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

### **Arab League Summit Cancelled, With Possible 'Dangerous Consequences'**

*On March 28, for the first time in the 57-year history of the Arab League, the organization's summit was called off, or rather, postponed during the final preparations, when Tunisian President Zine el Abidine ben Ali announced a surprise decision. Arab League General Secretary Amr Mussa warned that the postponement would have "dangerous consequences for joint Arab action." The same day, Egyptian President Hosni Mubarak said "There is no justification ... [for] the delay of the summit and for a party to impose its view unilaterally without consulting the others, according to Middle East News Agency (MENA). President Mubarak and other Arab world leaders immediately began plans for rescheduling the summit. The summit cancellation was the direct result of pressure from the United States, which was demanding the organization endorse its so-called Greater Middle East Initiative (GMEI), and refrain from denouncing Israel's targetted assassinations policy—conditions which were rejected. The postponement of the summit underscores the importance of the following article by Mr. LaRouche.*

## **How Must We Deal With the New Turn in This Worsening Crisis?**

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

**March 24, 2004**

The combination of the terrorist attack at Madrid and the U.S. Bush Administration's tacit condoning of the escalated assassination policies of Israel's Sharon government, represent a sudden, inevitably reverberating change in the situation surrounding all leading crisis-points in the world today. In that sense, the planned March 28-29 Arab League meeting in Tunis will occur under current global strategic crisis-conditions qualitatively different from the conditions existing even as recently as a few weeks ago.

I explain.

It has been known to me for some months, that a new wave of terrorist attacks, ultimately targetting the U.S.A. and other parts of the Americas, was being prepared by a Spain-coordinated terrorist organization based chiefly in Italy, France, and Spain.

This organization is a reactivation of the same network, currently associated with a leading public role of Spain's veteran fascist Blas Piñar, responsible for the wave of right-wing terror in Italy and elsewhere during the interval 1969-1980. That post-World War II, Spain-based organization, originally built up in Franco's circles around the circles now featuring Blas Piñar, is a part of the former SS security apparatus led by Nazi SS General Walter Schellenberg—the section of the Nazi system's apparatus, and its associated international banking circles, which first entered into collaboration with such U.S. notables as Allen Dulles and James Jesus Angleton during the 1944-1945 interval.

Dulles and the Anglo-American faction of which he and his brother John Foster Dulles were an integral part, had been

associated, in concert with head of the Bank of England Montagu Norman, in deploying Hjalmar Schacht for the purpose of bringing Adolf Hitler to power in Germany. Through channels such as the associates of Schacht, such as Switzerland's Nazi representative Francois Genoud, Dulles had reopened channels to the Göring banker networks, and SS General Schellenberg, during the course of the period following the Nazi defeat at Stalingrad. U.S. agents Dulles, General Draper, and Angleton were key in the U.S. side of the arrangements which brought those elements of the Nazi SS into the post-war Anglo-American intelligence apparatus built up around the so-called utopian faction among the Anglo-Americans. These Nazi SS assets, including Schacht's Otto Skorzeny, played key roles in bringing this multinational, Nazi-SS apparatus into the so-called anti-Communist military intelligence establishment of the post-World War II period.

The "strategy of tension" operations of the 1969-1980 interval, like the earlier Spain-based, 1960s targeting of France's President Charles de Gaulle, were operations of the same network responsible for the terror events in Spain. This Spain-based component of those networks, is significant for its intended role in deploying terrorist and related operations against the U.S.A. in the Americas themselves, provocations intended to provoke a disoriented United States into even wilder actions than we have seen from the hands of Vice-President Cheney and Secretary of Defense Donald Rumsfeld thus far.

The recent and current editions of the weekly *EIR*, and the Internet *EIW* editions, contain a large amount of information on this matter. This information, and more, is readily available to you through both my campaign website [www.larouchein2004.com](http://www.larouchein2004.com), and [www.larouchepub.com/eiw](http://www.larouchepub.com/eiw). I have summarized as much of the background here as is indispensable for a grasp of the nature of the threat now deployed from those present-day continuations of the Nazi-SS apparatus under Hitler.

## 1. Why Now?

The timing and savagery of the present attacks could not be competently understood unless we compare the presently ongoing collapse of the IMF's 1972-2004 floating-exchange-rate monetary-financial system, to the 1928-1933 collapse of the Versailles monetary-financial system. The first, 1928-1933 crisis produced the Hitler dictatorship and World War II; the onrushing collapse of the present IMF monetary-financial system, has set into motion the exact-same types of social-financial interests, including some of the same interests, which placed Hitler into power in January-February 1933. A clear-headed view of the facts behind the absolutely fraudulent U.S. insistence on a recovery of its economy, demonstrates why the situation of the present moment, approximately a mere six months before the next U.S. general election, is so extraordinarily dangerous.

When the present world and U.S. monetary and financial data are examined in light of the degree of ongoing, and accelerating collapse of the U.S. and European physical economies, it is clear that the U.S. is being propped up politically by a wishful delusion. The U.S. physical economy is collapsing, while the collapsing, debt-ridden U.S. dollar is being kept afloat by hyperinflationary methods of monetary flooding of dollar markets, roughly comparable to the mechanisms of the German hyperinflation of June-November 1923.

The instant that hyperinflationary dollar-bubble pops, the world as a whole is plunged into a strategic crisis relatively far worse than that of 1928-33. Then, the economies of Europe and the Americas were powerful agro-industrial producer economies; today, the U.S. leads Europe in transformation into a self-doomed form of "post-industrial" society sustained by the social-control mechanisms of "bread and circuses." In the 1930s, Americans fled to family farms for food. President Roosevelt began to reopen closed, but still existing manufacturing facilities. Those physical-economic safety-valves do not exist in comparable degree today.

While the exact date of the general panic is not yet determined, the explosive charge which will set off that panic is bloated to such a degree that the only competent forecast for the new general collapse is "any time."

Remedies exist. These remedies require a sudden turn in economic and monetary-financial policies, away from the post-industrial track of the 1964-2004 trend, back to the agro-industrial emphasis on physical economy of the 1933-1964 interval. These actions would require that the governments place the generally bankrupt, presently leading financial institutions into government receivership for reorganization in bankruptcy. While the success of such emergency actions depends upon cooperation among a leading group of the world's nations, a recovery would become possible. However, it would mean an end to the presently overreaching political-financial power of the same kind of array of financial oligarchies which were the political force behind the establishment of fascist control over Europe during the 1922-1945 interval.

Then, the fascist threat came from an international bankers' cartel known as the Synarchist International. Today, many of the same financial entities are integral parts of the financial cartel behind the present deployment of the fascist apparatus built up around a kernel adopted from the Nazi-SS apparatus around Schacht, Schellenberg, Genoud, et al., in 1944-45. Today, the same financier circles are determined to pre-empt the presently onrushing world-wide financial-monetary collapse with the installation of an international Nazi-like order.

Vice-President Dick Cheney and his associated "neo-conservatives" are a highly decadent, present-day outcrop of that Nazi-SS apparatus brought into the Anglo-American security establishment during 1944-45. They are not particularly intelligent. They are, as we have seen in Iraq, monstrous clumsy and ignorant bunglers; but like Mexico's poisonous Gila Monster, they are not only stupid, but also dangerous. To behave like a beast toward man does not require the heights of human intelligence.

The source of the danger to civilization, is, therefore, essentially, the reluctance of nations to unite to crush this Nazi-like serpent in its nest. If we can agree upon the measures of reorganization in bankruptcy which sovereign national governments will impose upon the relevant international, Venice-style financier-oligarchical circles, civilization can escape the worst of the present danger, and move on to general recovery. It is, therefore, our own hesitation to unite around such measures which is the greatest of the sources of mortal threats to global civilization today.

Merely to begin discussing such facts openly, even at this dangerously late point in the process, would be an important step forward.

## 2. Now

My only actual rival for the U.S. Democratic Presidential nomination, Senator John Kerry, is a good man, with most of the needed qualifications for a good President—but one. He lacks the knowledge and strategic determination which could come only with an understanding of economics, an understanding he sorely lacks. The danger is, that were he to be elected in November, his present lack of understanding of economics, would hold him prisoner to a network of his present financial backers. Under such conditions, he would become a virtual office boy in the Presidency, controlled by a faction of those financier oligarchs who are today's representatives of the same oligarchs who brought fascism to Europe during the 1922-1945 interval.

His vacillation on the practical measures required to deliver on his doubtless sincere promises of help to the increasingly impoverished lower eighty percentiles of the U.S. population, would make him a virtual "Herbert Hoover" in fact, where a "Franklin Roosevelt" is urgently required.

Therefore, under such world circumstances, plans for Middle East peace are worthless if they are premised upon a mere rearrangement of presently existing chairs and tables of Middle East policy-shaping. The first step toward practically effective action is comprehension of the extraordinary nature of the present strategic situation merely implied by the recent Madrid terrorist action by the present-day heirs of Hitler's Schellenberg, Schacht, and Skorzeny.

Were I President, the measures to be taken are clear. Sharon's latest atrocities were not possible without the implicit agreement of the current U.S. Bush Administration. The great mistake of much of the Arab world, in 2000, was the assumption that Bush would be better news for the Arabs than Clinton. We see the result of that error today. On the other side, it is clear that a U.S. President, such as Kerry or LaRouche, elected on the basis of opposition to the current Bush Administration's strategic and economic policies, could unite most of the world around a U.S. initiative for a strictly-imposed peace and economic reconstruction of the Southwest Asia region. Such a change in U.S. direction would make possible what is presently impossible under the current U.S. administration: a commitment to the kind of reconstruction of world affairs, which has the kind of effect on areas of today's bloody strife, which the 1648 Treaty of Westphalia brought to a Europe despoiled by the accumulation of religious and related hatred brewed by the religious warfare of Europe's 1511-1648 interval.

I suggest that the idea of that Treaty of Westphalia be studied in depth, and invoked as a programmatic campaign for the kind of peace which would be durable and profitable for each and all of the peoples involved.

**And, It Ain't So Young No More:**

## **HIS ONLY ENDEARING YOUNG CHARM**

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

March 29, 2004

Some leading Democrats are just so silly, it makes you wonder. They are so het up, fretting themselves half to death over all those millions in the re-elect Dubya campaign war-chest, that they overlook the most obvious of all facts about the coming election. The leading political issue of 2004, after the onrushing depression, that is, is the question: Are the U.S. voters so silly that they would re-elect a President whose one and only endearing charm, is that he is rightly perceived, more or less world-wide, as the dumbest man in the history of the Oval Office? That, in fact, his record of performance in office, is the worst accumulation of sheer bungling incompetence in relations with long-standing allies, in military policy, in economic policy, in budget-balancing, and, excepting weight-lifting, about everything else, including diction and elocution, in recent memory?

Take the way in which poor, dumb Dubya & Co. dealt with the publication of the book by former counter-terrorist chief Richard A. Clarke which the Bush Administration itself, first, held back from publication, and then claimed he had timed the publication to embarrass Dubya's re-election campaign. If Dubya's handlers had had any sense, they would have said as little as possible about the issues of Clarke's book. Their foolish frenzy, in their efforts to deny the undeniable, made a major election-issue of a book which an intelligent administration would have let pass with minimum fuss.

Richard Clarke is not the kindest cherub, nor the most brilliant in the U.S. intelligence constellation of recent times, but he has earned a widely acknowledged professional reputation as a hard-grinding fanatic for getting his job done, as he sees it, over quite a period of time. I, personally, would disagree with him about a number of matters in which I have qualified expertise, but I would hire professionals like him in my administration any day, and be thankful I had them around to do battle with.

I should know. I warned the incoming Administration publicly of the danger of something like "9-11" in January 2001. I do not agree with the simplistic way Clarke himself throws the name of "al-Qaeda" around; but, that is not the issue. The issue is, and was, that under the strategic economic and related conditions which the incoming President had inherited, combined with the new President's fanatical quality of stubborn incompetence in economic and other matters, something like

Goering's setting fire to Germany's Reichstag had to be expected. Clarke has Cheney dead to rights on the security failures of the pre-9-11 Bush Administration.

Clarke's facts sent Dubya's reputation down to the mat. Dubya should have taken a reflective nine-count before trying to stand up to Clarke's blows. Now, Dubya is being pummelled on that front, at the same time his reputation is being hit from seemingly all directions.

Given the monetary-financial crisis rushing to overwhelm the U.S. now, unless the Bush campaign is able to use computerized voting procedures to pull off the most massive ballot-fraud in U.S. history, which seems to be the intention of some Congressional Republicans, Bush is implicitly unelectable. The signs are clear; the big money is shifting its bets, preferring a Democratic administration controlled by them, to a Republican Presidency already up about its waist-line in the quicksand of Dubya's colossal failures. The recent electoral defeat of Spain's Aznar government, and the continuation of the pattern in the opposition electoral victories which have just occurred in France, are signs of the times. With a deep depression coming like an avalanche, incumbent governments must expect to be toppled by the voters time and time again.

All that said about the Republican follies, the Democrats' major challenge is not the White House menu; the cause of their bellyaching is their obsessive attachment to Mother McAuliffe's cooking.

