requirement that KBR provide cost and pricing data justifying the high fuel prices. Waxman said that this may have been granted under false pretenses, particularly false statements regarding Kuwaiti laws.

Further, Waxman says that the Defense Department IG has asked that the State Department Inspector General provide investigators to assist in the investigation. They will be investigating actions of U.S. embassy personnel in connection with the Halliburton contract.

House Committees Reject Plame Inquiry

A major attempt by House Democrats to force Congressional oversight of the Bush White House came to naught Feb. 25, when three House committees rejected a resolution of inquiry demanding documents from the Executive Branch relating to the exposure of undercover CIA employee Valerie Plame, the wife of former Ambassador Joseph Wilson. It was Wilson who, in July 2003, wrote in an op-ed in the *New York Times* that allegations that Iraq had tried to buy uranium yellowcake from Niger were a fraud. Shortly after his op-ed was published, columnist Robert Novak revealed that he had been told by two senior White House officials that Wilson's wife worked for the CIA and that that must have had something to do with why Wilson was the one sent by the CIA to investigate the Niger claims.

The resolution of inquiry, introduced into the House on Jan. 21 by Rep. Rush Holt (D-NJ), quickly gained 73 co-sponsors,

and was referred to the Intelligence, Judiciary, International Relations and Armed Services Committees. The House Intelligence Committee on Feb. 3 voted 10 to 3 against reporting it favorably to the floor, and the other three committees all followed suit on Feb. 27.

During the Judiciary Committee mark-up, committee chairman James Sensenbrenner (R-Wisc) argued that a parallel Congressional inquiry could substantially impact the grand jury investigation being conducted by special prosecutor Patrick Fitzgerald. Invoking the image of the Iran-Contra investigation, Sensenbrenner warned that "when Congress decides to engage in a political sideshow, rather than allowing a criminal prosecution" to reach a conclusion, "There is a possibility, and, perhaps, even a probability, that a guilty person can go free" (as happened, for example, with Oliver North, whose immunized testimony before Congress ultimately led to the overturning of his criminal conviction).

The Committee's Democrats rejected the notion that Congress cannot conduct its own inquiry while an Executive Branch investigation is under way. Rep. Jerrold Nadler (D-NY) charged that the White House is engaged in a coverup and warned that "if we reject this resolution, we risk sending the message that members of Congress are complicit in working with the Administration on a coverup." Rep. Sheila Jackson-Lee (D-Texas) noted that, during the previous Administration, the Republican-controlled Congress was quick to jump on any allegation made against the President and never hesitated to launch an investigation, to the point of impeaching him for his personal sexual conduct. "Yet, when we seek to find the truth that bears upon the potential, if you will, loss of life of an undercover CIA agent, also impacting on how we treat other CIA agents, we cannot find, not one committee, that is willing to do its duty."

The Democrats repeatedly made the point that Congress has an oversight responsibility of the Executive Branch and that the leaking of Plame's identity came in the context of a war launched against Iraq on the basis of fake intelligence, some of which had been exposed by Plame's husband.

Levin Letter: Administration Withheld Intel From UN

In a floor statement on Feb. 23, Sen. Carl Levin (D-Mich) blasted National Security Advisor Condoleezza Rice and CIA Director George Tenet for misleading the Senate on March 6, 2003, by telling Levin and other Senators that the U.S. had provided all the necessary "high-probability" information on suspected weapons sites, to the United Nations weapons inspectors, UNMOVIC, and IAEA.

A letter received by Levin from the CIA on Jan. 20, 2004, ten months after the Iraq war was launched, and four months after Levin requested the information, now shows that the U.S. withheld the necessary information from the UN Security Council and from the inspectors.

Levin says that if Tenet had answered *honestly* that 21 sites had not been shared with the UN, "it could have put an obstacle in the path of the Administration's move to end UN inspections and proceed to war.... [H]onest answers by Director Tenet might have undermined the false sense of urgency for proceeding to war and could have contributed to delay ... of military action."

He reiterates that this letter, a "small part of the picture," shows that "an independent commission must be appointed by Congress—not just by the President," and that it must look at not just how intelligence was flawed, "but how that flawed intelligence came to be further exaggerated by the Administration in order to support its decision to initiate military action."

Levin released the letter into the Senate record.

EIRNS learned this week that Levin has initiated a staff investigation by the his Democratic Party staffers on the Armed

Service Committee, into the Administration's false statements used to justify the war, and to manipulate elected officials to vote for that war based on briefings of an urgent, imminent, etc., danger. After committee chairman John Warner (R-Va) ignored Levin's request for an investigation, Levin began a probe of "thousands of documents," and interviews with officials involved in the intelligence process on Iraq, according to a press release on his website.

Ibero-American News Digest

LaRouche Says: Rebuild Haiti!

Another country where "democracy" was "restored" by a U.S. military invasion (in this case, in 1994, under President Clinton, with the restoration of the now-besieged Jean-Bertrand Aristide), is now disintegrating into an unimaginable bloodbath. Calls have begun internationally for a new international intervention force to be sent into Haiti, again, to restore "democracy," but no one outside of U.S. Democratic Presidential pre-candidate Lyndon LaRouche has called for the one thing which Haiti must receive to stop the genocide underway—massive economic development.

Haiti is the poorest country in the Western Hemisphere. For decades, its 8 million people have been treated as guinea pigs for experiments in genocidal Dark Ages policies by foreign interests, as typified by the infamous U.S.-backed, voodoo-based "Papa Doc" Duvalier dictatorship.

Haitians were simply written off. Average life expectancy is only 51.6 years, and that is dropping; Haiti has the highest AIDS infection rate in the Western Hemisphere. Child mortality is 13 times higher than that in the United States; 110 of every 1,000 children die, many of something as simple as dehydration. Even official statistics acknowledge that at least 60% of the population has no access to safe drinking water. And government officials say more than 90% of the people are illiterate.

Asked Feb. 14 what he would do about the genocide AIDS is wreaking in the Caribbean, LaRouche answered: "Let's take the worst case in the Caribbean, the worst big case, in terms of U.S. policy: Haiti. That's the worst crime, being committed by the United States, and it's a long-standing crime," which LaRouche called nothing short of "genocide."

"Our obligation, as the United States, is to rebuild Haiti," he said. "We say: We're going in there. We're going to help them. We're going to help them develop their economy. We're going to help them survive. We're determined to do that. And we ask the cooperation of other nations of the region, to participate with us, in bringing this to success.... This is to be emblematic of our policy toward the Caribbean as a whole," and toward people from the Caribbean, entering the United States.

Behind the News: Synarchist Dark Age Plot in Haiti

The debacle today in Haiti is the lawful result of the imposition, over decades, of one Dark Age government after another. In 1994, the Clinton Administration walked into a British-laid trap, and sent 20,000 U.S. troops to reinstall "left-wing" synarchist renegade priest Jean-Bertrand Aristide as President, even though the character of Aristide's Lavalas movement was well-known. They dealt with their opponents by "necklacing": throwing gas-soaked tires around their necks, and burning them to death as the mobs cheered. As in Iraq today, the military was disbanded in 1994.

Once reinstalled, however, Aristide was hung out to dry. Having only a small police force to rely on and with no economic aid, Aristide sustained his regime by recruiting thugs to build up his paramilitary special forces, and turning to contraband and the drug trade. Haiti's role as a major drug transshipment center exploded. Border traffic between Haiti and its neighbor on the island of Hispaniola, the Dominican Republic, is today essentially all contraband. Everything crosses the border,

from stereos to the heavy weaponry of the drug trade: Uzi machine guns, etc.

