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

### **The Alito Fight: LaRouche Says 'No' to Germany 1933-34**

**by Jeffrey Steinberg**

On Jan. 25, 2006, Lyndon LaRouche issued his most impassioned statement to date, demanding that the U.S. Senate defeat the nomination of Judge Samuel Alito to the Supreme Court, on the grounds that Alito is a Nazi who promotes the judicial outlook of Hitler's "Crown Jurist," Carl Schmitt. Under the title "1933 And Now," LaRouche wrote:

"Clearly, even most leading Senate Democrats have failed to grasp the essential issue of Alito. They have obviously failed to relive the experience of those, during January and February of 1933, who failed to recognize what should have been the obviously already looming danger of an Adolf Hitler dictatorship. Their cowardice then created the conditions under which Hitler was made a dictator in the immediate aftermath of Hermann Göring's '9/11,' the setting of fire to the Reichstag.

"Many of those who refused to recognize the Hitler danger before the Reichstag incident, were soon rewarded by being shuffled into prisons, shot peremptorily, or shovelled into what became the concentration-camp system. What made that possible was Germany's toleration of Carl Schmitt's award to Hitler of the same powers which the Supreme Court faction of Carl Schmitt's Federalist Society fellow-travellers such as nominee Alito represents.

"Those of us from my generation, and some others, who lived through the experience of that tragic outcome brought about by those who refused to, as the saying goes, 'exaggerate the Hitler danger' then, look sadly at those in the Senate and elsewhere today who seem inclined to repeat the lesson of history, from January-February 1933, weeks when Hitler could still have been stopped.

"They either do not remember, or have chosen to forget, that the prompting of the Hitler coup, which had been promoted by the head of the Bank of England, Montagu Norman, and his Anglo-American-French and other private banker accomplices, was motivated by the events surrounding and following the 1931 founding of the Bank for International Settlements. This all occurred in the context of a great international monetary-financial crisis, like that of today. Then, as now, it could happen here!

"It is notable that many relevant members of the Senate and others do not know of that lesson of history; the problem is the influence of sophistries catalogued under the rubric of 'go along to get along.' Let them look into the millions of despairing faces of those who died so cruelly in Hitler's camps, as a result of the same doctrine which the Federalist Society has adopted from the same Carl Schmitt known as the Crown Jurist of the Nazi system. To repeat the mistake of Germany in January-February 1933, is to take on oneself the guilt for those who were tortured and murdered so mercilessly by the forces of the Hitler whom the relevant leading private bankers brought to power then, and would do the like again today."...

## Latest From LaRouche

### LaRouche Addresses the Youth Movement:

#### The Fight To Stop Alito and Bring Back Classical Culture and Economics

*Lyndon LaRouche addressed the LaRouche Youth Movement's Los Angeles cadre school on Jan. 28, 2006.*

You probably notice there's a report that President Bush, who is still looking for his condom, after a recent statement—it may not have broadcast—at a press conference, appointed two characters from his staff for the Federal Reserve Board. I wonder what crime they've committed that qualifies them for that position, under them. But that's the nature of the thing, with Greenspan going out. He's probably going to go down in history as the Elmer Gantry of financial-monetary policy.

The main issue, of course, today, internationally, is the Alito nomination. This is a pivot-point in world history. It's comparable, not quite of course, but it's comparable by implication to the Reichstag's Fire and Carl Schmitt's certification of Hitler as a dictator, which Hitler remained from that date on, in the immediate aftermath of the Reichstag's Fire, which was set by Hermann Goering, until 1945, until he died. So, it's that kind of ominous event. Because, at this point you have Cheney, who is not very bright, but who's a tool of certain interests, who are pushing for a collapse of the system; who are pushing for a war involving Iran; who are pushing a scenario which can lead the world into Hell. And under this kind of scenario, with a Bush Administration which is losing popularity regularly—Bush is very unpopular now—there is no basis for expecting now, anything but an overturn of the composition of the Congress in the coming November elections.

So therefore, these guys are desperate, with a financial crisis onrushing, and with the desperate situation of the current Bush-Cheney Administration about the mid-term elections coming up this November, to do something, to pull their situation out of the coals. And with the people *behind* them, who control them, because they don't really control themselves, the people behind them who are these financial Synarchists, are willing to make a great strategic gamble for a grab for world fascist power.

So, under these conditions, it's extremely dangerous.

Now, what's happened is, that we had a setback, in fighting against this Alito nomination, and what it represented, because the leader of the Democratic forces in the Senate, Reid, backed off from assuming leadership against the Alito nomination. And Senator Schumer from New York, who had been designated earlier by circles around Senator Reid, to sort of lead the floor fight on this Alito thing, became a little bit demoralized by the way that Reid is reacting. So, we had a very bad situation, as you know, going into last week.

We acted, and not only we acted, but happily, the former candidate for Presidential election, who was then in Davos, at the meeting of the Davos international financial meeting, reacted, and assumed the position of saying, "I'm going to take the leadership on this issue." Now, Kerry's initiative, with the support of Senator Kennedy, on this matter, has reinvigorated the Democratic forces, and we're gaining back what we had apparently lost, in terms of a fighting position on the Alito nomination. That's now the case.

What is going to happen, is not yet decided. But as you know from your neighbors in California, that the California Democratic Party has moved, partly with our initiative but also the initiative of those whom we've collaborated with, in

turning the situation around in California. So, California is now efficiently back in the fight. And you see this by Feinstein has shifted her position, to opposing—to actively opposing, as opposed to just opposing—but actively opposing the Alito nomination.

So, anything can happen. It can happen over the weekend. But now, we have a reinvigorated effort to fight this Alito nomination. Which could be a turning point in world history: a turning point comparable to Hitler's coming to achieving dictatorial powers. Not that the first step in itself, but the fact that you have a majority of the Supreme Court which is controlled by this pro-fascist, implicitly pro-Nazi, crowd in the Supreme Court. And then, the Bush Administration, or the people behind it, pull off a crisis operation, under crisis conditions of a confrontation over the use of power between the Congress and the Presidency, and the thing gets thrown in the direction of the Supreme Court. Then the indication that the Supreme Court will support the President on a move to establish a dictatorship, like Hitler's, would get through. So therefore, stopping this now, is extremely important.

And what you have is, you have the leading role from (not exactly behind the scenes) by former President Clinton, who of course is one of the best fundraisers in political history, who is now mobilizing forces on the danger of this Alito nomination. This is, at the moment, is the center of the fight to save civilization. And we are deeply involved in this, naturally, and we are a factor in this fight. How much of a factor? Well, let's determine that, after the smoke has settled. But we are a factor, we are an important factor in this, and we have to look at ourselves, and *our responsibilities* in terms of the position we occupy, in terms of the position we occupy, as being a key factor in this fight to try to defeat the fascist takeover of the United States.

And I don't exaggerate in the slightest, in saying "fascist takeover." I've already indicated some of the qualifications, you might want to raise in discussing how serious the threat is: How does this compare *exactly* with the situation prior to the Nazi takeover in February 1933 in Germany. Well, that's a moot point. But, the very fact that we have to debate that, indicates the seriousness of the situation. We *do* have to debate that. Not because we want to sit and be involved in a debate on this question, but because the very fact that we *should* debate that, indicates the seriousness of the situation we're facing.

So, that's where we stand.

## What Is an Economy?

Now, behind this, and overlapping it, is another issue, which I'm addressing in a piece which you saw a *glimpse* of, or a glimpse of the introduction to, in my latest economic piece which is coming out in the coming issue of *EIR*: It's entitled, "What Connects the Dots." But the fuller program is much more serious.

The problem is, and again, this is something you've been discussing, is, what is an economy? What do we mean by an economy? The key issue, which is very much a focal point of the youth activity today, as a matter of fact, it's the keystone, the keystone is physical science and music. But not just physical science and music, but the *valid* approach to both, to physical science and music.

In music, of course, it is the Bach choral method, as exemplified by issues we've raised, by the comma question as it arises in tuning a choral performance of something like the *Ave Verum Corpus* of Mozart—again, Mozart's birthday celebration aftermath—and the Bach *Jesu, meine Freude*. And other works. But these are exemplary works, in which simply each individual person, singing the right notes at the right level, does not produce an integrated performance of the actual intention of the composer. To realize the intention, you must modify, or *temper*, the modalities of the vocal parts, so that they interrelate in a way which creates a unity of effect from beginning to end. And that is what Furtwaengler called

"performing between the notes."

And very few people today, still understand—relatively speaking, among people who've learned music—what music is. They know how to make noise. You have these chimpanzee things, which is called "rock performance." It's called "rock performance" because it's pre-Stone Age performance, in terms of intellectual quality. It is highly sexual, in the same way that you can see sexuality practiced by chimpanzees and monkeys generally; but it is not—and it may be entertainment for those who like such monkey business in the name of sexual entertainment, but it's not music, and it certainly is not art. And it really is not human, either.

So, to convey ideas, which are the ideas which represent discovery of universal physical principles, as they apply in music, you must understand this tempering requirement, which Furtwaengler called "performing between the notes," which is exemplified in what's called "a cappella"—that's a misleading term anyway, but it's used for a non-orchestrated performance, choral performance. But the actual a cappella, which does involve musical instruments, but this vocal-*only* setting, or slightly *enhanced* vocal setting, as in the case you require this for the Mozart *Ave Verum Corpus*; but in this case, it's this that defines what music is, because it defines a distinction between monkey music which you can get on any rock concert, or any popular concert today, or popular recording, and real *human* music, which is based on this principle: And the principle is, the same principle of *the mind*, which occurs in the actual discovery of a universal physical principle, such as gravitation, or the principle of "quickest time" of Fermat.

And what we've emphasized as a movement, particularly for the Youth Movement, is the emphasis on a unified approach to the development of the adult personality, or the young adult personality, through emphasis upon true creativity, as it occurs in the field in physical science; and the same quality, mental quality of creativity, which in music is *unique*, in a sense, to Classical musical composition, based on principles of Bachian tempering.

Now, there's some quarrel about this, about so-called Negro music. Now, the so-called Negro Spiritual, as developed by the influence of Dvorak, on the *understanding* of musical composition by Harry Burleigh, resulted in a development of the Negro Spiritual in the United States, during the early 20th Century, under impetus provided by Antonin Dvorak, who had dealt with this thing with folk music in Europe, and who was a student of Brahms who was also an expert in folk music. You can also see in the work of Mozart, and Haydn, and Beethoven, on folk music before Brahms, in terms of dealing with the setting of certain kinds of Scottish, Irish, and English folk music; you see exactly how this approach works.