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## **LaRouche to State Legislators In a Crisis: Leadership Must Go Against Popular Opinion**

*The following remarks come from an strategic statement by Presidential candidate Lyndon LaRouche to a group of state legislators meeting to discuss his campaign, on March 13, 2004. Subheads have been added.*

This terrorist outbreak in Spain [the Madrid train bombing on March 11], is not just something in Spain. It's a strategic operation, inclusively against the United States.

Look, what's the Hispanic-language population of the United States? It's the largest single identified minority in the United States. What's it part of? The largest part comes from the Caribbean area, especially from Mexico. Now, many of these are fully American, in every sense, except they have some memory of the Spanish language and use. Others are recent immigrants—legal and illegal. The flood of Mexican immigration into the United States, recently, is based on the conditions we created in Mexico since 1982: We shut down their economy; they couldn't get the money to feed their families; and they would either come across the border, or sneak across the border; and from there, they would work at slave-labor wages, or the equivalent, to send money back to their families in Mexico. And communities, whole states of Mexico, depend upon remittances from Mexican nationals working in the United States, who are sending money back home. And that is the major source of the income of these people.

So therefore, you have a hatred against what the United States has done, since 1971-72—especially since '82—against the United States, throughout all of Central and South America. We are hated! We are increasingly hated—because we raped them. And, if you keep raping somebody, they may object eventually. And they object strongly.

So, on the basis of this hatred, among people below the border, which has spread to the north of the border, you have this guy Huntington, Samuel P. Huntington, the so-called "Clash of Civilizations" Huntington, who is an agent of a British agent called Bernard Lewis—who is his actual adviser, and shapes his policies, who's now resident, an old fellow, resident

at Princeton, who runs these guys—runs Brzezinski, too. And did run Kissinger, for a while.

So what they've done, conceived of, is conducting asymmetric warfare, to destroy the United States. That's what happened in 9/11. It was an attempt to create a state of terror, under which they could manipulate the United States, and put it in the direction of establishing a dictatorship. The purpose of the dictatorship is obvious—what I identified: It's the Felix Rohatyn phenomenon.

So, now, we're in the situation; the system is coming down. They orchestrated this situation, such that they were going to wait, until they rammed through the selection of a Presidential candidate in the primary process in the Democratic primaries. They think they have done that now. Now, they'll go to work *against that candidate*, which will now be the one target. Assuming if they get that one candidate out of the way, with aid of massive computer-assisted vote fraud, they can take over the country, come November.

## The Policy Is Felix Rohatyn

In the meantime, what's their policy? They have a policy, also for Kerry: The policy is the Felix Rohatyn policy. It's the reason I was kept out—by the orders of these bankers. Because—the issue is very simple: When you come to a financial crisis, and this system is coming down, *now*—there is *no possibility* of avoiding a depression. It's here! It's on! There's no recovery possible. It's gone. We're headed toward Hell!

Now, of course, with our system of government, if you have a President, with something in the Congress, and the people supporting him, you can not impose a dictatorship, under our Constitution. Our traditions and so forth, will not permit it, particularly in this day and age. The issue is going to be the people! Are you going to defend the people? Or, are you going to sell the people off, for body parts? Rohatyn says, they're going to be sold off for body parts. And, if a Democrat goes into public office, who is controlled by the Rohatyn Democrats, or the Soros Democrats—which are the same thing—then you're going to have a fascist dictatorship. I don't care who is the President. Kerry will be rigged, when the team is put together, if he's elected. It'll be rigged in such a way, that he has no control over his own administration. The bankers will have everything in place to pull him down—pre-set-up. And, you look for push on the Vice Presidential candidacy; that will tell you what's going on. They might even push for McCain. It's not impossible.

But, that's the general situation.

Now, what's going to happen? We don't have a nomination now. The fact of all these votes, and so forth—we don't have a nomination. We all know it. Incidents which blow apart the consensus of agreement, can turn the delegates in such a way that it doesn't go that way. We have that—number one. We have the depression coming on, which can bring that kind of situation on. This will probably hit with full force, well before June and July.

We go from there, we get a nomination. We go to the election: November. What's going to happen in the election? Are we going to get the computers out of there? Otherwise, I'll tell you what's going to happen: You might have a 20% vote fraud, in the national vote. It's all being pre-rigged. We're fighting against it; some people in the Congress are fighting against it. They realize what it is. That's good. I'm glad to see the fight—but we need more strength on it.

Then, you go to a jammed-up—at best—a jammed-up Electoral College, more jammed-up than in 2000. Now, you have a fascist monster, called Scalia. He's called Scalia, named for the scales on his back! And his financial habits, huh? What's going to happen with the five fascists dominating the Supreme Court?

So, nothing is decided! In the meantime, all kinds of Hell are going to burst loose around this planet. In this process, the

launching of another terrorist raid. Now, remember: If those trains had all come into that train station [in Madrid] on schedule, instead of all coming in late—you'd have had something comparable to New York, in terms of death toll! I mean, imagine the trains come *into* the enclosed train station, with these explosives on them, going off, and timed to explode at the time the trains were all supposed to be *simultaneously in the station*. All you do, is look at the list. What was the date and time of arrival of each of these trains? At what time did these bombs go off? Where were the trains then, as opposed to where they were supposed to be, if they'd come in on schedule? And the Spanish usually pride themselves, on the bringing the trains in on schedule these days—one of their big braggadocios.

## The Synarchist International

Who runs it? Who's capable of doing this? The same people who ran the Bologna train station thing in 1980. The other guys, I'm familiar with. We know who they are. We know the top people by name. We know who's behind them: The synarchists are behind them; the Synarchist International. So, don't take any little fairy stories, about the mystery of who's behind it. We know who's behind it. *It's a major strategic operation, whose included target is the United States*. And, one of the elements that's a potential here, is the orchestration of an Hispanic revolt, inside the United States—provoked. All you have to have, a few atrocities and so forth thrown in—you've got it. You've got Ashcroft in power; you've got Cheney still in power. *These guys, and the people behind them, would do it*. Have no illusion.

When you know a guy is a man-eating tiger, you don't have to convict him of eating another victim. He already has a record: That's his character—he's a man-eating tiger. You've seen what he's done. You're going to say, "Well, let's give him a fair chance!" "What? Eat my cousin?"

And so, these guys are there; they have the power; they've demonstrated it. Look, a war was imposed on the United States by an act tantamount to treason. The use of the War Powers provision, of the design of the Federal Constitution respecting the Executive, to put constraints, through checks and balances—especially the Senate—on the war-making powers of the Presidency, such that we could not have a George III using Executive power to start wars on his own, against the will of the people, against good reason. - Soros's 'Cowardly Lions' -

So therefore, what they did, is they got the cowardly Congress, the "cowardly lions" of the Congress, to agree to an in-between condition of bullying, and these guys—one by one, after the other—capitulated all the way, until we're deep into the war. And even though it was known that Cheney had done it, they wouldn't say so. They'd say, "Well, we're going to get Bush in the next election!"

"How do you know you're going to get a next election?!" Why wait?

"Oh, we want to play fair." Well, the reason is, you got a bunch of skunks in the Democratic Party, who are also part of the synarchist operation: Look at the number of people in the Democratic Party, who are financially controlled by people like Felix Rohatyn and George Soros. How many people are on the take, for George Soros? How many people are defending George Soros? He's the guy who's helping us out against Bush? Who owns you, if George Soros owns you? Who owns George Soros? The London synarchist bankers.

That's the problem, you see. That identifies the problem. The fish-bowl problem: That we've become so conditioned to "popular opinion," we say, "We have to adapt to popular opinion. We have to go along with the way people have been conditioned to go."

In a period of crisis, leadership consists, usually, of *going against popular opinion, when it's necessary!* And when you're going to do that, you have to know what you're doing. There's an element of risk; there's always an element of risk in

leadership. And, if you're unable to take that risk, *don't* pretend to be a leader! Because, in times of crisis, such as the Battle at Leuthen, facing Frederick the Great, you either are a leader, who is capable of seeing the opportunity, taking the necessary risk, or *get out!* Scram! Git! Be gone!

And the problem is, and what I have to do in this process, none of the other guys that are in the running, have the knowledge or guts to deal with this situation. And that's what my job is: Somehow save this nation. Because I'm telling you, what's out there, in terms of prevailing institutions, has no capability of saving this nation. We have the *troops* out there. We have the forces with which to win victory. But we don't have the leadership, which can utilize and mobilize those forces *for* victory, in a time of conflict. If we can't change this thing, we're doomed.

Links to articles from *Executive Intelligence Review*\*.

\*Requires Adobe Reader®.

## From the Editors:

### How Must We Deal With the New Turn in This Worsening Crisis?

by Lyndon H. LaRouche, Jr.

March 24, 2004

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- Synarchist 'Strategy of Tension' and Terror  
Documentation and Map...see page 6.

## Feature:

### LaRouche Takes Battle To Defeat Synarchism to Mexico

by Dennis Small

U.S. Democratic Presidential candidate Lyndon LaRouche took his campaign to mobilize other sovereign nations to join the United States in burying the disintegrating international monetary and economic system, and rebuilding the world economy, to neighboring Mexico on March 18-20.

- To the Monterrey Press:  
'The Significance of My Appearance in Mexico'

Here is the transcript of Lyndon LaRouche's meeting with the press in Monterrey on March 19. The candidate was briefly introduced in Spanish by his Monterrey representative Benjamin Castro. The moderator's remarks and the questions are translated from the Spanish.

- LaRouche to Mexican Youth:  
'Your Mission Is To Change The Planet'

The Mexican branch of the LaRouche Youth Movement hosted Lyndon LaRouche in Monterrey on March 19. He was introduced by Benjamin Castro and Harley Schlanger, to about 100 members and collaborators of the Youth Movement from all over Mexico.

- LaRouche at Monterrey Tech:  
Surviving the Collapse: The New Bretton Woods

Here is Mr. LaRouche's speech to the conference on 'Surviving the Era of Imperialism,' at the Monterrey Institute for Technological and

Higher Studies (ITESM), in Monterrey, Nuevo Leó'n on March 20, 2004.

- **The Future of Forecasting**

Lyndon H. LaRouche, Jr. prepared this paper for circulation at the conference of the Monterrey Institute for Technological and Higher Studies, March 20, 2004.

- **The Carrasco Cuckoo Eggs**

A curious, revealing sidelight of Lyndon LaRouche's trip to Monterrey, was the coincident visit to that city by Marivilia Carrasco, a former leader of the LaRouche association in Mexico.

## Strategy of Tension:

### **Sharon Declares War On The Islamic World**

**by Dean Andromidas**

On Sept. 28, 2000 Ariel Sharon marched onto the Al Haram Al Sharif/TempleMountin Jersusalem, thereby declaring war against the Palestinian National Authority. On March 22, 2004, by assassinating Hamas spiritual leader Sheik Ahmed Yassin, Sharon declared war on the entire Islamic world.

### **Strategy of Tension: The Case of Italy**

#### **Part 2.**

**by Claudio Celani**

With the exception of the 1980 Bologna train-station massacre, all major episodes of blind terrorism in Italy have remained legally unsolved, thanks to a systematic cover-up and sabotage of the investigations carried out by intelligence structures.

- **Taiwan Election Shaken**

Taiwan President Chen Shui-bian claimed an extremely narrow electoral victory on March 20, following a very strange shooting incident on March 19. Many questions remain as to what really happened when Democratic Progressive Party (DPP) President Chen and Vice President Annette Lu Hsiu-lien were both lightly wounded by gunshots at a campaign motorcade.

- **Could Plotters Cancel Philippine Elections?**

The Philippines Daily Tribune of March 25 described a 'Strategy of Tension' unfolding in Manila. The Tribune notes that President Gloria Macapagal-Arroyo has appointed her 'political patron,' and master coup-instigator, former President Fidel Ramos, as chief advisor to her newly created 'Anti- Terror Task Force....'

- **A President Killed, New Violence Hits Balkans**

**by Rainer Apel**

Senior political and intelligence sources from Croatia and Bosnia-Hercegovina—with whom EIR had the chance of speaking during a mid-March Balkans visit—have pointed to the strikingly timely coincidence of the 'strategy of tension' operation in Spain, and the unleashing of a violent and bloody destabilization in Kosovo only a few days later.

## Politics and Culture:

### **Those Populist Fools Who Would Seek a Contract Even With God**

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

#### **... A Lesson From History**

More than 1,000 years ago, a dirty agreement was reached among Venice's financier oligarchy, the pro-irrationalist clerics of Cluny, the Norman chivalry, and that Mathilde of Tuscany...It was this medieval 'coalition of the willing' which produced the Crusades, the Inquisition, and all the kindred, ultramontane evils against humanity characteristic of medieval Europe.

## Correspondence:

## **Letter to DNC Chair McAuliffe On Democratic Committee's Hoax**

"...Chairman McAuliffe:

I am informed by persons I respect as credible sources, that, in the matter of your fraudulent allegations against me, you are acting merely as a flunky of known, if unstated controlling agencies. However, an honest man, even of your low rank, would have displayed the sense of personal honor to have resigned from the bureaucratic position you hold, rather than become childishly complicit, as you have done, in the disgusting action in which you have joined against me. You force me to rebuke you publicly..."

