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

### **LaRouche: The Urgency of the American System Today**

*Lyndon LaRouche addressed an invitation-only EIR seminar in Berlin on March 2, titled, "The Iran Crisis: The Danger of a Global Asymmetric War Must Be Stopped." Other featured speakers were Helga Zepp-LaRouche, head of Germany's Civil Rights Movement Solidarity (BüSo); former German military attaché to Baghdad Col. Jürgen Hübschen (ret.); Prof. Cliff Kiracofe from the Virginia Military Institute; Prof. Mohammed el-Sayed Selim of Egypt (via a written speech); and EIR's Michele Steinberg. There were about 100 participants, including Arab, Asian, and African representatives; former German officials; former deputies from Parliament; scientists; and LaRouche Youth Movement members.*

*Here is LaRouche's keynote speech (subheads have been added).*

Well, in the past period there have been some changes in the United States in politics, particularly since last Summer, a year ago, Summer. The Democratic Party had no platform—I made one. It was presented at a July conference in 2004, and it made quite a hit, and quite an impact. And as a result of that, I was brought more deeply into the functioning of the Democratic Party through the campaign of John Kerry, which came out of that convention. We did a good job in that Fall, but it was too late. We should have gotten at it earlier. And the cheating by the enemy was inevitable. And sometimes, when you know that you're going to be up against a fraud machine, you have to work in taking into account that you're up against fraud, and you have to overwhelm the fraud if you're going to win the election. And they didn't go out to overwhelm the fraud, and that was a mistake.

But then, the Democratic Party fell flat on its face, when it was reported they lost the election. And so, I intervened, and again, they were willing to listen to me. So, we made a plan for turning George Bush into a lame duck. This is not the kind of bird disease we're talking about these days, but it would do for the time being.

And he *is* a lame duck. We turned him into a lame duck. We knew what he was going to do, that he was going to try to rob the Social Security funds of the United States, or the people. We made that the key issue, and that kept him off-balance throughout the year. By May of the year, we had a real challenge to him organized in the U.S. Senate, which consisted of practically all of the Democratic Senators, and some Republicans, who refused to go along with what Bush was doing on key issues. So, therefore, we had, in the year 2005, we had a Democratic leadership in effect—a bipartisan leadership but with Democrats as a key to it—in the U.S. Senate. That was followed, by unfortunately, a very bad beginning for this year. And there were setbacks, there were major mistakes. But, history is history, and the process is going on....

**[...full presentation, PDF](#)**

### **Latest From LaRouche**

*Lyndon LaRouche issued this statement, following an EIR Seminar in Berlin March 2. (See InDepth this week for*

# WHY EUROPEAN OLIGARCHS HATE THE U.S.A.

By Lyndon H. LaRouche, Jr.

March 3, 2006

As Helga [Zepp-LaRouche] emphasized to a meeting of young adults, during a recent day's discussion in Berlin: Despite the heroic admiration of many Berliners, still today, for the famous Berlin airlift, and, as I added, for the memory of President John F. Kennedy, there is also a presently growing hostility to the idea of the U.S.A. in Europe generally, and in Germany, in particular. I commented on that part of the discussion, that the principal source of this, is not the atrocious behavior of the U.S. Bush-Cheney government, as much as it has been the effect of that "Green decadence" of 1968 onwards, which has paralleled that of the same trends of moral decadence in the Americas as in other parts of Europe. Nonetheless, although the trends on both sides of the Atlantic are comparable, and approximately parallel patterns, there is a specifically oligarchical aspect to the way this phenomenon is experienced in Europe.

Both North American and European expressions of this moral decadence are best understood against the background of the *Prometheus Bound*, the middle portion of Aeschylus' *Prometheus* trilogy. The pattern should be traced along the following lines.

The keystone of this pathological trend on both sides of the Atlantic, is the spread of the anti-science cult of so-called "environmentalism," as this was launched by institutions such as the 1963 report on the subject of education of Dr. Alexander King's Paris OECD, as by the similar neo-malthusian schemes of the notorious Club of Rome, as by Rachel Carson's *Silent Spring* and by the later *Limits to Growth* hoaxes, by the Laxenburg, Austria International Institute of Applied Systems Analysis (IIASA), and the related Soviet form of the same moral corruption, the Global Systems Analysis institution. These reports are notable markers among the modes of mass brainwashing which were responsible for the spread of the "Green hysteria" rampant in Germany and other parts of Europe today.

One of the consequences of this factor of moral decadence came to the fore recently, in former German Chancellor Gerhard Schroeder's well-founded appeal for a new general election, a call which reflected the impossibility, in fact, of continuing to govern a crisis-wracked Germany under a Social-Democratic Party encumbered by a "Red-Green" alliance. The new coalition government brought into being as a coalition of Chancellor Angela Merkel's CDU-SPD regime, does not solve the problem, although it provides an awkward transition to some, yet to be defined, new coalition of forces which might, hopefully, be capable of taking the kinds of unified action which the presently already desperate, and worsening prospects demand.

This is not, however, a specifically German problem; the problem is virtually global, but most clearly expressed in Europe and the Americas generally. The point of my argument here, is that the key for understanding the aspect of that global situation specific to Germany today, is to be found in an informed recollection of Aeschylus' attack on the evil represented by the Delphic Olympian Zeus of the *Prometheus* trilogy.

It must be recalled, that prior to Europe's Fifteenth-Century introduction of the principle of the modern commonwealth form of sovereign nation-state, all known forms of society in earlier European or other cases, were essentially oligarchical systems, systems in which the greater number of the population were held in a cattle-like state corresponding to the banning of the people's knowledge of the use of fire by the Olympian Zeus of Aeschylus' *Prometheus* trilogy. Although

Dante Alighieri's project for revival of a literate form of specifically non-Latin, Italian language, and his *De Monarchia* were forerunners of Cardinal Nicholas of Cusa's prescription for the sovereign nation-state, Cusa's *Concordantia Catholica* and his founding of modern experimental physical science in his *De Docta Ignorantia*, have formed the constitutional form expressed by the modern European form of sovereign republic since the establishment of the first actually functioning commonwealths, in Louis XI's France and Henry VII's England. On this account, the two referenced works of Cusa are functionally inseparable; without a generality of the practice of the benefit of generalized revolutionary progress in experimental physical science and related use of Classical standards of artistic composition and performance, the principle of citizenship in a sovereign commonwealth is not realized.

Thus, Luca Pacioli, Leonardo da Vinci, and Johannes Kepler are outstanding examples of the explicit followers of the precedent set by Cusa's *De Docta Ignorantia*, and Fermat, Christiaan Huyghens, and Gottfried Leibniz followers in fact.

This set of distinctions of the principle of the modern commonwealth (the modern sovereign nation-state of all of the people of that nation) is conditioned by a single, principled distinction of the human individual from all other living species. That is the principle of action termed *dynamis*, the principle of the discovery of any truly universal physical principle, by such ancient Greeks as the Pythagoreans, Socrates, and Plato, a term adopted under the name of dynamics by Leibniz. The expression of this principle is typified by the Pythagorean Archytas' purely geometric doubling of the cube, the discovery of the uniqueness of the construction of the Platonic solids by Theatetus and Plato, Kepler's uniquely original discovery of a universal principle of gravity, and by Pierre de Fermat's unique discovery of that principle of "quickest time" which later formed the basis for the catenary-linked definition of a principle of universal physical least action by the work of Leibniz and Jean Bernouilli.

As Albert Einstein emphasized at a time late in his life's work, the universe is *finite and unbounded*, a notion which I have qualified as *finite and self-bounded*. That means, that a true universal principle, such as Archytas' construction of the doubling of the cube, Plato's discovery of the uniqueness of the series of regular geometrical solids, Kepler's uniquely original discovery of universal gravitation, Fermat's discovery of quickest time, and Leibniz's uniquely original discovery and further development of the fundamental principle of the calculus, the universal principle of physical least action, are notions which are efficient as far as the universe could reach, a "distance" which is co-extensive with the universe. Einstein terms this condition as "unbounded." Since I, for reasons stated in other locations, have emphasized the role of creativity in determining the changing form of the knowable universe, I insist on the qualified term "self-bounded."

Ideas of this quality of universal physical principle, typify, together with comparable notions of only Classical modes of artistic composition, the essential functional distinction between man and the lower forms of life, such as the great apes. Persons who are permitted to exercise this quality of principle of discovery in their social functions within society, are thus expressing the distinction which places human beings absolutely apart from, and above the beasts.

## The Oligarchical Principle in Law

Thus, the Olympian Zeus's banning of human beings from the discovery of the use of fire, typifies what the ancient Greeks knew from Mesopotamia as *the oligarchical principle* associated with not only the implicitly "flat Earth geometry" of the Mesopotamian model, but the model which ancient Sparta adopted from the Delphi cult of the Pythian Apollo, the model of ancient Rome, especially the Roman Empire, the model of the medieval system of the Venetian financier-oligarchy and its accomplice the Norman chivalry.

The oligarchical principle is known, otherwise, as the principle of law on which the distinction of the empire depends. Thus, Europe today, insofar as it accepts the notion of "independent central banking systems," representing a financier oligarchy ranking above government, is a system of oligarchies of the traditional Babylonian form. In such cases as states which submit to a higher lawful authority attributed to an "independent central banking system," the nation and its people

are not sovereign, but, at best, rank as the dependent authorities, as local potentates, such as local kings, under an emperor.

This notion of *emperor* is a notion of crucial significance for law in general. Under the empire, only the agency filling the role of the emperor can make law. As under the Nazi *Kronjurist* doctrine of Carl Schmitt, which is copied by the members of the Federalist Society and its fellow-travellers in the U.S.A. today, there is no principle of law allowed apart from the will of the agency filling the position of emperor. Modern empires, such as the British Empire still today, are based on the notion of imperial law as based in the Venetian financier-oligarchical model. States which submit to an independent central banking system are not true sovereigns, but rank no higher in practice than local authorities existing by consent of the imperial authority represented by the financier-oligarchical system.

For example, the essence of the British Empire today, treats the British Queen as an empress simply in her use by the world's dominant, private financier oligarchy as a functionary like the old Doge of Venice, as an empress of the world, in an empire as extensive in the world as the system of so-called independent central banking systems constituted as Venetian-style private financier oligarchies. Thus, the 1971-1972 wrecking of the dollar-based, fixed-exchange-rate Bretton Woods System, in favor of the Venetian oligarchical form of the floating exchange-rate system was, from the standpoint of the U.S. Constitution, a treasonous act against the sovereignty of the U.S.A., rendering the U.S.A., thus, a mere king-like subject in an imperial system based on the concerted imperial power of the Anglo-Dutch Liberal outgrowths of the Venetian financier-oligarchy as defined by the partisanship of the founder of empiricism, Paolo Sarpi.

Here, precisely, lies the presently deadly predicament of Germany, typical among other nations today. Here lies the key for understanding the paradox which Helga and others reviewed in the discussion today.

## The Green Disease

The "Green" disease, which has reined in, and ruined Germany, increasingly, since 1981-82, is typical of the way in which a formerly relatively sovereign nation is reduced to virtual lackey status, by systematic suppression of the use of those creative-mental powers expressed by the combination of banning investment in scientific progress, just as the Olympian Zeus banned knowledge of the use of fire from the mortal subjects reigned over by the imperial sons of the legendary concubine Olympia. For example: this is the crucial issue which has motivated all of my bitter adversaries among leading financier and related political circles.