So, the Negro Spiritual, as enhanced, and immortalized by the influence of Dvorak, and the work of Burleigh, and Burleigh's immediate followers, produced in the American Negro Spiritual, a form of Classical performance which actually requires all the other qualifications of a Florentine *bel canto* voice-training. This is not grunting. This is applying the art of tempering which is derived from a Bachian view of Florentine *bel canto* voice-training to the medium of the Negro Spiritual, as *insight* into this was provided by Dvorak, and was developed by Burleigh and his students, such as the great singers of the Negro Spiritual of the 20th Century.

So, when we're talking about, in this case, in *all* these areas, creativity is there. The recognition of the way of putting across the embedded creativity in the Negro Spiritual, which is perfected through this Dvorak-Burleigh connection, shows the generality of the principle of creativity *in art*. Especially in singing, because the most human kind of thing in the world, is people singing in choral formation, with the various species of voices participating. That is the exemplification of Classical music, of Classical performance, is the exemplification of the role of *creativity*, the distinction of the man from the ape, of the difference between a Classical performance and a rock concert—hmm?—for example.

So. Then, you get the same thing in physical science, in the application of the principle of *Sphaerics*, to defining the discovery of universal physical principles, the same principle which is raised by Nicholas of Cusa in his *De Docta Ignorantia*, which became the birthplace for modern physical science; with, in a sense, with the follower of Cusa such as

Kepler, who lays the foundations of modern physical science in practice; followed by Fermat, who, with his quickest-time principle, together with the work of Kepler, defines what is the only competent current of modern physical scientific thought.

## Entering the Noösphere

So now, our Youth Movement, coming in the context of the collapse of a culture, a cultural collapse, including the cultural collapse of physical science as practice, in an earlier generation—which was largely corrupted, because of this Newton-Descartes influence on scientists, which corrupted them, and deprived them of the realization of what was otherwise their natural creative contributions to scientific progress.

Now we have a youth generation which is getting in on the ground floor, so to speak, in music and in science, of these things. This is getting on the ground floor, of a social principle of a society, which is based on a conscious mobilization around the creative powers, which are uniquely the property of the human species, and no other species. This is the entry, the conscious entry into what Vladimir Vernadsky defined as the Noösphere.

So, we're now entering the Noösphere.

Now, what I'm addressing in this case, in this present paper, is exactly that: We need a science, a science of economy and a programmatic approach to the present world crisis of economy, of physical economy, which is based on this concept. And therefore, we must define economy, not in terms of Cartesian terms, or mechanistic terms, or conventional empiricist terms. We must define economy in terms of creativity. Now, an economy has two sides to it: On the one side, we have what is called the monetary side. The monetary side, which is treated by Marx, the Marxists and others, as well as the usual crowd, as the basis for economics, is *incompetent*. It's intrinsically incompetent. Marxism and conventional economics is intrinsically incompetent, scientifically. Because, it is based on the assumption that there is a lawful relationship, or a statistically lawful relationship, between the circulation of money, and economy. And that is not true. That is a great fraud. All economics, as generally taught, including Marxian economics as well as the varieties you can find in any university today, is essentially fraudulent. That doesn't mean that all of the people who practice it are incompetent. They do have some useful insights here and there. But their systemic conception of what an economy is, is a fraudulent one.

Now, here we are, with the greatest collapse of world economy, the world could imagine. It's been onrushing for 40 years, since the second half of the 1960s—we've been degenerating. We've been degenerating under the influence, the increasing influence, of a degeneration—it's called the "De-Generation"; it's called the Baby-Boomer generation: The people who came into leading positions associated with the 68ers, the 68er phenomenon. So, we have a cultural paradigm-shift, which was introduced as a complication of the intrinsic incompetence of economic thinking, which now becomes called "post-industrial society," or, "services economy."

*This is the ultimate insanity!* The ultimate mass insanity, which is the actual basis, threatening the existence of a world economy, and threatening to plunge the world as a whole, today, into a New Dark Age, in which the level of the human population will sink rapidly, from a present level of over 6 billion people, to a population of significantly less than 1 billion people, within the course of approximately a generation; and a disappearance of entire language-cultures, of whole other aspects of cultures, the disappearance of nationality, as a relic of the past; and the degradation of humanity largely to something resembling rutting, cannibalistic beasts.

Unless we stop it!

So, now, the question is, we need a model of economy, which gets us out of this mess. And this means we have to go to the understanding of what an economy is. There are two aspects to any modern economy. One aspect, which is popular, which is the monetary aspect: The use of money as a medium of exchange (and for other things, hmmm? as diapers, or whatever). The second thing, is the physical economy.

Now, physical economy is not simply an equilibrium of the relationship among the physical components of economy, including human labor and human existence. But an economy is actually—to get a profit, in a physical economy, the profit can not exceed the rate of growth, the rate of *physical* growth! The rate of *increase* of productivity, per capita and per square kilometer. Now, the only sustainable basis for such an increase in per-capita output and standard of living, to compensate for attrition—that is the depletion of certain resources, and things like that—is scientific creativity. Scientific creativity, which we are addressing, as in the recent Christmas issue of EIR, and the application of *Sphaerics*, define what we mean by a universal physical principle, taking some elementary examples up through the implications of the work of Kepler and Fermat. And which means going through the work of Leibniz, through the circles of Gauss and Riemann.

So therefore, we have to apply that. But you look at the economic textbooks and the economic policy-making, and you find *hopeless confusion* and *desperate incompetence*, on economic thinking, in all circles.

Therefore, we have—and I have, in particular—a unique responsibility for making what is a real economy clear, to people who may be intelligent, but *who really don't understand economics*.

Now, what we have, of course, are people who know how to practice machine-tool design, which is an expression of the process of realization of scientific discoveries, and their application. We have the means for programmatically approaching the question of increasing the productivity, physical productivity, per capita, per square kilometer, on this planet—we have that. I have the theory. I have the scientific theory which enables us to understand this. And we have in general, no systematic understanding of political economy, or economy otherwise, which is competent for this purpose, except my own. And that's what I'm doing. And that's what this next paper, in progress, is going address in a more specific way. It does not replace what I've written otherwise, earlier on this thing. But it supersedes it, by going a clinching point, of what do you actually mean by an economy? What is the difference between me, and all my rivals, who are incompetent by comparison, especially in light of the crisis which faces us now.

If what I'm doing in this respect, is *not* adopted, as the leading policy of civilization now, from our own government on, then the planet has not much of a chance of avoiding a New Dark Age: *We've run out of all other options*.

Okay, that's it. Have fun!

## InDepth Coverage

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## Feature:

## **The Alito Fight:**

### **LaRouche Says 'No' To Germany 1933-34**

**by Jeffrey Steinberg**

On Jan. 25, 2006, Lyndon LaRouche issued his most impassioned statement to date, demanding that the U.S. Senate defeat the nomination of Judge Samuel Alito to the Supreme Court, on the grounds that Alito is a Nazi who promotes the judicial outlook of Hitler's 'Crown Jurist,' Carl Schmitt. Under the title '1933 And Now,' LaRouche wrote: 'Clearly, even most leading Senate Democrats have failed to grasp the essential issue of Alito. They have obviously failed to relive the experience of those, during January and February of 1933, who failed to recognize what should have been the obviously already looming danger of an Adolf Hitler dictatorship. Their cowardice then created the conditions under which Hitler was made a dictator in the immediate aftermath of Hermann Goering's '9/11,' the setting of fire to the Reichstag.

- **Documentation**

#### **International Media Expose U.S. 'Schmittlerian' Revival**

With the spotlight being trained by the international LaRouche movement on the Nazi character of the CheneyBush Administration, which has adopted the Fuhrerprinzip of Hitler's 'crown jurist' Carl Schmitt, the international media has begun to pick up on this reality. Here are three examples...

### **Capitulation to Fascists Can Be Deadly: Take Germany, Spring 1933-August 1934**

**by Steve Douglas**

Adolf Hitler was installed as Chancellor of Germany on Jan. 30, 1933, by the aged President Paul von Hindenburg, during the depths of a raging world depression. Hitler's hold power as he was sworn in as Chancellor was anything but absolute. Even though Hitler had been installed as Chancellor, his Nazi Party remained in the distinct minority in his own Cabinet, holding only 3 of the 11 posts. Furthermore, the treacherous technocrat Franz von Papen, a former Chancellor and close personal friend of President Hindenburg, was named Hitler's Vice Chancellor. He had secured a promise from Hindenburg that Hitler would never be allowed to meet with the President except when in the presence of von Papen, who was to act as a kind of 'Co-Chancellor,' and keep Hitler on a 'short leash.'

#### **Schmitt's Justification Of Hitler's Blood Purge**

On the night of June 30, 1934—the 'Night of the Long Knives'—Chancellor Adolf Hitler ordered the murders of many tens (perhaps hundreds) of his political opponents. Among them were Gen. Kurt von Schleicher, who had preceded Hitler as Chancellor; von Schleicher's wife; and Gen. Ferdinand von Bredow, von Schleicher's long-time aide-de-camp; as well as many leaders and associates of the SA Brownshirts of Ernst Roehm, including Roehm himself. The murders were perpetrated by death squads that were handpicked from the ranks of Herman Goering's Gestapo and Heinrich Himmler's SS.

## **National:**

### **Democratic Forum Takes Up Apollo-Style Economic Program**

**by Rochelle Ascher**

A standing-room-only crowd of more than 500 people, including many Congressmen who returned to Washington, D.C. early to attend, participated Jan. 19 in a follow-up forum on the 'Innovation Agenda,' first presented by House Minority Leader Nancy Pelosi in a speech at Harvard University on Dec. 2. The forum, held in the Cannon Caucus Room, was titled 'A Commitment to Competitiveness To Keep America Number 1,' and followed the much-publicized joint HouseSenate Democratic event devoted to exposing Republican corruption.

### **Capital Budgeting for Economic Growth: Eisenhower's National Defense Highway Act**

**by Richard Freeman**

In the Jan. 27, 2006 edition of EIR, Lyndon LaRouche delivered a clarion call for a return to sanity on the part of Washington, D.C. policymakers in both the Congress and the Executive branch. In a feature essay, 'Deficits As Capital Gains: How To Capitalize a Recovery,' LaRouche called for the establishment of a separate Federal Capital Budget, distinct from the annual budget of Federal operating costs, to launch a massive infrastructure recovery program, vital to reversing the nation's snownear-fatal slip into a post-industrial horror show. Such a Federal Capital Budget,

properly conceived, LaRouche wrote, would more than pay for itself through infrastructure improvements, productive job expansion, and expanded physical economic growth. Therefore, it should not be considered part of the government's operating costs, but, rather, a source of wealth-creation.