## **Commentary:**

### **Are We Safer?**

The recent testimony by former National Security Council counterterrorism czar Richard Clarke before the 9/11 Commission has further exposed the pathetic hoax of 'George W. Bush, the War President.'

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

### **N.Y. Fed Boss Warns Against Systemic Threat from Fannie and Freddie**

The president of the New York Federal Reserve Bank warned, in a speech March 25, of "very large systemic implications" of the derivatives exposure, and other "financial innovations," at home mortgage giants Fannie Mae and Freddie Mac. Timothy Geithner speaking to the New York Bankers Association, outlined the "Change and Challenges Facing the U.S. Financial System." Although the system "looks reasonably healthy," he said, when evaluated by many conventional measures, and it has "apparent resilience," yet "new challenges" have appeared.

"Among these challenges," he cautioned, "are those that relate to the complexity of financial and operational risk management, concentration in critical markets ... and trend-amplifying market dynamics in times of stress."

He cited the derivatives market. "A relatively small number of dealers," for example, "account for a very large share of the over-the-counter derivatives business, with higher degrees of concentration in specific markets such as interest-rate options."

Geithner then warned about the housing market. "Two institutions dominate the government securities clearing business. The growth in the size of government-sponsored mortgage entities [Fannie Mae and Freddie Mac] creates a high degree of concentration in a market with very large systemic implications." "Concentration ... necessarily increases the vulnerability of the system to an operational or financial disruption in a single institution," he noted. "Moreover, to the extent that the same set of firms play dominant roles in multiple markets, this concentration can also give rise to linkages between markets ... that could potentially affect how the financial system functions in conditions of acute stress."

In fact, for institutions that hold large amounts of risk, he said, it is "hard to develop a comprehensive picture."

Moreover, such financial instruments "cannot fully insulate the financial system from the effects of large macro-economic shocks," he said. "And they will not by themselves preclude the possibility of failure in a major financial institution or a critical piece of market infrastructure."

His advice? "For these reasons, it is important that those of you who run financial institutions, build in a sufficient cushion against adversity."

As a further warning, he said the U.S. budget deficit represents a risk to the financial system, a risk magnified by the size of the current account deficit and "the unprecedented scale of financing requirements it reflects."

## **Former Treasury Secretary Fears 'Financial Terror'**

Former Clinton Treasury Secretary Larry Summers cautioned that the U.S. financial system is increasingly jeopardized, as mounting debts make America dependent on Asia—through the use of "financial terror"—to fund its spending, Dow Jones reported March 23.

"There is surely something odd about the world's greatest power, being the world's greatest debtor," he said during a speech at the Institute for International Economics. "There is surely a question that must be asked when, in order to finance prevailing levels of consumption, prevailing levels of investment, it is necessary for the United States to be as dependent as it is" on capital flows from Asia and other countries.

Summers blasted the Bush Administration's argument that the record current-account deficit will shrink without destabilizing the U.S. economy. Such an assumption, Summers said, is possible; but, it's a "dangerous mistake" for U.S. policymakers to take it for granted. Summers implied that foreign central banks, which have been buying dollar-denominated assets, will instead dump them—triggering a dollar crash.

"It can be argued ... that the incentive for Japan or China to dump Treasury bills at a rapid rate is not very strong, given the consequences it could have for their own economies," he said. "But it surely cannot be prudent for us as a country to rely on a kind of balance of financial terror to hold back reserve sales that would threaten our stability."

## **Cheney-Linked Energy Pirate Faces Criminal Indictment**

The energy trading unit of the Houston-based Reliant Resources is likely to be indicted, along with several of its employees, on Federal criminal charges by the end of March, for manipulating wholesale prices during the California energy crisis in 2000-2001. The U.S. Attorney's office in the Northern District of California has a transcript from June of 2000, in which Reliant is discussing shutting down its plants in order to drive prices up.

A Reliant trader is recorded in a conversation with a power-plant operator on June 23, 2000, saying, "[We] started out Monday losing \$3 million.... So, then we decided as a group that we were going to make it back up, so we turned like about almost every power plant off. It worked. Prices went back up. Made back about \$4 million, actually more than that, \$5 million."

Reliant is linked to Vice President Dick Cheney's Energy Task Force, which exonerated energy companies of manipulating prices. Cheney denied that energy traders rigged the deregulated electricity market, in a May 17, 2001 interview on PBS' "Frontline."

Meanwhile, an identical scam by Williams Cos., shutting down a power plant in Southern California for two weeks to inflate prices in June 2000, is documented in a recorded conversation between two of its employees.

## **Danish Daily Features Phony U.S. Recovery**

The March 21 edition of the Danish newspaper *Jyllandsposten* ran a large article headlined "Recovery for Borrowed \$," warning about the skyrocketing deficit of the U.S. debt and even mentions an upcoming "apocalypse." Economic growth

has been financed through foreign investment and, what Klaus Justesen states as "the new drug," mortgage refinancing. The former head of the Council of Economic Advisors to President Bill Clinton, and now head of London School of Economics, Laura D'Andrea is quoted saying that if the so-called "recovery" had followed the pattern of previous recoveries, it should already have created 8 million jobs.

Professor Charles Schultze, former CEA head under Jimmy Carter, supports this statement and says that "We have had a large productivity rise, but only a small share of this has gone to the workers."

## **U.S. Welfare Rolls Dropped as Economy Sank**

In a challenge to the economic "axiom" that lowest-wage and last-hired workers are the first to be laid off in an economic downturn, and would therefore presumably show up on the welfare rolls, those rolls have continued to fall during the 2000-2003 U.S. jobs collapse. "One of the great mysteries of social policy in the last few years," a Center for Law and Social Policy lawyer is quoted in the New York Times on March 22, "is why welfare caseloads have stayed essentially flat or declined in much of the country, despite the economic downturn." And despite the increases in homelessness, food-stamp use, demand for winter heating aid, and official poverty during the same years.

The number of families on welfare, which was 5 million in 1995, had fallen to 2.3 million by 2000 due to the Clinton-era "Welfare Reform" which forced heads of households to work. But that number declined further to 2.0 million by 2003, while the economy lost 3 million jobs. One reason is that applying for welfare has become so complex and difficult, that "there are a smaller and smaller number of people poor enough to qualify, even if unemployed. But another reason is labor-recycling to drive down wages, as LaRouche warned against as far back as the 1970s. "Former welfare recipients were entrenched in the workforce" when the mass job loss began in 2000, a senior official at the Illinois Human Services Department is quoted—i.e., in this job collapse, they *kept their jobs* because they were last-hired and lowest-paid, especially in health care. In New York State, welfare rolls have fallen by another 45% since January 2001.

## **Michigan Governor Offers Band-Aid for Hemorrhaging Jobs**

In the face of hundreds of thousands of jobs lost in her state, Michigan Gov. Jennifer Granholm (D) has offered a feel-good gesture to the unemployed and the soon-to-be jobless, by signing two executive directives this week to prohibit state contracts with companies that outsource jobs to foreign countries. While outsourcing is a serious problem (Michigan has lost nearly 300,000 jobs since 2000, of which 170,000 were in manufacturing—for example, an Electrolux plant will ship 2,700 jobs to Mexico next year), band-aid measures will do little to stop the hemorrhaging of jobs. What will, is an FDR-style infrastructure-building policy, like that called for by Lyndon LaRouche.

Yet even Granholm's weak-kneed effort provoked the expected squeal from GOP State Sen. Nancy Cassis, that the directives "will send Michigan down a dangerous, protectionist path."

## **Credit-Card Delinquency Rate Surges to New Record High**

The percentage of credit-card accounts that were 30 days or more past due, shot up to a record-high 4.43% in the fourth quarter of 2003, surpassing the previous record, set in the third quarter, the American Bankers Association reported in its quarterly survey. More and more Americans, both employed and unemployed, are relying on credit cards to meet daily living expenses. "The financial strain is increasing as the time between jobs continues to lengthen," said James Chessen, the association's chief economist. The average duration of joblessness rose to 20.3 weeks in February—the highest level in over 20 years, according to figures released by the Bureau of Labor Statistics.

# World Economic News

## OECD Calls for Emergency Financial Preparations

In its recently released semi-annual report on "Financial Markets Trends," the Organization for Economic Cooperation and Development (OECD) states that governments and central banks should increase efforts to prepare for financial breakdown situations. Of course, the OECD report doesn't openly elaborate on the rotten state of the global financial system, but rather points to rising risks of man-made, as well as natural catastrophes, like terrorism and earthquakes. These risks, states the report, require rigorous contingency planning. The OECD emphasizes that governments and central banks had temporary roles to play in providing extra liquidity to ease stretched payments systems and also cash for compensation. They needed to act quickly and to communicate effectively with market players. A specific concern played up by the OECD is the physical concentration of financial firms in certain cities and districts.

The OECD report puts a particular emphasis on the worldwide insurance sector. Insurance companies should cooperate with intelligence experts in assessing "terrorism risk," in order to better price such risks. While no major bankruptcies have yet occurred in the insurance sector despite the huge payments associated with Sept. 11, "it has been suggested the insurance industry may not be able to withstand another shock of similar magnitude." The OECD then notes that "financial resources to withstand such shocks could be increased through greater involvement of the worldwide capital markets" and by greater use of public-private initiatives on catastrophe compensation to relieve the burden on the insurance sector, obviously a reference to the need of public bailouts.

The report concludes: "Preparing to deal effectively with the hugely complex threats of the 21st century is a major challenge for decision makers in government and the private sector alike."

## China-India Talks Begin on Bilateral Free Trade

China and India have formally launched talks on signing a bilateral free-trade agreement (FTA) and a Comprehensive Economic Cooperation Agreement (CECA), it was officially announced in Beijing March 22, after a two-day working meeting of the Sino-Indian Joint Study Group (JSG) on Trade & Economic Cooperation in Beijing March 22-23.

Chinese Minister of Commerce Bo Xilai met the leader of the Indian delegation, the Deputy Governor of the Reserve Bank of India Dr. Rakesh Mohan and his delegation, according to a press release. Chinese Vice Minister of Commerce An Min, who, with Mohan, is co-chairman of the JSG, co-chaired the meeting.

Bo Xilai noted that China and India are neighbors with glorious ancient cultures, which have laid a lasting basis for traditional exchanges between the two countries, stressing the famous "Journey to the West" stories of Tang Dynasty (A.D. 618-907) monks fetching Buddhist scriptures from India. Now, India and China are two fast developing economies.

Joint trade turnover was US\$7.6 billion last year, a 53.6% increase, he said.

Dr. Mohan emphasized that India and China are the two countries in the world with more than 1 billion population each, and that their two governments have similar problems and concerns relating to economic development and for improving the standard of living of their people, the press release stated. At the same time, there is enormous potential for economic cooperation between China and India. "The Indian side is willing to strengthen understanding and cooperation and together attain the goals of the JSG thereby contributing to mutual economic development," Mohan was quoted.

## German Corporate Bankruptcies Hit Record High in 2003

According to figures released on March 18 by the Federal Statistical Office, 39,320 German corporations went bankrupt last year, that is, another 4.6% rise over the historic record set in the previous year. The bankruptcies directly eliminated 220,000 jobs, and included defaults on a combined debt of 42 billion euros. In 2003, bankruptcies among the small and medium-sized corporations, in particular, were rising sharply.

Private bankruptcies in Germany last year increased by 31.1%, with consumer credit defaults exploding by 56.8%, and in eastern Germany even by 86%. The president of the Federal Statistical Office Johann Hahlen emphasized that private bankruptcies will certainly continue to rise dramatically in the coming years as, according to a new study by the German Family Ministry, about 3 million German households are over-indebted.

## **A 'Strange Upturn' Says Singapore *Straits Times***

"Something's strange about our economic upturn," both here and in the U.S., observed the Singapore *Straits Times* March 23. Pointing to the popular belief that the economic recovery in Singapore is "in the bag," writer Eddie Lee notes that "Singapore's economic upturn is entirely dependent on external demand.... Like it or not, we still depend on the United States. While the share of our exports to China and Europe has grown significantly, they are largely intermediate products. The U.S. consumer provides the final demand."

Look at the failure of the U.S. "recovery" to create jobs, Lee writes, quoting from Morgan Stanley chief economist Stephen Roach, who calculates that private non-farm payrolls are running about 8.2 million workers below the path that would have occurred in a more normal upturn in the U.S.! A result of the weak labor market, says Roach, is that U.S. wage growth of blue-collar workers in manufacturing and non-managers in services, at just 1.6%, is now tied with the lowest on record, set in December 1986.

Roach also reports that by keeping interest rates low for so long, the U.S. Federal Reserve is creating bubbles in tech stocks, real estate, and debt markets. Lee adds: "Bond guru Bill Gross says bonds are too expensive. Stock guru Warren Buffet says he prefers to hold cash rather than invest in stocks. Taken together, you can't help but sense that Mr. Roach isn't merely speaking for effect when he talks about bubbles."

## **United States News Digest**

### **GOP Rules: DeLay Must Resign as Leader if Indicted**

In a front-page story March 25, headlined "GOP Rule Could Force DeLay Aside," the Capitol Hill newspaper, *Roll Call* reports that "Republican Conference rules state that a member of the elected leadership who has been indicted on a felony of at least two years in prison must temporarily step down from the post. He or she may return to the job if found not guilty or if the charges are reduced below a felony or dismissed."