Modern European civilization, which was born during the course of the Fifteenth-Century European Renaissance, established the principle on which the modern sovereign form of European nation-state depends absolutely. This is the principle expressed by Nicholas of Cusa's referenced works, and by the rise of modern physical science and the revolutionary revival of the tradition of the Greek Classical principle in Classical artistic composition. The distinction of these notions of the role of the individual through science and Classical artistic composition, is that the one, physical science, depends upon the practice of discovery of a physical principle of the physical universe as the sovereign action of an individual human mind, whereas Classical artistic composition applies the same individual creative powers to the ordering of practice of social relations among a body of several or more persons. The application of conductor Furtwaengler's principle of "performing between the notes" to a strict observance of the principles expressed by the J.S. Bach system of well-tempered counterpoint (as for such exemplary cases as Bach's *Jesu, meine Freude* and Mozart's *Ave Verum Corpus*, typifies the richly deep challenge to the performers which Classical artistic compositions present.

Thus, those two principles, of physical science practiced from the standpoint of the Pythagorean principle of *Sphaerics*, as by Plato, and as expressed most aptly in a modern form by the work of Bernhard Riemann, and the mastery of Classical art through the use of Classical counterpoint of Bach et al., are the exemplary pillars of knowledge suitable for civilized human beings. The development of a process of mastery of the practice of both, is the exemplary expression of the proper foundation for all education and general social practice today. Hence, the concerns expressed by the discussion among a

relevant group of young adults in that referenced discussion arranged by Helga.

Without the practice of those notions of universal principles, of the individualized practice of physical science and application of the same creative principle to an explicitly social medium of Classical artistic composition, there can be no true sovereignty of the human individual within society. These are, uniquely, those qualities of function which distinguish the human being from the beasts. On this account, the results of that or contrary habits of practice, speak for themselves.

The introduction of the explicit hostility to scientific progress in physical economy associated with the "Green," so-called "environmentalist" movements, represents a literally bestial, direct attack on the functional distinction between man and beast. This attack, when combined with the neo-imperialist fad of destruction of the nation-state institution in favor of a new world empire called "globalization," is typical of the way in which post-World War II society was attacked to the effect of producing the new form of anarcho-syndicalist movement called the "68ers," a regressive movement whose characteristic expression is the anti-science "Green movement."

It is essential to recognize that it was not the "Green movement" which created the fiercely anti-social, destructive effects of present-day "environmentalism"; it was the imperialistic financier oligarchy, which created "environmentalism" as a tool for destroying society's power to resist a return to a form of imperialism, now global, based on the medieval model of the alliance of the Norman chivalry, engaged in permanent warfare and permanent revolution, on behalf of the goals prescribed by the Venetian financier oligarchy.

Although this is a common problem on both sides of the Atlantic, the problem so posed can be more readily understood from the vantage-point of the U.S.A., than in Europe. To make the same point: It was Europe which created the U.S.A. as an integral feature of the previously frustrated efforts of the best souls of Europe, to establish a form of society consistent with true human freedom in Europe itself. As a consequence of the French Revolution of the 1789-1815 interval, with the triumph of the uneasy temporary alliance of Anglo-Dutch imperial liberalism with the relics of Habsburg rule, and the wars which Britain fostered among credulous European potencies to the greater glory of the Venetian tradition carried forward in the guise of the Anglo-Dutch-Liberal British imperium, the U.S.A. was relatively isolated and besieged until the Lincoln-led victory in the war against Lord Palmerston's Confederacy puppet. However, over the interval 1863-1876 the U.S. emerged as a continental power and the model of economy adopted by many governments, including Bismarck's Germany, in Eurasia and the Americas. In the course of two so-called "World Wars" of the Twentieth Century, the U.S. under the leadership of President Franklin Roosevelt emerged as the principal threat to the continued power over the planet by forces associated with the Anglo-Dutch Liberal version of the form of Venetian oligarchical-financial, imperial system, lately centered in the City of London.

From the moment of the death of President Franklin Roosevelt, the effort to undermine and then destroy what the U.S.A. represented was the intention of the Europe-based Anglo-Dutch Liberal financier oligarchy and its allies within the financial community of the U.S.A. itself. This was expressed in such leading forms as the founding of the infinitely morally rotten Congress for Cultural Freedom, including its destructive cultural role in targetted areas such as Paris and West Berlin. Increasingly, since the assassination of President John F. Kennedy, this campaign for the triumph of imperialistic forms of cultural decadence took the form of anti-Americanism among the younger generations, especially the "68ers," in Europe.

In the effort to produce this effect within Europe itself, the spreading influence of the morally and intellectually corrosive influence of existentialism, and a correlated hatred of scientific progress in agriculture and industry, were leading expressions of forces of moral and intellectual degeneration echoing the very worst of the conditions promoted by that Peloponnesian War which has been the outstanding precedent, as a benchmark in history, for study of the rampant decadence in Europe and the Americas today.



## The Resurgence of the Oligarchy

The "Green Pest" which seems to rule where the windmills reign, seeming like a conquering force of H.G. Wells' Martian invaders, today, prompts one to think: "Where is Don Quixote now, when we have work for him to do?!!"

The political issue, when expressed in economic terms, is: whether the sovereign nation-state shall control financial processes, or whether financial powers operating as a higher authority than the national government, shall rule the nation, even the world. The so-called "free trade" system associated with Lord Shelburne's lackey Adam Smith, is a system of imperial world rule by Venice's Anglo-Dutch Liberal financier offspring. Allow "free trade," and the usurer will soon own you, and probably your Faustian soul as well.

Since the potential physical power of sovereignty lies with the people of the nation, provided the nations are sovereigns, the modern neo-Venetian imperialists could rule the world, as their scheme for early "globalization" is the form of the new world imperialism, only if the people of the nations are induced to make themselves stupid, as they have tended to do, increasingly, since the victims of the post-World War II Congress for Cultural Freedom (CCF) came into adulthood, and a condition beyond adultery, in the guise of the enraged "68ers." The characteristic of those "68ers" was their hateful regard for what were described as "blue-collar workers," the hatred of modern family-farm agriculture and modern scientifically progressive industry. The mass-brainwashing conducted by the existentialists of the CCF, which had been rampant in the education and other enculturation of the generation born, approximately, between 1945 and 1955, had cultivated dispositions which were given shape by the nightmares of nuclear-age "science fiction" horrors on kiddie television, and the real-life, "Armageddon Now!" horrors of the 1961-1968 rampages of the "military-industrial complex," became, in the late Spring and Summer of 1968, the new, virtually global cult of Dionysius, the worshippers of the Gaea of the Delphic cult of the Pythian Apollo. Not only did they have a form of imitations of the Sophist cults produced among Athenians by the ancient cult of Apollo, they embodied the effects of a system of conditioning, centered in the Congress for Cultural Freedom, which was an intended virtual copy of the ancient Greek Sophist cult.

The most essential distinction of Sophist cults is that they deny the existence of any knowable universal principle. Like the evil, real-life Thrasymachus of Plato's *Republic*, they believe that whoever has the power to impose arbitrary rules on society represent the only true force of law for society. In principle, they are best fairly described as pro-Satanic on this account, the assertion that no true principle exists, that, as for the Nazis, everything is allowed, including the denial of everything that distinguishes man from the beasts.

This kind of arbitrary power is used as a tool of manipulation of the society in two ways most relevant for our consideration here. To those relegated to the under-class, such as the lower eighty percentile of household-income brackets of the U.S.A. today, all is allowed: Steal their pensions, condemn them to death and torment by denial of essential care, destroy their children by virtually impossible conditions of life, including their drugging, and crush them generally, even kill off those deemed members of superfluous sections of the population. Kill for profit; kill for pleasure; kill, torture, and so on, for no other required reason, than delight in the effect this produces. Yet, to those who are, or approximate the members of an oligarchy, tempt them by affording them a sense of participating in the exertion of the power which the authors of this evil system, the modern neo-Venetians, deploy.

Like Carl Schmitt, the real monsters do not adopt Swastikas. They are the higher aristocracy of the empire, oligarchs, who dole out rewards and encouragements to those who do officiate in managing those masses degraded to the virtual status of cattle. When the captured Nazis and their like are punished, the real Venetian controllers return to the circles of the financier oligarchies of the world, to do the same evil all over again, this time, once again, as "most respectable" creatures.

The mass of people degraded as the typical "68ers" and their present-day victims were degraded, accept the condition into which they have been thrown as "the way things are," even such degraded mental states as the deluded defenders of the

"Green cause." The oppressed thus adopt the chains of their degradation as the trinkets with which they are adorned. They now admire their oligarchs, like the slaves who would defend their masters against their masters' enemies. For them, there are now no principles; there is only whatever miserable bit they are left, by their degraded circumstances, to regard as their comforts and pleasures.

That is the way in which the new surge of love for the trappings of oligarchism has arisen within a Europe of lost principles today.

[See InDepth this week for LaRouche's keynote speech to a Berlin Seminar, "LaRouche: The Urgency of the American System Today."]

## InDepth Coverage

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## Feature:

### **LaRouche: The Urgency of The American System Today**

**Lyndon LaRouche** addressed an invitation-only EIR seminar in Berlin on March 2, titled, 'The Iran Crisis: The Danger of a Global Asymmetric War Must Be Stopped.' Other featured speakers were Helga Zepp-LaRouche, head of Germany's Civil Rights Movement Solidarity (Bu"So); former German military attaché to Baghdad Col. Jürgen Hu"bschen (ret.); Prof. Cliff Kiracofe from the Virginia Military Institute; Prof. Mohammed el-Sayed Selim of Egypt (via a written speech); and EIR's Michele Steinberg. There were about 100 participants, including Arab, Asian, and African representatives; former German officials; former deputies from Parliament; scientists; and LaRouche Youth Movement members. Here is LaRouche's keynote speech.

## Economics:

### **Collapse of Carry Trade Would Blow Out Financial System**

**by L. Wolfe**

A panic is setting in among key financial circles—a panic that we are fast approaching the final disintegration of the financial casino known as the global monetary system. An indication of that panic and of near-term breakout of a systemic credit crisis came in the form of an article in the Feb. 24 London Daily Telegraph titled, 'Global Credit Ocean Dries Up,' which identified as the trigger point for such financial disaster the collapse of the so-called 'carry trade'—the ability to borrow large sums of money at low interest rates in Japan, Switzerland, and similar locations, and then use them in any sector that offers higher yields on interest rates.

### **Where We Stand in the Battle To Save the Machine-Tool Sector**

**by Nancy Spannaus**

Approximately one year since Lyndon LaRouche raised the alarm over the need to save the U.S. automobile industry, as the core of the nation's machine-tool capability, from extinction, the future of that sector hangs in the balance.

- **Interview: Phil Cavanaugh**

- **'Our Tool-and-Die Industry Was Second to None'**

**Phil Cavanaugh** is County Commissioner of Wayne County, Michigan, which encompasses Detroit. He represents Dearborn Heights, Redford, Garden City—in total about 142,000 people. He is in his third term, and has served Wayne County for six years. He was interviewed on Feb. 7.