- **Documentation**

- **President Eisenhower: Build America's Roads**

On Feb. 22, 1955, President Dwight Eisenhower delivered this message to the Congress. Our unity as a nation is sustained by free communication of thought and transportation of people and goods. The ceaseless flow of information throughout the Republic is matched by individual and commercial movement over a vast system of inter-connected highways criss-crossing the Country and joining at our national borders with friendly neighbors to the north and south. Together, the uniting forces of our communication and transportation systems are dynamic elements in the very name we bear—United States. Without them, we would be a mere alliance of many separate parts.

## **Economics:**

### **FORD LAYOFFS REQUIRE LAROCHE POLICY**

#### **U.S. Auto Capacity Is 'Excess' Until Congress Acts on Retooling**

Two months after its chairman William Ford, III spoke in Washington on the need for an industrial revival in the United States, and diversification in the auto industry, Ford Motor Company announced on Jan. 23 that, effectively, onequarter of its already-reduced North American industrial capacity is 'excess.' Some 30,000 hourly production workers' jobs are to be lost, and several U.S. communities devastated, as a result.

#### **Bill Ford's Message On Auto**

**by Lyndon H. LaRouche, Jr.**

*This memo was written on Nov. 26, 2005. It is republished from the Dec. 9, 2005 EIR. I*

If we allow the U.S. auto-manufacturing industry to be destroyed, the U.S.A. becomes a virtual 'Third World' nation overnight. 1. The nation's machine-tool-design capability, most of which is tied up in the U.S. auto-manufacturing firms, is lost. 2. The loss of employment of that machine-tool design segment of that part of the labor-force, means many times that number of employees out of jobs, with no other place to go. 3. The loss of auto plants means an economic disaster, approaching ghost-town proportions, for what are already highly vulnerable entire towns, counties, and cities, even states of the union throughout many parts of the country. This could set off a chain-reaction collapse much, much worse than President Herbert Hoover's foolish reaction to the 1929 crash, a Hoover program which cut the U.S. economy in half over the 1930-March 1933 interval.

- **LaRouche Open Letter To Bill Ford**

Lyndon LaRouche's Nov. 23, 2005 public letter to Ford Motor Company Chairman and CEO Bill Ford is reprinted below from EIR, Dec. 9, 2005. After the public letter, LaRouche's follow-up memorandum is reprinted from the same issue of EIR.

- **Follow-Up on Ford Letter Auto and World Economic Revival**

**by Lyndon H. LaRouche, Jr.**

Nov. 24, 2005

On the subject of my letter to Chairman Bill Ford, there is clearly much more to the matter than I stated there. What I stated is valid as far as the subject there goes, but the continuing success of what I propose depends upon the assumption that certain other measures, of broader implications, are taken in support of what I outline in that letter. I identify several among the crucial such points here.

- **The Auto Crisis: What LaRouche Said, And What Happened**

Since the crisis of the U.S. automobile industry escalated into mass layoffs and plant shutdowns early last year, Lyndon LaRouche has issued one initiative after another, calling for Federal government intervention to save this irreplaceable core of the U.S. machine-tool sector, and for retooling the auto sector to produce—not more cars—but maglev advanced rail technology, and other vital infrastructure for the nation and the world. We review here LaRouche's statements, the breaking developments in the collapse, and the response of constituency leaders.

### **Report From Germany**

#### **Stop the Casino Economy!**

**by Rainer Apel**

Cases of insolvency on the unregulated 'gray capital' market show the urgent need for financial market regulation. The recent bankruptcies of several investment funds in Germany demonstrate that 'any casino is a more regulated place, than what you find in the 'gray capital' market of Germany,' an investment expert told this author.

## International:

### **Kirchner Rallies S. America To 'Build the New Times'**

**by Dennis Small**

The idea of South America as the Cinderella of the world is over. We don't want to be the backyard anymore; we want to take an active part in building the new times that await us.' These words were spoken by Argentine President Néstor Kirchner on Jan. 18, 2006, during a visit to neighboring Brazil. Kirchner was addressing a joint session of Brazil's Congress, a distinction bestowed on very few visiting dignitaries.

- **Documentation**

- **Argentina-Brazil Accord Moves Toward Integration Brazil-Argentina Joint Declaration**

On Jan. 18, Brazilian President Luiz Inacio Lula da Silva and Argentine President Néstor Kirchner met in Brasilia, Brazil, and issued a Joint Declaration, which is translated and excerpted here.

### **Nazi Alito's Friends Lose in Chile Elections**

**by Cynthia R. Rush**

When Michelle Bachelet, the Socialist candidate of Chile's governing Concertación coalition, won an overwhelming victory in the second round of Chile's Presidential elections Jan. 15, she didn't just defeat the single candidate of the rightwing Alliance for Chile coalition, billionaire business magnate Sebastián Piñera. With 54% of the vote, more than the 51% that current Socialist President Ricardo Lagos won in 2000, the former Health and Defense Minister delivered a stinging blow to the fascist apparatus that installed Hitlerian dictator Gen. Augusto Pinochet Ugarte in power in the savage Sept. 11, 1973 military coup that overthrew and murdered democratically elected President Salvador Allende Gossens.

### **Interview: Danny Gutwein**

#### **Peretz Campaign Offers Israel A Turning Point on Economic Policy**

Professor Gutwein teaches the Social and Economic History of the Jewish People at Haifa University in Israel. He is among a group of academics and intellectuals who have been supporters of Labor Party Chairman Amir Peretz. Dean Andromidas interviewed him on Jan. 16.

- **One in Four Israelis Is Living in Poverty**

**by Dean Andromidas**

The Israeli government's National Insurance Institute (NII) on Jan. 23 released a devastating report on the increase in poverty over the five years that Ariel Sharon has been Prime Minister. Between 2000 and 2005, the poverty rate among Israel's 6 million citizens increased from one in five people to one in four, as half a million people sank below the poverty line. The population increased by 8%, but the poor increased by 45%, going from 1,088,100 in 2000 to nearly 1.6 million in 2005. The percentage of the population that is poor increased from 18.8% in 2000 to 23.6% in 2005.

### **Philippines Is Dragged Along In Cheney's Drive for Fascism**

**by Mike Billington**

[These] quotes come from different sides of the world, yet represent very similar circumstances:

'There would be no system of checks and balances as we now have. . . . In other words, they can do pretty much what they want, and there is nothing people can do to stop them, except mount a revolution or a coup d'état.' ...

### **Negotiations with China, Russia Offer Way Out of Iran Crisis**

**by Michele Steinberg**

Expressing agreement with the statements of Lyndon LaRouche, that Russia's offer to provide enriched uranium fuel for Iran's nuclear power reactors is an acceptable course of action, a retired former U.S. Cabinet official told EIR, however, that he is very concerned that the United States is not doing everything that is possible to work with Russia and China to find a diplomatic solution for the Iran nuclear issue. Much more is possible, he warned.

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

### **Bush, Reid Square Off on Economy**

A hallucinating President Bush declared, in his Saturday radio address Jan. 21—billed as a preview of the State of the Union address—that the U.S. economy is "strong" because of his tax cuts, but the tax cuts that are set to expire in the next few years need to be extended, and such boondoggles as health savings accounts, medical liability reform, and more free-trade agreements are needed to "keep the economy moving forward and extend prosperity and hope in our country."

The Democratic response was delivered by Senate Minority Leader Harry Reid (Nev), who attacked the GOP's "culture of corruption," the effects of which can be seen in the present state of the union. "Special interests and the well-connected have been rewarded by Republicans ... while everyone else has been left behind." Reid noted that we have a national security policy "that protects Halliburton's bottom line with no-bid contracts, but does not protect our troops with body armor," and an energy policy "that helped Big Oil make \$100 billion in profit in 2005, but this same policy has families feeling the financial pinch every time they fill their gas tanks or heat their homes." Even worse, "The state of the union today is that we have low-income Americans begging for their prescription drugs, and seniors going without any coverage." After touting Democratic measures to address the Medicare drug crisis and lobbying reform, he said, "We can be energy independent, have affordable health care and a strong economy. All it takes is a commitment in Washington to put progress, not politics first."

### **Senator Lott To Revive Amtrak Bill**

Senator Trent Lott (R-Miss) said he will resume efforts to pass his Amtrak reauthorization bill, according to *Congressional Quarterly* Jan. 20. Late last year, the Senate voted 93 to 6 to add Lott's bill, co-sponsored by Sen. Frank Lautenberg (D-NJ), to the budget reconciliation bill, but it was taken out in conference. The bill would authorize \$12 billion for Amtrak through 2011. The annual budget battle over Amtrak is expected to continue this year, although Congressional aides and lobbyists don't expect Bush's fiscal 2007 budget proposal, to be released on Feb. 6, to zero out Amtrak's budget the way the 2006 budget did. However, said one Senate Appropriations Committee aide, "I hear it's a number and that it's not a number that would cause Amtrak to avoid bankruptcy."

### **GOP 'Drafting Error' Could Cost Disabled, Seniors Dearly**

The Center for Budget and Policy Priorities is demanding that Congressional Republicans fix a drafting error in the budget reconciliation bill that would allow states to charge poor, disabled parents and senior citizens unlimited co-payments for Medicaid services. A House GOP budget aide told *Congressional Quarterly* Jan. 20 that it could be fixed with a correcting measure, and anyway, no state would actually force the poor to pay, even without a correction. Senate GOP budget aides claim that existing caps on co-pays remain in effect and no correction is needed.

The reality is, that re-opening the conference report on the bill would necessitate votes in both chambers all over again, which is the last thing the Republicans want. Last year, Senate Democrats stalled final passage of the bill, which would cut \$40 billion out of programs like Medicaid, student loans, and others, when they made a point of order that certain provisions in it violated the budget rules, requiring another vote in the House when it returns on Jan. 31.

## **Textile Manufacturer Slashes Workforce To Please Wal-Mart**

Textile manufacturer Russell Corp., based in Alexander City, Ala., will cut 2,300 jobs and freeze its pension plan, *USA Today* reported Jan. 23. The cuts comprise 15% of its worldwide workforce, and, Russell said, are required so that it can continue to sell to Wal-Mart, which is demanding lower prices. Some 1,700 of the job cuts will be in the U.S.—1,250 in Alabama.

## **GE Head: Graduate More Engineers**

Jeffrey Immelt, Chairman and CEO of General Electric Company, told the Economic Club of Washington D.C. on Jan. 19: "If you want good manufacturing jobs, one thing you could do is graduate more engineers.... We had more sports exercise majors graduate than electrical engineering grads last year.... If you want to be the massage capital of the world, you're well on your way."

## **Home Heating Aid Drops to Five-Year Low**

Home heating aid for low-income families has dropped to a five-year low, due to Federal budget cuts, even as heating costs have jumped 25% this winter, *USA Today* reported Jan. 24. The National Energy Assistance Directors' Association estimates that the average dollar amount received under the federally funded and state-run Low-Income Home Energy Assistance Program (LIHEAP), will fall 11%, as more families are receiving assistance.