The *Roll Call* article says that House Majority leader, Tom DeLay might be indicted in the Travis County, Texas investigation of a political group he founded, Texans for a Republican Majority (TRMPAC).

It also noted that many Republican House members were not aware of the rule, which was passed in 1993.

As *EIW* reported in its March 16 issue (#11), an investigation in Travis County, Texas, has DeLay in its sights. *EIW* also reported that DeLay's money-bags and fundraising wizard, Jack Abramoff, is the subject of multiple probes of Indian-tribe

gambling arrangements in which Abramoff is accused of extracting huge payments from the tribes. Rep. Frank Wolf (R-Va) has asked the Justice Department to investigate Abramoff's activities.

## **Senate Dems Blast De-Baathification, Chalabi**

A delegation of Senate Democrats, led by Sen. Carl Levin (D-Mich) called for UN involvement in reaching a political settlement in Iraq. Levin told reporters on March 18, reporting back from a just-concluded trip to Iraq, that "UN involvement is essential to getting the support of the Iraqi communities ... because of the international pressure which the United Nations involvement would bring to bear on those three communities to try to reach a settlement." This means, he said, making the UN a full partner in the process, "and that means we're going to have to give up some of the political power and the political clout that we have to involve the international community."

The delegation, which also included Senators Jay Rockefeller (WVa), Jack Reed (RI), and Jeff Bingaman (NM), emphasized the importance of bringing the Sunni population of Iraq back into the process, something which, they say, has been obstructed by the presence of Ahmed Chalabi on the Iraqi Governing Council. Rockefeller commented that he found it "incomprehensible that Chalabi is in charge of de-Ba'athification," in other words," he said, "who makes it and who doesn't." Bingaman called him "the most divisive individual in Iraq," and his presence "does not inspire confidence, certainly, among the Sunni community, and, indeed, among many others." He added that the process "is seen by the Sunni community as a way to suppress them.... As a result, there are thousands of teachers who can't teach, thousands of professionals that can't participate in the economic and social life of Iraq."

## **Army Finally Releases Mental-Health Report**

The Army finally released the mental-health survey of its troops in Iraq, which, although completed on Dec. 16, 2003, it was not released until March 25. The survey was conducted in response to a request from Lt. Gen. Ricardo Sanchez, the top U.S. military commander in Iraq, after a spike of five suicides of soldiers, last July.

Colonel Virgil Patterson, the leader of the team that conducted the survey, and a social work consultant to the Army Surgeon General, reported that the survey of 756 soldiers, 82% of whom had been involved in combat operations, found that 77% reported low or no stress, and 82% did not screen positive for mental-health impairment. However, 50% reported low personal morale, and 72% reported low unit morale. The low morale was attributed to both combat and operation stresses, including the austere living conditions prevalent in the months after the invasion, and soldiers not knowing what the end dates of their deployments would be. The survey also found that mental-health services were often not available for soldiers in the field because of logistical problems and soldiers not knowing what services were available.

As for the suicide rate, there were 23 suicides among U.S. forces in Iraq from April to December of last year, for a rate of 17.3 per 100,000. The overall Army rate was 12.8 per 100,000, only slightly higher than the historical average of 11.9 per 100,000. Colonel Bruce Crow, a psychologist member of the team, said that in all cases, these figures were lower than for equivalent segments of the civilian population. The team will be returning to Iraq this spring for a follow-up survey and expects to find improved conditions because the troops have been provided with infrastructure that was unavailable to them last summer, and because mental-health services have been made more available as a result of recommendations made by the team.

## **Lives Lost Due To Chalabi-Linked Contract**

The *New York Times* on March 22, in a front-page article, quoted two senior American Army officers in Iraq on the serious effects on the attempt to field an "Iraqi army," of the forced cancellation of the contract to equip this army, which had been given to Nour, Inc. a company closely linked to Ahmed Chalabi, liar and would-be U.S. puppet dictator of Iraq. The Army

awarded a \$327-million contract to Nour, but then cancelled after six of the losing bidders complained that Nour did not have the means to execute the contract. Chalabi, a convicted embezzler who is closely tied to the Pentagon neo-conservatives who ran the Iraq war, reportedly received a \$2-million fee for helping Nour get the contract. There is an investigation to see if fraud was involved in getting the contract.

Major Gen. Charles Swannack, Jr., 82nd Airborne commander, praised Iraqi security forces, but said the effort to organize them had faltered because of a lack of combat gear for police, border units, and the Iraqi Civil Defense Corps, and said some recruits may have lost their lives as a result. Brigadier Gen. Carter Ham, coalition commander for Northern Iraq, said, "There are training, organizational and equipment shortfalls in the Iraqi security forces. There's no question about that." [Source: New York Times, 3-22-01][pbg]

## **Kerry Calls 1970s' FBI Surveillance a 'Badge of Honor'**

Documents released on March 23 show extensive FBI surveillance of Democratic Presidential pre-candidate John Kerry in the early 1970s, when he was a leader of the anti-Vietnam War movement, following his return as a veteran from Vietnam. The documents, which are heavily redacted, nonetheless mention Kerry's name on every other page, according to news reports. Kerry is quoted as saying that he was "surprised and offended to learn of the extent of the FBI surveillance."

The *Los Angeles Times* reports that Kerry, as a leader of Vietnam Veterans Against the War, was monitored for one year. "Revealed on page after page of FBI reports is the portrait of John Kerry at age 27 speaking with courage and conviction, leading veterans to Washington for peaceful protests," said Kerry spokesman David Wade. "That the Hoover FBI and Nixon White House paid such attention of John Kerry is both a badge of honor and a reminder of that difficult pre-Watergate era in our history," Wade said.

This period of the early 1970s was precisely the time in which the FBI was scheming to assassinate Lyndon LaRouche, and attempted at least one such assassination. LaRouche has termed his later imprisonment by George H.W. Bush as a "badge of honor."

## **Pentagon IG Releases Report on Iraq Contracting**

A report issued by the Pentagon Inspector General's office at the end of March on Iraqi reconstruction contracts found problems in this issuing of the contracts. For example, the Department of Defense did not plan for the acquisition support that the Office of Reconstruction and Humanitarian Assistance required to perform its mission. As a result, supplies and services were quickly acquired and contracting rules were either circumvented or liberally interpreted. Such lack of planning resulted in no staffing assigned to assist in developing requirements and avoiding Federal Acquisition Regulations in order to award contracts to specific people, inadequately documenting contract files, and little or no surveillance on time and materials contracts.

The report concluded that the contracting personnel did not make good faith efforts to document or ensure that the government interest was protected, and asks for a review and appropriate administrative action against those who did not follow the contracting procedures.

## **Bush Administration Plans Overseas Troop Redeployments**

Unnamed Pentagon officials told the March 25 *Washington Post*, that as many as half of U.S. 71,000 troops in Germany will be withdrawn. Defense Under Secretary Doug Feith is the architect of the global realignment plan, which is reportedly nearing approval. Large concentrations of troops will be reduced and replaced by more "spartan" bases, including in

Bulgaria and in Central Asia. About 15,000 troops will be withdrawn from Asia—primarily Japan and South Korea—and the plan also calls for an expansion of military ties with Singapore and Thailand, which the *Post* does not specify. One objective of the new military plan is to carry out joint training and deepen military ties to "allies" in Eastern Europe, Central Asia, Africa, and Southeast Asia.

Feith felt he had to officially deny that the forces were being removed from Germany to "punish" the Germans for their lack of support for the Iraq invasion. He said the German authorities had been kept informed, although German military attaché Col. Carsten Jacobson said his understanding was the cuts would be in the 20%-30% range. Some fighter aircraft now at the Ramstein Air Base in Germany may also be moved to the Middle East.

Secretary of Defense Donald Rumsfeld, asked about the *Post* story at a Pentagon press briefing, said that all such media accounts are nothing more than speculation, as no decisions have yet been made about the repositioning of U.S. troops in different countries.

## **JOBS Bill Caught Up in Overtime Dispute**

Senate Democrats are pondering their next move on legislation to overturn the Bush Administration's new overtime rules, after the GOP filed cloture on a bill to prevent the Democrats from offering an amendment on the Senate floor to protect overtime pay. Senator Mitch McConnell (R-Ky) told reporters on March 23, that the underlying bill, which is to make tax-law changes to satisfy a World Trade Organization complaint, and has been on the floor since March 3, "should not be a bill that the other side dumps their outbasket of favorite initiatives on."

As a result of the WTO complaint, the European Union is imposing tariffs on U.S. manufactured goods that, the Republicans argue, is costing U.S. jobs. "While this bill is being played politics with by the other side, we're stopping the chances of creating jobs in America," blustered Senate Finance Committee chairman Charles Grassley (R-Iowa). When asked why he did not want a vote on the overtime amendment, Grassley replied "What I'm interested in doing is preserving jobs and creating jobs so that workers will have a job first, because you have to have a job before you worry about overtime."

Senate Minority Leader Tom Daschle (D-SD) charged that the Republicans don't want a vote because they know the amendment would pass. In fact, similar language passed both Houses by bipartisan majorities, last year, and but it was removed in the conference committee on the fiscal year 2004 omnibus appropriations bill, under pressure from the White House. Daschle said what the Democrats want re-vote because "it was wrong for the conference to override actions in both the House and the Senate on overtime."

## **Ibero-American News Digest**

### **Mexico's Castaneda Leaps to Huntington's Defense**

George Soros's fair-haired boy in Mexico, Presidential hopeful Jorge Castaneda, has now endorsed Samuel Huntington's virulently racist diatribe against Hispanics published in the April/May *Foreign Policy* magazine (see [EIW #10](#) In-Depth). Former Foreign Minister Castaneda argued in the March 22 *Newsweek*, that Huntington's preview of his upcoming book "reveals a serious concern for his country, along with a deep affection for it. I understand this affection and have the same love for my country." While one can nitpick over the "ambiguous" particulars in Huntington's book, writes Castaneda, "the fundamental trend he describes is partly true, and therefore partly valid: Mexican immigrants are not being assimilated into the American melting pot."

Huntington's most serious flaw, says Castaneda, is that he identifies the problem but "offers no solution, thereby allowing his argument to be manipulated by racist or nativist advocates, which Huntington is not."

Defending Huntington's call for a race war against Hispanics, is not exactly a campaign booster in Mexico, where Huntington's diatribe has been widely denounced, but the primary support for Castaneda's Presidential bid lies outside the country, precisely from the likes of Huntington, Soros, Dick Cheney, et al.

## **Assassination Attempt Likened to 1994 Colosio Murder**

In an op-ed in the March 20 *El Universal*, Jose Murat, the Governor of the Mexican state Oaxaca, compared the March 18 assassination attempt against himself, to the 1994 murder of PRI Presidential candidate Luis Donaldo Colosio. Colosio's murder was intended to destabilize Mexico and force the radical institutional change sought by Anglo-American—predominantly British—gamemasters.

Murat, also from the PRI Party, and a fierce opponent of privatization and IMF-dictated "reforms," reiterated his commitment to the political views which have made him a target of synarchist financial forces. "I will continue adding my voice in defense of our national patrimony, especially energy [resources], today threatened by transnational economic power. I will continue to express my opinion in defense of the popular economy, and against imposing the VAT tax, or any other tax, on food, medicine or culture." Murat said he would combat poverty and marginalization, "such that taxes not only serve to benefit big financial capital" but also the economy on which small families and common people depend.

In his press conference, right after the March 18 attack, Murat stressed that he had been the victim of a "political attack," which was real, and that "two or three national organizations" or "local mafias" may have been behind this. Several state governors have denounced the attack, and expressed the fear of heightened instability in the upcoming elections. The National Peasant Confederation (CNC) issued a statement denouncing the attack, and expressing complete solidarity with Murat. It called on Federal and state authorities to act quickly to deal with the lack of security existing nationwide.

## **Uribe Responds to *EIR* on Synarchist 'Strategy of Tension'**

Colombian President Alvaro Uribe Velez spoke at the National Press Club on the Colombia-U.S. partnership in fighting terrorism, on March 25; *EIR*'s Anton Chaitkin asked the following question:

"Colombia is caught between left- and right-wing terrorists, who are pulling Colombia apart. I want to ask about the Madrid bombings, relative to Colombia. There is no evidence that al-Qaeda did those bombings. Rather, papers such as the *Scotsman* point to the exact M.O. of the synarchist "Strategy of Tension" Italian train bombings of 1974 and 1980. These were fascists, trying for coups and posing as leftists. Lyndon LaRouche warned, in *EIR* last August, of plans for terrorism by those synarchists in Spain, Italy, and—heavily—in Latin America. These are violent old fascists, led by Blas Piñar, with big networks in Latin America. On Jan. 15, Piñar hosted a presentation about Colombia by former Colombian Sen. Pablo Victoria. How do you view this problem, since they want to destroy our nations?"

President Uribe answered that he does not recognize any difference between right and left terrorism, as Colombia has suffered, greatly suffered, from terrorism whatever its origin. A state needs strong leadership; it needs military capabilities; and at the same time, pluralist democracy, to combat it.