- **Interview: LaMar Lemmons, III**

- **Deindustrialization Turned Smiling Neighborhoods to 'Snaggle-Tooth Housing'**

Michigan State Rep. **LaMar Lemmons, III** gave a video interview to Robert Johnson of the LaRouche Youth Movement early in February.

- **UAW Workers Speak Out For Retooling Industry**

Here are excerpts from interviews conducted by a LaRouche Youth Movement camera crew early in February, with labor leaders in Ohio and Michigan.

- **LaRouche: Senate Must Stop Flim-Flamming, Save Auto**

This statement was issued by the **LaRouche Political Action Committee** on March 1.

## Science and Technology:

### **World's Water Wells Are Drying Up!**

Australian Professor **Lance Endersbee** reviews the disastrous state of world groundwater, and shows why it is not replenished by rainfall, contrary to the textbook models.

- **Solve the Water Crisis With Nuclear Desalination**

Nuclear desalination, researched since the 1960s, is a technology ready for take-off as a clean, economical source for supplying safe drinking water from seawater. As Lance Endersbee makes clear, there is no time to waste in planning and building desalination plants that can meet the looming deficits of fresh water for the world's population.

## National:

### **Only Removing Cheney Will Avert War and Dictatorship**

**by Jeffrey Steinberg**

On March 2, speaking before an assembly of international diplomats and others in Berlin (see Feature), Lyndon LaRouche reiterated his warning that the Bush Presidency is doomed unless George Bush dumps Vice President Dick Cheney immediately. In recent polls, Bush's own approval ratings had crashed to 34%, while Cheney's approval was barely 18% of Americans, following his recent attempts to cover up his role in the shooting incident at a Texas ranch during a quail hunt, and mounting evidence that he was the kingpin of the Valerie Plame leak conspiracy.

### **Israel Near Detonation: Will the Abramoff Factor Sink Bibi?**

**by Anton Chaitkin**

Vice President Dick Cheney and his allies, seeking an immediate war with Iran or Syria, desperately want war-bent Benjamin 'Bibi' Netanyahu to win Israel's March election, to succeed the comatose Prime Minister Ariel Sharon. While acting Prime Minister, and Kadima Party candidate Ehud Olmert has been a Likud bloc fixture for decades, and is hardly a viable 'peace candidate,' he, like Sharon, would likely draw the line, and oppose a suicidal Israeli war provocation against either Syria or Iran. Only Bibi Netanyahu, among the candidates in this month's election, would flagrantly defy Israeli national interests, to pursue a George Shultz/Dick Cheneydictated agenda of regional chaos and perpetual war.

- **The Abramoff Family And the Mob Families**

**by Anton Chaitkin**

Jack Abramoff was born in Atlantic City in 1959, the son of Frank and Jane Abramoff. The family moved to California in 1968, and Jack



grew up in Beverly Hills. But Frank Abramoff continued to do business in Atlantic City, bringing his increasingly powerful connections into a family partnership with his brother, Bernard S. Abramoff, and later bringing in his son Jack. After gambling casinos were legalized in Atlantic City in the 1970s, the Abramoffs focused on real estate investments pegged to prospects for the growth of casinos...

## **Ohio Reps Hold Hearing To Save Auto Industry**

On Feb. 16, 2006, State Rep. **Catherine Barrett** (D-Cincinnati) convened an extraordinary public hearing in the Ohio state capital, Columbus, to hear testimony on her pending resolution (HCR 22) to address the crisis in the automobile industry by calling for Federal intervention to save the existing domestic auto industry, and retool it for large-scale infrastructure projects.

## **International:**

### **Netanyahu Pushes Sharon's 'Jordan Is Palestine' War Plan**

**by Dean Andromidas**

While Ariel Sharon, felled by a massive cerebral hemorrhage, lies comatose in a Jerusalem hospital, his notorious war plan, 'Jordan is Palestine,' is very much alive. Its new sponsor is Likud party chairman and agent of George Shultz, Benjamin 'Bibi' Netanyahu. For two decades, 'Jordan is Palestine' was at the center of Sharon's strategic thinking, in which a war launched against Jordan, or the collapse of the Jordanian monarchy, would provide the pretext to ethnically cleanse hundreds of thousands of Palestinians from the entire Israeli-occupied West Bank. The victory of Hamas in the Palestinian elections is serving as the new pretext to put the policy back on the agenda.

### **Will London's Schemes for Mexico's Elections Be Overturned?**

**by Gretchen Small**

With just four months to go before the Mexican Presidential elections, who should deploy into that contest but Dick Cheney's Spanish ally, anti-Islam warrior José María Aznar, the former prime minister. The Spanish people had thrown Aznar and his crusade out of office more than a year ago, but there he was in the Mexico City headquarters of the National Action Party (PAN) on Feb. 21, urging Mexicans to join Cheney's global war, and elect 'my old friend,' the PAN's Felipe Calderón, as President on July 2, 'for the good of this country.'

### **Thailand and the Philippines Hit By Synarchist Destabilizations**

**by Mike Billington**

Two Southeast Asian nations were thrown into upheaval on Feb. 24: the Philippines, where President Gloria Macapagal Arroyo issued a declaration of a State of Emergency, and Thailand, where Prime Minister Thaksin Shinawatra dissolved the Parliament and called new elections for April 2, three years before the end of his term. While both situations involve mass demonstrations and efforts to bring down the government through 'people's power,' the two situations are diametrically opposite in nature, as we shall show.

### **Presidential Candidate Cheminade Gives France a Sense of the Future Again**

**by Karel Vereycken**

Jacques Cheminade, president of the Solidarity and Progress party, has launched a Presidential campaign for the 2007 election, at a very critical juncture in France. 'The 'Non' Is Looking for a Name' was the title of a recent article appearing in the Paris daily Libération, referring to the 55% vote in France against the proposed European Union Constitution on May 29, 2005. The title captures quite effectively the core of French politics today.

## **LaRouche Webcast:**

### **A Washington Dialogue With LaRouche on Statesmanship**

**Lyndon LaRouche** addressed an international webcast on behalf of the LaRouche Political Action Committee (LPAC) on Feb. 23, 2006. His opening remarks were published in EIR last week, and we continue here with the transcript of the question and answers session. His spokeswoman, Debra Hanania Freeman, chaired the event. The full webcast is archived at [www.larouchepac.com](http://www.larouchepac.com).

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

## Foreign Companies Run Fourth-Fifths of U.S. Port Terminals

Eighty percent of U.S. port terminals are operated by foreign companies. Bob Waters, senior vice president of SSA Marine Terminals, America's largest terminal operator, provided an overview to National Public Radio Feb. 27, on how the outsourcing has spread: There are 15 major ports in the U.S., each of which is divided into a number of terminals, making roughly 100 terminals. SSA Marine Terminals and Maher Marine Terminals are the only two U.S. companies that operate major U.S. terminals, and they operate eight of them. Several cities and states manage another dozen. "Other than that, the rest of the terminals, which comprise 80%, are operated by foreign entities," he said.

The terminal operators, such as Dubai Ports World, provide stevedoring to shipping lines that utilize the port, to oversee the loading and unloading of ships. They also oversee moving cargo on and off trucks and rail, the scheduling of ships (like an air traffic controller), and then transport the cargo when it is taken for inspection.

## New York Fed Head Raises Alarm About Credit Derivatives

New York Federal Reserve chairman Timothy Geithner warned about the dangers of credit derivatives, in a keynote speech Feb. 28 to the Global Association of Risk Professionals, in New York City, praised the non-existent benefits of "the rapid growth in instruments for risk transfer," and then focussed on derivatives, especially credit derivatives. He said, "They have not eliminated risk. They have not ended the tendency of markets to occasional periods of mania and panic. They have not eliminated the possibility of failure of a major financial intermediary. And they cannot fully insulate the broader financial system from the effects of such a failure."

Geithner continued, "The scale of the over-the-counter derivatives markets is very large ... now approaching \$300 trillion." He emphasized that were one derivatives counter-party to fail, and renege on its contract, "the process of closing out those positions and replacing them could add stress to markets and possibly intensify the direct damage caused."

Credit derivatives are "written on a much smaller base of underlying debt issuance," Geithner pointed out, meaning that for each \$1 in a corporation's debt, banks could write up to \$10 in credit derivatives, to supposedly "insure" the debt. Geithner underscored that, "in the event of a default, [credit derivatives would] magnify ... the risk of adverse market dynamics."

The direction of Geithner's remarks is all the more significant, as he has been assigned, essentially, to be the Federal Reserve's case officer to get credit derivatives under control, on which matter he has been unsuccessfully working with the 14 leading credit derivative banks. (See this week's InDepth for an analysis of the carry trade.)

## Hedge-Hog Cerberus Bids To Buy GMAC

Cerberus Capital Management is now in advanced stage of negotiations to purchase a controlling 51% share of GMAC, reportedly for \$11-12 billion. Cerberus, which is joined in the bid by Citigroup, is a New York-based hedge fund with \$14.5 billion under management, the world's ninth-largest hedge fund. (The company name is derived from the mythical Greek three-headed dog that guards the gates of Hell).

The company is run by Stephen Feinberg, who, according to an Oct. 5, 2005 *Businessweek* profile, "has a penchant for secrecy." Cerberus has long-standing Bush family, and neo-con ties: Dan Quayle—Bush 41's Vice President—now chairs Cerberus Global Investments. And, according to the *BusinessWeek* article, "Defense Secretary Donald H. Rumsfeld was an investor [in Cerberus] in 2001, according to government ethics disclosures." Further, the same *Businessweek* article reported that Cerberus-owned "companies ... set up military-base camps in Iraq."

The Nov. 15, 2005 Israeli news service *ynetnews.com* reported that during that month, Cerberus-Gabriel Capital bought 9.99% of Bank Leumi, Israel's second-largest bank, which is at the center of dirty Israeli intelligence and financial networks. Cerberus announced its intention to increase its ownership to 20%. Then-Israeli Finance Minister Ehud Olmert, now Acting Prime Minister, helped craft the sale of Leumi. An additional force at Cerberus is Michael Steinhardt, leading Mega member, and sugardaddy for neo-con newspapers, who is a director of Ableco LLC, which company *Businessweek* identifies as "Cerberus' financing arm."

Quayle boasts in his biography that he helped bring Cerberus into Germany in 2003. Cerberus has been a locust: it bought up 4% of the apartments in Berlin when they were privatized, and bid to buy the WOBA apartments in Dresden. It also gobbled up German *Mittlestand* companies. Although it keeps in the shadows, *Businessweek* points out that Cerberus-owned companies globally have annual revenues of greater than \$30 billion—more than MacDonalds or Cisco Systems—and more than 105,000 employees, more than Exxon-Mobil.

The Fitch downgrade of General Motors March 1 could be intended to accelerate GM's sale of GMAC to Cerberus and Citigroup (see next item). Were that completed, the ravenous Cerberus would control the chief financing instrument of GM cars; with that leverage, it could force further GM plants shutdowns, and layoffs of workers.

### **Fitch Flunkies Cut GM Debt Ratings Deeper Into Junk**

Fitch Ratings, citing its expectation that GM would face continued losses, declining liquidity, and a financially stressed supplier base, forecast that "suppliers could begin to restrict trade credit to GM." Fitch also assigned GM's senior unsecured debt a recovery rating of "RR4," meaning creditors would recover between 30%-50% in the event of bankruptcy. Fitch also threatened to cut them again, unless the auto maker does more cost-cutting and succeeds in selling a controlling stake in its financial arm, GMAC. GMAC's ratings were left unchanged at two levels below investment grade; while it lowered GM's issuer default and senior debt rating by one notch, to five levels below investment grade.