The countergang to Aristide's operation, is an opposition movement dominated by the neo-conservative International Republican Institute (IRI) of the U.S. National Endowment for Democracy. The IRI's top operative for Haiti is the son of one of Haiti's largest landowners. The opposition's demand is that *they* be installed in power, by foreign troops if necessary.

The latter option was unthinkable, until a gang of criminals began seizing control of towns across Haiti on Feb. 5, demanding Aristide be ousted. Today, they are poised to enter the capital. The leading force within the gangs which are thus playing into the IRI's hands, is a group of former members of Aristide's Lavalas movement, who called themselves in those days "the Cannibal Army."

Is the Dominican Republic About To Default?

Haiti's neighbor, the Dominican Republic, is wracked by energy crises, national strikes, bank collapses, an exodus of starving citizens, and a general crisis of governability. This nation, too, is on the brink of default, since it failed to make a \$27-million interest payment in January on some \$1.8 billion in private foreign debt. Although that payment has since been made, as part of a new letter of intent with the IMF, Standard & Poors nonetheless on Feb. 11 lowered its ratings on the country to just shy of the "default" rating.

Inflation is currently running at about 45%, and unemployment is officially at 17%. The Mejia government is desperately trying to stave off a crisis of confidence among its creditors, by renegotiating its debt with the Paris Club, but Presidential elections in May put the survival of the current pro-IMF and pro-Bush government in some doubt. Among the conditions the Mejia government committed itself to under the new IMF agreement, are a fiscal reform which would impose new taxes on the already ravaged population, elimination of energy subsidies, and more privatizations—the standard IMF "cure" that kills.

Recall Vote Against Chavez Is Stalled

Venezuela, too, is heading into a new crisis, as the national authorities appear set to reject the opposition's petitions for a referendum to oust President Hugo Chavez. At least 2.4 million signatures must be valid for the referendum to go through. Instead of a final decision on Feb. 13, the deadline by which the National Electoral Council (CNE) was to issue a decision on the validity of the 3.4 million signatures submitted, suddenly it was announced that over a million of the petitions were filled in "improperly," because the addresses and dates of birth of those signing, were written in a different handwriting than the signatures. The million-plus signatures in question were set aside for a second review, which is still underway.

The opposition charges that the CNE decision constitutes an arbitrary, ex post facto change in the rules governing how the signatures were to be collected, as the CNE had never stipulated that only the voter could fill out his or her personal data.

Observers from the Carter Center in Atlanta and from the OAS—in Venezuela to oversee the petition verification process—have been holding closed-door meetings with Venezuela's election officials, out of concern that the whole process could blow up and lead to street violence, strike actions, and possibly even another coup attempt against Chavez.

Chavez claimed from the outset that the recall petition process was riddled with "mega-fraud," and would never go through.

Brawl Over Economic Policy Erupts in Brazil's Ruling Party

Congressmen from Brazil's ruling Workers Party (PT), present at a dinner held by President Lula da Silva during the week

of Feb. 9-13, told reporters later that the President was hammered during the dinner, on the need to change economic policy. The leader of the PT in the Chamber of Deputies, Arnildo Chinaglia, is reported to have interrupted the President's speech at the dinner, telling him the Congressmen want more debate, and not unilateral government decisions on economic policy. Congressman Ivan Valente, who was present, told *Bloomberg* wire service later that one-third of the PT's 90 Congressmen are arguing: "No more market-friendly policies."

Lula delivered his answer on Feb. 12, telling journalists that nothing will change the government's economic policy direction. He specifically stated that the primary budget surplus—the IMF conditionality which requires the government run a surplus of revenues, minus all expenditures except debt service—would remain at 4.25% of Gross National Product. "The surplus is necessary to maintain the credibility of the country ... and to pay a third of the interest on the debt," Lula intoned. "I have to have the surplus to be able to go to my creditor, and say that I am able to pay at least a part of what I owe.... I have no Plan B."

He added that Treasury Minister Antonio Palocci, one of the strongest voices for Wall Street policies within the Cabinet, had his total confidence.

Lula's statement did not deter the President of the Chamber of Deputies, PT member Joao Paulo Cunha, who denounced the 4.25% primary budget surplus in his opening statement to the 2004 session of Congress on Feb. 16. "It is not reasonable to implement the primary surplus that we are implementing, and pay the interest that we are paying, and have the debt-GNP ratio stay the same. Something needs to be done," Cunha stated.

Lula Government Still Reeling from Corruption Scandal

The Lula government in Brazil has yet to squelch the scandal which erupted on Feb. 13, when one of the country's leading magazines, *Epoca*, revealed that Wladimiro Diniz—a top assistant to President Lula da Silva's civilian Chief of Staff Jose Dirceu, who served as Dirceu's liaison to Parliament—had taken money from a top Rio de Janeiro numbers-racket mafioso, to finance some Workers Party campaigns in 2002. Diniz was abruptly fired on Feb. 13.

The government's attempts to downplay the scandal—with arguments such as "Hey, we fired him right away. Besides, it all happened in 2002, before Lula took office, so it doesn't touch the government. Really, it's not necessary for Congress to investigate; we'll do it ourselves," etc.—have flopped. The immediate issue on the table is whether the scandal topples Jose Dirceu, the most powerful of the Cabinet ministers and considered by many to be Lula's "controller." In January, Dirceu's role in the Cabinet had been upgraded to unofficial Prime Minister, when Lula announced that Dirceu would serve as coordinator with the other ministries.

There is a brawl within the government over how to handle the scandal. Justice Minister Marcio Thomaz Bastos is urging that the investigation be extended into all of Diniz's activities, including those of 2003, when he was Dirceu's aide. The president of the Supreme Federal Court, Mauricio Correa (no friend of Dirceu's) told a Congressional committee that Dirceu should step aside until he is cleared by an investigation.

Western European News Digest

Former Minister Short: Brits Spied on UN's Kofi Annan

Former British Labour Party Cabinet Minister Clare Short said Feb. 26 that British agents had spied on UN Secretary General Kofi Annan in the run-up to the Iraq war, according to British press reports. The comments by Short, who resigned from the Cabinet last year to protest the Iraq war, were given in an *BBC* interview; they threw Prime Minister Tony Blair

for a loop. His entire monthly press briefing was dominated by the issue of Short's interview and the dropping of the case against Government Communications "whistleblower" Katharine Gun.

In her interview on *BBC Radio 4's Today* program, Short described the "enormous" pressure being brought to bear on many nations to support the U.S.-U.K. Iraq war policy. "[I]t's clear now there was a date for war, so they didn't mean Blix to do his job and then come to a second resolution if need be, but they were going to war anyway and they were going to bully and pressure countries to vote for it. I mean enormous pressure was brought to bear.... [T]he U.K. in this time was also spying on Kofi Annan's office and getting reports from him about what was going on."

Short said the charges against Katherine Gun were dropped recently due to disputes over Attorney General Lord Goldsmith's "advice" that the war against Iraq was "legal." "We know already that the Foreign Office legal advisers had disagreed and one of them had said there was no authority for war," Short said on *BBC*. "So my own suspicion is that the attorney has stopped the prosecution because part of her [Gun's] defense would be to question legality and put his advice in the public domain again and there was something fishy about the way in which he said the war was legal."