Asked by another reporter about his government's support for the Bush regime's Iraq policy, when the war now seems a fiasco, Uribe responded that there is no alliance of regime with regime, but between two nations, to fight terrorism. "Colombia is not interested in any other war." He said the Plan Colombia against terrorism was started with Clinton and

continues with Bush.

## **Argentine President Walks into Synarchist Trap**

President Nestor Kirchner is lending himself to a human-rights offensive launched by left-wing synarchists over what happened in Argentina during the 1970s terror-vs.-counter-terror war and military coup. This could have very dangerous consequences. By allowing left synarchists to define policy on this issue, rather than exposing the truth that the 1970s "dirty war" was orchestrated on both the right and the left by synarchists to turn the country into a killing field, Kirchner is playing into the game of those out to divide Argentines along false ideological grounds, at the point that the country must unify to defend itself against the IMF and its creditors.

U.S. Presidential candidate Lyndon LaRouche, an expert in these matters, warned that Kirchner is making a mistake. This is not the battle to be fought now, LaRouche warned.

Widespread tension has arisen within the Armed Forces, and within his own Peronist Party, from Kirchner's handling of the 28th anniversary of the March 24, 1976 military coup. Shortly before the anniversary, Kirchner toured the site of the former Navy Mechanics School (ESMA) in Buenos Aires, at which many presumed terrorists were tortured and killed during the 1970s, warmly endorsing the plans to build a "Memorial Museum" on that site, modelled on the Holocaust Museum in Washington, D.C. During a tour of ESMA on March 19, Kirchner told reporters, "if I were convinced before, I can now reaffirm that *this was our Holocaust*."

Two generals—the head of Army intelligence and the Army's Chief of Personnel—and one colonel (head of Engineering Command) asked to be retired rather than witness the ceremony held at the Army College on March 24; it is rumored that two more generals may be about to request retirement, and Army Chief of Staff Gen. Roberto Bendini's position is not at all secure. Two Naval vice admirals have also requested retirement.

These events have also caused deep divisions within Peronism. Last week, terrorist Hebe de Bonafini of the Mothers of Plaza de Mayo, who has applauded the Sept. 11 attacks in the U.S., warned that should any governors show up at the March 24 rally commemorating the 1976 coup, she and her human rights hordes would not appear. Kirchner remained silent about de Bonafini's challenge, which the governors saw as a snub to them. On March 24, on the eve of the Peronists' annual convention, five Peronist governors issued a full-page ad entitled "Never Again," in which they attack de Bonafini, and argue that they too were victims of the military dictatorship. Two of the five governors are from the key provinces of Buenos Aires and Cordoba.

## **Stiglitz To Present Self as Hero of Argentine Resistance**

A number of prominent Argentines, including President Nestor Kirchner's wife, Sen. Cristina Kirchner; the head of the Argentine cabinet Alberto Fernandez; and Finance Minister Roberto Lavagna, have been invited up to the United States, to appear at an upcoming event, sponsored by Joseph Stiglitz's "Argentine Observatory," which was recently set up at the former World Bank chief economist's home base at the New School in New York City. Stiglitz's "Observatory" will be closely monitoring developments over the next six months, leading into September, when the fight with the International Monetary Fund over setting new fiscal targets and primary budget surpluses for 2005/2006, will come to a head.

Stiglitz has courted both Kirchner and his wife—they've met with him several times—and he is played up by some inside Argentina as a hero.

In fact, the George Soros-funded economist is a fraud, arguing only for "reform" of globalization and the IMF system. And

where was Stiglitz when Lyndon LaRouche was the only public figure to take up the defense of Argentina, in its March 9 showdown with the IMF?

## **Brazil's Finance Minister Attacks Argentina**

Speaking March 19 at the Bank of England, Antonio Palocci, the Economics Minister responsible for the Lula government's disastrous economic policies, said: "On our continent, it is very common for governments to take loans, and then spend their time insulting the Fund. This practice of blaming others, leads to the breakdown of our governments. If I spend a couple of years saying I can't spend more because of the Fund's demands, the citizens will get fed up, and send me packing." Palocci added that governments have to take responsibility for the "tough policies" they adopt, and stop blaming others for their problems.

It escaped no one's attention that the only country the Brazilian Finance Minister could have been referring to was Argentina. His remarks came just three days after the historic meeting between Presidents Lula and Kirchner in Rio de Janeiro, where Palocci tried to block the final communique, because he considered it too strongly worded, and critical of the IMF (see [EIW #12](#)).

Palocci is under attack from several quarters in Brazil, including from leadership of the ruling Workers' Party (PT), the Congress, businessmen's associations, and the CUT and Forza Sindical trade union confederations. On March 14, Congressman Valdemar Costa Neto, president of the Liberal Party (PL), which is part of Lula's ruling coalition, and is the party of Vice President Jose Alencar, demanded Palocci's resignation, charging that he is incompetent to serve as Economics Minister. No country that has negative growth and the debt burden that Brazil has, can afford to continue with the economic policy Palocci defends, Costa said.

## **Brazil, China Discuss Joint Projects, from Space to Infrastructure**

Brazilian Foreign Minister Celso Amorim held numerous meetings with high-level Chinese officials responsible for trade, economics, and foreign relations, during his March 22-23 visit to Beijing. The primary purpose of his trip was to prepare President Lula da Silva's May visit to China. Sixteen Brazilian businessmen, involved in everything from oil and mining, to inefficient alcohol fuels, accompanied Lula.

Bilateral trade between the two countries was nearly \$8 billion last year, with a huge potential for expansion. Brazilian exports to China increased by 80% in 2003, a leap driven by sales of minerals by Brazil's once-state-owned Vale do Rio Dulce Company (CVRD), and soy, the latter trade dominated by the Cargill cartel.

Among the tremendous projects under discussion are expansion of the Chinese-Brazilian Land-Resources Satellite (CBERS); the possibility of joint exploration for uranium in Brazil; Chinese participation in repairing and expanding Brazil's rotten railway system; Brazilian bidding upon the construction of new nuclear plants in China; a joint venture to grow soybeans in Brazil for shipment to China; the construction of a \$1.5 billion steel plant in northern Brazil by CVRD and China's Baosteel Group Co.; the construction of a \$2 billion aluminum refinery in Brazil by CVRD and the China Minmetals Group; and the formation of a joint oil exploration venture between Petrobras (still state-owned) and the China National Petroleum Corp.

## **Western European News Digest**

### **Zapatero Confirms: Spain's Troops Will Leave Iraq**

Spain's new Prime Minister Jose Luis Zapatero strongly reiterated his intention to withdraw Spain's troops from Iraq, in an interview with *El Pais* March 22. The Prime Minister emphasized that more stringent security measures would have to be taken to fight terrorism in Spain—which, however, under no circumstance should impinge on universal democratic rights—and made clear that his election marks the end of Donald Rumsfeld's effort to split Europe into "old" and "new" Europe.

Zapatero described his election as wholly "unexpected." The conclusion he drew from his victory is "that we must listen more to the citizens," and that the fight against terrorism must be based on "clear principles"—a grand cooperation among European countries and political unity. The fight against terrorism can only be pursued within the framework of the "rule of law," "international law," existing laws, and principles of the EU and UN, he asserted.

Zapatero referred to his speech in Parliament a year ago, when he opposed the Iraq war: "There was no reason to go to war. The occupation is turning out to be a disaster.... The situation in Iraq is ... neo-colonial," he stated.

As for Spanish troop withdrawal, he added, "We will administer this decision in dialogue with the occupying forces and their respective governments. They must listen to us, and they will listen since we have powerful arguments."

Zapatero underlined that he will foster strong relations with France and Germany based on unity of democratic values, European unity based on international law, the principles of the UN and multilateralism, as well as a dialogue of civilizations, social cohesion, and relations with the U.S., but with priority on unity among Europeans.

## **British Conservatives Speak Out Against Iraq War**

On the first anniversary of the launch of the Iraq War, pressure is building within Britain's Conservative (Tory) Party to get leader Michael Howard to back down from his unqualified support for the war.

Most outspoken is former Conservative Foreign Secretary Sir Malcolm Rifkind, who called on the Tory leadership to find out whether "incompetence or deception" lay behind Prime Minister Tony Blair's claims about a vast Iraqi arsenal of weapons of mass destruction.

In an interview with the March 22 London *Times*, Rifkind charged: "When the government said it had intelligence suggesting Iraq had weapons of mass destruction which could be launched within 45 minutes, which constituted a serious threat to the U.K., we were all misled, whether deliberately or unintentionally."

Rifkind said: "You can only go to war, if you believe there is a substantial net benefit to be achieved—that the world will be a better place, a safer place as a result. I think one of the great casualties of the Iraq war is ... the huge and ongoing damage to Western unity. The deep gulf that has emerged between the United States and most of Europe—that is not only bad in itself, but makes the global battle against terrorism that much more difficult."

Strong criticism has also come from former Tory Foreign Secretary Lord Hurd and from former Tory Chancellor of the Exchequer Kenneth Clarke. Hurd charged Blair had deceived the country, and damaged British interests, by following the U.S. into war.

## **Some French Theaters Ban Gibson 'Passion'**

The president of the French federation of movie distributors has denounced Mel Gibson's horror movie, *The Passion of the Christ*, as "fascist propaganda," and refuses to allow it to be shown in his chain of movie theaters when it opens in France

on March 31. Marin Karmitz, who heads the M2K Group of movie theaters, declared, "I have always fought against fascism," and, on that basis, refuse to allow the film to be shown, the London *Independent* reported March 24.

Karmitz, who is Jewish, criticized U.S. Jewish groups for focussing on the issue of anti-Semitism in the film, as such. The real danger resides in the fact that Gibson is "turning violence and barbarity into a spectacle." Moreover, behind promotion of the film is "a whole international campaign of religious fundamentalism," he charged.

Gibson's snuff film is due to be shown in 600 movie theaters in France, when it opens.

## **Germany's Schroeder To Attend Memorial of Warsaw Ghetto Uprising**

German Chancellor Gerhard Schroeder will attend the commemoration Aug. 1 of the 1944 Warsaw Ghetto uprising. In an important gesture of conciliation between Germany and Poland, Polish Prime Minister Leszek Miller invited Schroeder to attend the event, which recalls the anti-Nazi uprising in 1944 of Warsaw's remaining Jews—those who had not already been sent to the death camp at Auschwitz.

Schroeder spoke with Miller March 23 in Warsaw, where he accepted the invitation, which he said he considers a "great honor." He will also attend a special ceremony for the unveiling of a statue symbolizing the 180,000 victims of the savage German counterattack against the uprising—a counterattack which also destroyed most of Warsaw.

## **German-Polish Talks Pave Way for Rapprochement**

A meeting between Chancellor Gerhard Schroeder and Poland's Prime Minister Leszek Miller, in Warsaw March 23, resulted in agreement to solve the conflict over the planned EU Constitution and related financial issues, along the lines of a new formula presented by the Irish Presidency of the European Union. The formula basically adopts the original proposal by France and Germany, which Poland had rejected in December, but makes minor concessions to Poland concerning voting rights and financial drawing rights on the EU budget.

Under very heavy domestic pressure over economic issues and the pro-Iraq war policy, Miller and his minority government came to realize that a foreign policy "success" would be most welcome at this precarious moment. Miller changed his mind when his main ally, Spanish Prime Minister Aznar, saw his party voted out of power March 14.

## **Schiller Institute Delegation Visits Poland**

A Schiller Institute delegation had the occasion to address several seminars in Poland, where it presented the analysis of LaRouche's election campaign, the global financial collapse and the newly developing strategy of tension in Europe, and had the chance to participate in an international congress on "Europe of the Spirit" in the historic city of Gniezno. The conference heard presentations from Polish Primate Glemp, President Aleksander Kwasniewski, and from leading representatives of the Catholic Church, political layers, and Catholic lay organizations, from eastern and western Europe. Pope John Paul II also sent greetings.

The delegation found Poland at a turning point, with impossible austerity at home, and opposition to its role in the Iraq war. The country is due to enter the European Union on May 1, and a stalemate looms over Economics Minister Jerzy Hausner's budget austerity plan in the face of rising unemployment, especially among youth, and a poverty rate over 55%, and the threat that Poland might be targetted for a Madrid-style "strategy of tension" terrorist attack.

For the first time since the Madrid bombings, President Kwasniewski expressed doubts to European journalists about the

Iraq war, saying "We have been misled by intelligence on the weapons of mass destruction." With 55% of the Polish population opposing the Polish troop presence in Iraq, Warsaw had hoped that Spain would soon take over command of the multinational force, giving Poland the chance to bow out of its Iraqi mission.

## **Bank of England Is Raising Interest Rates**

At a speech in Newport, Wales, the Bank of England's Deputy Governor, Sir Andrew Large, said that he had voted for an increase of the British interest rate, five out of the last six months, due to a concern that consumers are taking on too much debt, making the economy vulnerable. Sir Andrew, who is in charge of financial stability, says that consumer borrowing, at 945 billion pounds last year, was an all-time record high, and banks' figures show that debt was primarily taken against the rising value of the borrower's home. British house prices rose about 15% last year and 25% in 2002, the biggest gains since 1989. The Bank of England has raised the interest rate two quarter points, from 3.5% to 4% in November and February, in an interesting contrast to the lunatic Greenspan policies.

