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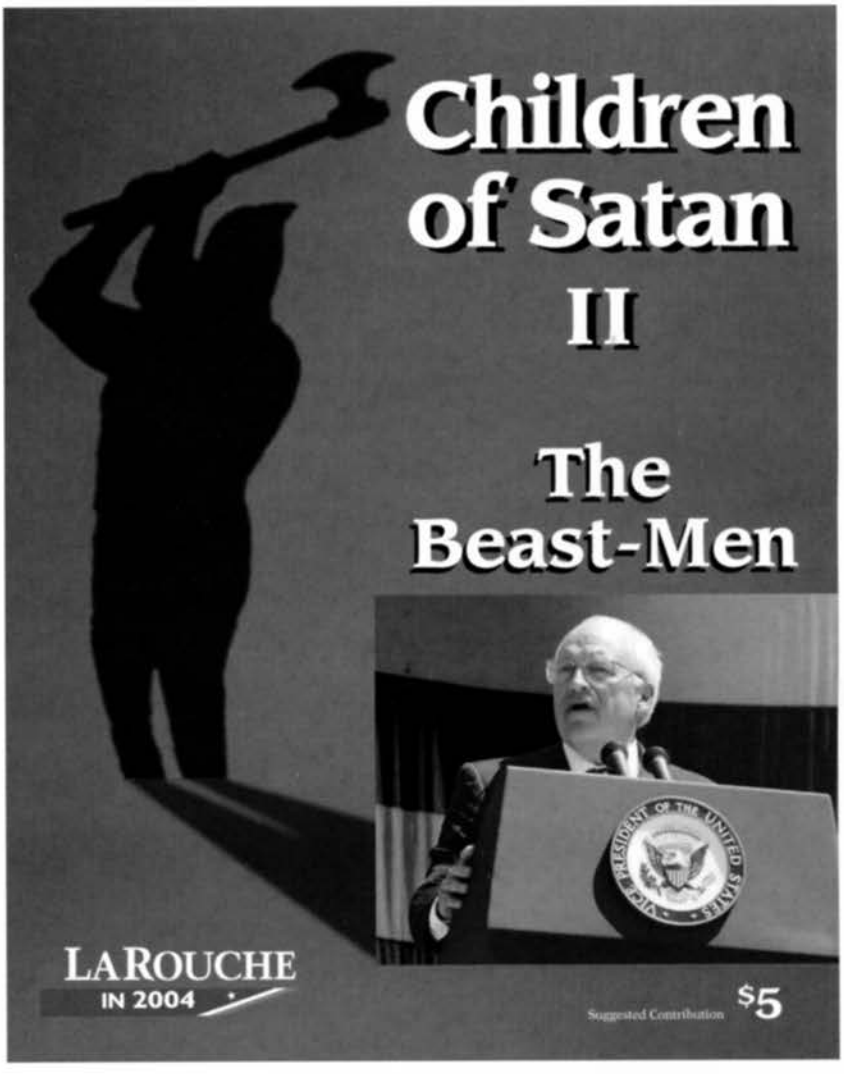

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EIR

From the Associate Editor

Lyndon H. LaRouche, Jr.'s keynote speech to the Presidents' Day conference of the Schiller Institute and International Caucus of Labor Committees delivered quite a shock to those in attendance in Northern Virginia and Los Angeles, as well as to many more listening over the Internet. Beforehand, he had promised that it would be "the most important political address to have been given anywhere in the world, by anyone, in more than a century to date." We publish it as our *Feature*, and I would also urge you to watch the video (www.larouchepub.com), to get the full impact of the presentation.

While putting forward new conceptions in his analysis of the sweep of world history of the past 250 years, he also told the audience in no uncertain terms, that there is no longer any possibility of delay, if we are to change the tragic trajectory of world political-strategic and financial-economic developments. *This is it.* The time is now, in the days and weeks before the Democratic National Convention in Boston in July. And there can be no illusions that some kind of "LaRouche lite" program, implemented by some other ("less controversial") Presidential candidate, could function in this time of crisis. Only LaRouche has the intellect, experience, and expertise to steer this nation into a solution to the crisis.

Upon leaving the conference, LaRouche immediately wrote a Special Report, "This New Turning Point in World History," which will appear in next week's *EIR*, as well as on the websites.

In this issue, let me call your attention to the breakthrough developments in Italy, where 50 parliamentarians renewed their call for a New Bretton Woods financial organization, as per LaRouche's policy, expounded by him repeatedly during his many visits to Italy over the past few years. Galvanized to new action by the bankruptcy and scandal surrounding the Parmalat company, they point out that their previous resolutions have been ignored by the government, and, as a result, the crisis caused by free-market globalization has gotten much, much worse.