### **February Sales Tumble at GM, Ford; Production Cuts Loom**

Both General Motors and Ford reported a decline in auto sales for February and forecast cuts in second-quarter production. Ford Motor Co. said March 1 that U.S. sales in February dropped 4% compared to year ago, as sales of SUVs tumbled 20% or more. Sales to corporate and government fleets, which padded January results, in February rose 11%—and accounted for a whopping 41% of Ford's sales. Ford said it would cut second-quarter production by nearly 2% (16,000 vehicles) compared to a year ago. GM reported overall sales declined by 2.5% from February 2005. Retail sales rose 1%, while fleet sales fell 11%. GM will cut 2Q production by 3.7% from a year ago. Chrysler, on the other hand, said its U.S. sales were up 4%, boosted by zero-percent financing, extending the incentive through the end of March.

### **Further Gutting of Auto Industry; More Layoffs Announced**

Here are some of the latest developments:

\* Giant auto-parts supplier Lear Corp. officially announced the idling of its Hazelwood, Mo. seat-assembly plant for March 10, resulting in the layoff of 251 employees, because Ford is shutting down production at its SUV assembly plant in Hazelwood. Lear is also cutting more than 100 workers at its SUV parts plant in Lebanon, Va., due to GM's closing of its plant in Oklahoma.

\* Meanwhile, General Motors said it will lay off about 65 workers at its parts-distribution facility in Hazelwood, starting June 30, according to a lay-off notice.

\* Tower Automotive could face a strike, like Delphi, after it asked a bankruptcy court judge to cancel its union contracts. Tower produces parts for every automaker.

\* Delphi posted losses of \$1.37 billion since its Chapter 11 bankruptcy filing in October, with a \$121-million loss in January.

(For more on the crisis in auto, see this week's InDepth: "Where We Stand in the Battle To Save the Machine-Tool Sector," by Nancy Spannaus.)

## **Housing Bubble Continues To Shrink**

According to the National Association of Realtors, resales of U.S. homes fell 2.8% in January, the fifth monthly decline, and the lowest rate in two years. Since January 2005, sales have plunged by 5.2%. The supply of unsold homes on the market is the highest since August 1998. According to the Commerce Department, the sales of new homes fell 5%, to the lowest level in a year.

## **Bush's Medicare Drug Benefit: Katrina-Like Incompetence**

So charged Sen. Byron Dorgan (D-N.D.) at the Democratic Policy Committee Oversight Hearing on the Implementation of the Medicare Prescription Drug Benefit on Feb. 27. The committee is calling for an extension until the end of the year before the enrollment period closes, to fix the red tape, glitches, and bugs that have plagued its first two months. So far, only 24% of those eligible have enrolled in a drug plan. They must do so by May 15 or face a permanent surcharge on their monthly premiums.

Some of the problems, besides the changeover snafus:

\* Too many plans. In North Dakota alone, there are 41 plans offered by 17 companies to 105,000 beneficiaries. In Los Angeles County in California, there are 85 plans from which to choose.

\* Too high a price. Because the Federal government is not allowed to negotiate prices with the companies, the prices for drugs are far higher than for the Veterans Administration—a windfall for the pharmaceutical companies. To control costs, benefits are not given for drug costs between \$2,250 and \$5,100 in personal drug spending, leaving in the lurch many chronically ill people needing several costly drugs daily.

\* Many people who should be in the lowest payment group do not qualify under the new plan because of an assets test. If a widow, for instance, with no income and no insurance besides Medicare, has more than \$6,000 in an account, she is pushed up into a higher payment category, which could cost her over \$1,000 more per year. Of over 3.6 million applications for low-income subsidies, only 31% are eligible—51% of the excluded failed the asset test alone.

There are four bills which have been introduced by Democrats to patch up the ailing Medicare drug plan.

## **Republicans Shut Down Mine Safety Hearings**

The Republican chairman of the House Subcommittee on Workforce Protections, Rep. Judy Biggert (Ill), shut down the March 1 hearing on "Evaluating Health and Safety Regulations in the American Mining Industry," after only 90 minutes.

This was the first mine safety hearing in five years. After committee members were denied a second round of questions, Rep. George Miller (D-Calif) the Ranking Member of the Committee on Education and the Workforce, reminded the chairman: "So far this year 21 miners have died in the United States. This is a crisis. Yet, the Republican leadership in Congress were unwilling to devote more than a mere 90 minutes to this issue of life and death."

Miller added, "Congress has a responsibility to take action to keep more people from dying in preventable mine accidents. The Republicans show a lack of concern and respect for the miners and their families by shutting down this hearing before the facts could come out."

## World Economic News

### Berlin Revenues of Cerberus May Co-Fund Camps in Iraq

For the upcoming September municipal election campaign in Berlin, the role of the Cerberus fund, as a leading owner of housing in the city, will be investigated—especially because the fund's purchase of almost 70,000 flats of the city-owned housing sector in 2004, was approved by the SPD-PDS-run "red-red" municipal administration.

The bigger part of the deal went through on May 26, 2004, when Cerberus bought 65,000 flats of the publicly-owned GWS for 2.1 billion euros, which instantly gave the Berlin administration 405 million euros, for urgent filling of holes in the budget. Several months before, 4,000 flats of the city-owned GEHAG had gone to the Cerberus.

The relatively safe revenue from the housing sector allows funds like Cerberus to get preferable conditions for loans from banks and other funds, such as for carry-trade operations that yield (or, have yielded, so far) enormous profits at excessively high interest rates in places like Iceland. Some of that profit may end up in aggressive take-over operations like the current one against GMAC in the United States, or even in those camps that Cerberus runs under the cover of perverted "real estate" projects in Iraq. It makes sense, that Don Rumsfeld has invested money in Cerberus.

### Iran President Signs Development Deals with Malaysia

On a high-profile visit to Kuala Lumpur, Iranian President Mohammed Ahmadinejad signed several development deals with Malaysia in Kuala Lumpur, the *New Straits Times* reported March 3. The three-day visit to Malaysia, which is currently chairman of the Nonaligned Movement and the OIC, has important political as well as economic implications. Four memoranda of understanding were signed, covering cooperation in construction of infrastructure, housing, and railways (no details available), among others. Malaysian Prime Minister Abdullah Ahmad Badawi was invited to visit Iran, where final agreements will be signed on the deals. Ahmadinejad, who made comments from Malaysia about the nuclear issue which were widely covered worldwide, also said: "I believe the might of my country and Malaysia will not be detrimental to other countries. We will serve international peace and tranquility."

Iran is also working closely with the Indonesian government. Both Malaysia and Indonesia have good relations with the U.S., and are trying to play a moderating role in the West's relations with Iran.

## United States News Digest

### Israeli Company Purchase Under Review

An Israeli company's purchase of a U.S. military-related computer security company is under investigation by the

interagency Committee on Foreign Investment in the U.S. (CFIUS). In early February, CFIUS began investigating the sale of Maryland-based Sourcefire, which provides computer security services to the Defense Department, to the Israeli-owned Check Point Software Technologies, after alarms were raised by U.S. agencies.

Objections to the sale of Sourcefire were raised by the Defense, Justice, and Homeland Security Departments, because Sourcefire produces software called "Snort," to prevent external monitoring or hacker-invasion of classified computers. Sourcefire, the *Washington Post* said March 2, "has deep roots in the National Security Agency," and its founder and Chief Technology officer, Martin Roesch, has been an NSA contractor.

Check Point, on the other hand, was built by Gil Schwed, described in *Forbes* magazine as an Israeli billionaire who served in the electronic intelligence arm of the Israeli Defense Forces. Another of Check Point's founders, vice chairman Marius Nacht, "earned a B.S. Cum Laude in Physics and Mathematics ... through an elite project of the Israeli Air Force...." Under the conditions of the sale, Check Point would own all of Sourcefire's patents, source-code blueprints for its software and the expertise of its employees.

### **Gonzales Attempts To Change His Testimony**

Attorney General Gonzales testified about the NSA wiretapping program before the Senate Judiciary Committee on Feb. 6, but three weeks later, on Feb. 28, sent a six-page letter to Senate Judiciary chairman Arlen Specter (R-Pa), seeking to "clarify" his testimony. According to Ranking Member Patrick Leahy (D-Vt), Gonzales now says that the Administration's legal analysis of the program "evolved over time," and gives a "strained explanation that his testimony was confined only to the program that the President had previously described, raising the question of whether there are other secret surveillance programs."

In a March 1 letter to Gonzales, Leahy notes that the Feb. 28 letter indicates that the Administration did not, at the outset of the surveillance program, consider it authorized by the Congressional Authorization for the Use of Military Force against al-Qaeda—contrary to the Administration's arguments for the legality of the program since its existence was publicly disclosed, and contrary to Gonzales's own testimony.

This means, Leahy says, that this argument is simply an after-the-fact rationalization, not the considered analysis at the time the program was launched. After remarking that most of Gonzales's letter "is devoted to not providing answers" about the legal justifications of programs not confirmed by the President, Leahy poses a series of questions about surveillance programs other than those conducted by the NSA.

One of the clarifications offered in Gonzales's Feb. 28 letter, concerns his testimony about why the President's surveillance program doesn't provide for interception of communications in which all parties are within the United States (the program described by Bush has one party outside the U.S.), to which he testified that that particular legal analysis had not been done. Gonzales now states, "Since I was testifying only as to the legal basis of the activity confirmed by the president, I was referring only to the legal analysis set out in the January 19th paper, which addressed that activity, and therefore, of course, does not address the interception of purely domestic communications. however, I do not mean to suggest that no analysis beyond the January 19th paper had ever been conducted by the Department."

Gonzales' clarification has been widely interpreted as a tacit admission that there are more, broader domestic surveillance activities ongoing, than merely that admitted by the Administration to date.

### **Senate Votes To Pass Patriot Act**



The Senate voted 95-4 on March 1 to approve changes to the proposed extension of the Patriot Act. A day earlier, the Senate had voted 84-15 to end the filibuster attempt led by Sen. Russ Feingold (D-Wisc), who argued that the "protections" added to the Patriot Act were cosmetic at best.

Senators Feingold, Robert Byrd (D-WVa), Tom Harkin (D-Iowa), and Jim Jeffords (I-Vt), voted against the proposed changes. After expressing his disappointment over the vote result, Feingold began reading the Constitution and the Bill of Rights, before leaving the chamber. On Feb. 28, Byrd had warned that even with the new privacy protections added by the Administration, "the law has given the government too much power to pry.... This new proposal would erase too many of our freedoms guaranteed to the American people.... In essence, this legislation says the Bill of Rights is no more."

It's unclear whether a decision by House Judiciary Committee Chairman James Sensenbrenner (R-Wisc.) to delay the scheduled vote on the Sununu compromise until March 7, will have any impact on the legislation's final approval.

## **More Signs of Republicans Breaking With Bush**

The *Washington Times* reported on March 1 that Sen. Trent Lott (R-Miss), a "former" friend of President Bush, said he was offended by Bush's declaration that he would veto any attempts to stop the transfer of port operations to Dubai Ports World. He said Bush "threatened me before I even knew the details of what was involved, or whether I was going to vote for the bill or not." Lott said his reaction was: "Okay, Big Boy. I will vote to override your veto."