## **Is Schroeder Waking Up to the Crisis?**

Germany's economic and political situation is running out of control, and Schroeder is beginning to wake up. Two days in a row, Chancellor Gerhard Schroeder, who until very recently would not even mention the term "patriotism," has been hammering on labor unions, managements and the elites in general, to show "more patriotism" faced with the challenge to fix the economy out and create jobs.

He refers to his Agenda 2010 budget-balancing reforms as the alleged way out of the economic and fiscal woes, when speaking of the "patriotic duty" to support the government, but Schroeder may also have other things in mind: his March 25 State of Germany address before the national parliament will tell more about it.

## **German Gov't Announces Sharp Cuts in Infrastructure Investments**

A few months after the European Union approval of a very scaled-down Tremonti Plan, German Finance Minister Hans Eichel presented his mid-term 2004-08 fiscal plan. According to this plan, Berlin's annual investments into German transport infrastructure will be chopped, step by step, from 9.5 billion euros in 2003, to 7.7 billion euros in 2008. Total cuts in road, railway, and waterway infrastructure over 2004-08 amount to almost 8 billion euros. Transport Minister Manfred Stolpe is supposed to present on March 31 a list of transport projects, which will either be postponed by years or cancelled altogether.

Meanwhile, German municipalities, which account for two-thirds of Germany's infrastructure investments, are now more bankrupt than ever before. Unlike the Federal and state governments, they are not able to increase debt by issuing bonds. Most of their expenses are also fixed by law. There is only one alternative left for thousands of municipalities: cut infrastructure investments. In the last 10 years, German municipal investments into local roads, canalization, and energy have plunged by one-third.

## **KFOR Commander: Kosovo Must Have Economic Development**

German Gen. Klaus Reinhardt (ret), commander of the KFOR troops in 1999, charged that in the past four to five years, there has been no economic progress in Kosovo, so that there is enormous frustration and despair among both the Albanian majority and the Serbian minority.

There has been no improvement in unemployment which remains at 70%, and in the Mitrovica region—the center of the

most recent outburst of organized clashes between Serbs and Albanians—it is even at 85%.

Economic development alone is not the exclusive solution, Reinhardt conceded, but military measures are no solution either. At the time when he was commanding KFOR, the city of Orahovac was a center of daily Albanian-Serbian clashes and killings, but today, now that there is some economic, and also agricultural development, Serbs and Albanians live peacefully with each other—which proves that there is no "inborn" predilection toward "ethnic war."

## Russia and the CIS News Digest

### Russian Monthly Features LaRouche as Major Presidential Candidate

The March issue of the Russian monthly *Valyutny Spekulyant* (Currency Dealer) carried a three-page feature on the U.S. Presidential campaign, which compared the economic platforms of the Democratic Party candidates. Issued mid-month, the magazine went to press just before Super Tuesday. It highlighted as the three major candidates, John Kerry, John Edwards, and Lyndon LaRouche. About LaRouche, *Valyutny Spekulyant* wrote, "The press says practically nothing about the program of another person seeking the Democratic nomination, Lyndon LaRouche. Yet he has the most consistent plan for developing the U.S. economy." It goes on to cite LaRouche's "Super-TVA" perspective, and to quote him on the need to roll back 35 years of bad decisions since the move to a floating-exchange-rate system and global "free trade."

Following the (then) three major candidates is one column on the "tailists"—those "who have no chance to win, but are continuing to campaign"—Kucinich and Sharpton. The last page notes some policy points on economics (or their lack) among drop-outs Dean, Lieberman, and Clark, then concludes by observing how unfortunate it would be, if U.S. voters chose their candidate on the basis of appearance, rather than policy content.

The article quotes material from *EIR*'s "Where They Stand" series on the Democratic candidates. In the same issue of *Valyutny Spekulyant* is the translation of an *EIR* article by Paul Gallagher on the crash of the dollar, accompanied by a box excerpting LaRouche's 2000 article "Trade Without Currency: On the Question of a Basket of Commodities," as the central concept needed for a New Bretton Woods, and referring readers to the full text on the *EIR* Russian-language web pages.

### Russia Calls for Urgent Action in Middle East

Russia has spoken in favor of the UN Security Council uniform action to deal with the recent escalation of tensions in the Middle East, following the assassination by Israel of Sheikh Ahmed Yassin, the spiritual leader of Hamas, Russian Deputy Foreign Minister Yuri Fedotov told Itar-TASS March 26. Commenting on the U.S. veto of the UNSC resolution condemning the assassination of Yassin, Fedotov said, "We regret the failure to reach consensus at the UN Security Council in connection with the dangerous outbreak of violence in the Middle East.... We think this resolution has a sufficiently balanced character and appeal for it to reflect the positions of all Security Council members."

The Russian State Duma passed a statement on the assassination, declaring that "the operation to eliminate [Yassin] carried out by Israel will obviously trigger new bloodshed in the region and endanger the entire process to peacefully settle the Israeli-Palestinian conflict." The statement went on to say that "the lawful striving of Israel to defend its citizens cannot be the reason for physical reprisals and the use of missiles in densely populated areas." The statement passed by a vote of 317 to 5.

Noting that the draft resolution had "underlined that the sides should fulfill their commitments under the Road Map plan and cooperate with the four international mediators for the Middle East settlement in order to continue the peace process," Fedotov went on to call for "urgent measures ... to prevent a new outbreak of violence and terror, and the Four [Russia, the

United States, the UN and the European Union] are required to play an important part here."

## **U.S. Will Meet Moscow Accord Levels for Nuclear Arsenal**

In testimony given March 25, U.S. Under Secretary of Energy Linton Brooks told the Senate Subcommittee on Strategic Forces, that United States is not going to cut its nuclear arsenal to the level of the Moscow Accord, because of the uncertain future and unknown level of risk. The accord, which was signed in May 2002 with great fanfare, called for both the USA and Russia to reduce their strategic nuclear warheads to between 1,700 and 2,200 by the year 2012. "In particular, sufficient warheads will be retained to augment the operationally deployed force in the event that world events would require a more robust deterrent posture, Brooks stated."

The announcement was made at a time when the Bush Administration is pushing for mini-nukes and is parading utopian experts that praise the use of nuclear weapons to destroy chemical and biological weapons.

## **Russia: 'Connecting Link' Between Europe and Asia**

The Russian Ambassador to Thailand, Yevgeni Ostrovenko presented a speech on Russian Foreign Policy in 2000-2004: perspectives and outcomes for Asia, at Chulalongkorn University's Centre for European Studies on March 9, Bangkok's *The Nation* reported March 24. "Russia plays a vital role as the connecting link between East and West," Ostrovenko said, "determined by the unique geopolitical position of our country at the junction of the East and West, of Europe and Asia, to both of which Russia belongs, and of the Christian, Muslim, and Buddhist worlds. Former Russian Foreign Minister Igor Ivanov once said: 'We presume that without a strong policy in the East, there can be no effective policy in the West.' Such understanding has become, in the last four years, the cornerstone for a substantial intensification of Russia's Asia policy. This dynamic continent is becoming a powerful centre of financial and economic activities."

After reviewing Russia's increasing role with several Asian associations, he pointed to the exchange of visits by Russian President Vladimir Putin and Prime Minister Thaksin, saying: "Russo-Thai relations have reached the level of a strategic partnership."

## **Russian Entrepreneurs Hold Conference on Asia-Pacific**

Russia's role between East and West was also the subject of a Moscow conference held March 23 by the Russian Union of Industrialists and Entrepreneurs (RUIE) and the Russian Academy of Business and Entrepreneurship, titled, "Russia and the Asia-Pacific Region: New Horizons of Cooperation." There RUIE Vice President Victor Domrovsky noted that 47% of Russia's trade is with Asia. Rosbalt.ru reports that the conference undertook to analyze the impact of developing transportation and energy infrastructure in the region. Another speaker was Natalya Narochnitskaya, deputy chairman of the Russian State Duma Committee on Foreign Policy (from the Rodina bloc), who said that Russia represents an indispensable element for relations between Eastern and Western civilizations. Narochnitskaya added that "the positioning of Russia as a Eurasian power does not signify a refusal to cooperate with Europe and America."

## **Moscow and Beijing Will Intensify Cooperation**

More collaboration between Russia and China in the international arena was subject of a March 19 phone call between Foreign Ministers Sergei Lavrov and Li Zhaoxing, according to the Russian Foreign Ministry. They discussed "topical bilateral and international issues within the context of upcoming high-level contacts," the announcement said. The previous day, Lavrov met in Moscow with an envoy of the Chinese government, First Deputy Foreign Minister Dai Bingguo.

# Mideast News Digest

## Sistani Warns UN: Occupation's Constitution Is Unacceptable

Iraq's Shi'ite Grand Ayatollah Ali al-Sistani has again asserted national sovereignty, in a letter to the United Nations envoy to Iraq, Lakhdar Brahimi, the head of a UN delegation that began arriving in Baghdad on March 24.

Despite grudging approval of Iraq's interim law ("constitution") by Shi'ites on the Iraqi Governing Council who had met with Sistani, the Grand Ayatollah's letter warns that the UN must not accept the constitution, nor pass any resolution internationalizing it. "The religious establishment fears the occupation authorities will work to include this law in a new UN resolution to give it international legitimacy," the letter states. "We warn that any such step will not be acceptable to the majority of Iraqis and will have dangerous consequences." Sistani objects in particular to the three-person Presidential council, made up of a Sunni, a Shi'ite, and a Kurd, who would have to make unanimous decisions. "This builds a basis for sectarianism. Consensus would not be reached unless there is pressure from a foreign power, or a deadlock would be reached that destabilizes the country and could lead to break-up," Sistani writes.

Sistani also said he would boycott the UN mission "unless the UN takes a clear stance" that the so-called constitution does not bind the future Iraqi National Assembly in any way.

[Source: AP, March 19] **JOURNALISTS IN IRAQ STAGE WALKOUT ON POWELL PRESS CONFERENCE**

A reporter and a cameraman for Arab satellite television station Al-Arabiya died on March 19, after U.S. soldiers shot them at a checkpoint, the station told Associated Press. A total of five journalists died in Iraq in violent incidents during that week.

That day, when Secretary of State Colin Powell made a surprise visit to Iraq, flying by cargo plane to Baghdad, where he met with proconsul L. Paul Bremer, the CPA (Coalition Provisional Authority) staff, the press, where the situation blew up. One Arab journalist stood up as soon as Powell walked into the room at the Baghdad convention center, and read a statement saying that after one year of he termed "the U.S. occupation," Americans could not provide security in Iraq. "We demand an open investigation in front of the mass media," the statement said, adding: "We also demand that security be guaranteed to journalists working in Iraq."

After a moment of silence, 20 predominantly Arab journalists walked out of the press conference.

## UN Human Rights Commission Condemns Israel for Yassin Assassination

Meeting in Geneva, Switzerland on March 20, the UN Commission on Human Rights condemned the Israelis' extra-judicial killing by assassination, of Palestinian Sheikh Ahmad Yassin, spiritual leader of Hamas (see this week's EIW InDepth).

The Commission voted 31 in favor, two opposed, and 18 abstentions. As the country in the dock, Israeli Ambassador Yaakov Levy denounced the special meeting as "Israel-bashing" at its worst.

Levy stated: "Today, this forum has clearly reached its nadir, by lending a hand and moral standing for supporting the most despicable and horrendous of evils—that of terrorism—while denying the right of self-defense against that evil. Whatever remains of the credibility and dignity of this body, is at stake today." He went further, condemning the commission for lending support for terrorism instead of renouncing them. He added that there is no equivalence between those who

perpetrate terrorism and those who fight it in self-defense.

Pakistan's Ambassador Shaukat Umer spoke on behalf of the Organization of Islamic Conference (OIC), which requested the special session. He said when the killings of Palestinians and their leaders stop, there will be no need for meetings such as this. "But as long as these horrors continue, and as long as these outrageous killings continue, the people of Palestine have every right to knock on the doors of this Commission and ask for justice and ask for protection of their human rights and demand respect for international humanitarian law."

The European Union representative, Mary Whelan of Ireland, effectively condemned attacks on both sides, but then abstained on the vote. U.S. Ambassador Richard Williamson hypocritically criticized the commission for taking up a matter that is before the Security Council—the U.S. vetoed the UNSC resolution condemning the assassination.

### **Jordan's Hassan Warns of Danger of World War III**

In the aftermath of the assassination of Sheikh Ahmed Yassin by the Israelis, Prince Hassan of Jordan has warned that World War III could break out, starting in the Middle East. Speaking to BBC's Radio Four on March 26, he said it was an "extremely depressing" time. Extremist voices in the region were rising, and not only individuals, but states, were taking the law into their own hands, the prince said, adding that he feared the Israeli-Palestinian conflict would spread to other countries in the region.

"I'm afraid we'll see spill-over into hostilities with Lebanon; already Hezbollah is bombing in the north," Prince Hassan said. "A spill-over into hostilities with Syria [is possible] ... and of course Iran, is still very much in the axis of evil." What the situation needs, he said, is an Arab intermediary, and for the international community to focus not just on security, but also a longer-term dialogue.