Asked about "spying in the United Nations," Short said: "[T]hese things are done. And in the case of Kofi's office it's been done for some time.... I have seen transcripts of Kofi Annan's conversations. Indeed, I have had conversations with Kofi in the run-up to war, thinking, 'Oh dear, there will be a transcript of this and people will see what he and I are saying.'"

Asked if "British spies have been instructed to carry out operations inside the United Nations on people like Kofi Annan," Short responded: "Yes, absolutely."

Asked about efforts to "put the problems behind us," Short answered: "The tragedy is Iraq is a disastrous mess. Ten thousand Iraqis have died, American troops are dying, some of our troops have died, the Middle East is more angry than ever. I'm afraid that the sort of deceit on the route to war was linked to the lack of preparation for afterwards and the chaos and suffering that continues, so it won't go away, will it?"

Blair Reacts to Short Revelations on Spying

British Prime Minister Tony Blair, looking tired and unwell, called former Cabinet Minister Clare Short "totally irresponsible," following her revelations that Britain spied on UN Secretary General Kofi Annan. Blair was speaking during his monthly press briefing Feb. 26.

Blair refused to "confirm or deny the allegation." Blair said of Short: "I really do regard what Clare Short has said this morning as totally irresponsible ... and entirely consistent. I am sorry that she has said the things that she's said, but she must know ... you can't have a situation where people start making allegations like this about our security services."

"It is completely irresponsible.... This is a dangerous time for this country and the world.... I really regret the way [the intelligence services] have been dragged through the mud over the past few months."

Sweden Backs IMF vs. Argentina

Argentina must stick to IMF conditionalities, or Brazil will be next, warned Swedish Economy Minister Gunnar Lund, following meetings with U.S. Treasury Secretary John Snow and senior IMF officials in Washington Feb. 23. Lund stated at a Washington press conference that, as an IMF shareholder, Sweden believes it has to play a role to protect the "credibility" of institutions like the IMF and World Bank: "We feel we should be guardians of the Fund and Bank, and make sure they have solid reputations." Lund then took a softer line on Argentina's defaulted debt, saying the country has

shown good faith in its dealings with the international creditors: "My guess is that Argentina realizes how difficult and sensitive the situation is and has an interest in coming to an agreement."

Fearing that the whole IMF system might formally go under, Lund said: "[Brazil's] President Lula is working very hard with an economic team in place that are doing, in my view, an excellent job. Suppose you see Argentina slip by with a program that is not entirely credible; that is dangerous because there will be people in Brazil saying, why are we making this effort?"

Did Schroeder Raise Euro-Dollar Crisis with White House?

In an interview with the *Financial Times* Feb. 24, German Chancellor Gerhard Schroeder, in Chicago Feb. 24 for a two-day visit, said: "The dollar-euro exchange rate, at least for the Europeans, is not satisfactory. Only the central banks are in a position to change that, and I do not want to interfere in the policies of the U.S. Federal Reserve. That is a matter for the Americans.

"I would just say that I believe the European Central Bank has recognized that this relationship between the euro and the dollar is not helping the [European] export sector, to put it very mildly. I can imagine that as a result, with all due respect for the independence of the ECB, there will be some consideration about whether euro interest rates are at the right level."

Schroeder's very unusual recommendation to the ECB also received explicit support from French Prime Minister Jean Pierre Raffarin, in remarks to the press in Paris the same day. The German Chancellor was expected to raise the euro-dollar issue in an address before the Chicago Council on Foreign Relations, as well as with President Bush, in their Feb. 27 White House meeting.

Schroeder Government: Kasyanov Dismissal No Problem for Germany

In an interview with Germany's state-run *Deutschlandfunk* radio Feb. 25, Gernot Erler, Chancellor Schroeder's chief coordinator for relations with Russia, said that the abrupt dismissal by Russian President Vladimir Putin of Prime Minister Mikhail Kasyanov adds some spice to the otherwise-lame Russian Presidential election campaign. It may encourage more Russians to vote on March 14, providing the minimum 50% voter participation. Moreover, the dismissal of Kasyanov, who came out in defense of oligarch Khodorkovsky, represents the removal of the last remnant of the Yeltsin era in the government.

The real question, Erler said, is whether Putin is assembling all this power to "promote the development of the country," along the "model known in Russian history from the time of Peter the Great on," which would be the "optimistic variant."

As far as Putin's reliability as a foreign policy partner for Europe and for Germany is concerned, Erler said he has no worries about the shuffle in Moscow, nor has he noticed any negative repercussions for German economic interests in Russia, resulting from Khodorkovsky's arrest.

Chirac: Europe Must Show More Respect for Russia

Concluding a two-day visit to Hungary Feb. 24, French President Jacques Chirac called on the European Union to pay more positive attention to the concerns and interests of Russia. "Brotherly relations with Europe are in the interest of the Russians; we Europeans must therefore approach Russia with more respect."

Chirac criticized the EU Commission for disrespect towards the genuine and justified concerns of Russia about the status of

its Baltic Sea exclave Kaliningrad (where the Commission opposes a generous visa regime) after the EU's expansion to Poland and the three Baltic republics in May; Russian concerns about financial and trade losses related to changes in the import-export rules of Eastern European countries after those countries become EU members in May; the EU's stubbornness concerning trade liberalization and price deregulation in Russia, as a precondition for Europe's giving its approval to Russian WTO membership; and lastly, the open disregard of the EU Commission for Russian worries about the status of its ethnic minorities in the Baltic republics. (EU Commission President Romano Prodi has not even answered a letter from Russian Foreign Minister Igor Ivanov on that subject.)

Before the Budapest press conference at which Chirac made these points, he addressed a plenary session of the national Parliament of Hungary, saying that "new relations with Russia are a logical consequence, if we want a Europe of peace." Chirac said that Europe "must help Russia to set free its immense energies, must help it to become a rule-of-law state and carry through energetic reforms. And, we must do everything to fill with content areas of cooperation that were defined in St. Petersburg [at the EU-Russia Summit in May 2003]."

Russia and the CIS News Digest

Russian Publication: LaRouche Leads Resistance to Neo-Cons

The December 2003 inaugural issue of *Tendentsii* (Tendencies), a quarterly supplement to the Russian monthly *Russky Predprinimatel* (Russian Entrepreneur), contains Andrei Kobyakov's article, "End of an Empire: the Neo-Conservatives as Catalyst of the Collapse of an America-Centric World." Kobyakov, an economist, is also co-author, with Mikhail Khazin, of a new book called *The Decline of the Dollar Empire and Pax Americana*.

The *Tendentsii* article is illustrated with a caricature of Russian neo-liberal Anatoli Chubais dressed up as Napoleon; Chubais ran unsuccessfully for the Duma (the lower house of the Russian Parliament) on a platform of "liberal imperialism." Chubais is behind the times, wrote Kobyakov, because his American role-models, the neo-cons Cheney, Rumsfeld, Wolfowitz, and Perle, are in big trouble: "The [neo-con] doctrine is overtly neo-imperial, and all its authors are open ideological heirs of Leo Strauss, well known for his fascist views. Already a year ago, the outstanding thinker and American opposition political figure Lyndon LaRouche exposed the fascist ideological roots of neo-conservatism. The quintessence of his brilliant investigation was the pamphlet *Children of Satan*, issued in a huge run by LaRouche's supporters and distributed by them all over the United States.