## **Sales of Existing Homes Sink for Third Straight Month**

The National Association of Realtors said nationwide sales of existing homes fell 5.7% the *Wall Street Journal* reported Jan. 26. The NAR said that the market has slowed but there will be no housing crash.

## **GM Announces Huge Losses; Bush Is Against Bailout**

General Motors announced a loss of \$8.6 billion for 2005, the first annual loss in 13 years. Meanwhile, in an interview with the Jan. 26 *Wall Street Journal*, President George W. Bush "hinted" that he is against a government bailout of GM and Ford, saying they should develop "a product that's relevant" (e.g., using alternative fuels), and stressing the importance of market forces. Labor Secretary Elaine Chao did her part in a speech at the Davos, Switzerland World Economic Forum, saying that the Ford layoffs are not a sign that the U.S. job market is softening.

# **World Economic News**

## **Iran To Withdraw Foreign Currency Assets from Europe**

On Jan. 18, Iranian Central Bank chief Ebrahim Sheibani was quoted by the unofficial Iranian Students News Agency, announcing that Iran would begin the transfer of its hard currency assets in Europe to other parts of the world. Speculation centered on Southeast Asia, including Malaysia and Singapore, among other countries. Such action would come in anticipation of UN-imposed sanctions on Iran for its nuclear program. Analysts estimate Iran's holdings in Europe at \$40-\$50 billion. By Jan. 21, reports were that Iran had begun the withdrawals, but this was denied by Sheibani. "We will transfer Iran's foreign accounts whenever we believe it is necessary," he said on state television.

The deputy governor of the Central Bank, Mohammad-Jafar Mojarad, told the state news agency IRNA that the bank has no plans to transfer its accounts to Southeast Asia, further intensifying speculation as to where it might transfer its money. Iran's Oil Ministry has also called on OPEC to cut oil production by 1 million barrels per day, but a spokeswoman said this was connected with an expected fall in demand in the second quarter of 2006, and not related to the nuclear standoff.

## **Porsche CEO Attacks Hedge Funds, Other Speculators**

At the annual Porsche conference in Stuttgart on Jan. 26, CEO Wendelin Wiedeking reiterated why Porsche, in autumn 2005, raised its share in Volkswagen to 20%, thereby becoming the largest Volkswagen shareholder, even surpassing the state of Lower Saxony. One of the reasons for this move was to prevent a foreign takeover of Volkswagen by a group of speculative investors, such as hedge funds or private-equity firms, the *Frankfurter Allgemeine Zeitung* reported Jan. 27. The move had been sharply criticized by fund managers, and in particular, by JP Morgan.

In his address on Jan. 26, Wiedeking violently attacked short-term-oriented financial investors. He said it would be an "illusion" to believe "that any pension or hedge-fund manager in Denver, Colorado or Las Vegas, Nevada would care about the job situation in Germany." Those managers, he said, are deciding on the basis of short-term profit expectations, even if it means destroying century-old corporations. Speaking at a public event in Frankfurt Jan. 21, Wiedeking had denounced "Anglo-Saxon investment banks," which have tried to interfere with the Porsche/Volkswagen cooperation. "According to the logic of these people," he said, "we shouldn't even exist." Why should anybody take advice from "financial investors that are going berserk"? Commenting on JP Morgan's explicit rejection of the closer cooperation between Porsche and Volkswagen, Wiedeking added: "JP Morgan provides yet another proof for the fact that just playing around with numbers, out of touch with any economic reality, can only lead to madness."

## **Britain Opens Public Debate on Nuclear Power**

The British government released an energy consultation paper Jan. 23, which will be circulated for three months for public discussion, on what to do about that nation's energy crisis. Included among the options is the construction of new nuclear-power plants. Today, ten nuclear plants account for about 19% of the UK's electricity. Without replacing old plants, that is projected to fall to 7% by 2020.

Trade and Industry Secretary Alan Johnson said that the UK will become dependent upon imports for 80% of its energy supplies if it does not go nuclear. Britain already imports its (politically vulnerable) natural gas, he said, and soon will have to import oil, as North Sea reserves deplete. Energy Minister Malcolm Wicks said in an interview with the *Guardian* that he did not see practical obstacles to a new generation of nuclear plants. The approach the government is proposing in the paper is that private companies will invest in nuclear plants. The Engineering Employees Federation welcomed the review, but added that "there is no time to lose" in putting a program in place.

## **Toshiba Buys Westinghouse Electric and Nuclear**

The effort to return one of two nuclear power plant suppliers to U.S. ownership was defeated this month when Japan's Toshiba, outbidding General Electric and other interested parties, offered \$5 billion for the Westinghouse Electric Company, which includes its nuclear division. Although there were rumblings on Capitol Hill that this might have national energy security implications, nothing was done to intervene. Through this deal, Toshiba will gain access to the growing nuclear market in China, and other countries. Westinghouse has built nearly half of the nuclear reactors that are in operation around the world. Although it has built none in China, Westinghouse is a favored vendor for up to \$8 billion in Chinese orders for new nuclear plants, and earlier this month, its large advanced pressurized water reactor design was approved by the U.S. Nuclear Regulatory Commission, making it easier to export.

# United States News Digest

## Administration Wages War on Constitution, Congress

Attorney General Alberto Gonzales led an Executive Branch blitz, beginning Jan. 24, in defense of the National Security Agency's unconstitutional warrantless surveillance of American citizens, with a speech at Georgetown University Law Center declaring that it is both legal and necessary. The previous day, Gen. Michael Hayden, deputy to the Director of National Intelligence, spoke at the National Press Club, where he too stomped all over the Constitution: "I have two paths in front of me," he said, "both of them lawful: one FISA, one the President's authorization. And we go down this path because our operational judgment is it is much more effective. So we do it for that reason." When a reporter noted that the FISA law states that this is the *exclusive* means for allowing wiretapping, Hayden said the legality was cleared by the Attorney General.

White House Counsel Dan Bartlett was also part of the blitz, appearing on all of the network morning talk shows on Jan. 23. Asked by NBC's Norah O'Donnell about Republican opposition from Senators Arlen Specter (Pa) and John McCain (Ariz), Bartlett said that McCain was "not a lawyer—he hasn't been read into the program." O'Donnell then asked about the nonpartisan Congressional Research Service report that found that the program was "inconsistent with the law." Bartlett let it all hang out: "The Congressional Research Service is an arm of the Congress—that's their client—and I don't think it should surprise anybody that they came to that conclusion."

Meanwhile, the Senate Judiciary Committee, which Bartlett's remarks suggested would be ignored by the White House, is preparing its own inquiry. Committee chairman Specter reportedly sent a list of 15 "sharply worded" questions to Gonzales in preparation for a Feb. 6 hearing on the NSA domestic spying program. The *Baltimore Sun* reported that Specter also took issue in the letter "with major themes of Bush's legal defense of the program, including that Congress gave implicit approval for it in a 2001 resolution authorizing the use of force against terrorists." The *New York Times* reported that Sen. Charles Schumer (D-NY) is calling for former Attorney General John Ashcroft and former Deputy Attorney General James Comey also to be called, subpoenaed if necessary, to testify. Ashcroft was Attorney General at the time the NSA program was initiated; then-Deputy AG Comey suspended parts of the NSA program in 2004 while Ashcroft was hospitalized, and refused to reauthorize them.

## Democrats Want Special Counsel in Abramoff Investigation

Democratic Senators Charles Schumer (NY) and Ken Salazar (Colo) wrote to Attorney General Alberto Gonzales on Jan. 26, requesting the appointment of a special counsel to take over the Jack Abramoff investigation. "Given the possible ties between Mr. Abramoff and senior government officials, we believe the appointment of a special counsel is not only justified, but necessary," they wrote. Their letter follows more revelations in Jan. 22 press reports about Abramoff's corruption as well as his ties to two Members of Congress, both Republicans: Rep. Bob Ney of Ohio and Sen. Conrad Burns of Montana.

## Congress Pushes Nuclear Reprocessing

The Bush Administration is planning a "multi-decade effort dubbed the Global Nuclear Energy Partnership" for new technologies, including spent fuel reprocessing, that lower the risk of weapons proliferation, according to the Jan. 26 *Washington Post*. Reprocessing has been advocated by nuclear supporters on Capitol Hill and the industry; \$50 million is included in the Department of Energy's FY06 budget. Officials told the *Post* that the FY07 budget will include \$250 million—less than DOE requested. Energy Committee chair Sen. Pete Domenici (R-NM) says that if the FY07 budget doesn't include enough money for reprocessing, he will "pursue it aggressively," in the Committee. While the U.S. should

reprocess spent fuel and reuse it, rather than bury it in caves, the Administration's global purpose is to offer "cradle-to-grave" nuclear enrichment and reprocessing, to prevent other countries from developing their own capabilities.

Scandalously describing this international gambit as a "modern version of [President Eisenhower's] Atoms for Peace," Administration officials say the U.S. could "lease" nuclear fuel to a country, then take it back for reprocessing. Self-contained reactors can be developed which cannot be opened, are never refueled, and are removed when they run out of energy, giving the U.S. complete control of a country's nuclear plant.

## **White House Refuses To Turn Over Documents on Katrina**

In yet another instance of abuse of power—this time using the pretext of executive confidentiality—the White House refused in a statement Jan. 25, to turn over e-mails and other material to Congressional committees, or to allow senior officials to give sworn testimony that would reveal minimally the Administration's negligence in making proper preparation for Hurricane Katrina. Senator Joe Lieberman (D-Conn)—the best friend the White House has among Congressional Democrats—said during a Jan. 24 hearing of the Homeland Security Committee, that he will ask for a subpoena if the White House does not comply.

During an interview with CNN the next day, Lieberman said Senators have been asking for the documents since October. He said that witnesses who testified to the committee were "told by the White House not to answer" Senators' questions. It is clear, he stated, that the warning of the seriousness of the impending storm went to the White House Situation Room. "We want to know who got it."

A day earlier, the *Washington Post* reported that two days *before* Hurricane Katrina hit, the Department of Homeland Security's National Infrastructure Simulation and Analysis Center provided a 41-page report to the White House warning of the expected devastation from Hurricane Katrina, including the breach of the levees.