On a wider scale, he said recent events in Madrid showed that moderate forces worldwide were under threat.

For there to be any chance of progress in the Middle East, the international community needed to be clear about the different reasons for their involvement in the region, he said, adding, "We have to sort out the cards again—the war on terror, the question of Palestine, the question of Iraq, the question of Afghanistan, WMD [weapons of mass destruction], Iran."

"It is such a hodge-podge at the present time that I'm afraid the making of a Third World War is actually taking place in front of our very eyes."

A French diplomat with extensive experience in the Middle East, in discussion with *EIR* on March 26, said that he had been with Prince Hassan in Amman at the time that the news broke, about the assassination of Sheikh Yassin. "We turned to each other and both thought that this is the way the First World War began. 'We are entering World War III in the Middle East,' the Prince said."

But, the diplomat said, "this will be a different kind of war, asymmetric warfare in which movements of resistance and terrorism will strike against the power of the U.S. and Britain in the region." He said that he thought we were "on the verge of the moment when the Israel-Palestine situation could go completely out of the control of moderates."

In his view, the current situation has parallels to Europe in 1929-30. At that time, he said, "the French and the Germans were on the brink of an agreement for creating a European federation; there was a speech by [French Foreign Minister Aristide] Briand to the League of Nations, proposing that France and Germany be the center of a European-wide

agreement. It was similar to what later emerged as the Schuman Plan." (The Schuman Plan called for the Coal and Steel customs union, and European cooperation around the Franco-German relationship.) The source continued, "It was the sponsorship of Hitler's rise to power by powerful financial groups, which deliberately smashed this plan." He concluded that, in his view, such financial groups are behind the current push for war.

### **U.S. Military Officer: Hamas Is Not Al-Qaeda**

A retired U.S. military officer, with years of experience in the Mideast, has again asserted that there is no parallel between Hamas and al-Qaeda. However, because of the Israeli assassination of Sheikh Yassin, the U.S. may, for the first time, become a target of Hamas and other Palestinian groups that have, up until now, waged a nationalist struggle against Israel, and refrained from any premeditated terrorist attacks against the U.S. The officer noted that, since 9/11, the hardliners in Israel have tried to equate the U.S. fight against al-Qaeda with the Israeli fight against Hamas, creating the false notion of a monolithic "Islamic" terror threat. The objective was to get the U.S. to give Israel carte blanche to carry out assassinations and other attacks on Palestinians.

Now, there could be a turn against the U.S. by Hamas and other Palestinian nationalist militants, based on the perception that the U.S. has blessed Israel's actions. Then, the officer warns, Sharon could get his way, and draw the U.S. into backing Israel's plans for massive military operations in the Gaza Strip.

### **About Face: Army Drops Spy Charges vs. Muslim Chaplain**

The U.S. Army has dropped all espionage charges against Captain James Yee, the Muslim chaplain at the Guantanamo prison camp, who was arrested in September 2003, and initially accused of espionage and threatened with the death penalty. Officials acknowledge that the case has become a major embarrassment for the military.

After his arrest, Captain Yee was held in solitary confinement for nearly three months, while prosecutors tried to build their case, but all they could charge him with was mishandling classified information, and adultery.

It has been reported that some senior officers at Guantanamo were paranoid about having Muslims and Arab-Americans involved with prisoners at Guantanamo, and were suspicious when Muslims met one another. The triggering event was reportedly a number of Friday dinners that Captain Yee held for Islamic members of the garrison at his quarters. On at least two occasions, the dinners were attended by Airman Ahmad al-Halabi, who was also later arrested and charged with passing secrets to Syria. The charges against Halabi have been reduced.

The Army claims that it is dropping charges to protect classified information, but Yee's lawyer scoffs at that explanation, saying that the trial could have been conducted without exposing any sensitive information. All that Yee will now face, is an administrative hearing, and the only penalty would be having an official rebuke placed in his record.

## **Asia News Digest**

### **Indonesian Leader, in Washington, Condemns U.S. Unilateralism**

At the 10th anniversary meeting of the U.S.-Indonesia Society (USINDO) on March 23, in Washington, former Indonesian Foreign Minister and Ambassador to the UN, Ali Alatas, made an impassioned criticism of U.S. as "pitting the U.S." against Indonesia and most of the world.

In the question period, a retired U.S diplomat said: "I only wish that [U.S. Deputy Secretary of Defense] Paul Wolfowitz had been here to hear your words on U.S. unilateral policies." Then, following the questions, USINDO director Paul Cleveland, a close friend of Wolfowitz, after praising Ali Alatas, said: "As to Paul Wolfowitz, I am certain that if he had heard this speech by Ali Alatas, he would have done what that other great 'Paul' did, and would fallen on his knees before Ali Alatas and converted."

Wolfowitz, once the U.S Ambassador to Indonesia and co-founder in 1994 of USINDO, is a prominent promoter of Indonesia in the United States, and maintains a pose of praising Indonesia as the "good" Muslims—as opposed to the unreliable Arabs. But most, if not all, Indonesians and Indonesia experts at USINDO, despise his unilateral war policy.

### **U.S. Orders Indonesia To Keep Islamic Cleric in Prison**

The U.S. Ambassador to Australia Tom Schiefe added his voice on March 20 to the U.S. demand that Indonesia keep Islamic cleric Abu Bakar Ba'asyir in prison as a terrorist, even while the U.S. continues to refuse Indonesia permission to interview Hambali, the alleged al-Qaeda leader whose testimony they claim would implicate Ba'asyir. Schiefe, a Texan, and close friend of President Bush, lectured Indonesia via Australia's Seven Network. He said: "The Indonesians have to come to grips with the reality that Abu Bakar Ba'asyir is a terrorist and he is the head of a terrorist organization. They may wish that they don't have to deal with the situation in Indonesia, but they do." The Indonesian courts acquitted Ba'asyir of terrorist charges, convicting him only on visa charges. He will be released from prison in April.

Ba'asyir, for his part, is making the demand that he be allowed to meet Hambali, saying that Hambali (whom he admits knowing) must have been tortured into making false accusations against him, if he did in fact made such accusations, as the U.S. claims.

### **GOP Openly Supporting Cambodian Terrorist in California**

The Cambodian Freedom Fighters (CFF) launched a failed coup attempt in November 2000 in Cambodia leaving eight people dead. The operation was openly organized and funded by the CFF leader, Chhun Yasith, living in Long Beach, California under the protection of pro-terrorist Congressman Dana Rohrabacher. *EIR* exposed this crime at the time.

On March 21, *New York Times* reporter Joshua Kurlatzick, who had gone to a few CFF meetings and had interviewed Chhun Yasith, reported that Chhun is still bragging that the CFF will implement another coup attempt, openly violating U.S. laws against such violent acts, planned or orchestrated from the U.S. soil against countries which have diplomatic relations with the United States. Kurlatzick also revealed that the Republican National Congressional Committee (RNCC) called on Chhun to serve as a fundraiser for them. Chhun was subsequently appointed to the RNCC Business Advisory Council, and nominated for a Congressional Order of Merit.

The FBI has been investigating the CFF for years, but has taken no action, and refuses to comment.

### **India and China To Boost Military Ties**

Chinese Defense Minister Cao Gangchuan will be arriving in India following his trip to Pakistan on March 26. Prior to his departure from Beijing, Cao underlined the political resolve of Beijing and New Delhi to boost their military-related cooperation to a new high.

A similar view has been expressed by India's Ministry of Defense, which is preparing for Cao's visit. India's Defense Secretary Ajay Prasad, who was in Singapore recently, told *The Hindu* on March 23 that India and China are likely to take

steps for a greater understanding on the bilateral military front. "Anything that promotes peace and harmony between the two countries is certainly welcome. I am sure the Defense Ministers will discuss measures to further enhance this kind of understanding," Ajay Prasad said.

## **Pakistani Opposition Stages Walk-Out in National Assembly**

The operations launched by Pakistani forces in the tribal areas bordering Afghanistan, in search of al-Qaeda and Taliban fugitives, threatens to erupt into an internal crisis in Pakistan.

On March 24, top Pakistani opposition leaders stood up in the National Assembly and said that there was great resentment among the masses about the military operations in tribal areas, and then walked out. Muttahida Majlis-e-Amal (MMA), a conglomerate of six religious parties, has called for a protest day on March 26.

"There is a possibility of a tribal rebellion if the Government continues with such operations in the tribal zones," said Bazar Gul, President of the Khyber Union, a tribal organization in the Khyber district, on March 24.

## **China's Vice Premier Visits Poor Southeast Asia Nations**

Chinese Vice Premier Wu Yi, travelling with representatives of over 40 Chinese companies, among some of the poorest nations in Southeast Asia, has signed some agreements in Phnom Penh to enhance trade and investment, including funds to rebuild a road from Cambodia to Laos.

In Myanmar, Wu Yi is meeting with Prime Minister Khun Nyunt and junta leader, Than Shwe, and will sign an economic cooperation agreement.

## **General Abizaid in Pakistan on Osama Hunt**

U.S. Centcom chief Gen. John Abizaid was in Pakistan and met Pakistani Vice Chief of Staff Gen. Mohammad Yusaf Khan on March 22. Although the Pakistani military spokesman said, "the visit has nothing to do with military operations near the Afghan border," it had everything to do with that, and also with the American proposal to Pakistan to join the United States in the joint patrolling of the Arabian Sea.

An interesting rejoinder is that, according to Washington's "moderate Pakistani-leader" watchers, Gen. Yusaf Khan is anti-fundamentalist, and could be an acceptable replacement for President Pervez Musharraf.

## **Thai-Laos Joint Cabinet Session Plans Roads, Railroads**

The first joint Thai-Laos cabinet meeting took place on March 21, after the laying of the cornerstone for a second Thai-Laos Friendship Bridge, according to Bangkok's *The Nation*, March 22.

Thai Deputy Transport Minister Vichet Kasemthongsri underlined that this second bridge was part of the region's east-west land transportation route, starting in Danang, Vietnam; to Savnnakhet, Laos; to Mukdahan, Thailand; to Meovadee, Myanmar; and on to India.

The bridge is due for completion in late 2006, drawing on a long-term loan of 2.8 billion baht (\$78 million) to Thailand and Laos from the Japan Bank for International Cooperation (JBIC). Thailand's Prime Minister Bounngang Vorachit co-chaired

the first joint cabinet meeting, starting March 20 in Pakse, Laos, and ending in Thailand's Ubon Ratchathani province.

## **India, China Meet on Five-Year Economic Development Plan**

An Indian delegation led by Rakesh Mohan, the Deputy Governor of the Reserve Bank of India (RBI), was in China recently where he co-chaired the meeting of the Sino-Indian Joint Study Group (JSG) on trade and economic cooperation with Chinese Minister of Commerce, Bo Xilai. JSG consists of officials and economists from both countries.

According to an RBI announcement made to the press, both India and China will work out a clear timetable and study trade and investment, including a specific five-year program for economic cooperation. "Both sides expressed confidence that they would work out together to submit the economic and trade cooperation proposals to the two governments by end-December 2004," the RBI announcement added.

## **Despite Opposition, Koizumi To Increase Support for Iraq War**

Despite the growing opposition among "coalition" countries such as Poland, Spain, South Korea, and Italy, and the rapidly growing opposition within the Japanese population, Prime Minister Junichiro Koizumi is increasing his support for the Iraq war, a commentary in the Chinese newspaper *People's Daily* noted on March 22.

On March 21, Koizumi's Foreign Minister Yoriko Kawaguchi said that Japan would not withdraw its troops from Iraq, and would also send another "self-defense forces" (SDF) unit there. Japan will also provide another \$20 million for Iraq's postwar reconstruction. Kawaguchi said on national television that "this is absolutely a critical moment for the international community to make concerted efforts to provide Iraq with financial aid and humanitarian support." Kawaguchi also said that Japan was to send 120 SDF to the Gulf Region on March 20 to join the 380 SDF members stationed in southern Iraq. Eventually, she said, there will be 1,000 SDF in "humanitarian" service.

Japanese popular opposition to the war is growing rapidly, especially after the bombings in Madrid March 11. A poll by *Jiji* press on March 20 showed a dramatic decline in Japanese support for the SDF deployment.

## **U.S. Forces Carve Base Out of Afghan Mountainside**

Using bulldozers to slice bunkers and a helicopter landing pad out of a mountainside near the Afghan town of Orgun, U.S. Special Operations forces—including the Army's Green Berets, the Navy SEALs, and CIA operatives—are digging in to intercept and launch surprise attacks on al-Qaeda and Taliban fugitives believed to be hiding out in the mountains of Pakistan's tribal areas. It also allows U.S. Special Ops forces to make occasional forays into the Pakistani side without formally seeking Islamabad's permission.

The camp will be home to 60 Americans, working with 200 Afghan militia, the Afghan militiamen told the Pakistani news daily *The Daily Times* March 24.