"And their efforts were not in vain: Despite the fact that LaRouche's activity is subject to a tacit boycott by the American press, this time the conspiracy of silence was broken, and now all the leading publications are discussing the activity of 'the Leo Strauss circle' and its fledglings, posing the question of whether or not there exists a secret, paramasonic organization in the bowels of the Washington power structure."

Tracing the plan of Cheney for preemptive military action on behalf of a one-superpower empire, since over a decade ago, Kobyakov develops the idea that "this is a policy of weakness, not strength"—because the United States is bankrupt. A final section, subtitled "The Billionaires Strike Back," notes motion to dump the neo-cons, coming from such quarters as Jay Rockefeller, George Soros, Yale University historian Immanuel Wallerstein, and others.

Russian Strategic Maneuvers—'Asymmetric' Response To U.S. Mini-Nukes and Missile Defense

Speaking Feb. 10, as the largest Russian strategic-force exercise in two decades got under way, Deputy Chief of the General Staff Col. Gen. Yuri Baluyevsky stressed that the Russian military was testing capabilities to "provide an asymmetric answer to existing and prospective weapons systems, including missile defense." He reaffirmed Russia's

concern about the development of low-yield nuclear weapons (mini-nukes) by the United States and said the Russian maneuver was a reaction to that program, though "it's not sabre-rattling."

In a mid-February interview with *Rossiyskaya Gazeta*, former Minister of Atomic Energy Victor Mikhailov likewise denounced American moves to bring nuclear weapons into the active arsenal: "I regard this as evidence of an undisguised intention of building their own empire in a new, contemporary form. Look at their military strategy: preemptive strikes. They no longer distinguish between what kind of weapons to use, nuclear or non-nuclear. That is why they have set about developing low- and ultra-low-yield weapons."

On Feb. 17 and 18, President Vladimir Putin viewed the exercises from onboard Northern Fleet vessels in the Barents Sea, then at the Plesetsk satellite launch site in Russia's Arctic North. Speaking at Plesetsk, Putin stressed such training sessions "have not been held for a long time," due to lack of funding, but "we shall carry them out and will hold them in the future." As Putin observed the exercise, one submarine-launched ballistic missile failed to fire, apparently due to a satellite communications glitch, while another long-range rocket misfired and self-destructed shortly after launch.

Putin Calls for Military Technology Breakthroughs

Russia "must work for a breakthrough in developing a new generation of defense hardware," President Putin told a Feb. 18 press conference after observing strategic force maneuvers. He cited work on anti-missile systems, as well as the "potential to counteract modern threats.... The experiments conducted during these maneuvers, the experiments that were completed successfully, have proven that state-of-the art technical complexes will enter service with the Russian Strategic Missile Forces in the near future." The new weapons will be "capable of hitting targets continents away, with hypersonic speed, high precision, and the ability of wide maneuver."

On Feb. 19, Gen. Col. Baluyevsky elaborated on the test of a strategic ballistic missile system that he said could penetrate prospective missile shields. The prototype, he said, could maneuver so quickly as to make "any missile defense useless." Russian national TV played up Baluyevsky's assessment of the test, done at Plesetsk when Putin was visiting. Other Russian media called it the first demonstration of "what an 'asymmetric response' to U.S. withdrawal from the ABM treaty" means. Like Putin, Baluyevsky stressed the ability of the new system "to maneuver in the atmosphere at hypersonic speed, changing its trajectory in direction or altitude." He did not give details, but *Gazeta.ru* reports that video images of the launch suggested "it was a new warhead for the Topol model of mobile missile complex, and it is believed that the new missile will carry three such warheads."

Russian Demands To Inspect New NATO Bases, Charges Spying in Baltics

Speaking Feb. 7 at the 40th annual Wehrkunde conference of NATO Defense Ministers near Munich, Russian Defense Minister Sergei Ivanov voiced strong reservations about NATO's plan to set up bases in new member countries in Eastern Europe. He said, "NATO expansion has brought the Alliance's operations into the area of our country's vital interests and, therefore, NATO should in deed, not just in word, take due account of our concerns regarding both political and security matters." Regarding the explanation that the bases are needed as transit points in the war against terrorism, Ivanov said, "I am prepared to agree that some facilities in Bulgaria or Romania can be used as stopover bases for operations in the Middle East. Yet, I ask NATO representatives to explain to me what regions of the anti-terror effort they had on their minds when planning to establish NATO military infrastructure in Poland or the Baltic countries."

Ivanov said Russia should have regular access to any such new NATO facilities, to monitor their activities lest any "threat for Russia's security" arise. He also stated Russia's view that the Treaty on Conventional Forces in Europe (CFE) is obsolete and does not provide stability in Europe. Some of the incoming NATO members, like the Baltic states, have not signed the CFE treaty, he noted, yet Russia has observed "unilateral commitments on restraint in stationing military

equipment and armaments" in Kaliningrad Oblast, right next door.

On Feb. 26, a Russian Air Force General Staff spokesman complained about NATO AWACS flights in the air space of the Baltic region, which he said enabled NATO to conduct deep aerial reconnaissance of Belarus and the northwest region of Russia. *Interfax* quoted an unnamed Russian intelligence officer who said two NATO E-3 AWACS planes were conducting reconnaissance flights over the Baltic republics and Poland. NATO states that the flights were to check the compatibility of relevant NATO units with the BALTNET surveillance system.

Putin Campaigns for Science, Infrastructure

Using the Presidency as a bully pulpit for his re-election campaign, Russian President Vladimir Putin is echoing the most important themes of opposition candidate Sergei Glazyev and last year's Rodina electoral bloc—at least in words. On Feb. 24, Putin chaired a joint session of the Security Council and the State Council, on science policy. "Science neglected, is a national security problem," he warned, saying that Russia must go for "an innovative breakthrough" based on scientific achievements drawn from the military industrial sector. "In global competition," he said, "a country can only succeed if it cares about its sciences and technologies. Russia's huge science and technology potential is used ineffectively."

Putin called for the integration of science, government programs, and the private sector, with corporate financing of scientific research, at the same time as "the state has to provide direct financial assistance to scientists." He promised increased direct funding for military scientists involved in key modernization projects. He said that science can be competitive only if it is associated with industry in a "continuous corridor of production, from a discovery to the final product."

Putin was in East Siberia Feb. 26, as the guest of Khabarovsk Territory Governor Victor Ishaev. He addressed a meeting on "Developing the Transport Infrastructure of the Far East and the Transbaikal." He and Ishaev were shown on national television at a ribbon-cutting ceremony for the Chita-Khabarovsk Highway (last link in the Moscow-Vladivostok transcontinental highway). From the round table, Putin's televised remarks stressed that transportation is developed not for raw materials export alone, but as an approach to development that must also entail bringing new power-generating capacities on line and building up industry.