## **Patriot Act Creates Federal Police**

Paul Craig Roberts, in a Jan. 24 column on antiwar.com, warned that a provision of the Patriot Act reauthorization bill would create a new Federal police that would have the power to violate the Bill of Rights. Roberts quotes Section 605 of House Report 109-333 USA PATRIOT Improvement and Reauthorization Act of 2005: "There is hereby created and established a permanent police force, to be known as the 'United States Secret Service Uniformed Division.'" The new police are empowered to "make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony." The new police are assigned a variety of jurisdictions, including "an event designated under section 3056(e) of title 18 as a special event of national significance" (SENS). Thus, the Administration, and perhaps the police themselves, can place the SENS designation on any event. Once a SENS designation is placed on an event, the new Federal police are empowered to keep out and arrest people at their discretion.

## **NAACP President Calls for Halt to Executions**

NAACP president Bruce Gordon called for a halt to executions in every state, until questions of accuracy and fairness can be addressed, the Death Penalty Information Center reported Jan. 23. "African Americans represent 10% of the population and 42% of the population on death row," said Gordon. "That to me illustrates the inequity of the system and the appropriateness of a need for a moratorium.... We are going to make our position and presence known in every state, every time a prisoner is set to be executed. We will call governors, we will lobby legislatures. I intend to mobilize the NAACP

around this—we feel strongly about it."

## **Wolfowitz Brings GOP Cronyism to World Bank**

According to the Jan. 23 *Financial Times*, World Bank Director and über-neo-con Paul Wolfowitz has "triggered a bitter conflict with the Bank's senior career staff by empowering a group of close political advisors to pursue aggressively what he sees as widespread corruption surrounding bank projects." At the center of the furor is one Suzanne Rich Folsom, the counsellor to Wolfowitz at the Bank (and to former Bank chief James Wolfensohn), whom Wolfowitz appointed on Jan. 17 to be Director of the Department of Institutional Integrity at the Bank. Folsom is the wife of George Folsom, the head of Project Democracy's International Republican Institute (IRI), better known as the International Regime-change Institute.

Folsom was already under attack at the Bank for bypassing internal rules in investigating e-mail records of several employees. Wolfowitz responded to the charges by pounding his chest: Those complaining are "trying to get me not to be tough on these issues. I just would like to say I don't intend to be intimidated."

## **Ibero-American News Digest**

### **U.S.-Brazil Fight Looming Over Venezuelan Plane Deal**

Brazil may file suit against the Bush Administration at the World Trade Organization, for the U.S. veto of the planned sale of military training planes to Venezuela by the Brazilian company Embraer, Foreign Minister Celso Amorim told *Folha de Sao Paulo* on Jan. 23. The U.S. claims a right to veto the sale, because the Embraer planes use technology originally from the United States. Amorim called the veto "absurd, without acceptable justification, and without basis in international regulations." He made clear that it was viewed as an attack on Brazil, not just Venezuela, warning that the Bush team is "stepping on our calluses." Amorim has spoken twice with Secretary of State Condoleezza Rice, and with Commerce Secretary Robert Portman, and told *Folha* that Rice's response has been unsatisfactory. Venezuela is not a military threat to anyone; the planes are not for combat, and if the U.S. has this policy, Embraer was never informed of it when it signed the deal, Amorim said.

### **CFR's Castaneda Calls for New Kissinger Commission**

Under the title "Mending Fences South of the Border," former Mexican Foreign Minister Jorge Castaneda penned an op-ed in the *Washington Post* Jan. 21, calling on the Bush Administration to form a commission modelled on the 1960s Rockefeller Commission or the 1980s Kissinger Commission on Central America, to help bridge the gap between Ibero-America and the United States. Wall Street's "fair-haired boy" in Mexico, Castaneda claims such "instruments" for dialogue and policy-formulation have had some success in the past, and suggests they might again.

Castaneda's proposal reflects the flailing around in Council on Foreign Relations and Inter-American Dialogue circles over what to do about the fact that the United States' control, credibility, and influence in South America is at an historic low. As Castaneda admits, "U.S. relations with Latin America are in utter disrepair. Rarely over the past half-century has the chasm in perceptions been so wide, the resentments and mistrust so deep." The bind this crowd finds itself in, is that they are unwilling to give up the free-trade, anti-nation-state policies which created the current crisis in the region, and thus the conflict with Washington.

*EIR* this week features a package on the fascinating fight developing in South America against free trade and the Nazi policies of the Shultz-Rohaytan-Kissinger crowd which run the Bush-Cheney Administration (see "Kirchner Rallies S. America To 'Build the New Times'"; "Nazi Alito's Friends Lose in Chile"; and relevant documentation in this week's

InDepth section). A U.S. freed of the Cheney policies, would find many friends and allies in the Americas.

## **Ecuador Demands IMF Be 'Reconceptualized'**

One day after telling a visiting mission from the International Monetary Fund that Ecuador "does not need the support of the Fund, nor the monitoring of the Fund to define our policies," on Jan. 19, Ecuadoran Government Minister Alfredo Castillo called for the IMF to be "reconceptualized" altogether, since "there is not a single country in the world ... where it can demonstrate that its policies have been good for rescuing any sector of humanity from backwardness." Rather, the IMF has taught us that "indebtedness is development." Castillo, who also strongly opposes a free-trade agreement with the U.S., added that his government's priority was the protection of social investment.

Castillo said a reform of the entire international financial system was imperative, and that his government was going to form a commission to evaluate Ecuador's \$11.3 billion foreign debt, "not for purposes of non-payment, but to determine what we owe, and why we owe so much." For example, "Why do we have to pay 45% of our budget in monstrous indebtedness?" Castillo acknowledged that his views were not shared by Finance Minister Diego Borja, noting that, "it is very difficult [for him] to share an opinion born from the depths of our people."

## **LaRouche Land-Bridge Proposals Discussed in Ecuador**

In the context of a discussion of alternatives to the Panama Canal, the widely read *El Universo* of Guayaquil, Ecuador, chose to highlight U.S. economist Lyndon LaRouche's proposal for developing the South American continent through a high-speed railway network in its Jan. 24 edition. "In his proposals, the former [Presidential] candidate suggests that the railway routes would not only represent rapid travel from one place to another, with connections to Eurasia and Africa [across the Bering Strait], and between Central and South America, crossing the new sea-level inter-oceanic canal, whether in Panama or in Colombia; these would constitute development corridors."

## **Western European News Digest**

### **Spain's Zapatero Targetted by Military Coup?**

Twice this month Spanish Army officers challenged the legitimacy of the government of Prime Minister José Luis Rodríguez Zapatero and spoke about "marching their troops into the capital to overturn decisions of Parliament." The Prime Minister dismissed and arrested one of the senior Army generals, but a Jan. 24 *New York Times* editorial, titled, "Army Troglodytes in Spain," pointed out that the Popular Party of former Prime Minister José Maria Aznar "seems more interested in making excuses for the officers." The Popular Party "has had a hard time getting over its electoral defeat nearly two years ago.... It has never really accepted the democratic legitimacy of that vote."

What the *Times* does not report is that the Popular Party of Aznar (and of IMF managing director Rodrigo Rato) is the party of Spain's former fascist dictator Francisco Franco.

### **Mayor Voices Fear of Fascism in Wake of French Riots**

Mayor Jean Pierre Balduyck of Tourcoing in the north of France stated Jan. 19, "I'm worried, because I feel in the population of this city, that the November events [riots—ed] were catastrophic for the Republic's cohesion.... This is not a just a passing depression, it is a profound conviction. I read and hear in France what one heard in 1936-37 in Germany. The Republic is not well, we must redefine the ideals." He continued, "One should not think that the end of those events

means the end of their effects in the minds of the public," and cited his meetings with the public and the content of letters which were addressed to him as a reference. The mayor fears a resurgence of the phenomenon of popular support for right-wing anti-immigrant rabble-rouser Jean-Marie Le Pen.

## **Journalist Exposed as Front for Extreme Right**

Jennifer Joan Lee, a correspondent for the *International Herald Tribune* and the neo-con mouthpiece the *Washington Times*, has recently been promoting French Interior Minister Nicholas Sarkozy in articles such as one entitled "A French Leader with an American Dream." Lee is among those foreign correspondents who contributed to creating the false impression that all France was burning during the November 2005 riots and that the army, helicopters, and police were deployed all over the place, hunting the "Muslim" extremists.

In several of her articles, Lee extensively quoted the secretary general and the president of a police union called Action Police, which is part of a national union, CFTC, whom she had interviewed. *Le Monde* of Nov. 17 reported that Action Police—which, just as the riots broke out, was pressuring for the Army to deploy against actions which they claimed were provoked by radical Islamists and criminals in contact with al-Qaeda—is actually controlled by extreme right-wingers. Its president, Jean Christophe Carme, is the former head of the Independent Professional Federation of Police (FPIP), a union similarly composed.

## **Charge U.S. Pressuring Reporters To Keep Torture Secret**

In releasing his report to the Council of Europe Jan. 24 on whether there are secret detention/torture centers in Europe, Dick Marty, who headed the Council's inquiry, stated that he is sure the American press—which exposed the CIA torture centers in Eastern Europe in November—is withholding information because they have been pressured by the Bush-Cheney Administration government to keep quiet. By the same token, Romania and Poland have denied these torture camps exist, but, Marty states, he is wary of their denials. This, because both countries are part of the Iraq war "coalition of the willing," and "escaped long dictatorships thanks largely to the American intelligence services." Marty plans to continue his probe.

## **Pope Benedict's First Encyclical in Part Inspired by Dante**

All European press and media are prominently reporting on the first encyclical of Pope Benedict XVI, qualified as an important "ecumenical document" and a counterpole to those today who preach the dogma of the "right of the stronger." The encyclical was published Jan. 25 under the title *Deus Caritas Est* ("God Is Love"). *As the Pope emphasized during a Congress held by the Pontifical Council "Cor Unum" on Jan. 23-24, it was Dante Alighieri's "Divine Comedy" which inspired him to choose the title. Of special interest for him was the last Canto in Dante's "Paradiso," in which the great early-Renaissance poet uses the notion of light and love to express the Godhead, and comes to the conclusion, that love is the essence of creativity which moves the universe.*

The encyclical starts with a reference to the Gospel of John (4:16), "God is love and he who abides in love abides in God and God abides in him." While pointing out that the term "love" is the most abused these days, the Pope explains the evolution of the three notions of love—in Greek, *eros*, *philia*, and *agap*—and stresses that the word *agap* is the most advanced and most adequate notion, which was chosen by the Greek translators of the Old Testament's Hebrew *ahava*.

The encyclical attacks Friedrich Nietzsche, who hated Christianity, complaining that under Christianity the notion of *eros* was poisoned. Instead, says Benedict, man's love for his wife, his family, his friends, his work and nation, originates from the love of God the Creator, in Whose image man is made. Rather than being "selfish" and "egoistic," true love seeks the

"good of the beloved." The encyclical reaffirms the importance of the social teachings, and states that the "Church's social teaching argues on the basis of reason and natural law, namely, on the basis of what is in accord with the nature of every human being." It stresses that while it is not the Church's responsibility to make this teaching prevail in political life, the Church wishes to stimulate greater insight into "building a just social and civil order, in which each person receives what is his or her due."