The *Hartford Courant* March 1 headlined "GOP Center Shying Away from Bush." Connecticut Republican Rep. Chris Shays (R-Conn) led an effort by 28 GOP colleagues to urge Bush to restore money cut from block grants to impoverished areas, and the Florida GOP House delegation, normally among Bush's strongest supporters (his brother Jeb Bush is governor), is not supporting Bush on the port sale. Florida Rep. Mark Foley said, "We aren't going to be PR flacks when they need us."

## **Federal Judge Dumps Rumsfeld's Personnel System**

Federal Judge Emmet G. Sullivan, in a 77-page ruling issued on Feb. 27, found that the Pentagon's National Security Personnel System (NSPS) fails to ensure collective bargaining rights for civilian Defense Department employees, does not provide an independent third-party review of labor relations decisions, and would leave employees without a fair process for appealing disciplinary actions. "Taken as a whole, the design of these regulations appears to rest on the mistaken premise that Congress intended flexibility to trump collective bargaining rights," Sullivan wrote, noting that the new regulations "entirely eviscerate collective bargaining." Sullivan's ruling was the result of a lawsuit filed in November by the American Federation of Government Employees and 12 other Federal employees' unions, following on the heels of a similar ruling, last August, against the Department of Homeland Security. The NSPS was the result of Pentagon demands that Congress allow it to craft its own civilian personnel system in the name of "flexibility."

## **Waxman Says Subpoena Halliburton Documents**

Rep. Henry Waxman (D-Calif) called for subpoena of documents on Halliburton profits in Iraq, in a nine-page letter to House Government Reform Committee Chairman Tom Davis (R-Va.), printed in the *New York Times* Feb. 27. Waxman, the Ranking Member of the committee, outlined over \$250 million in cost reimbursements, profits, and bonuses that a Halliburton subsidiary has received from the Army Corps of Engineers for billings that Defense Department auditors deemed unreasonable and unsupported. Waxman said in his letter that the Defense Department "has been withholding relevant documents about its compensation determinations from the Committee for almost a year."

The payments stem from Kellogg Brown & Root's no-bid Restore Iraq Oil contract. Waxman notes that the Pentagon's own "auditors identified \$263 million in excessive and unsubstantiated costs, 'highway robbery,'" said cited independent experts.

Normally, the *New York Times* and Waxman note, 55-75% of the challenges by Pentagon auditors are sustained. The Corps sustained only 3.8% of the flagged KBR/Halliburton costs. "The contractor is not required to perform perfectly to be entitled to reimbursement," a Corps spokesman told the *Times*.

## Ibero-American News Digest

### Another Hotspot Fabricated, This Time on the Argentine-Chilean Border

Barrick Gold (infamous for its ravaging of Africa) is in the middle of the latest attempt to create conflicts among the nations of South America. Barrick is moving to get operations underway at its open-pit Pascua Lama gold mine, a *binational* project straddling the border between Argentina and Chile. The Mining Integration Treaty approved by both nations in the late 1990s, in whose formulation Barrick had significant input, allows the multinational corporation to operate in the strategically sensitive border area.

Media outlets and other observers are already comparing the situation here with the orchestrated dispute taking place on the border of Argentina and Uruguay, involving Argentine environmental opposition to Uruguay's building of two cellulose plants. Chilean environmental groups, including local branches of Greenpeace and Oceana, are demanding the Pascua Lama project be halted, charging that cyanide used in the production process will pollute the environment and harm farmers and vineyards operating in the region. Argentine groups are also protesting, and there is talk of blockading roads that cross the border.

On Feb. 15, a regional office of Chile's state environmental agency, Corema, approved the project with some restrictions, although opponents charged that Barrick placed "undue pressure" on that agency, by promising farmers \$60 million in assistance, to offset any possible environmental damage. The final decision on the project will rest in the hands of incoming President Michelle Bachelet, although Argentina's provincial government of San Juan must also approve it.

### Mining Deaths in Mexico Expose Slave-Labor Conditions

On Feb. 25, the Grupo Mexico mining company admitted that 65 miners trapped in the company's northern Pasto de Conchos coal mine since a Feb. 19 explosion had no chance of being rescued. PRI Sen. Roque Villanueva charged on Feb. 27 that the company had refused to announce the miners had died from Feb. 19 Feb. 25, in order to keep their stock from collapsing on the stock market. Grupo Mexico is no small "Mexican" company, but owns mining giants Asarco and the Southern Peru Copper Company, and is the world's third-largest copper producer, fourth-largest silver producer, and fifth-largest producer of zinc and molybdenum, as well as having gold mines.

One prime target in the national uproar which has followed the deaths, is Fox's Interior Minister, Carlos Abascal, who had been the Secretary of Labor for the first four years of the Fox government. Abascal is the loyal son of Adolf Hitler-loving Synarchist leader Salvador Abascal, for systematically ignoring the abysmal conditions in Mexico's mines.

The head of the Mining and Metalworkers Union, Napoleon Gomez Urrutia, charged that the conditions in Pasta de Conchos typify the conditions in Mexican mines generally today: The miners had recycled used equipment, lamps which wouldn't last even an hour, enough oxygen for only six hours, dysfunctional rescue equipment, etc. Of the miners killed, only 25 were union members, who had some training for the job; the rest were temporary, untrained contract labor. The *weekly* salary of union as well as contract labor is 700 pesos—that is, just over \$66.

On Feb. 28, the union issued a statement charging the government that the government is out to change the union leadership, exposing itself as what it is: "a feudal and elitist government.... This repressive policy against national, democratic trade unionism is typical of the old synarchism, today transformed into fascism."

## **Colombia Signs Free-Trade Pact with Washington**

Colombian President Alvaro Uribe gave a six-hour televised address Feb. 27, in which he defended his government's decision to sign a bilateral free-trade pact with the U.S., which took two years to negotiate and which, the Colombian media openly acknowledges, is opposed by the majority of Colombians. Uribe went personally to Washington last month to break the stalemate on negotiations, and it is well known that the imminent expiration of a preferential tariff arrangement that the U.S. had granted the Andean nations, was the bludgeon U.S. negotiators used to get the Free Trade Pact rammed down Colombia's throat.

The U.S. buys 40% of Colombia's exports, to the tune of \$8.5 billion a year.

"Colombia will be able to export more products to the U.S., attract more investment," and get rich and prosperous, was the tenor of Uribe's address, which nonetheless admitted that the government was creating a special fund, called "Agriculture, Assured Income," which would provide up to \$222 million a year in subsidies, low-cost loans, crop substitution and other programs to help agricultural producers who will be wiped out by the free-trade agreement. Uribe also promised that the government would be a buyer of last resort, if domestic producers were unable to sell their products because of U.S. "competition." In other words, the government will be absorbing the cost of free-trade devastation of Colombia's economy. While promising not to impose new taxes to finance these new subsidies, Uribe did not say where the money would come from. Social services are expected to be the likely victims.

Uribe's promises notwithstanding, the signing of the FTA was immediately met with furious denunciations by some of the leading agro-producer federations, such as rice, corn, and poultry, together with pharmaceutical industry leaders, all of whom charged that the FTA would prove disastrous for the national economy, and that 2.5 million jobs in the rural sector alone are in jeopardy. With the surge in unemployment that new free-trade pact will cause, will come a surge also in both narcotics production and membership in the ranks of the FARC narcoterrorists.

## **FARC Terrorizes Colombia on Eve of Elections**

Wall Street's business partner, the FARC drug cartel, has declared all public officials and candidates in Colombia's March 12 legislative elections to be military targets, and dramatically escalated its terror rampages throughout the country. In addition to dynamiting electricity pylons and fuel pipelines, and ambushing police and military forces, they have declared "armed strikes" in at least eight provinces, turning any unprotected vehicles caught on the highways into death targets. One civilian bus which became separated from its police escort in southern Caqueta province Feb. 25, was machine-gunned and then set on fire, killing nine people. Two days later, terrorists burst into a city council meeting in the southern province of Huila, murdering nine of the 11 local officials there.

Meanwhile, government efforts to manually eradicate thousands of hectares of illegal coca crops in the huge Macarena National Park are being met with bloody resistance from the FARC. Scores of police and hired workers have been wounded and killed in FARC ambushes and by booby-traps in the fields, and many more are quitting in fear for their lives. The government has attempted to bomb the FARC out of the park, but thus far to no avail.

In a speech this week formally launching his re-election bid, President Alvaro Uribe declared that "the snake is still alive," referring to the FARC, and said he needed a second term to complete the job of purging Colombia of drug trafficking,

paramilitaries, and narcoterrorism. Two hundred thousand soldiers are being deployed into the most violence-ravaged areas, to try to protect the citizenry in this pre-election period, but it is broadly acknowledged that—Uribe's hard-line anti-terrorism stance notwithstanding—his administration has thus far proven incapable of taking back the Colombian countryside from the FARC.

## Western European News Digest

### EU Wants To Send Aid to Palestinians

The European Union is considering sending \$143 million in emergency aid to the Palestinians before a Hamas-led government takes office. While France wants the money to be transferred immediately, the EU has yet to take a position on Hamas, until it forms a new government in the Palestinian Authority. The Palestinians immediately need \$48 million to pay energy and utility companies and \$76 million for health and education projects. James Wolfensohn, the international envoy overseeing aid to the Palestinians, warned that the failure to provide aid "may have wide-ranging consequences, not only for the Palestinian economy, but also for security and stability for both the Palestinians and the Israelis."

### Aznar Leads March Against Zapatero Government

Former Spanish Prime Minister Jose Maria Aznar took time off from his would-be crusade in Ibero-America, to join an estimated 110,000 people marching in Madrid on Feb. 25, ostensibly against terrorism, but in fact against the government of President Rodriguez Zapatero. The prime mover behind the third "No to Terrorism" march of the Association of Victims of Terrorism, was Aznar's Popular Party (PP), and many marchers chanted calls for Zapatero to resign.

### Proposal Would Reintroduce National Currencies in Eurozone

A proposal for the EU countries to reintroduce national currencies, was made by John Gillingham, professor of history at the University of Missouri-St Louis, at a February seminar in London, sponsored by the think tank Open Europe. The scheme would simultaneously keep euros in circulation. Gillingham, author of the book "Design for a New Europe," said at the seminar: "The currencies of the eurozone should be reissued and any attempt to regulate the values of the currencies by an overall single monetary and fiscal straitjacket should be dropped.... That might be a bridge that could save the euro—which is in itself a great idea." Countries would regain control of monetary policy, while people could still travel from one eurozone country to another and pay with euros everywhere. Gillingham calls for a free floating of the national currencies against each other and against the euro.

The Gillingham statements were picked up in a special Bloomberg editorial by columnist Matthew Lynn, headlined "Want to save the euro? Bring back the 12 currencies." He notes that, "Whether this particular proposal is the right one may not matter much in the end. What is important is that people recognize that the euro hasn't worked as planned, and start talking about how to fix it. There are only three ways forward. One is to struggle on with a permanently sluggish economy. Another is to wait for a financial crisis, or a bad-tempered exit (probably by Italy). The third is to preserve what is good about the euro, while repairing the parts that don't work."