Russia Protests Arrest of Its Agents in Qatar

Russia's Acting Foreign Minister Igor Ivanov on Feb. 25 issued a strongly worded official protest to the Ambassador of Qatar, after the Gulf state arrested three Russian intelligence operatives on Feb. 18-19. According to Ivanov, they are being framed for the assassination by car bomb of former Chechen rebel President Zelimkhan Yandarbiyev in Qatar on Feb. 13. Charging that Yandarbiyev was personally responsible for the October 2002 theater hostage-taking in Moscow, which resulted in over 100 deaths, Ivanov said that the Russian agents were innocent of his murder, but had been "assigned to the [Russian] embassy in Qatar, legally and without violation of local laws, to conduct information-gathering and analysis related to combatting international terrorism." Such deployments, he added, "are completely within the scope of efforts allowed members of the anti-terror coalition, to identify terrorist organizations' sources and channels of funding, organization, and other support." He added that Yandarbiyev was "listed by the United Nations as one of the most dangerous international terrorists, due to his actions inside Russia and direct ties with al-Qaeda and other terrorist organizations." Ivanov said that one of the detained Russians carries a diplomatic passport, and that one of them was released after talks with Qatar officials.

Mideast News Digest

Iran Conservatives Win Pyrrhic Victory in Elections

Although the conservative bloc has won at least 120 seats in the 290-member Iranian Parliament, according to Interior Ministry figures, and reformers, together with "independents," received fewer than 65 seats, the fact that the reformers' election boycott succeeded, especially in Tehran, was an important victory for the latter. The conservatives need 146 seats for a majority, which the final results will certainly confirm they have.

The voter turnout was between 40-45%, the Interior Ministry said. This is way down from the 67% in 2000. In Tehran, the turnout was at 28%!

Reformist Ali Shakourirad called the low turnout "a big defeat for conservatives."

Reportedly, the conservatives are putting the squeeze on Interior Ministry officials to massage the figures, to make the turnout look higher. One official said, speaking on condition of anonymity, that his offices were "under tremendous pressure" from various conservative institutions to artificially inflate the turnout.

One leading member of Iran's main reformist party conceded defeat, saying reformers would retain no more than 60-100 seats. "If free elections had been held, we would have won a majority with 200 seats," Mostafa Tajzadeh he said. Leaders of the main reform party stated they would continue to work with President Khatami, and would restructure their party, to work more closely with the population.

As for the political direction of the new Parliament, some conservative leaders promised to deal with the economic crisis, but the Guardians Council, which rigged the candidates lists, said the new MPs should focus on "upholding the divine religion of Islam," "encouraging spirituality and morality" and "fighting all forms of corruption and evil."

One factor boosting the participation in some areas, was the turnout of minorities to vote: the Iranian Zoroastrians and Jews in the cities of Yazd, Ardakan, and Taft, and Iranian Christians throughout the country. According to the quota system in Iran, five seats are reserved for these minorities, three for Christians and the other two for Jews and Zoroastrians.

Japan and Iran Sign Huge Oil Deal

Japan and Iran are to reach agreement on a project for development of the giant Azadegan oilfield located 80 kilometers west of the southwestern city of Ahvaz (Khuzestan Province). An informed source at the Oil Ministry said the two sides, after four years of lengthy talks, are to enter into a deal for the development of the Azadegan oilfield, which covers 20 square km. In the course of her January visit to Tehran, Japanese Foreign Minister Yoriko Kawaguchi and her Iranian counterpart Kamal Kharazi voiced their respective countries' willingness to resume talks on the oilfield until they reach a satisfactory result. It is estimated to contain 35 to 45 billion barrels of oil in place, with the capacity to yield about five billion barrels of oil.

UN Official Calls for Iraqi Elections Before Year's End

Lakhdar Brahimi, the UN Secretary General's envoy to Iraq, presented his report on Feb. 23, which said there was broad consensus for a provisional government to be formed by June 30. But his report also declared that the U.S. plan for regional caucuses "does not appear to enjoy sufficient support among Iraqis to be a viable option." At the end, it says Brahimi believes "credible and unifying elections" could be held in January 2005. According to the report, a political agreement on setting up the mechanism for writing a constitution could be achieved by May. That would mean, Brahimi reasons, "Elections could be held by the end of this year or shortly thereafter."

Brahimi notes that the Coalition and Iraq's Governing Council would need to act more quickly on providing security for a return of UN workers. The report warns that tension over the election process could lead to violence or civil strife and urges all those involved in Iraq's transfer of power to quickly agree on issues like security. It calls for an independent electoral commission to be set up immediately.

"We both agreed that the electoral issue is extremely important," UN Secretary General Kofi Annan told reporters after meeting with Prime Minister Junichiro Koizumi in Japan. "We need to find a mechanism, working of course with the Iraqis, helping the Iraqis determine a mechanism for establishing an interim or transitional government so that the transfer of power which is anticipated on the 30th of June will go ahead and that we work with them to organize elections in the not-too-distant future." He again stressed security: "The UN has always been ready to play its role ... on condition that security will not be an impediment."

The same day the report was presented, another senior Iraqi cleric warned that delaying national elections would be a "timebomb that could explode at any minute." "Without elections, our national institutions will remain shaken, unrecognized, and distrusted by the people," Grand Ayatollah Mohammed Taqi al-Modaresi told reporters in Karbala in central Iraq. The uncertainty "makes us fear for the future of Iraq" and the possibility of "civil war," he said.

Ayatollah Al-Sistani Accepts Delay in Iraq Elections

Iraq's Grand Ayatollah al-Sistani said on Feb. 26 that he would agree to a delay in general elections until the end of 2004, provided that the United Nations guaranteed the elections by that date. Washington's plan envisaged elections by the end of 2005.

In his statement, Sistani noted that the UN had said elections could be held by the end of 2004 if preparations began immediately. "The religious authority demands clear guarantees like a resolution from the UN Security Council that elections will be held by that time, to assure the Iraqi people that elections will not be subjected to more procrastination and delays," said the statement issued by his office in the holy city of Najaf.

Meanwhile, Washington continues to stick to the June 30 handover date, although there is no agreement on how the transitional body should be selected. In his statement, Sistani said he was concerned that the mechanism for choosing an interim government could be "trapped by the obstacle of ethnic, sectarian, and political quotas." He demanded that the interim government should have strictly limited powers, and should prepare Iraq for free elections "without being allowed to take major decisions that could be considered as binding to the elected government."

Lakhdar Brahimi, who led the UN mission to Iraq this month, is reportedly set to return within weeks, to help negotiate a solution to this problem.

Kurds Opposing Interim Constitution

Kurdish leaders in Iraq are opposing all proposals so far for an interim Constitution to govern Iraq's transition towards general elections at the end of 2004, the *Washington Post* reported Feb. 21. This is creating more headaches for Paul Bremer, who is already facing Shi'ite opposition to his and the UN's election postponement schedule.

The Kurds are demanding broad autonomy, including the right to control military forces in Kurdish areas and the freedom to reject laws passed by the national government, Kurdish officials said Feb. 20. This report has been backed up by other, regional sources. Turkish and Arab leaders oppose most of the Kurds' demands, on grounds that they would effectively preserve an autonomous Kurdish mini-state in northern Iraq with its own army, laws, tax system, judiciary, and parliament.

Bremer has been meeting with Arab and Kurdish leaders in an effort to break the deadlock, but the Kurds will not give up what they enjoyed under the last 12 years of Saddam Hussein's regime. "Our side is seeking a voluntary union with Iraq, but this voluntary union comes with the precondition that the system of government in Iraq is both federal and democratic, allowing us to maintain the local control we have had for more than a decade," said Qabad Talabani, the son of Kurdish leader Jalal Talabani.