## **Official Says Germany Needs Its Own Nukes**

Rupert Scholz, German Minister of Defense 1988-1989, has provoked broad outrage in Germany, with remarks in an interview with *Bildzeitung* Jan. 26 on the option of Germany having nuclear weapons of its own.

Scholz said he was aware that he broke a taboo, adding that "we need to ask ourselves how we could react in an appropriate manner to a nuclear threat from a terror state, and if need be, even by using our own nuclear weapons."

"Without the appropriate guarantees of protection by our partners, the question of our own nuclear deterrent needs to be discussed openly," Scholz said. His remarks (which came not long after French President Jacques Chirac asserted that France could use its nuclear *force de frappe* if attacked by terrorists, or if its economic lifeline were cut) provoked protests from among all the established political parties in Germany, including Scholz's own Christian Democrats.

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

### **Russia Proposes Nuclear Power for All**

At the Jan. 25 Eurasian Economic Community summit in St. Petersburg, Russian President Vladimir Putin presented a Statement on the Peaceful Use of Nuclear Energy as part of "security as a multidimensional concept."

"Based on this position," Putin said, "Russia is firmly committed to expanding cooperation on global energy security within the framework of the Eurasian Economic Community. One of the priorities in this area is to develop cooperation in the peaceful use of nuclear energy.

"Cooperation in this field opens up real new opportunities for all of us. Taking into consideration the agreements with the President of Kazakhstan, concrete plans are being drawn up for expanding cooperation between the nuclear energy sector enterprises in our countries. Uzbekistan's accession to the Eurasian Economic Community creates additional new opportunities for building a nuclear-fuel component that will serve as a reliable element in the energy supply policy for the long term.

"It is particularly important to develop our countries' full potential in this area today, at a time when demand for quality energy supplies is growing constantly. Dwindling fossil fuel reserves and environmental issues have become questions of crucial importance on the international agenda. We need to create the prototype of a global infrastructure that will give all interested countries equal access to nuclear energy, while stressing reliable compliance with the requirements of the non-proliferation regime, of course.

"The creation of a system of international centers providing nuclear-fuel-cycle services, including enrichment, on a non-discriminatory basis and under the control of the IAEA, could become a key element in developing this new infrastructure. Russia has already made just such a proposal and is prepared to establish an international center of this kind on its territory.

"Innovative new technologies will undoubtedly be required in this respect to create new generation reactors and their fuel cycles. These kinds of issues can be resolved only through broad-based international cooperation. This is the approach that we will present to the G8 countries during our Presidency, and to all our partners in the peaceful use of nuclear energy."

## **Russian Proposal Flanks Iran Crisis**

The new Russian nuclear energy initiative is, in part, a response to the Bush Administration's nonproliferation proposal, which would centralize uranium enrichment services in an "international" body, to prevent other countries from developing the technology. Such a facility under U.S. auspices would not open nuclear power to all, but could withhold nuclear fuel from countries the U.S. dictates should not have it, such as Iran. The head of Russia's Federal Atomic Energy Agency (Rosatom), Sergei Kiriyenko, stated that if the system Russia is proposing existed, there would be no problem with Iran.

As Ali Larijani, head of Iran's Supreme National Security Council and chief nuclear negotiator, arrived for talks in Moscow Jan. 24, an Itar-Tass wire raised the possibility of Chinese participation in the joint Russian-Iranian uranium enrichment plant, proposed by Russia. The report indicated that Moscow has been sounding Tehran out on this option, and added that Iranian Foreign Minister Manuchehr Mottaki "has not ruled out China's participation in a Russian-Iranian uranium enrichment venture on Russian territory."

## **Russia Steps Up Nuclear Energy Plans**

President Putin met Jan. 20 with newly appointed Rosatom head Sergei Kiriyenko, who presented a perspective of building 40 new nuclear power plants in Russia in the next 30 years, plus another 40 to 60 plants overseas. Russia currently has 31 power-producing nuclear reactors. On Jan. 26, Putin ordered Kiriyenko to go ahead with the project of replacing the reactors at the Leningrad Nuclear Power Plant, which were commissioned in the 1970s.

Visiting Kiev on Jan. 21, Kiriyenko met with Ukrainian Fuel and Energy Minister Ivan Plachkov and the Chairman of the State Committee for Nuclear Regulation of Ukraine, Olena Mykolaychuuk, on the development of the nuclear energy sector for the next ten years, as well as progress and plans for creating new projects for nuclear power plants.

On Jan. 25, another Russian official outlined an ambitious plan to obtain fuel for the next type of nuclear power: thermonuclear fusion. Nikolai Sevastyanov, head of the Energiya Russian Space Company, announced that Russia intends to take the initiative in a pioneering space operation. "We are planning to create a permanent base on the moon and use it to provide supplies of a rare helium-3 isotope," ITV reported, adding, "The station on the moon should be operational by as early as 2015, and five years later it should start mining this rare isotope. According to experts, there are at least 1 million tons of helium-3 on the moon, which is enough to meet world energy needs for 1,000 years. The Earth has only several hundred tons of this isotope. Helium-3 is almost the ideal fuel. It is very stable, does not explode and allows the creation of the most environmentally friendly generators."

## **Uzbekistan Joins Eurasian Economic Community**

The St. Petersburg summit of the Eurasian Economic Community (EurAsEC) organization was attended by the Presidents of Russia, Belarus, Kazakstan, Kyrgyzstan, and Tajikistan, who founded the organization in October 2000, and by President Islam Karimov of the new EurAsEC member, Uzbekistan. In the press conference after these talks, President Putin noted that the Eurasian Bank, a project launched two years ago by President Nursultan Nazarbayev of Kazakstan, is now going operational with \$1.5 billion of nominal capital. "The Bank's sphere of activity is any viable economic project in the EurAsEC," said Putin. He also noted that Russia's Gazprom has emerged as the main developer of three new natural

gas fields in Uzbekistan, where Gazprom CEO Alexei Miller had visited the previous week.

## **Putin Opens New Coal Export Terminal**

Amid his other meetings in the St. Petersburg area, President Putin on Jan. 24 attended the opening ceremony of the second coal export terminal at the Port of Ust-Luga on the Gulf of Finland. Able to handle 4 million tons of coal per year, it quintuples the capacity of this port to ship coal. The promoters of Ust-Luga, which was designed to replace the ports in the Baltic countries that had been used in the Soviet period, plan for it to handle up to 35 million tons of cargo, including oil products, fertilizer, etc., by 2010, and then continue to expand. Putin called it "a project of Europe-wide importance."

A major investor in Ust-Luga is the state-owned corporation RAO Russian Railroads (formerly the railways ministry), whose chairman of the board, Vladimir Yakunin, accompanied Putin. Yakunin explained how coal from Siberia's Kuzbass area will be shipped by rail to Ust-Luga for export, an operation that has necessitated rail upgrades. As of 2003, Russian coal production was 276 million tons, of which 60 million tons was exported (10 million tons to CIS destinations). Kuzbass is the largest producing area, but has lacked infrastructure for reaching export markets, which current Russian policy assumes is key to making coal production profitable.

## **Explosions Cut Russian Gas to Transcaucasus**

Two explosions, occurring within 20 minutes of each other in the early hours of Jan. 22, on a stretch of the Mozdok-Tbilisi gas pipeline through North Ossetia, cut off all Russian natural gas supplies to Armenia and Georgia. Officials called the incident an act of sabotage, though days later a specific cause had not been announced. Georgian officials blamed Russia for orchestrating an energy crisis at Georgia's expense. Repairs went on throughout the week, with delays due to the location of the break in a mountainous area that is accessible only by the famous Ossetian Military Highway and has been experiencing deep cold and high winds.

Four days later, Georgia was hit with the coldest weather in a century, and the worst storm in 35 years. It downed power lines, causing more electrical accidents in the capital city of Tbilisi than happened all last year. A major high-tension power transmission line went down. The capital city of Tbilisi and most of eastern Georgia lost all electric power. Tbilisi residents lined up all day in heavy snow to get firewood and kerosene for the stoves most people have inside their apartments. President Michael Saakashvili left the Davos World Economic Forum on Jan. 26, to rush back to Tbilisi, where he continued stormily denouncing Russia, for "dubious operations" that he claims led to the gas line explosions. Armenian officials announced natural gas rationing there, too, since the usual supplies through Georgia have been cut off. Gas rerouted through Azerbaijan has not made up for the gas not arriving directly from Russia.

Finalization of the Russia-Ukraine gas settlement reached in early January was delayed at the end of the month, as Ukraine was not ready with the paperwork. Meanwhile, Gazprom is accusing Ukraine of diverting more gas than they are supposed to, which Kiev—citing the cold weather—does not deny.

## **Russian Population Shrinks Again**

Population statistics, released Jan. 24, showed that the Russian Federation lost 680,000 people (net) in 2005. This is seen as an improvement over the previous year, when the decline was 900,000. The population of Russia has now fallen to 142.8 million.

## **Southwest Asia News Digest**

## Retired U.S. General: Iran War Would Be a Disaster

Edward Atkeson, former Deputy Chief of Staff of the U.S. Army in Europe, warned in an interview with the German daily *Koelner Stadt-Anzeiger* Jan. 27, that a U.S. war against Iran would be a "deadly serious matter." (Quotes back-translated from German.)

An air attack on Iran would not succeed, and could not destroy all sites relevant to nuclear weapons production, he said. "We would simply create a tremendous uproar, and strengthen the opposition to U.S. policies in Iran, in the Middle East, and indeed in many parts of the world." To supplement air strikes with special forces deployments would not increase the chances of success, but only increase the risks.

"Whoever wants to use military means to keep Iran from gaining atomic weapons, will have to be prepared for a war. We are talking about a real, great war, not an intervention à la Kosovo."

Although the first strike might be a surprise, the war would not be over in an hour. "One must therefore take into account, that U.S. forces are deployed in Iraq and Afghanistan, right on the border. They would be absolutely insufficient for a war against Iran. The USA would have to introduce the draft..." He added that NATO is not going to commit troops unless Iran launches a direct attack on Europeans.

## Strong Reactions to Hamas Victory After Landslide Shock

The victory of Hamas in the Palestinian parliamentary elections, first and foremost, points out the total failure of the Cheney-Bush policy in the Middle East, and confirms the many warnings that the Palestinian population has been turned against the United States because of its Middle East policies. Here are some of the major reactions and developments immediately after the Jan. 25 election.