Our feature in commemoration of the late Mexican President José López Portillo, who died on Feb. 17, also demonstrates the eagerness of patriots throughout the world to cooperate with a LaRouche Presidency, in the interests of all nations.

Susan Welsh

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"The Death of the Miser" (detail) by Hieronymous Bosch.

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The keynote address of Lyndon LaRouche, to the annual Presidents' Day conference of the International Caucus of Labor Committees and Schiller Institute, Feb. 14, 2004. "If we can not change, if we select our choice of President, if we select our policies, now, in these weeks and months, the way things are going now, in general, *this nation will not long survive.* And either way, this system—that was consolidated, first in 1763, at the Treaty of Paris, proclaiming the victory, and establishment in fact, of a worldwide British Empire—has now come to its end. It will not survive. Either we will put it to a merciful conclusion, by a revival of the world economy, and bringing together a confederation of perfectly sovereign nation-states on this planet, around principles and issues of construction of the planet, and on promotion of development of the individual, within their national cultures, or we shall not survive."

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Italian MPs Renew Call For a New Bretton Woods

by Claudio Celani

A group of 50 members of the Italian Parliament has introduced a new motion calling for a reform of the international monetary and financial system, modelled on the Bretton Woods system. The motion, co-authored by LaRouche representative Paolo Raimondi, comes in the midst of a national debate on the causes and the consequences of the Parmalat bankruptcy case, the largest corporate failure in European history, which prompted a parliamentary investigation and a discussion on sweeping financial and banking reforms.

The sponsor of the motion is Rep. Mario Lettieri, a member of the opposition party "La Margherita" a coalition of former Christian Democrats and other progressive forces. Other signers of the motion are also members of the "Margherita" like former minister Antonio Maccanico and Giovanni Bianchi, a senior parliamentarian who, in 2001, invited Lyndon LaRouche to Rome, to speak in the Parliament building. Bianchi, a veteran fighter for reorganization of Third World debt, is also on record crediting LaRouche for warning against the global financial crash, in a Parliament discussion in September 2002.

Among the other best known signers are former Minister Nerio Nesi and former Deputy Foreign Minister Ugo Intini, socialists; as well as former trade union leader Giorgio Benvenuto, from the Social Democratic Party (DS). The motion has also been signed by a few members of the government coalition (see box).

Parmalat Meltdown Factor

The motion was introduced to the Chamber floor on Feb. 12, in the midst of a national debate dominated by the aftermath of the Parmalat failure, which is the object of a judiciary as well as of a parliamentary investigation. Lettieri, the secretary of the Chamber Finance Committee, is a prominent member of the Parliamentary Committee on the Parmalat case. The "Parmalat Committee" is composed of the Finance and Industry Committees of both the Chamber and the Senate.

The hearings of the Parmalat Committee have brought to the fore the vulnerability of a system in which banks operate in an unregulated corporate bond market, taking high risks with investors' money. A hundred thousand Italian families have lost their money in Parmalat bonds which they had bought upon advice from their house bank. And before them, 450,000 lost their money in Argentine bonds similarly pushed on them by the banks. In between, another corporate failure, Cirio, swept away savings of some 25,000 investors. The investigation has established that in the Cirio and Parmalat cases, the same banks got rid of defaulting bonds, by selling them to their customers.

All this has prompted growing support among different political factions for a reform of the Italian banking system, whose loss of credibility is now endangering the economic system as a whole. Those few Italian leaders who have been defending the idea of the Common Good, and who have shown leadership in supporting LaRouche's proposals, like Representative Bianchi or Senator Peterlini, are now joined by other factions who are prompted by more pragmatic considerations. One faction of the Italian financial elite, in particular, represented by Parmalat Committee chairman Giorgio La Malfa, is now calling for a return to a "firewalls" system, similar to the one abolished in 1992, which strictly separated financial activities such as savings banks from investment banking, etc. This is the faction historically associated with Mediobanca, an investment bank which dominated the Italian financial and industrial system until the 1992 deregulation.

In the last decade, Mediobanca's former dominance and generally conservative policy has been replaced by the aggressive implementation of "innovative" financial strategies by new private banking groups, devoted to globalization strat-

egies, such as mergers and acquisitions, derivative speculation, and shareholder value. Until now, on the defensive, the Mediobanca group is fighting back, as the evidence shows that the "wild decade" of deregulation has brought the Italian financial and industrial system to the verge of bankruptcy.