The Kurds outlined their demands in a four-page proposed additional chapter to the interim Constitution, posted Feb. 20 on the website of the Kurdistan Regional Government. It calls for the retention of local control over Kurdish militiamen, the Peshmerga, to be organized into a new force called the Iraqi Kurdistan National Guard. The proposal calls for the Kurdish Parliament to "raise, regulate, recruit, and officer" the National Guard. Although the Kurds would allow the Guard units to be under the nominal authority of a civilian Defense Minister in Baghdad, the Kurdish regional government would maintain effective command.

The document also says that no soldiers from other parts of the country would be deployed in Kurdish areas without the approval of the Kurdish Parliament. "It is a guarantee for the self-defense of the Kurdish people," said Rowsch Shaways, the president of the regional parliament, the Kurdistan National Assembly. "The people of Kurdistan will not accept the new Iraqi army to be deployed in the region of Kurdistan at this moment in time," Qabad Talabani said. "It's an unfortunate reality we face."

According to the interim Constitution being drafted, armed groups that are not part of the national security services would be banned. The U.S., which relied on the Peshmerga militarily during the war, now says they cannot maintain their separate existence, because that would encourage the Shi'ites to do the same with their Badr Brigades.

Another point raised by the Kurds, is that they demand that the Kurdistan National Assembly approve any laws not dealing with foreign policy, before they take effect in Kurdish areas. The Kurds want to keep their own judiciary and penal code. They demand that Iraq's permanent Constitution be approved not only by a national referendum, but also by a majority in Kurdistan.

Further sticking points are the Kurds' demand that they control local oil revenue, and their calls for protection against population relocation. They want all natural resources in Kurdistan to belong to the Kurdish regional administration, which would receive a share of Iraq's oil sales in proportion to the number of Kurds in the country's population. They want the interim Constitution to provide for displaced Kurds to return to their homes. This includes a demand for redrawing the map, particularly regarding oil-rich Kirkuk. "We need to reverse Saddam's ethnic-cleansing policies," Talabani said.

Danger of Iraqi Civil War Openly Debated

The Turkmen member of the Iraqi Governing Council (IGC), Songul Chapouk, told *Al Ahram* on Feb. 25 that civil war could break out, if any ethnic or religious group felt it was being discriminated against. She specifically noted the issue of Kirkuk, where the Turkmen are being expelled.

At the same time, a group of 30 Iraqis, including two IGC members, signed "The Iraqi Religious Accord," calling on all groups to work together to prevent civil war. The document was drafted on the initiative of the Anglican Church, whose envoy, Canon Andrew White, had been sent to Iraq.

Fuelling tensions further, Kurdish activists have announced that they have collected 1.7 million signatures on a petition for a referendum on the future of the northern Kurdish region of Iraq.

Riots at Al-Haram Al-Sharif (Temple Mount) Protesting Apartheid Wall

After a week of demonstrations met by Israeli violence against protesters against the barrier wall, "rioting" broke out on al-Haram al-Sharif (Temple Mount), allegedly after hundreds of youths, following Friday prayers, began throwing rocks at Israeli forces below, *Reuters* reported on Feb. 23. A couple also landed near the Western Wall (often misnamed the "Wailing Wall"), and it was cleared of worshippers. Police spokesman Gil Kleinman said officers entered al-Haram al-Sharif in the courtyard of Al-Aqsa Mosque and began firing rubber bullets and throwing stun grenades. It is not known if there were any Palestinian casualties. "There was no provocation for such an Israeli attack," said Adnan Husseini, director of the Islamic Waqf, adding: "This is despicable and unacceptable."

Asia News Digest

CitiGroup Eyes Asia as Next Big Market

On Feb. 23, the Wall Street stock market, which had dropped by 100 points on a slew of bad profit reports, was pulled back almost from the brink by the news that CitiGroup has just bought the Korean-American Bank in Seoul for \$2.75 billion. This means CitiGroup will make tons of money in Asia, Wall Street analysts concluded. "There is no doubt that they see Asia as the most important area for growth," said Richard Bove of Hoefer and Arnett. "This comes on the heels of Citi's announcement last month that it was partnering with Shanghai Pudong Development Bank to offer a foreign credit card aimed at the Chinese market." He also expected CitiGroup to focus on expanding its business from India to Japan, noting that "it's already moving aggressively" in South Korea, India, and China.

"Asia has 3 billion people, and there are only 285 million in the United States," Bove noted. "That makes Asia 10 times bigger than the United States, and their income is growing faster. All of CitiGroup's efforts are going to be put into expanding its position in this area of the world."

Wolfowitz Loses Reputation as 'Friend of Indonesia'

The neo-con effort to paint Indonesian terrorism as "al-Qaeda" is bunk, according to Sidney Jones, an Indonesian expert with the International Crisis Group. Jones has proven that, by showing the connections to the historic terrorist networks in the country, which have been driven by domestic issues. Although a group of Indonesian Afghansi, centered around Hambali (now in U.S. custody), targetted Bali and the Marriott Hotel, Jones insists that once the handful of people around Hambali are arrested (most have been already), the chances of an international terrorist action are extremely slim.

Asked by *EIR* if she has had problems with U.S. neo-cons, and with Under Secretary of Defense Paul Wolfowitz, in particular (a former U.S. Ambassador to Indonesia, who portrays himself as the great friend of that country), Jones told the following story: Sometime after the Bali bombing (October 2002), Wolfowitz gave an interview to Indonesian television. Reporters asked Wolfowitz, politely, for his evidence that the bombing was carried out by al-Qaeda. Wolfowitz became defensive and attacked the Indonesians, who, he charged, couldn't see that terrorism was international, that their country was a nesting ground for al-Qaeda, and on and on. The show was broadcast several times across Indonesia, and since that time, Indonesians no longer think of him as a friend.

Philippines-U.S. Joint Exercises Could Provoke China

Some 2,000 U.S. troops based in Okinawa, Japan, and an equal number of Filipino soldiers are joining the drill code-named Balikatan, which will be held on the main Philippines island of Luzon and in the southwestern island of Palawan. Palawan is situated near the potentially mineral-rich Spratlys, which are claimed in whole or in part, by the Philippines, Brunei,

China, Malaysia, Taiwan, and Vietnam.

Filipino Armed Forces Chief of Staff Gen. Narciso Abaya claimed the exercises in Palawan were not related to the Spratlys issue. China has not yet issued any statement about the exercises near an area which China claims as its own.

Philippine military officials had said earlier that they had stepped up measures to protect those participating in the exercises, after the communist New People's Army (NPA) threatened to attack U.S troops.

Thailand Seeks Vietnam's Cooperation on Energy Projects

Thailand is looking for collaboration in exploration for new petroleum sources, as well as joint investment for a 300-MW power plant in Vietnam, which also involves a plan to connect both countries electrically through power lines from Laos' Nam Theun 2 power plant, according to *Business Day* Feb. 23. Thailand wants to sell its petroleum products to Vietnam, in line with Thai plans to become an energy trading hub in Southeast Asia, said Thai Energy Minister Prommin Lertsuridej following the Feb. 21-22 joint Cabinet meeting of the two countries in Vietnam.

"Vietnam's energy demand is two times higher than its GDP, which presents a good chance for Thailand to play a key role in energy development in Vietnam."