- Palestinian President Abu Mazen has asked Hamas to form a government after the party won 77 seats in the parliament. Former U.S. President Jimmy Carter called the Palestinian elections totally fair and open.
- Israeli peace movement leader Uri Avnery says dialogue must open with Hamas. The future depends on *both* Israel and Hamas. "The crucial choice: deterioration and ever more bloodshed, or the opening towards a firm peace of which Hamas is a part. Avnery said that the Israeli government refused every opportunity to negotiate for peace with Abu Mazen and Fatah, but that is now "spilled milk." These were fair, democratic elections, and the situation cannot be allowed to deteriorate.
- Israeli rightwing fanatic Effie Eitan of the National Religious Party called for assassinating all Hamas Parliamentarians, and Likud boss Benjamin Netanyahu wants an Afghanistan-type war against what he called "Hamastan."

## Hamas Victory Signals Alliance with Fatah Young Guard

A senior British intelligence source told *EIR* Jan. 26 that the election victory of Hamas should be no surprise. He said Hamas ran a well-organized campaign and had predicted months ago that they were aiming for between 70 and 80 seats in the 135-seat legislature. The idea that this is the end of the political process is nonsense, since under Israeli Prime Minister Ariel Sharon there was no political process. Furthermore, the idea that Fatah did not use violence and only Hamas did, is also nonsense. He said Hamas has a national agenda and they will organize to achieve it.

The source pointed to an article in the January issue of *Prospect* magazine by Alastair Croke, the former MI-6 agent with

many years of experience with the Palestinians. He was also a member of Sen. George Mitchell's fact-finding mission on the causes for the second intifada.

Although that article was written prior to the elections, he pointed out that a Hamas win would in fact represent a victory of not only Hamas but the militant wing and younger generation of Fatah, led by imprisoned leader Marwan Barghouti. Hamas has a great deal of respect for Barghouti, who is considered the "engineer" of the intifada, and was instrumental in organizing a ceasefire among all the militant groups. Crooke pointed out that this young Fatah faction exerted its power last year during the Fatah primaries. He said that this alarmed the old guard, who tried to suspend the elections. There will most likely be cooperation between this younger Fatah leadership and Hamas.

Crooke wrote the following on what Hamas could be expected to do once in power: "Hamas will aim to rally as many of the factions as possible to agree on Palestinian national objectives. They will lay out the means to achieve those objectives and designate a popular leadership able to bring them about." Hamas will most likely call for a ceasefire "to be agreed and reciprocated by Israel, that would last a full generation and that, unlike past truces, would deal with all the outstanding issues that might be resolved in a long-term period of calm." Hamas would call for a withdrawal to the 1967 lines, and a Palestinian state with Jerusalem as its capital. Hamas would not disarm at the outset of the process, but there could be demilitarization in step with political progress, as seen in Northern Ireland.

He concluded that a new, invigorated Palestinian leadership "may yet offer an unexpected window for political agreement between Israelis and Palestinians." It might be difficult for Israel, he said, "but offers the best chance for an enduring settlement."

### **Cheney Peddles 'New Baghdad Pact' Scam in Cairo, Riyadh**

A well-placed Arab source provided *EIR* with a report on U.S. Vice President Dick Cheney's recent trip to Egypt and Saudi Arabia. The source reported that Cheney peddled the idea that, in the aftermath of the overthrow of Saddam Hussein, a new regional security architecture was needed, modelled on the old Baghdad Pact. This time, Cheney lied, the key would be a military alliance among Israel, Egypt, and Saudi Arabia, to provide regional security against radical Islamic terrorism. Cheney reportedly spelled out a six-month timetable for "resolving" the Iran nuclear crisis, involving a stretched-out sequence of IAEA and UN Security Council actions; he reportedly pressed Saudi Arabia to commit to increased oil output, and demanded Egypt expand its refinery capability—as a means of averting an "oil shock" in the event the U.S. had to launch a military action against Iran's nuclear weapons program.

Briefed on this report, U.S. statesman Lyndon LaRouche commented that what Cheney was peddling in Cairo and Riyadh was a "suckers tale," and that Cheney and his Synarchist backers are actually operating on a much shorter time frame, to blow up the entire region, as part of their end-game drive to destroy the nation-state system altogether and create a Synarchist world dictatorship under war and depression conditions.

### **Iran Plans To Establish Oil Market**

Iran decided in its Third Development Plan (2000-2005) to set up an oil and associated derivatives market, and to invoice energy contracts in euros instead of dollars. The plan, according to its project head, Mohammad Javad Assemimpour, will try to make Iran the center of oil deals in the region. The IOB should be operational sometime this year.

Although, for security reasons, it is not expected that many will relocate to Iran, over time, the IOB could become competitive with the International Petroleum Exchange and the NYMEX, which both deal in dollars.

The IOB could thus establish a new euro-denominated crude oil market, thus making it possible for some GCC (Gulf Cooperation Council) countries to sell oil for euros. Eurozone countries make up one-third of Iran's imports. U.S. energy-related companies would not be able to take part in the bourse, due to the U.S. trade embargo on Iran (which was just extended).

## **Audit Finds More Fraud and Waste in Iraq Contracting**

The latest audit report from the Special Inspector General for Iraq Reconstruction is the latest in a series of such reports documenting the poor management of Iraqi oil funds, control of which the U.S. took in May of 2003. In the new report, released Jan. 23, Inspector General Stuart W. Bowen, Jr. reports that deficiencies in contract management by the now-defunct Coalition Provisional Authority's South-Central Iraq region did not effectively manage 907 contracts and 1,212 micro-purchase contracts (worth \$5,000 or less) worth a total of \$88.1 million, between October of 2003 and June of 2004. In most cases, lack of documentation meant that the money disbursed for contracts could not be accounted for. There were cases in which contracts were split into smaller pieces in order to avoid reporting requirements, and cases in which contractors were paid up-front at the time the contract was signed but no follow up was ever done to determine if the contractor actually had done what it was paid to do.

One of these cases involved the replacement of four elevators in the hospital in Al Hillah. The contractor's failure to do the work properly resulted in the failure of one of the elevators, killing three people. "During this audit, we found indications of potential fraud," which instances are now under investigation, Bowen stated.

## **Asia News Digest**

### **Indonesia Asked To Host North Korea Talks**

Indonesia has been asked by South Korea to host three-nation talks with North Korea, AFX Asia reported Jan. 25. Indonesian Defense Minister Juwono Sudarsono said his South Korean counterpart Yoon Kwang-ung had raised the issue during his visit to Jakarta Jan. 23. The proposed three-way talks, Sudarsono said, would either be held in Jakarta or on the resort island of Bali "as soon as possible," with the intention to "help create a peaceful climate and solution" in the face of North Korea's refusal to return to six-party talks with the United States, China, South Korea, Japan, and Russia, Sudarsono told reporters.

### **Indonesia Defends Palestinian Vote; Challenges U.S. on 'Democracy'**

The Indonesian Foreign Minister Hasan Wirayudha defended the vote in Palestine, which gave Hamas a majority in the parliament, and called America's bluff on its incessant hype about "democracy," *Antara* reported Jan. 27.

"I believe other democratic countries will also respect the democratic decision which has been made by the Palestinian people," Wirayudha said in a press conference in Jakarta Jan. 27. "We, as a democratic state, respect the decision, and other parties should not be hasty in making conclusions on who and how the process worked," he said.

Wirayudha said there should be no prejudice that Hamas must not rule because it is considered a radical group, noting that Israeli Prime Minister Ariel Sharon was once a very radical figure, but later, he was able to promote the peace process by pulling Israeli troops out from Gaza.

Wirayudha just returned from a two-day visit in Iran, where he met with President Mahmoud Ahmadinejad and top nuclear

negotiator Ali Larijani. "Why not be a bit patient and continue the peaceful process before rushing to judgment and concluding that the talks over the Iran nuclear case have failed?" commented Wirajuda after his return, adding that Iran has an "inalienable right" to develop civilian nuclear projects.

Indonesia, the world's largest Muslim nation, is actively considering a nuclear program of its own.

## **China To Build Experimental Fusion Device**

The Institute of Plasma Physics, under the Chinese Academy of Sciences, has announced that an advanced experimental fusion device will be built in Hefei, in China's eastern Anhui Province. The project, known as EAST (Experimental Advanced Superconducting Tokamak), will be built in March or April, and will be an upgrade of China's first such experimental device, the HT-7, which was built in partnership with Russia, in the early 1990s. The tokamak will use superconducting magnets to confine the fusion plasma. Experiments with the new reactor will start this summer.

Wan Yuanxi, who is in charge of the \$37 million project, explained that EAST will prepare China for its participation in the International Thermonuclear Experiment Reactor, or ITER, which includes Russia, the U.S., the EU, South Korea, Japan, and India. After Russia, France, and Japan, China is the fourth country in the world to have built a superconducting fusion experiment.

## **East Timor, Indonesia Reject 'Human Rights' Tribunal**

East Timor President Xanana Gusmao reluctantly turned over a UN-commissioned report on the atrocities in East Timor during the 1975-99 Indonesian occupation, the *Washington Post* reported Jan. 21. The report, although it acknowledges atrocities by the Timor rebels as well, accuses Indonesia of intentionally starving thousands, burning people alive, using napalm, and other barbarities. Indonesian Defense Minister Juwono Sudarsono described the report as "a war of numbers and data about things that never happened," noting that they had no napalm and that they had starved no one. President Gusmao was very reluctant to release the report at all, considering it a provocation.

Both East Timor and Indonesia have flatly rejected calls from the human rights mafia for a tribunal, preferring a "truth and friendship commission" established between the two nations. Gusmao also rejected the reports calling for "reparations" from the Western nations which supported Indonesia's occupation.

The human rights mob has been most frustrated that former rebel leader Gusmao has proven to be a President in the tradition of the Peace of Westphalia (which, in 1648, ended the Thirty Years' War in Europe), rather than serve as a puppet for Synarchists to be used for destabilizing nation-states.

## **New Bridge Opens Across Thailand-Myanmar Border**

Despite efforts by the U.S. to force the nations of Southeast Asia, and especially Thailand, to join in the isolation and pressure on Myanmar, Thailand and Myanmar on opened a new "friendship bridge" Jan. 22 across the Sai River that divides the two neighbors, which Thailand hopes will boost trade with its neighbor and with nearby China, *The Nation* reported Jan. 23.

Thai Foreign Minister Kantathi Suphamongkol and his Myanmar counterpart Nyan Win presided over the opening ceremony at the bridge, linking Thailand's northern province of Chiang Rai with the town of Tachilek in Myanmar. "We expect closer relationships with Myanmar not only in trade but also in transportation and tourism," Thai Foreign Ministry spokesman Apichart Phetcharatana told AFP.