La Malfa is supported by Bruno Tabacci, the chairman of the Chamber Industry Committee. This group has been calling for Italy's central banker, Antonio Fazio, to resign because of his culpable responsibility in the Parmalat corporate bonds failure.

Another issue being debated in the Parmalat Committee is the fact that, after the privatization of the Italian banking system, the central bank is now in the hands of private interests, some of them controlled by foreign groups. For example, Bank of Italy's main shareholder, with 27.2% of the stock, is Banca Intesa (a group formed through the merging of Banca Commerciale, Banco Ambrosiano Veneto, and Cassa di Risparmio delle Province Lombarde), which, in turn, is controlled by the French Crédit Agricole, an ally of the Lazard group. Recently, this group has led an assault for the control of Mediobanca and of Assicurazioni Generali, one of the largest insurance groups in the world. Central Banker Antonio Fazio, who testified before the Parmalat Committee, is suspected of having favored the assault.

Italian Senator Oskar Peterlini, LaRouche movement leader Paolo Raimondi, and Lyndon LaRouche with economist Nino Galloni at a 2003 conference in Rome. Their efforts and the galloping financial crisis have led to a new motion for LaRouche's New Bretton Woods by 50 Italian parliamentarians—more moves are expected soon.

Former minister Antonio Maccanico—another signer of the Lettieri-Raimondi motion, and a former chairman of Mediobanca—has issued a proposal to bring the central bank under governmental control. Maccanico has proposed that the central bank liquidate its current shareholders and be put under the control of a public foundation, its board appointed by the government under a Parliamentary majority, and its governor and directors appointed by the board.

All these proposals are good and fine, but without the intervention of the LaRouche movement, they would be doomed to failure. The debate, in fact, resembles in many aspects the one that followed the banking crisis in the 1930s, and brought about the 1936 Banking Act, a regulatory law which lasted until 1992 when the so-called "Draghi reform" was implemented. Similar to today, the Italian banking and industrial system was on the verge of bankruptcy as a result of the collapse of the speculative bubble and the world economic depression. The practices of unregulated banking and their promoters, such as the all-powerful Banca Commerciale head Giuseppe Toepliz, were repealed by the financial elite and replaced with a dirigistic, strictly regulated system under Alberto Beneduce. The new regulations—introducing the so-called "firewalls" while nationalizing the three largest banks—prevented the bankruptcy of the system, but failed to promote an economic recovery. Just the opposite happened: They looted the national revenues to bailout the system.

Today, reintroducing 1936-style regulations, as the Mediobanca faction is calling for, without a general systemic reorganization, and without a Roosevelt-style recovery policy, would repeat these same historical mistakes, leading to the same bad outcome of the 1930s.

Entire System at Stake

Therefore, the intervention of the LaRouche movement is decisive. The Lettieri-Raimondi motion corrects the approach followed by the Committee, raises the issue of the bankruptcy of the world financial system, and focusses on the derivative bubble as being the issue in the Parmalat case. The motion replicates almost verbatim, the text of a statement which Raimondi published Dec. 20, 2003, which was then followed by a lengthy statement by LaRouche, calling on responsible leaders not to concentrate on the internal aspects of the Parmalat case, but on the global systemic nature of the case. He rejected the parallel with the Enron scandal and instead made a comparison with the LTCM failure in 1997, which brought the system nearly to a collapse. In mid-January, Raimondi issued another statement, identifying the specific aspect of credit-derivative speculation which Parmalat was victim of, the so-called Collateral Debt Obligations (CDO). Both Raimondi statements have been published by AgenParl, a Parliamentary news agency which is closely followed by important political factions. Raimondi was then joined by politicians who have, in the past, supported the New Bretton Woods proposal.

New Italian Parliament Motion

On Feb. 13, a new motion for a New Bretton Woods reorganization of the international financial system was introduced in the Italian Chamber of Deputies. The motion is backed by 50 parliamentarians from all parties, mostly from the opposition party Margherita, but also including some of the coalition parties forming the Berlusconi government. Among them are Mario Lettieri, the head of the Chamber Finance Committee; Giovanni Bianchi, who, in 2001, organized an event with Lyndon LaRouche in the Italian Parliament; former Ministers Antonio Maccanico and Nerio Nesi, and former Deputy Foreign Minister Ugo Intini.