On the Pakistani side, President Pervez Musharraf has said about a dozen American "technical experts" are in his country. The presence of Americans inside the tribal areas could become a volatile issue and it is almost a certainty that Islamabad would like this to remain as low-profile as possible. What Islamabad fears the most at this point in time is the desertion of tribals from Pakistani Army to join the resistance. There are close to 150,000 tribals enlisted in Pakistan's army.

## **Africa News Digest**

## **Fizzled Congo Coup Attempt Could Be Rehearsal for Real Thing**

A coup attempt in the Democratic Republic of Congo was foiled after several hours of fighting March 28. Coordinated attacks—involving gunfire, rocket launchers and grenades—were launched on key government facilities and a TV station in Kinshasa at 0300 hours local time March 28. The President's residence, two army barracks, the naval base, and Ndolo air base were all attacked.

Head of the army Gen. Sylvain Buki, UN military personnel, and the British ambassador all claim the fighters were members of former President Mobutu's 3,000-man army, living across the Congo River in Congo-Brazzaville, although this has not been confirmed by the minister of information or the Presidential spokesman.

By the afternoon, fighting had ceased, 20 of the assailants had been captured, and the government said 18 others were still at large. President Kabila, whose whereabouts are not public, is said to be safe.

The small scale of the operation indicates that it is probably a preamble to something larger, *EIR* notes (see next item).

## **Plot Revealed To Overthrow Congo's Kabila**

Only a day before the armed attacks on the government in Kinshasa, *Demain le Congo* reported March 27 on an alleged full-scale coup plot to overthrow DR Congo President Joseph Kabila.

Vice Presidents Azarias Ruberwa and Jean-Pierre Bemba, says *Demain le Congo*, are the leaders of a takeover plan called Operation Ndani ya Kitanda. Ruberwa and Bemba are agents of Rwandan President Paul Kagame. Preparations for the coup "are going well" and it is planned for about April 1.

Kabila is to be kidnapped and forced into exile à la deposed Haitian President Bertrand Aristide. "Everything is prepared to prevent him from taking refuge either in Mbuji-Mayi, or particularly in Lubumbashi, his stronghold, where he could be able to organize resistance... In the same way, a team of MONUC [the UN Mission in DR Congo] is already prepared. It will be charged to simulate the protection of Joseph Kabila, but its real mission will be to ensure his evacuation to exile."

The wives of certain pro-Rwandan military officers in the East are being moved to Kisangani for their protection, while those in Kinshasa are either being sent to Congo-Brazzaville or to MONUC safehouses in Kinshasa.

"The neutralization of the East, where the populations are more than ever hostile to RCD [Rwanda-backed Congolese Rally for Democracy] will be ensured by Col. [Jules] Mutebusi ... and a General living in Goma.... [T]he wife of Col. Mutebusi is the niece of Rwandan President Paul Kagame. She is in charge of missions and contacts of Kagame with civilian and military officials of RCD-Goma," *Demain le Congo* reports.

## **African Nations Cooperate To End Mercenary Activity**

African cooperation against mercenaries in the Equatorial Guinea affair is designed to end mercenary activity, according to Theo Neethling, Professor of Military Science, at Stellenbosch University in South Africa, who was interviewed by *The Australian* March 27. "Prof. Neethling believes the arrests are meant to signal that soldiers of fortune will no longer be able to operate on the continent," said the paper, referring to the arrests of mercenaries in Malabo and Harare March 7 and 8.

Although not mentioned by *The Australian*, the corollary seems to be, that the hiring by African governments of "private

military companies" (like Executive Outcomes and Sandline)—as in the recent cases of Sierra Leone, Angola, and Liberia—will now be discountenanced in Africa. That will become clear in how the big fish, Simon Mann, is treated. Mann, among those arrested in Zimbabwe March 7, is formerly of the Special Air Services and was a founder of Executive Outcomes. He is an old Etonian of the family that owns Mann's Ale.

The South African government sprang a trap on the mercenaries, spying on them while they trained in South Africa and letting the plan to overthrow the government of Equatorial Guinea proceed, while alerting Equatorial Guinea and Zimbabwe of the mercenaries' intentions.

The executive head of the African Union (AU), Alpha Oumar Konaré, a former President of Mali, said March 15, "Africa must take drastic action against the bastion of mercenaries and make the continent the cemetery of these running dogs.... Terrorists have caused lots of damage in a number of African countries."

The AU Executive Council, meeting in Addis Ababa March 15-17, declared, "The Executive Council ... welcomes the cooperation of the governments of Angola, South Africa, and Zimbabwe, which made it possible to foil the planned invasion." The statement added that those found guilty should receive exemplary punishment. Article 7 of the 2002 AU Convention on the Elimination of Mercenarism says mercenary activity is punishable by the severest penalties, under the laws of the countries where suspects are tried.

## **Mbeki Issues Call for South African Unity and Progress**

While the ruling African National Congress (ANC) party is virtually certain to be returned to power in the April 14 general election, South African President Thabo Mbeki is attempting to use the electoral process to strengthen national unity. Mbeki told reporters in Matipane March 27, after addressing a stadium crowd there, that "he would invite the opposition to join the government, even if his African National Congress is easily re-elected," Reuters reported. "Our interest is to unite the people of South Africa, so after the elections ... let's invite other people to come and work together for the progress of this country," he said. The same offer, made at the time of the 1999 election, was largely rebuffed.

Since 1999, the New National Party, dominated by Afrikaner whites, has moved into alliance with the ANC. The pro-free-trade Democratic Party, dominated by British whites, leads the Democratic Alliance of right-wing parties, and is teamed up with the Inkatha Freedom Party of Mangosuthu Buthelezi, which dominates KwaZulu-Natal province, the only province not under ANC control.

The ANC is aggressively attempting to capture KwaZulu-Natal, and Buthelezi has reportedly said that the 1999 pact to end violence between ANC and IFP supporters (20,000 died in such violence before the 1994 election) is effectively dead.

"Police cocked their guns when a large group of IFP supporters tried to disrupt an ANC election rally in Ulundi, Buthelezi's home town... according to a Reuters witness. The IFP supporters backed off," Reuters reported March 27.

There is also a threat of violence from the left-wing Landless People's Movement (LPM). LPM national organizer Mangaliso Kubheko said, March 13, "We will not vote on April 14, but we will take farms and chase away white farmers like dogs." Three hundred LPM members occupied the offices of the Eastern Cape provincial government March 3.

## **Namibian To Expropriate Large Land Holdings**

The Namibian government will begin expropriating large land holdings, now mainly in the hands of whites, Reuters reported March 4. Whites represent only 5% of the population, but own 75% of the arable land. Until now, redistribution

has been done on a willing seller/willing buyer basis, but very little land has changed hands. Namibian Lands Minister Hifikepunye Pohamba told Parliament March 2, that compensation for expropriated land "shall be based primarily upon the market value." "Excessive land" held by blacks will also be targeted. The Lands Ministry hopes to redistribute 22 million acres of commercial farmland.

## **This Week in History**

**March 29-April 4, 1933**

### **Congress Approves President Roosevelt's — Civilian Conservation Corps**

On March 31, 1933, Congress approved "An Act for the relief of unemployment through the performance of useful public works and other purposes." The Civilian Conservation Corps (CCC), proposed by President Franklin Roosevelt, was to provide 250,000 jobs for unemployed males between the ages of 18 and 25. At a press conference two days before the bill was passed, a reporter asked the President "How soon do you think we can get them out, Mr. President?" Roosevelt replied, "I should think we can get the first people enrolled within two weeks after the passage of the bill. That means they probably could not get to camp until three weeks. Of course, we cannot start off with 250,000 at one time. That will take quite a while." Yet despite the difficulties posed by the collapse of the economy, the CCC succeeded in putting young people to work at an incredibly rapid rate.

An Executive Order of April 5 appointed a director, and an Advisory Council with representatives from the Departments of War, Interior, Agriculture, and Labor. Local state relief and welfare organizations selected the enrollees in cooperation with the Department of Labor. The War Department was charged with paying, housing, clothing and feeding the men, although the men were under civilian control. The Departments of Agriculture and Interior planned the work projects, recommended camp locations and supervised the programs. Two days after the Executive Order was signed, the first man was selected, and 10 days later the first camp was set up in George Washington National Forest in Virginia and work began.

The first call for men was for 25,000. Roosevelt stated that he "authorized enrollment of 250,000 juniors and about 25,000 experienced men to be selected from the neighborhoods where camps were located," in order to train the new recruits. Separately, Roosevelt also authorized the enrollment of 25,000 veterans of World War I, as a separate and distinctive part of the organization. Each member of the Corps received room and board, clothing, medical care, and \$30 per month, but out of that monthly pay, an allotment was sent to the families of the men.

### **Largest Mobilization of Men in U.S. History**

As Roosevelt wrote in 1938, in his notes on the history of the CCC, "By early July, three months after the first man had enrolled, 250,000 enrollees, 25,000 war veterans and 25,000 experienced woodsmen were settled in 1,468 forest and park camps of 200 men each, in every State of the Nation. It was the most rapid, large-scale mobilization of men in our history."

After three months, the President and others visited many of the camps and saw how successful they were. As a result, the number of enrollees was increased, and the age range was broadened to 17 to 28. Roosevelt also called for 50,000 men from the drought-stricken central states, and another 50,000 Indians from the reservations, where drought had brought the Indians to complete destitution. With the number of Corps members expanding, Roosevelt also added educational programs to the camps and named a Director of Education.

The number of enrollees and camps reached their peak on Aug. 31, 1935, when there were 505,782 men in 2,652 camps. "From that point," said Roosevelt, "the strength of the Corps was gradually reduced as conditions became better, and as the size of the relief rolls diminished." By April 1936, 1,150,000 men had graduated from the Civilian Conservation Corps.

In a radio address on the third anniversary of the CCC, President Roosevelt summarized its achievements, and in his notes to that speech, he pointed out that the Corps "has saved and improved vast areas of forest land; it has helped to control soil erosion, reduce flood damage and increase the recreation facilities of the Nation." Roosevelt also wrote that, "The greatest and most worthwhile achievement of the Corps was the help given to the young men themselves." And by that, he meant not only the economic help, but the change that was wrought in their outlook on life.

The importance of that factor was beautifully set forth in Roosevelt's address to the Young Democratic Club in Baltimore, Maryland, on April 13, 1936. After greeting the audience, he continued: - 'The Rough Hand of Depression' -

"You who fill this great armory tonight represent a cross-section of millions of young people who have come to maturity since 1929. You are the symbol of young men and women living in every State of the Union, affiliated with every political party and belonging to every so-called stratum of society."

"The world in which the millions of you have come of age is not the set old world of your fathers. Some of yesterday's certainties have vanished; many of yesterday's certainties are questioned. Why have some vanished? Why have many been questioned? Because the facts and needs of civilization have changed more greatly in this generation than in the century that preceded us.

"I need not press the point with you. You are measuring the present state of the world out of your own experiences. You have felt the rough hand of the depression. You have walked the streets looking for jobs that never turned up. Out of that have come physical hardship, and, more serious, the scars of disillusionment.

"The temper of our youth has become more restless, more critical, more challenging. Flaming youth has become a flaming question. And youth comes to us wanting to know what we propose to do about a society that hurts so many of them.

"There is much to justify the inquiring attitude of youth. You have a right to ask these questions—practical questions. No man who seeks to evade or to avoid deserves your confidence....

"Yes, you young people want action. You believe, as I believe, that the something which needs to be done, can be done. How significantly American it is to believe that.

"The vigor of our history comes, largely, from the fact that, as a comparatively young Nation, we have gone fearlessly ahead doing things that were never done before. We subdued a wilderness that men said could never be conquered. We established a civilization where others insisted a civilization could not survive. Between 1776 and 1789, we built a Republic, a Government for which, in the extent of its democracy, there had been no precedent—a Government which Royalists declared could not endure.

"We did all these things with zest. The very air was exhilarating. We were young; we were getting things done—worthwhile things. And, it is part of the spirit of America to believe that now, in our day, we can do equally well in getting things done. Once again, the very air of America is exhilarating....

"Our war for independence was a young man's crusade. Age was on the side of the Tories and the Tories were on the side of the old order. At the Revolution's outbreak George Washington was forty-three, Patrick Henry thirty-eight, Thomas

Jefferson, whose birthday we are celebrating today, was thirty-two, and Alexander Hamilton was eighteen.

"Our Constitution, likewise, was the creation of young minds. The average age of the men who wrote the Constitution was about forty-four. The qualities of youth are not of a sort that self-satisfied people welcome in 1936, any more than self-satisfied people welcomed them in 1776.

"I have used the words 'the qualities of youth.' Be wise enough, be tolerant enough, you who are young in years, to remember that millions of older people have kept and propose to keep these qualities of youth. You ought to thank God tonight if, regardless of your years, you are young enough in spirit to dream dreams and see visions—dreams and visions about a greater and finer America that is to be; if you are young enough in spirit to believe that poverty can be greatly lessened; that the disgrace of involuntary unemployment can be wiped out; that class hatreds can be done away with; that peace at home and peace abroad can be maintained; and that one day a generation may possess this land, blessed beyond anything we now know, blessed with those things—material and spiritual—that make man's life abundant. If that is the fashion of your dreaming, then I say: 'Hold fast to your dream. America needs it.'"

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