The new 295-foot, two-lane bridge also gives Thailand an improved road link to China. The Chinese-Myanmar border is only about 100 kilometers (62 miles) from the bridge. An earlier bridge across the Sai River opened in 1967, but it could not be expanded to accommodate increased traffic between the two countries. Construction of the new bridge was completed last month, the ministry said. Thailand is the biggest buyer of Myanmar's exports, according to the Asian Development Bank.

## **Cambodia's Ruling Party Sweeps Nation's First Senate Vote**

Cambodian Prime Minister Hun Sen's ruling party swept the country's first Senate election Jan. 22, according to Agence France Presse. Hun Sen's Cambodian People's Party (CPP) received 7,854 votes in Sunday's vote, while the royalist FUNCINPEC party won 2,320, and the opposition Sam Rainsy Party 1,165, according to provisional results from the National Election Committee. (Only 11,261 commune councilors throughout the country and 123 parliamentarians were eligible to take part in the election.) That would give Hun Sen's party about 43 of the 57 seats up for grabs, eight more than it has now, according to unofficial projections by the ruling party, party spokesman Khieu Kanharith told AFP.

The Sam Rainsy Party, openly sponsored by the International Republican Institute, part of the U.S. "Project Democracy" subversion network, appears to have won only two seats, top party official Sam Rithy Duong Hak said.

Previously Senators had been appointed by their political parties and the King.

## **This Week in History**

### **January 31 — February 6, 1774**

#### **The British Ministry Tries To Humiliate Benjamin Franklin, To No Avail**

On Jan. 31, 1774, the British government informed Benjamin Franklin by letter to his home in London that he had been fired from his position as Deputy Postmaster of America. This, even though Franklin had built the postal service into an efficient and profitable system which greatly benefitted both Britain and America. The motivation for the firing was both fear and revenge: fear of Franklin's influence in both countries, and revenge for the recent Boston Tea Party.

The move against Franklin occurred two days after the attempt to pillory him in the meeting hall called the "Cockpit," ostensibly for revealing the contents of policy documents sent by royal officials in America to a member of the British Privy Council. These were called the "Hutchinson Letters," after Massachusetts Royal Governor Thomas Hutchinson, who had written many, but not all, of them. During the Stamp Act crisis of the 1760s, Lord Grenville, the promoter of that looting scheme, had asked his secretary to request reports from various American royal authorities as to what should be done. Hutchinson, in particular, was vocal in support of suppressing the Americans, writing that, "There must be an abridgement of what are called English liberties."

Benjamin Franklin had appeared before the House of Commons in 1766 to present America's case against the Stamp Act, and his efforts had resulted in the act's repeal and the fall of the ministry of Lord Grenville. However, the East India Company continued its looting policies, leading it inexorably toward bankruptcy. By 1772, its vast influence was woven into the very fabric of the British government, and the company succeeded in putting through legislation which compelled the American royal governors to be paid from the revenues of the Townshend Act, specifically from the tax on tea. Thus, any possible influence over these officials from their constituents was to be nullified. Massachusetts sent a petition

opposing this method of paying royal officials, but the King rejected it.

When the judges of the Superior Court in America were added to the list of officials to be paid from East India Company revenues, the Boston Town Meeting reacted quickly. It published a pamphlet in November of 1772 which described the violations of American rights and denied that Parliament had any authority over America. Royal Governor Hutchinson made an address to the Massachusetts Assembly on Jan. 6, 1773 in which he stated that there could be no allegiance to the King without subordination to Parliament as well. Hutchinson portrayed the perils that Massachusetts would face if it rejected Parliament, but the Assembly responded that "there is more reason to dread the consequences of absolute uncontrolled power, whether of a nation or a monarch, than those of a total independence."

In December of 1772, Benjamin Franklin had come into possession of the reports sent to Lord Grenville from the royal agents in America. Grenville had circulated the letters among his friends and political allies, and at the time of his death in 1770, the letters had not been returned. There were also copies of the reports which were making the rounds in London, and either Franklin was able to obtain them, or, as another rumor had it, they were given to him by a member of Parliament. Whatever the source, Franklin sent them to Speaker Cushing, telling him to show them to members of the Assembly, but not to copy or publish them.

Cushing at first did as he was asked, but feelings against Hutchinson were running so high that on June 2, 1773, he read the letters in public to the Massachusetts Assembly, and by June 17 the letters' contents had been printed and were being reprinted throughout the colonies. As this was going on in America, Franklin, on June 4, was sending Cushing the news of Parliament's spectacular reduction of British duties on exported East India Company tea, enabling it to be sold in America for a much cheaper price than smuggled Dutch tea. Franklin commented that the British thought the Americans would operate only on the basis of obtaining a bargain, whereas actually they understood the future enslavement which lurked behind the lower prices.

On June 23, the Massachusetts Assembly petitioned the King to remove both Hutchinson and Andrew Oliver from office, and Franklin, as London representative of Massachusetts, presented the petition to Lord Dartmouth. By August, the Hutchinson Letters were reprinted in London, and gossip ran rife as to who had obtained them. During that fall, Franklin was engaged in writing a series of polemics, trying to show the Britons the folly of their policies toward America. On Sept. 11, he published the satiric "Rules by Which a Great Empire May Be Reduced to a Small One," and on Sept. 22 appeared "An Edict by the King of Prussia," in which the Prussian King supposedly claimed sovereignty over England by right of supposed prior settlement in some misty past era.

After these pieces appeared, Franklin received a letter from his sister, Jane Mecom, in which she said she hoped that he would be the instrument of restoring harmony between America and Britain. He replied that he would be very happy to restore harmony, but that his strategy for accomplishing it had changed. "I had used all the smooth words I could muster, and I grew tired of meekness when I saw it without effect. Of late therefore I have been saucy."

Franklin talked about his two polemical pieces, saying that, "I have held up a looking-glass in which some ministers may see their ugly faces, and the nation its injustice. Those papers have been much taken notice of. Many are pleased with them, and a few very angry, who I am told will make me feel their resentment, which I must bear as well as I can, and shall bear the better if any public good is done, whatever the consequences to myself.

"In my own private concerns with mankind, I have observed that to kick a little when under imposition has a good effect. A little sturdiness when superiors are much in the wrong sometimes occasions consideration. And there is truth in the old saying, that 'if you make yourself a sheep, the wolves will eat you.'"

Although no one had guessed who had sent the Hutchinson letters to America, matters soon came to a head. The brother of

Lord Grenville's secretary became convinced that John Temple, a government official sympathetic to America, had obtained the letters, and he challenged Temple to a duel. Temple injured his foe, but a second duel was pending. To prevent further bloodshed, Franklin inserted a notice on Dec. 25 in the *London Chronicle*, saying that, "I alone am the person who obtained and transmitted to Boston the letters in question." Franklin wrote, "They were not in the nature of 'private letters between friends.' They were written by public officers to persons in public station on public affairs, and intended to procure public measures; they were therefore handed to other public persons who might be influenced by them to produce those measures. Their tendency was to incense the Mother Country against her colonies, and by the steps recommended, to widen the breach, which they effected." Furthermore, the letters themselves expressed the fear that if their contents became known, agents of the colonies might try to return them to America. "That apprehension, was, it seems, well founded; said Franklin, "for, the first agent who laid his hands on them thought it his duty to transmit them to his constituents."

On Jan. 11, 1774, the Privy Council summoned Franklin to a hearing on the petition of the Massachusetts Assembly to remove Governor Hutchinson. When he arrived, Franklin found himself facing Solicitor General Alexander Wedderburn, who had voted against the repeal of the Stamp Act and was famous for his crude invectives and overarching ambition. Wedderburn had been characterized by his superior, Lord North, as having "an accommodating conscience." The Solicitor General made it clear to Franklin that he was facing a kangaroo court, not a hearing on the Massachusetts petition. Franklin asked for three weeks to hire counsel and prepare his case.

When the Privy Council reconvened in the Cockpit on Jan. 29, word of the Boston Tea Party had reached London, and the King and his ministry were out to destroy Franklin's reputation. "All the courtiers were invited as to an entertainment," wrote Franklin, comparing it to a "bull-baiting." For an hour, Wedderburn insulted Franklin, who stood impassively in his best suit while most of the Privy Council laughed and jeered and the audience hooted. There is no transcript of the proceedings, because even the Grub Street newspapers were afraid to print Wedderburn's foul and libelous language.

One of the spectators said that Wedderburn used the "coarsest language," unleashed "all the licenced scurrility of the Bar," and enlivened his speech with "the choicest flowers of Billingsgate." Another auditor wrote that, "I had the grievous mortification to hear Mr. Wedderburn wandering from the proper question before their Lordships, pour forth such a torrent of virulent abuse on Dr. Franklin as never before took place within the compass of my knowledge of judicial proceedings, his reproaches appearing to me incompatible with the principles of law, truth, justice, propriety, and humanity."

Franklin refused to speak in his defense, choosing silence in the face of such a scurrilous attack. And he did have supporters, even in London. Dr. Joseph Priestley, the eminent scientist who collaborated with Franklin, was in the audience, and recorded that "Dr. Franklin, in going out, took me by the hand, in a manner that indicated some feeling. I soon followed him, and going through the anteroom, saw Mr. Wedderburn there, surrounded with a circle of his friends and admirers. Being known to him, he stepped forwards as if to speak to me; but I turned aside, and made what haste I could out of the place."

Priestley had breakfast with Franklin the next morning, and recorded that, "He said he had never been so sensible of the power of a good conscience; for that if he had not considered the thing for which he had been so much insulted, as one of the best actions of his life, and what he should certainly do again in the same circumstances, he could not have supported it."

When Franklin wrote to Thomas Cushing about the events at the Cockpit, he said: "When I see that all petitions and complaints of grievances are so odious to government, that even the mere pipe which conveys them becomes obnoxious, I am at a loss to know how peace and union is to be maintained or restored between the different parts of the empire. Grievances cannot be redressed unless they are known; and they cannot be known but through complaints and petitions: If these are deemed affronts, and the messengers punished as offenders, who will henceforth send petitions? And who will

deliver them? It has been thought a dangerous thing in any state to stop up the vent of griefs. Wise governments have therefore generally received petitions with some indulgence, even when but slightly founded. Those who think themselves injured by their rulers, are sometimes, by a mild and prudent answer, convinced of their error. But where complaining is a crime, hope becomes despair."

Despite threats of imprisonment, Franklin stayed in England for over a year more, trying to forge an accommodation between America and Britain. When Edmund Burke's bill to withdraw British troops from Boston was defeated in Parliament, Franklin embarked for Philadelphia. When that city had received the news of his treatment in the Cockpit, its citizens paraded through the streets with straw effigies of Wedderburn and Hutchinson, which they then set on fire with an electric spark.

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