The motion notes that "after the collapse of LTCM, Enron, the Argentine bonds, Cirio, Parmalat, and Finmatica, to mention only the most outstanding cases, it should be clear to everybody that we are facing a real systemic crisis. . . . Due to the internationalization of financial markets, one nation alone, or even Europe alone, cannot guarantee the control and application of stronger rules in a resolute way. . . . There is a crisis of the whole financial system, which is more and more aimed at pure speculation. It is estimated that the whole financial bubble, adding derivatives assets to all forms of existing debt, is around $400,000 billion against a world GNP of little more than $40,000 billion. . . . Besides the largest Italian banks, the three American banks involved in the Parmalat case, JP Morgan Chase, Bank of America, and Citigroup, are—as a group—the most responsible for this skyrocketing growth, as reported by the U.S. Comptroller of the Currency, a government agency; in June 2003, JP Morgan had reached the level of $33,300 billion in derivatives contracts, with an increase of $4,500 billion in just six months; Bank of America had reached $14,300 billion and Citigroup $13,000 billion."

The motion then urges the Italian government "to act in the relevant international fora, to build a new financial architecture, aimed at avoiding future financial crashes and the recurrence of financial bubbles, concentrating on the objective of supporting the real economy; and to take all necessary initiatives to convoke, as soon as possible, an international conference of Heads of State and Governments similar to the one held in Bretton Woods in 1944, in order to define a new and more just global monetary and financial system."

Welcoming the motion of his colleagues in the Chamber of Deputies, Sen. Oskar Peterlini stated that the Parmalat bankruptcy "reminds us that already, in February 2002, members of [Italy's] Parliament had introduced a motion in which they had warned the government" and called for a New Bretton Woods. Peterlini urged "the government to adopt not only bailout measures" for Parmalat, "but structural measures of financial reorganization, to be defined also at the international level, primarily with industrialized countries. . . . The crescendo of financial and banking crises, starting in 1997, indicate a crisis of the whole financial system, characterized by out-of-control speculation."

On Feb. 11, Cristiana Muscardini, a member of the European Parliament, intervened in the discussion on the Parmalat case, by calling on the European Commission to take initiatives to deal with the financial bubble. Muscardini, who is vice president of the Union for Europe of the Nations group in Strasbourg [the European Union headquarters], said: "The Parmalat case, the Cirio case in Italy, Enron in the U.S.A., and similar cases in Great Britain or in France are the symbols of the crisis hitting the multinational financial structures, caused by the great and disastrous divide between the real economy and the speculative bubble, paper and virtual wealth that enormously exceeds the true and real wealth based on production and savings."

After polemicizing with the central banks which say they "are not aware of the real situation or not informed of the illegal maneuvers," and endorsing the call for more controls and coordination at the European level, Muscardini concluded by calling on the European Union "to face seriously all the possible, new disastrous consequences which could be provoked by the enormous divide between the real and the financial economy. Until we take measures to reduce this divide, the risks will always be threatening." Muscardini, together with colleagues, has in the past introduced resolutions and inquiries dealing with the necessity of a new Bretton Woods agreement, initiatives which have so far been turned down arrogantly by some incompetent members of the European Commission.

On Feb. 14, AgenParl reported that Sen. Oskar Peterlini issued a statement recalling that he had warned of the threat of a crisis such as the Parmalat one, in a motion introduced in the Senate in March 2002. Peterlini has appeared in public conferences with LaRouche and has campaigned for the New Bretton Woods proposal. He pushed his colleague Brugger to introduce a similar motion in the Chamber of Deputies, which was then discussed in September 2003 and voted up—albeit in a milder formulation—almost unanimously. All this is building momentum for the Raimondi-Lettieri motion, which shall be hopefully adopted by a broad Parliamentary majority.

London Bank: Philippines Is the Next Argentina

by Mike Billington

As Argentina's President Néstor Kirchner refused to submit to "a new genocide" at the hands of the International Monetary Fund, one of the leading British Banks in Asia, the Standard Chartered Bank, warned in a Jan. 29 report of a collapse of the Philippines like that which hit Argentina two years ago, declaring that the Philippines debt crisis "continues to deteriorate slowly," making it "increasingly vulnerable to external shocks." Steve Brice, the chief economist for Standard Chartered in Southeast Asia, wrote that "there is evidence of a vicious circle emerging, with almost half of government revenues being used to service the debt."

Philippine President Gloria Macapagal-Arroyo issued vociferous denials, declaring in a rather Bush-like manner, "Our economy is sound and strong—there is absolutely no sense in extreme scenarios." However, this report from one of the world's leading synarchist banking institutions, in the midst of the most severe breakdown crisis within the global financial system in modern history, must be seen not as an analysis, but as a statement of intent—a threat.