### French Weekly Publishes 'Manifesto' Against 'Islamism'

The discredited left-wing French weekly *Charlie Hebdo* published a "Manifesto of the Twelve Together Against the New Totalitarianism" March 1, vehemently attacking "Islamism," which it now equates with authoritarian enemies of old: "After having won over fascism, Nazism, and Stalinism, the world faces a new global threat of a totalitarian type: Islamism. We, writers, journalists, intellectuals, call for a resistance to religious totalitarianism and promote freedom, equal chances for

all, and secularism." Continuing with attack, the manifesto says Islamists "refuse to renounce the spirit of criticism which confuses the critique of Islam as religion with the stigmatization of the believers."

This makes the third time now that the French press—in *France Soir* on Feb. 1 and 2, and now in *Charlie Hebdo*—have revved up anti-Islam polemics, just as things seemed to be calming down in the wake of the Mohammad cartoon fracas.

## **Continuing Diana Inquiry Signals Succession Fight**

The official British Coroner's Inquest into the death of Princess Diana in August 1997 has revived virtually all of the investigative leads unearthed years ago by *EIR*, and signals a ferocious faction fight within the British establishment over the future of the monarchy and the royal succession. Lord Stevens, the former metropolitan Police Commissioner, is conducting a thorough probe into the circumstances of the deaths of Princess Diana, Dodi Fayed, and Henri Paul in a Paris car crash. Already, the Stevens probe has exposed the fraud of the French coverup.

In addition to evidence of the tampering of Henry Paul's blood samples, the use of a laser light at the tunnel, and the use of a device to trigger the airbags in Diana's Mercedes—all previously reported by *EIR*—the *London Times* reported Feb. 26 that Lord Stevens is now demanding that the French domestic national police agency, DST, turn over their files on Henri Paul, to determine whether Paul, who was a paid DST informant, was actually working on an assignment for the French government the night of the crash.

The Lord Stevens probe is an obvious headache for the Royals. This comes on top of a mounting succession crisis, with a faction clearly lined up against Prince Charles' ascension. Recently, British tabloids began publishing excerpts from Prince Charles' personal letters and diaries, which were leaked by a former top aide. Charles is suing to prevent eight additional volumes of his private papers from being plastered all over the tabloids, and this fight, in itself, is putting a most unflattering public spotlight on the kooky prince.

Sources have told *EIR* that there are also raging battles within the City, over Britain's relationship to Continental Europe; whether to support an expansion of the European Union; the relationship to Bush-Cheney; the future of Blair; and, above all else, the issue of a potential new Persian Gulf military confrontation over Iran and the consequences for the global financial system.

## **German Foreign Minister Says 'No' to New 'Energy NATO'**

In an interview with the latest issue of *Der Spiegel*, German Foreign Minister Frank-Walter Steinmeier said the Polish proposal for energy independence from Russia must be rejected, because it would be part of a strategy that would lead to a new Cold War on energy matters. Instead, Germany's policy is one of a cooperative approach among consumers and producers, utilizing key principles that were successfully tested back in the 1970s (in the Conference for Security and Cooperation in Europe, CSCE), for dialogue between the East and West blocs.

Steinmeier, the weekly reports, has made "energy security" a top item on his foreign diplomacy agenda, and has discussed it during recent visits to Moscow, Beijing, and Ankara. There will also be a national energy summit in Germany, in early April, chaired by Chancellor Angela Merkel, involving all Cabinet ministries, with the Foreign Ministry planning staff prominently taking part. A six-page outline has already been drafted.

During Steinmeier's recent trip to Beijing, a joint task force was established between Germany and China on energy security issues, as a top priority for the new Strategic Dialogue that was established as well. Discussions will be continued during the visits to China, of German Economics Minister Michael Glos (in March) and of Chancellor Angela Merkel (in

May).

## **Labor Strikes Continue To Spread in Germany and Greece**

With leading medical staff of 44 clinics throughout Germany staging 24-hour strikes March 1, another sector joined the protest wave against budget-cutting policies in Germany, today.

Public sector workers continued their select strikes in ten states, now entering the fourth week of action in some parts, but an agreement in the northern city-state of Hamburg may serve as a model for a settlement soon: There, it was agreed that younger workers work 40 hours a week, whereas older continue with the 38.5-hour week.

Meanwhile, the metal workers began warning strikes in the southwestern state of Baden-Wuerttemberg, at Daimler-Chrysler plants March 1.

In Greece, the strike of ferry workers went into the third week Feb. 27, and the government there has deployed the armed forces to supply more than 100 small islands in the Aegean Sea. A new general strike is being prepared by labor unions in Greece, in protest of the general budget-cutting policy direction of the conservative government.

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

### **Avian Flu Sweeps Across Southern Russia**

The Russian Emergency Situations Ministry announced March 1 that 495,000 domestic fowl have died of avian flu in southern Russia around the Black Sea and the Caspian Sea, since Feb. 3. Another 220,000 birds were culled to curb its spread. For comparison, last summer's numbers were 17,000 dead of flu and 600,000 culled. The current hot spot is Dagestan, on the western shore of the Caspian Sea and the eastern end of the North Caucasus mountains, but outbreaks are reported in the North Caucasus territory of Kabardino-Balkaria, and in Krasnodar and Stavropol Territories north of the mountains, and Kalmykia farther eastward along the Caspian coast. Quarantines have been imposed, along with the culls. The Emergency Situations Ministry noted that 24,000 chickens died at a poultry farm in Krasnodar between Feb. 20 and 23, though avian flu was not immediately confirmed there.

While attention in Russia has been focussed on the threat from the return migration of wild birds this spring (Duma Deputy Speaker Vladimir Zhirinovsky has been grandstanding with his proposal to send every able-bodied Russian male with a gun to the southern borders, to shoot the birds), the Dagestan outbreak began among wild swans. Evidently in Russia, as also in Western Europe, swans moving South to escape the unusually cold winter have spread the avian flu ahead of the change of season.

### **Putin Honors Victims of 1956 in Hungary**

During his Feb. 28-March 1 state visit to Hungary, Russian President Vladimir Putin, in an unusual gesture, paid a visit to the cemetery in Budapest, where he laid flowers at the monument of the victims of the 1956 Hungarian Revolution, which was bloodily crushed by Russian tanks.

While in Hungary, Putin met with Hungarian Prime Minister Ferenc Gyurczany, with whom he discussed closer energy and economic cooperation. At a state dinner, President Laszlo Solyom was given the Pushkin medal by Putin. Solyom stressed that Hungary regards Russia as a strategic partner and that the two countries will deepen their respective cultural



cooperation.

Following his trip to Hungary, Putin made for the first time a state visit to Prague, the capital of the Czech Republic, to discuss closer energy and economic relations between Russia and Czechia.

## **Cheney's Office at Center of Anti-Russian Policy Review**

The *Washington Post* of Feb. 26 featured Vice President Dick Cheney's role in pushing confrontation with Russia. "Cheney has grown increasingly skeptical of [Putin] and is interested in toughening the Administration's approach," said the front-page article. In January, Cheney had a number of think-tankers—the one named is Anders Aslund of the International for International Economics—into his office to toughen the policy, and has asked National Director of Intelligence John Negroponte for a report on "Putin's trajectory." An unnamed official says Cheney is "in the more critical camp" in a fight between "the Putin lovers and the democracy lovers in the Administration." President Bush and Secretary of State Condoleezza Rice are "balancing" the two, said the *Post*.

Among the flashpoints, the article mentions, are the Russian dealings with Iran. The U.S. needs Russia's cooperation against Iran at the UN Security Council, but the article was written before news came of progress in the Iran-Russia nuclear talks.

One focus of the anti-Russia critics is the upcoming summit of the Group of Eight in St. Petersburg, and Russia's chairing of the group. In addition to Aslund, Sen. John McCain (R-Ariz) is one of the major critics. Aslund suggests that the seven full members of G-8 meet *without* Russia before the St. Petersburg summit; other critics want a full boycott. Capitol Hill sources told *EIR* that anti-Russia moves are afoot in the Congress, too. A resolution is being pushed by Rep. Ileana Ros-Lehtinen (R-Fla), and Rep. Tom Lantos (D-Calif), the chairman and ranking member of the House International Relations Committee, to denounce any Russia-Iran deal on nuclear fuel.

## **Southwest Asia News Digest**

### **Republican Lugar: U.S. Should Enter Direct Talks With Iran**

Senator Richard Lugar (R-Ind), chairman of the Senate Foreign Relations Committee, told Germany's *Sueddeutsche Zeitung* that he opposes regime change in Tehran, for the time being, and the U.S. must deal with the government that Iran has.

In an exclusive interview published March 4 in the German paper, Lugar said that the U.S. should enter into direct talks with Iran concerning its nuclear program, together with Russia, China, and other nations, "to find a multilateral answer, not just an American one." This approach may resemble the six-party approach, as in the North Korean case.

Lugar said he cannot read the minds of the Iranians, but, "maybe they want this: normal relations with the rest of the world, trade and economic growth, respect for international law, and no more support for terrorists. If these are their objectives, it would be a wonderful result. In any case, it is something that we, the U.S., should think about."

"We should expand the talks. The U.S., the Iranians, the Europeans, Russians, and Chinese should take part. That is a constructive idea. And during the talks, Iran would have to freeze its nuclear activities," he said.

### **Lavrov: Nuclear Agreement With Iran Still Possible**

Negotiations over Iran's nuclear program, between the European Union (EU) and Iran's Chief negotiator Ali Larijani, ended March 3 with no result. Russian Foreign Minister Sergei Lavrov announced at a Moscow press conference that there are still possibilities for getting an agreement, to avoid bringing the issue to the UN Security Council. He said Russian Deputy Foreign Minister Sergei Kislyak is in Vienna for further discussions between the EU Three and Iran for this purpose.

At the same time, the Russian wire service Interfax quoted an experts' report that says Iran will succeed in developing a nuclear weapon within five years, and recommends that the world prepare itself to coexist with Iran as a nuclear state. The report was to be presented March 4 to the Russian Foreign and Defense Policy Council.

## **Senate Testimony Seeks To Avert Confrontation With Iran**

In a U.S. Senate Foreign Relations Committee hearing on the Iranian nuclear issue March 2, Ray Takeyh, an Iran watcher at the Council on Foreign Relations, proposed a basis for averting a U.S. confrontation with Iran.

Takeyh, who has an understanding of the internal debates going on in Iran, tried to get senators to understand the situation as seen through Iranian eyes: U.S. deployments in both Afghanistan and Iraq, U.S. acceptance of India as a non-declared nuclear power, and the persistent calls for "regime change" in Iran—all of these threats are being made in an aversive climate in which Iran is also being asked to forego nuclear capabilities to which it is entitled by treaty.

Takeyh proposed that the waiting period for UN action on the IAEA report be extended another six months, and a contact group—of the EU-3, China, Russia, and the U.S.—be set up to begin negotiations with the Iranians on the whole spectrum of issues of concern to Iran, including economic and trade issues and security guarantees. Takeyh pointed out that no country had ever willingly given up its nuclear-weapons capability, unless it did not feel threatened—obviously not the case today with Iran. If that could be changed—by means of such negotiations with U.S. participation—then Iran might be willing to reach an agreement on the enrichment issue. Otherwise, there was little chance of it, he said.