Thailand's PTT Exploration and Production (PTTEP) also expressed interest in new petroleum explorations in Vietnam, said Prommin, adding that PTTEP was granted a license from the Vietnamese government to explore petroleum in four places in southern Vietnam. Thailand has also proposed to install oil and gas pipelines in Vietnam. Thailand wants Vietnam to conduct a study on how energy could be developed from the Mekong River Basin, as well as how to stock water running from the river through to China as well as Vietnam for optimal use, added Prommin.

Fire in India's Rocket Launch Center Won't Affect Space Program in Major Way

An explosion at the Solid Propellant Booster Plant (SPROB) at India's Satish Dhawan Space Research Center (SHAR) Feb. 23 killed six engineers and technicians, *The Hindu* reports. According to the Indian Space Research Organization's chairman, G. Madhavan Nair, the preliminary investigation shows the cause was a fire, but how the fire started is not known yet. The accident occurred when one of the development motors being prepared for trial caught fire. A high-level committee has been set up to investigate the incident.

Madhavan Nair said the accident will not affect the space program in a big way, although it will delay some work. However, the loss caused by the fire was significant. The building housing the plant collapsed in the explosion.

Badawi Calls Off Trip to G-15 Summit as Elections Loom

Rather unexpectedly, Malaysian Prime Minister Abdullah Ahmad Badawi cancelled a week-long trip to Caracas, Venezuela, two days before it was scheduled to start on Feb. 25. He had planned to attend the G-15 Summit of developing countries, of which Malaysia is a founder.

Badawi did not cite any reason for calling off this important visit. One senior Malaysian government official told *The News* Feb. 24 that the cancellation had to do with preparations for snap general elections, which can be held at any time. The official also said that cancelling the trip was a clear indication that the Prime Minister is putting the final touches on election preparations, including selection of candidates and allocation of seats among the 14-party National Front coalition.

Myanmar's Road Map to Democracy; Norway Enters Second Round

Thailand has welcomed Norway's participation in the second round of the Bangkok Process on Myanmar's road map to democracy. The second round is expected to take place by the middle of this year, Thai Foreign Ministry spokesman Sihasak Phuanketkeow said on Feb. 24.

Meeting his Norwegian counterpart Jan Petersen, Thai Foreign Minister Surakiart Sathirathai said: "Thailand is looking forward to Norway taking part in the next round of the Bangkok Process.... We want to see Norway at the meeting because it has played an important role in other peace processes as well."

The Thai Foreign Ministry spokesman also pointed out that the United States has not indicated direct involvement in the process, but has indicated its support and its hope that the process would move forward.

China Will Not Join U.S.-Led Security Plan

Reacting to the Feb. 11 speech by President Bush at the National Defense University in Washington, in which the President outlined new measures to prevent future nuclear proliferation, China has expressed a disinclination to join the U.S.-led Proliferation Security Initiative (PSI).

According to the Bush formula, the PSI has been projected as a mechanism to intercept illegal transfers of nuclear-related technologies and equipment related to the production and deployment of all categories of weapons of mass destruction (WMD). Several countries in China's Asia-Pacific neighborhood, including Australia and Japan, have joined hands with the U.S. in this initiative. The PSI calls for intercepting ships within or outside waters of any participant country. On Feb. 11, President Bush extended this interception process to include Interpol raids of facilities inside countries suspected of involvement in the illegal trafficking of nuclear equipment and fuel.

But China has expressed serious concerns. Speaking to reporters, China's Foreign Ministry spokeswoman Zhang Qiyue said that China questions the legal foundation and consequences of the PSI interception.

Zhang Qiyue also pointed out that during the recent meetings between the U.S. Under Secretary of State John Bolton and Chinese officials in Beijing, Foreign Ministry Li Zhaoxing and Vice Foreign Minister Zhang Yesui expressed China's understanding for the concern of the PSI participant countries on the proliferation of WMD and vehicles (missiles).

Pakistani Delegations to India Promote Trade

Following the easing of tensions between Pakistan and India in early January, a number of Pakistani delegations have visited India. "These are positive steps ... and would promote bilateral trade and joint ventures in the long run," said India's Commerce and Industry Minister Arun Jaitley.

On Feb. 26, one such delegation from the Karachi Chamber of Commerce met with Indian business leaders and identified textiles, information technology, auto parts, pharmaceuticals, power, and entertainment sectors as areas for potential bilateral trade.

Jaitley told reporters that there is immense scope for cooperation in trade in tea, entertainment, health care, IT, and pharmaceuticals from India; and cotton, power, and textiles from Pakistan.

India has a population of more than 1 billion, and Pakistan, about 140 million.

Africa News Digest

ICC To Become Tool of Genocidalist Museveni?

The newest pillar of the oligarchs' new world order, the International Criminal Court (ICC), may suitably brand itself with the mark of Cain by basing its first case on a referral by Ugandan President Yoweri Museveni, who is guilty of crimes as great as—and on a wide scale than—those he refers. The case is that of Joseph Kony, leader of the bestial Lords Resistance Army (LRA), and his lieutenants.

The ICC Prosecutor, Jaime Moreno Ocampo (a former Harvard professor), at a London press conference Jan. 29, announced, with Museveni at his side, that he had accepted Museveni's request to investigate the LRA's crimes. Moreno Ocampo has since appointed a Harvard-trained lawyer to lead the investigation.

Another Harvard Law School graduate, James A. Goldston (executive director, Justice Initiative of George Soros's Open Society Institute, and a former Assistant U.S. Attorney) tried to cover the ICC's exposed flank—Museveni's own crimes—in an *International Herald Tribune* op-ed Feb. 27, co-authored by a Harvard lecturer. Goldston writes, "International perceptions of the court's competence and credibility ... will be affected for years by the way [it] handles the Uganda case.... [T]he crimes have not been committed by one side only. Uganda's army also faces allegations of abuses,... though not on the scale of the LRA. To date, the government has made little effort to punish the responsible parties." Museveni's hideous crimes in the DR Congo are thus not visible in his view of the two "sides."

Politicians and religious leaders of northern Uganda—where Kony's army of children and the Ugandan Army murder, maim, and rape—largely oppose the ICC move. The Rev. McLeod Ochola, vice president of the Acholi Religious Leaders' Peace Initiative, told *IRIN* Jan. 30, "This kind of approach [the ICC approach] is going to destroy all efforts for peace. People want this war to stop. If we follow the ICC in branding the LRA criminals, it won't stop." Ochola said that any prosecutions must come after the war has ended. Moses Saku, spokesman for the Ugandan government's own Amnesty Commission, told *IRIN* that the "position of the Uganda Amnesty Commission is that all LRA should be granted across-the-board amnesty, including the commanders."

When the ICC indicted Charles Taylor of Liberia, West African leaders also said the timing of the indictment endangered their efforts to establish an enduring peace in the region.

South African Budget Moves Away from Neoliberal Policies

The new South African budget, presented to Parliament Feb. 18 by Finance Minister Trevor Manuel, confirms the country's departure from neoliberal policies. Manuel "introduced measures to boost employment and more state spending in other sectors, but made little mention of revenues from privatization, earlier a major theme," according to *SouthScan*, a leftist bulletin of Southern African affairs, Feb. 20. President Thabo Mbeki, in commenting on his government's new budget, attacked opposition parties for their "free-market" policies and for demanding that "the democratic state abandon its developmental role."