The other two speakers, Ron Lehman of Lawrence Livermore National Laboratory and Pat Clawson of the Washington Institute for Near East Policy (WINEP), both called for "smart" sanctions—a possible "show of force" by U.S. and allied naval forces in the Persian Gulf to prevent Iran from trying to block the Gulf of Hormuz, and similar measures.

## **Murtha Letter to Bush Calls for 'Change in Direction'**

Congressman John Murtha (D-Pa) released to his colleagues in the House of Representatives on Feb. 28 a letter he sent to President Bush on Feb. 1, detailing his proposal to "reinvigorate our global anti-terrorism effort." In his cover letter to his colleagues, Murtha wrote, "I continue to feel very strongly that we need to change direction in Iraq." His proposal includes four elements:

- \* Redeploying out of Iraq, not only because U.S. troops are targets of the insurgency, but also because their presence "undercuts the chances for the newly elected government to be successful."
- \* Replacing those officials in the Bush Administration responsible for the failed policy in Iraq with "a fresh team that demonstrates true diplomatic skill, knowledge of cultural differences, and a willingness to earnestly engage other leaders in a respectful and constructive way."
- \* Reallocating the funds currently being spent in Iraq to uses that will protect the U.S. against attack.

\* Reconstituting the Army and Marine Corps which, along with associated Reserve components, have borne the brunt of operations, causing recruiting problems and subjecting equipment to tremendous wear and tear. Murtha notes that estimates of the cost of refurbishing worn out equipment go as high as \$50 billion.

## **U.S. Intel in 2003: Iraq Insurgency Fuelled by Local Conditions**

A top-secret U.S. National Intelligence Estimate, completed in October 2003, concluded that the insurgency in Iraq was fueled by local conditions, not foreign terrorists; drew strength from deep grievances, including the presence of U.S. troops; and could lead to civil war, according to Knight Ridder news service March 1.

Robert Hutchings, the chairman of the National Intelligence Council from 2003 to 2005, told Knight Ridder in a telephone interview: "Frankly, senior officials simply weren't ready to pay attention to analyses that didn't conform to their own optimistic scenarios." Hutchings presided over the drafting of the report, which was requested not by the White House, but by the U.S. military's Central Command.

Army Lt. Gen. Michael Maples, director of the Defense Intelligence Agency, testified Feb. 28 before the Senate Armed Services Committee, that the insurgency "remains strong, and resilient. So long as Sunni Arabs are denied access to resources and lack a meaningful presence in the government, they will continue to resort to violence. With over a million Sunni Arab military-age males in Iraq, insurgents have little difficulty mobilizing enough fighters. The elections appear to have heightened tension and polarized sectarian divides."

## **State Department: Hamas-Moscow Talks 'Serve a Purpose'**

A U.S. State Department spokesman March 3 welcomed Russia's talks with the Palestinian ruling party Hamas. The Hamas delegation, led by exiled leader Khaled Meshaal, arrived in Moscow March 3 for three days of talks. After Meshaal's meeting with Russian Foreign Minister Sergei Lavrov, Lavrov told reporters that Russia was speaking for the UN-U.S.-EU-Russia Quartet and is urging Hamas to recognize Israel. Lavrov stressed that the group needed to transform itself into a political structure, and to "be sure that the military wing of Hamas becomes a legitimate part of the Palestinian security structures." Meshaal told reporters that Hamas would contemplate such recognition when Israel respects the pre-1967 borders.

State Department Deputy Spokesman Adam Ereli welcomed Russia's discussions with Hamas as a "clearly delivered message consistent with Quartet aims." When questioned repeatedly about the previous U.S. position of isolating Hamas, Ereli finally answered, "Let's deal with the facts. The facts are that Hamas has won the election ... and they will soon be in a position to govern. As a governing authority you have a certain exposure, and you are held to a certain standard by your people ... as well as the actors in the international community with whom you have to deal. You can call it exposure. You can call it legitimacy. You can call it whatever you want. But—those are the facts of the matter."

## **Israeli Labor Party's Peretz Meets Abu Mazen**

Israeli Labor Party Chairman Amir Peretz talked with Palestinian President Abu Mazen March 2 for about an hour at the Allenby Bridge that joins the West Bank and Jordan, according to the Israeli daily *Ha'aretz* March 3.

In a joint press conference afterwards, Peretz said "We have no war with the Muslim world. We have no war with the Arab world. We have no war with the Palestinian people. We do have a battle against terrorist organizations."

Abu Mazen said, "We are against all forms of violence. Violence harms the two peoples. We want calm and truce, and final

status negotiations, because we and the Israelis are tired of wars. We want stability. We want to rest, and to live as real neighbors."

Peretz said aid to the Palestinians has to continue, because "any humanitarian harm will cause a radicalization of moderate elements."

Peretz's meeting with Abu Mazen follows his meetings with King Mohammed VI of Morocco and President Hosni Mubarak of Egypt. (See this week's InDepth for "Netanyahu Pushes Sharon's 'Jordan Is Palestine' War Plan," by Dean Andromidas.)

## Asia News Digest

### India-U.S. Deal on Nuclear Power Has a Long Way To Go

Although U.S. President George W. Bush wanted something to show for his visit to India March 1-3, the revised deal with India over nuclear power and enrichment still has numerous hurdles to overcome. All that the announcement signifies, is that the agreement on nuclear technology transfer to India from the United States, first announced on July 18, 2005 and tied up in the Congress ever since, is not totally dead.

#### What happened on March 2, during President Bush's visit to India?

India gave the Bush Administration a list, saying which nuclear reactors would be placed in civilian hands and which would be placed in the hands of the military. On the list of the 22 reactors that India has, 14 were given civilian control which could come under IAEA inspections. The list stated that eight reactors, including the breeder reactors, would stay in military hands. A similar list was given the Bush Administration months ago, and the list was trashed. Now, the revised the list has been received but neither rejected or accepted at this time. Which means more talks have to take place. The Indians have set up the deal as a lockstep process, in which the Indians take a step and the U.S. takes a step in turn. India is not ready to do everything asked and then trust the Bush Administration at its word. It is designed to take a long time.

Some of the sticking points, such as the inspections, will have to be worked out, since they lie outside the NPT and will have to be done another way. Other sticking points are the question of the lifting of existing sanctions, imposed after India's 1974 and 1998 nuclear tests, and assurances that it can conduct further tests, and India's need for plutonium for its reactors. Given the weakness of the Bush Administration on Capitol Hill, sources view the likelihood of Congress approving such a controversial deal requires a lot of efforts by the White House.

### China Opposes U.S.-India Nuke Deal

China has made clear that it opposes the nuclear agreement reached between the United States and India during President Bush's visit there March 1-3. China said it would give India an added advantage in the field of dual-use technology which could ultimately change the balance of power in Asia. China also concluded that the deal may destroy non-proliferation efforts worldwide and urged India to join the nuclear non-proliferation treaty (NPT).

China has reportedly contacted countries including Britain, France, Germany, Sweden, The Netherlands, Brazil, South Africa, South Korea, Australia, New Zealand, and Japan expressing its reservations about the deal.

China also fears that if India uses the agreement as a license to expand its weapons program, Pakistan would be compelled

to do the same.

## **U.S. Wants To Strengthen Military Relations With India**

The strengthening of military relations with India is one of the unstated objectives of President Bush's just-concluded trip to India, the Pentagon said, according to Voice of America March 3. Already, the United States has offered India advanced fighter aircraft as the next step in the rapidly growing defense cooperation between the two nations.

"We have indicated our intention to offer both the F-16 and F-18/A, both combat-proven aircraft. As additional capabilities enter our force, we will work with the government of India to make them available. Our proposal will also address India's interest in technology transfer and indigenous co-production," the Pentagon said.

Meanwhile, U.S. Assistant Secretary of Defense for International Security Affairs, Peter Rodman, in an interview with the VOA, said: "We see India as a strategic partner in the 21st Century.... The strategic environment of the new era is really pulling all of this together, and the President's trip to India is a way, I think, to bring this to a new stage."

The new stage includes defense and military relations, including joint exercises at Indian Army facilities in the jungle in Mizoram near the Myanmar border, and at high altitude in Kashmir, and joint exercises between two of the world's leading air forces.

## **Bush in Kabul—A Surprise Visit**

U.S. President George W. Bush made a surprise four-hour stop in Kabul on his way to New Delhi March 1. Bush extended support to Afghan President Hamid Karzai as the situation within Afghanistan had begun spinning out of control. Observers point out that at the advent of spring in early April, the Taliban is expected to make a decisive push to gain control of large swaths of Afghanistan. In southern Afghanistan, where U.S. troops have withdrawn, handing over the area to the Canadians, it is evident that the Taliban and anti-American forces are gaining ground rapidly.

Speaking before the Senate Armed Forces Committee, DIA director Lt. Gen. Michael Maples, said: "Despite significant progress on the political front, the Taliban-dominated insurgency remains a capable and resilient threat." Maples said attacks within Afghanistan were up 20% between 2004 and 2005, suicide bombings increased "almost fourfold" and use of makeshift bombs, similar to those used in Iraq, had "more than doubled."

While President Bush was with the Afghan President, a prison uprising, allegedly organized by the Taliban and al-Qaeda, was continuing in the outskirts of Kabul in Pul-i-Charkhi prison.

## **U.S. Diplomat Killed by Car Bomb in Karachi**

A car bomb went off near the U.S. Consulate in Karachi, Pakistan, killing David Foy, 52, a U.S. State Department employee and Foreign Service Officer on March 2. The killing occurred about 36 hours before President Bush and his retinue were scheduled to arrive in the country for about 30 hours' stay.

Since Bush's trip was announced, Washington has insisted that the President not to spend the night of March 3 in Islamabad, for security reasons. Islamabad, of course, assured his safety and insisted that for the sake of U.S.-Pakistan relations, the U.S. President must stay overnight. In order to reassure the Americans that the Musharraf government would keep the extremists on the run, the Pakistani military carried out a major armed operation in the tribal agency areas bordering Afghanistan and allegedly killed 45 extremists.

It is likely that that military sweep in the tribal agency expedited the car bomb attack in Karachi that led to Foy's death. Pakistan is now an extremely divided country with an abundance of violent individuals armed with explosives and other weapons. Those who oppose the United States' presence in the neighborhood include Islamic extremists, Pakistani military, a section of the Inter-Services Intelligence (ISI), and even some who are pro-Iran and anti-U.S. policy towards Iraq elements. It is difficult to nail down who triggered the hit, but it is almost a certainty that the ISI knows and would protect them.

## **Indonesian President in Breakthrough Visit to Myanmar**

Indonesian President Susilo Bambang Yudhoyono completed a two-day visit to Myanmar March 2, the first visit by a head of state allowed by Myanmar in many years, and the first government official of any sort in several years. Yudhoyono was joined by former Foreign Minister and senior statesman Ali Alatas, who has been instrumental in quietly working with Myanmar, including arranging this trip. Asked if they were to see Aung San Suu Kyi, the prominent dissident who remains under house arrest, Alatas simply said: "Our stay here is very short and we have no time for it."

After meetings with Gen. Than Shwe, the head of the junta, Alatas said that President Yudhoyono had discussed Myanmar's "roadmap to democracy," based on Indonesia's experience of moving from a military government to an elected government—but without lecturing them.

## **Mullah Omar Operating Freely in Pakistan**

Afghan Foreign Minister Abdullah Abdullah, not a friend of Pakistan, has hit back at Pakistani President Gen. Pervez Musharraf's dismissal of an intelligence report about Taliban and al-Qaeda militants operating in Pakistani territory. He said: "We would not give them anything had we not been sure about its credibility," Abdullah said referring to the handing over the list of Taliban and al-Qaeda members' whereabouts to Musharraf by Afghan President Hamid Karzai, during his recent visit to Islamabad.

Abdullah said Afghanistan believed that most of the "Taliban leaders that are actively instigating terror in Afghanistan" were in Pakistan, with Omar known to have spent time in the border city of Peshawar and in Balochistan. "We have provided evidence of him being outside of Afghanistan, in Quetta in Balochistan, the Afghan Foreign Minister said.

Abdullah's statement was issued the very day that President Bush arrived in Pakistan for a one-day stay in Islamabad amidst heightened security.

# **Africa News Digest**

## **Leading Edge of Avian Flu Is in Africa and Asia**

The leading edge of the avian flu poultry pandemic is in Africa and Asia, where economic conditions are more conducive to spread of the disease. Recent outbreaks include these:

\* Fourteen out of 26 Egyptian provinces have had avian flu outbreaks among poultry, and panicky people in Cairo are hoarding water because of the dumping of dead birds into the Nile.

\* The epidemic among poultry in Nigeria continues to spread, and now Niger, its northern neighbor, has been stricken with



outbreaks among poultry.

\* After a few days of denial, Pakistan has admitted that there is an avian flu outbreak among poultry in the North West Frontier Province.

## **Nigerian Oil Production Cut by 20% by Gangster Violence**

Nigerian oil production has been cut by 20% over recent weeks by the violent activities of a gangster organization in the Niger Delta. Nigeria produces 8% of the world's oil. The gangsters have, since Jan. 11, been operating without visible leaders under the name of the Movement for the Emancipation of the Niger Delta (MEND).

It is armed by large, well-organized crude-oil theft operations (which already take 10% or more of Nigerian oil). The oil thieves operate from the Gulf of Guinea down the west coast of Africa.

The violence in the Niger Delta for which MEND takes credit, has so far included the blowing up of oil platforms, kidnapping two batches of foreign oil workers, and a bank robbery—and it credibly promises much worse. Its program is the same as that of Dokubo Asari, who was arrested for treason on Sept. 20, 2005, for promoting separatism. MEND claims not to be Asari's organization, but demands his release. A front group for MEND is the Ijaw Institute of Strategic Studies, whose website is hosted on a Yahoo server in Britain.

The Nigerian government's ability to respond militarily is hindered, because military, local government, and police in the region are woven into the theft operation by corruption. There is no development going on anywhere in Africa, so the government does not have economic incentives to offer as leverage to mobilize the desperately poor population and the institutions against the gangsters.

## **This Week in History**

### **March 7 — 13, 1679**

#### **Dr. Boylston Begins Smallpox Inoculation in America and Mentors Ben Franklin in London**

Born on March 9, 1679, Dr. Zabdiel Boylston of Brookline, Mass. well deserves to be remembered for two very important missions that he accomplished during the 1720s. The first dealt with smallpox, the dreaded scourge that subjected its victims to a horrible death, and left its survivors scarred for life. The American colonies had been prey to wave after wave of the deadly disease, and on April 15, 1721 a ship from the Tortugas brought another outbreak to the town of Boston.

This outbreak, however, would be different. On June 6, the Rev. Cotton Mather, the leader of the republican networks in New England and a talented scientist, circulated an "Address to the Physicians of Boston," asking them to inoculate against smallpox. Mather had first heard of the practice of inoculation from a slave named Onesimus, who told him it was done by the Guramantese tribes in Africa. Then, in 1719, Mather read two papers published by the British Royal Society which described the method of smallpox inoculation used in Constantinople. Mather prepared an abstract of these papers for Boston's doctors which he added to his "Address."

When this plea did not produce any results, Mather wrote a letter on June 24 to Dr. Boylston, asking him to inoculate, saying that "If upon mature deliberation, you should think it advisable to be proceeded in, it may save many lives that we set a great value on." Boylston, who had survived the disease in 1702, deliberated only two days before he began

inoculating members of his family and then expanded his efforts to others who wanted to undergo the procedure.

But this life-saving method was totally new to America and did involve a small element of risk. The political opposition to Cotton Mather and his republican networks was centered in a group of merchants who held monopolies from the British Crown on basic commodities such as grain. This group, which had been fleecing the public with high prices, now showed their "compassion" for the common man by coming out violently against the practice of inoculation.

These supporters of the degenerate Robert Walpole administration in Britain played on the population's fears and succeeded in organizing an anti-science mob to attack the homes of both Mather and Boylston. They also recruited "experts" to their cause, including William Douglass, a Scottish doctor who was to attack inoculation for the next 30 years, claiming that it helped to spread the disease.

Dr. Boylston was summoned three times by the selectmen of Boston, most of whom were under the thumb of the monopolists, to account for his actions. As the epidemic spread, more and more people requested to be inoculated. Cotton Mather had been working through his civic associations in order to encourage people to protect themselves against smallpox. By summer, the disease had reached epidemic proportions, eventually affecting half the population of Boston.

Finally, with the newspapers owned by the monopolists spewing out constant slanders, a grenade was thrown through Cotton Mather's bedroom window on Nov. 13. Mather's cousin was in the room recovering from inoculation, but fortunately the bomb's fuse was knocked off by hitting the window casement so there was no explosion.

To counter the fear-mongering pushed by the anti-science pamphleteers, Boylston and Mather collaborated on a series of eight letters and pamphlets, setting out the scientific basis of inoculation for the citizens of Boston and surrounding areas. Despite the pressure of constant harassment, Dr. Boylston kept careful records of his inoculations and his patients' reactions, tabulating the results. By the end of February 1722, he had inoculated 241 people, among whom, only six died, and of these at least four had contracted smallpox before they were inoculated.

While the epidemic still raged, Mather, with the aid of Dr. Boylston's records, sent a report of the inoculations to the British Royal Society, of which he was a member. Mather also wrote letters about Boylston's inoculations to other members of the Society, and his letter, titled "An Account of the Method and Success of Inoculating the Small-Pox, in Boston in New England," was published anonymously in London in 1722.

But the opposition of the anti-innoculators and their Walpolean backers had not abated. At the beginning of January 1722, their main propaganda organ, the *New England Courant*, claimed that Mather's support for inoculation must be the work of the Devil. On Jan. 15, Mather attended a meeting of Boston ministers and told them that his ability to do good for the citizens of New England was being severely restricted. From now on, he said, he had projects to do good in more distant places and among some of his own remnant of a flock, but as for New England in general, others would have to take the lead.

"I have done treating you with any more of my Proposals," said Mather. "If they should be never so good, yet if they be known to be mine, that is enough to bespeak a Blast upon them. Do YOU propose as many good Things as you please, and I will second them, and assist them and fall in with them, to the best of my Capacity." There was one Mather project that combined distant places and someone from his own flock, and it was about to begin.

Benjamin Franklin's father Josiah was one of the leaders of Mather's congregation, and members of the Franklin family had married relations of the Mathers. At this time, Benjamin was 16 years old and apprenticed to his older brother James, a printer. James had joined the anti-innoculation faction, whether from his own motives or as a Mather lookout is not known. In April of 1722, Benjamin Franklin began slipping anonymous articles, signed by "Silence Dogood," under the door of the

*New England Courant*. The articles were at first much admired by the anti-science group, but as their author became famous in Boston, the tenor of the articles gradually changed, to become subtle attacks on the decay of New England's citizenry caused by the "Every man has his price" ideology of the Walpole ministry.

By late September of 1723, Franklin was ready to fulfill one of Mather's projects for distant places. He left Boston for Philadelphia, and no 17-year-old supposed runaway was ever more carefully monitored and helped along his way. Mather allies at every point made sure he reached his destination safely and, amazingly, two royal governors took a great interest in him. One of these, Gov. William Keith of Pennsylvania, another Mather ally and member of the trans-Atlantic republican network, proposed that Franklin should sail to England to obtain printing types, and then do the official printing for Pennsylvania!

Franklin returned to Boston in 1724 to see his father, and then met with Cotton Mather. Meanwhile, the articles and letters on American smallpox inoculations had interested Sir Hans Sloane, the President of the Royal Society. He invited Dr. Boylston to come to England, address the Royal Society, and witness the inoculations which were going on in England. Those inoculations had begun a short time before the smallpox epidemic had hit New England, and were partially a result of the efforts of Lady Mary Wortley Montagu.

Lady Mary, who had been badly scarred by smallpox, was the wife of the British Ambassador to Constantinople, and while there, had observed the practice of inoculation. When she returned to England she campaigned for its adoption, and secured the support of the European republican faction led by the scientist and statesman Gottfried Wilhelm Leibniz. This republican pro-science network was coordinated in the British Isles by the satirist and Anglican Minister Jonathan Swift. These allies of Mather obtained the support of Caroline, the wife of the future King George II, and she allowed herself and her daughters to be inoculated. Princess Caroline had been tutored by Leibniz as a young girl, and had been one of his favorite pupils.

Benjamin Franklin arrived in England in December of 1724, and played the role of a friendless apprentice who had been betrayed by the whim of the Pennsylvania governor, who had neglected to supply him with funds and the promised letters of introduction. But Dr. Boylston was conveniently on the spot, and by Franklin's later testimony he gave him both money and advice. Franklin's mission was to get a sense of the ideology and intentions of the Hellfire Club administration, but also to meet with the British republican faction. On the first, Franklin succeeded by writing a paper which got him a meeting with the evil Bernard Mandeville, whose *Fable of the Bees* stated that private vice was necessary for public good.

For the second goal, Dr. Boylston provided very necessary backup. With the help of Hans Sloane, Boylston lectured at the Royal College of Physicians and the Royal Society, and published his inoculation results under the title of "An Historical Account of the Small-Pox Inoculated in New England," which was dedicated to Princess Caroline. The Royal Society then elected him a member.

Boylston knew that Franklin needed more money than he could provide, and so somehow Sir Hans Sloane heard that there was an American lad in London who had a supply of curiosities. Sloane was such an avid collector that, upon his death, his collection became the basis of the newly founded British Museum. According to Franklin, "I had brought over a few curiosities, among which the principal was a purse made of the asbestos, which purifies by fire. Sir Hans Sloane heard of it, came to see me, and invited me to his house in Bloomsbury Square, where he showed me all his curiosities and persuaded me to add that to the number, for which he paid me handsomely."

But Dr. Boylston possibly provided a much more important opening for the young Ben Franklin. As part of his study of inoculation methods in England, Boylston attended the royal inoculations, as well as those of some of the leading families. Also present at these events was Dr. John Arbuthnot, the former physician to Queen Anne and a fellow member of the Royal Society. Arbuthnot was also the close friend of Jonathan Swift and with him had founded the Scriblerus Club. When

Jonathan Swift came to England from his post in Ireland in the spring of 1726, it is entirely possible that Arbuthnot saw to it that Franklin met Swift and his republican cohorts.

Both Boylston and Franklin left England in 1726 to return to America. Boylston returned to Boston and continued to inoculate against smallpox, laying the basis for the later work of Benjamin Waterhouse, and George Washington's decision to inoculate the entire Continental Army. Franklin returned to Philadelphia and helped to found a new nation.

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