The Congress of South African Trade Unions (COSATU) called the budget "very positive," and said there was "a welcome 9% increase in the overall budget, which will have a positive impact on the social services—especially social grants—and infrastructure, while expenditure on defense remains restrained."

"The novel development this week," *SouthScan* writes, "was Manuel's remark to members of Parliament that a major rethink was in progress on the government's privatization program. He ascribed this to lessons learned from the disastrous consequences last year of the privatization of power utilities in California."

South Africa's general elections are scheduled for April 14. While some critics think the Mbeki government is only temporarily moving away from neoliberal policies for electoral reasons, *SouthScan*—not particularly friendly toward the government—is not so sure: "There have been some changes of substance in the real economy, both in SA and worldwide, and this may mean the swing towards the state and away from elements of the Washington Consensus may become more permanent."

Count Lambsdorff To South Africa: 'You Can't Be Protectionist'

Otto Graf von Lambsdorff, former German Economics Minister and chairman of the Free Democratic Party, on a recent visit to South Africa went to bat for the free-market opposition party, the Democratic Alliance (DA). On Feb. 19, he told a breakfast meeting of German businessmen in Johannesburg, organized by the DA, that the ANC (African National Congress) government's "Proudly South African" campaign, which calls on consumers to buy locally made goods, was protectionist. "You cannot be protectionist. Policies like buying South African, buying German, or buying British are protectionist. You must be looking towards the open market and free trade," he said, adding that "I hear all about [the South African] government's increasingly heavy hand in a number of areas of economic activity." Von Lambsdorff also attacked South Africa's minimum-wage laws.

This Week in History

March 1 - March 7, 1857

The Hidden Implications of the Dred Scott Decision

In 1846, a decade before his case came before the U.S. Supreme Court, Dred Scott sued his owner's widow for his freedom, because his master had taken him to live for many years in Illinois and the Wisconsin Territory, where slavery had been prohibited by the Missouri Compromise of 1820. Scott won his suit in St. Louis, but the Missouri Supreme Court reversed the decision. Then, his owner's widow married Dr. C.C. Chaffee, an abolitionist Congressman from Massachusetts, who decided to use Scott's suit as a test case. Agreeing to free Scott and his family no matter what the court decision, Chaffee "sold" Scott to his wife's brother, J.F.A. Sanford of New York, both because it was unseemly for an abolitionist to own slaves, and in order to obtain a different venue for the case and allow it to reach the U.S. Supreme Court.

As Scott's case slowly wended its way from court to court, momentous events were building a tendency to make the United States, as Abraham Lincoln said, either all-slave or all-free. In 1850, the Fugitive Slave Law was passed, and in 1854, the Kansas-Nebraska Act, introduced by Stephen A. Douglas, virtually voided the Missouri Compromise of 1820. Just days before the Supreme Court rendered its decision on the Dred Scott case, Democrat James Buchanan of Pennsylvania, an aggressive supporter of the spread of slavery to Central and South America, was inaugurated President, after 11 Southern states refused to place the anti-slavery Republican candidate on their ballots, even though—or perhaps because—there was still substantial anti-slavery and pro-Union sentiment in the South. - Taney Strikes Against the Constitution -

Then, on March 6, 1857, Supreme Court Chief Justice Roger Taney delivered the opinion of the pro-slavery majority in the Dred Scott case, stating that a Negro whose ancestors were slaves, was not entitled to the rights of a Federal citizen, and therefore had no standing in the court. Furthermore, going beyond the matter at hand, Taney added that Congress and the

Territorial Legislatures had no power to prohibit slavery in the territories, and that the Missouri Compromise of 1820, which had prohibited slavery in the Federal territories, was unconstitutional.

This thunderbolt caused great agitation, especially in the Northern states. The actions of the radical pro-slavery faction had made it clear over the previous decades that they controlled the Presidency, the Senate, and, when necessary, the House of Representatives, and now it was clear that they were ascendant in the Supreme Court as well. Lincoln had analyzed the radicals' control over the Presidency in a speech in October 1856: "If a Southern man aspires to be President, they choke him down instantly, in order that the glittering prize of the Presidency may be held up on Southern terms to the greedy eyes of Northern ambition. With this they tempt us and break in upon us.

"The Democratic Party in 1844 elected a Southern President. Since then they have neither had a Southern candidate for election nor nomination. Their conventions of 1848, 1852, and 1856 have been struggles exclusively among Northern men, each vying to outbid the other for the Southern vote; the South standing calmly by, to finally cry, 'Going, going, gone' to the highest bidder, and, at the same time, to make its power more distinctly seen, and thereby to secure a still higher bid at the next succeeding struggle."

The Southern radicals aimed at a complete takeover of the Federal government. But failing that, they had a backup option: complete separation from the United States, aided and abetted by the radical Abolitionists, who were building a Northern movement for separation from the South in order to "purify" their moral standing. All this was eagerly pushed and supported by the monarchies of Europe, hell-bent on destroying the Temple of Liberty by any means possible. - Lincoln's Warning -

When Abraham Lincoln was nominated for U.S. Senator by the Republican State Convention in Springfield, Illinois in June 1858, he warned the convention delegates, that although he thought they could save the Union, the present tendency was definitely toward establishing slavery everywhere in the nation. "Let any one who doubts," he said, "carefully contemplate that now-almost-complete legal combination-piece of machinery so to speak—compounded of the Nebraska doctrine, and the Dred Scott decision. Let him consider not only what work the machinery is adapted to do, and how well adapted; but also, let him study the history of its construction, and trace, if he can, or rather fail, if he can, to trace the evidences of design, and concert of action, among its chief bosses, from the beginning."

He then quoted from the argument incorporated into the Kansas-Nebraska bill that stated, "It being the true intent and meaning of this Act not to legislate slavery into any Territory or state, nor to exclude it therefrom; but to leave the people thereof perfectly free to form and regulate their domestic institutions in their own way, subject only to the Constitution of the United States." Lincoln then said that "What the Constitution had to do with it, outsiders could not then see. Plainly enough now, it was an exactly fitted niche, for the Dred Scott decision to afterwards come in, and declare the perfect freedom of the people, to be just no freedom at all."

And why, asked Lincoln, mention a state in the Kansas-Nebraska bill, when the bill dealt only with slavery in the territories? "While the opinion of the Court, by Chief Justice Taney, in the Dred Scott case, and the separate opinions of all the concurring Judges, expressly declare that the Constitution of the United States neither permits Congress nor a Territorial legislature to exclude slavery from any United States territory, they all omit to declare whether or not the same Constitution permits a state, or the people of a State, to exclude it." - 'What We Have To Do' -

"In what cases the power of the states is so restrained by the U.S. Constitution, is left an open question, precisely as the same question, as to the restraint on the power of the territories was left open in the Nebraska Act. Put that and that together, and we have another nice little niche, which we may, ere long, see filled with another Supreme Court decision, declaring that the Constitution of the United States does not permit a state to exclude slavery from its limits.... Such a decision is all that slavery now lacks of being alike lawful in all the states.

"Welcome or unwelcome, such a decision is probably coming, and will soon be upon us, unless the power of the present political dynasty shall be met and overthrown. We shall lie down pleasantly dreaming that the people of Missouri are on the verge of making their State free; and we shall awake to the reality, instead, that the Supreme Court has made Illinois a slave State. To meet and overthrow the power of that dynasty, is the work now before all those who would prevent that consummation. This is what we have to do."

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