Behind this threat is the fact that the Philippines is facing a Presidential election in May, in which the population, facing a rapidly deteriorating standard of living and vast unemployment, will almost certainly vote to remove the existing government, which it holds responsible. Unfortunately, the opposition has no proven leadership capable of either standing up to the international financial institutions, or leading the Philippines in restoring its former role as a leader within the Asian family of nations. Desperate to find a candidate popular with the mostly impoverished citizenry, the opposition has rallied behind a popular movie star, Fernando Poe, Jr. (known as FPJ, or as "The King"). The international financial community, and their press spokesmen, have spread the line that the likely election of Poe, who neither finished high school nor ever held public office, is the root cause of the current speculation against the peso—which has reached its lowest point in history—lowering the country's credit rating to two levels below investment grade, and related disasters.

While it is certainly true that there is a leadership vacuum in the Philippines, there is a certain irony in the fact that those financial oligarchs, who are blaming their speculative attack on the Philippines economy on the candidacy of Fernando Poe, are the *same* financial leaders who recently placed another actor—the raving fascist Arnold Schwarzenegger—in office as Governor of California (whose economy is larger than that of the Philippines!). Schwarzenegger is keeping to his pledge to pay the debt in California by crushing labor, gutting health and education, and otherwise living up to his potential as a "beast-man" for his backers—who include George Schultz, Warren Buffett, and Lord Jacob Rothschild. But Poe has surrounded himself with generally nationalist economists and advisors, who may in fact challange the dictates of the bankrupt IMF/dollar empire.

That is the actual cause of the bankers' threats.

American Military Intentions

Behind the financial attack on the peso stand the military demands of the neo-conservative faction running the Bush Administration, which is determined to transform the Philippines into one of the basing sites for the new, transformed U.S. military posture in the Pacific—with China as the primary long-term target. Since early 2001, when both George W. Bush and Gloria Macapagal-Arroyo took office (in both cases, upon a decision by the respective nation's Supreme Court, rather than by the choice of the electorate), the United States has skirted breaching the Philippine Constitution by deploying thousands of American combat troops into the southern provinces in search of Muslim terrorists. American military forces have become an essentially permanent presence in the country as a result of these "training" operations.

In February, the two nations announced plans for joint military exercises, to take place in the region from the Palawan Islands to the Spratly Islands in the South China Sea. The Spratlys are claimed in whole or in part by six countries of the region, including China. China's construction of facilities on islands in the region caused considerable tension in the 1990s, but China has refrained from any acts that would be construed as provocations in recent years, building up trust among area nations. U.S. war games in the region, according to Philippine Army Vice Chief of Staff Lt. Gen. Rodolfo Garcia, include an imaginary "conventional" security threat on Palawan, the western Philippines island which is closest to the Spratly Archipelago, at the same time that tensions are building up in the Taiwan Strait. They have the potential of provoking a crisis with China—much desired by the neoconservatives in Washington.

Coup—Made in Washington

American duplicity goes further. The United States has quite blatantly orchestrated two military coups in the Philippines during the recent period: in 1986 against President Ferdinand Marcos; and in 2001 against President Joseph Estrada. In both cases, the operation was run by the circles around General Fidel Ramos, with full backing and direction from Washington.

In January, one of the leading operatives in that Ramos circle, former Defense Secretary Gen. Fortunato Abat—who played a leading role in the coup against Estrada—announced publicly that he had started a "movement" called "No-El." It

demands that the May Presidential elections be cancelled, that President Arroyo step down, and that a "council" (a junta), including Ramos and others, be established to run the country. Abat's call for a coup was crude: "If we hold an election, we will waste our money again. . . . One more insistent step to elect and perpetuate a totally corrupt political system will push the whole Filipino nation, all of us, our institutions, our future generation, down [into] the rubble and excrement of dirty politics."

Despite the fact that Gen. Abat has declared that President Arroyo, and democracy, are no longer useful to him and his circle, the Government is apparently not willing to act against his blatant sedition. Even prominent active-duty generals have reported being stunned that Abat has not been arrested on sedition charges. It is notable that Abat toured the United States in the weeks preceeding the 2001 Estrada coup, raising funds and meeting with military and political leaders. It is not known if he has recently repeated that itinerary.

The Bush Administration has called on the U.S. Congress to expand military aid to the Philippines, while the Arroyo Government has deployed troops to Iraq at Washington's behest, and arranged the new military exercises referenced above. It must therefore be assumed for purposes of investigation, that the neo-conservatives in the Bush Administration are preparing options to move against the likely election victory by the Philippine opposition—or a pre-emptive move to prevent it. After all, pre-emption is currently operative U.S. strategic policy.

Declare Solidarity with Argentina

The following Declaration was drafted and released by the Philippines LaRouche Movement, and co-signed by the Katipunan Ng Demokratikong Pilipino, the LaRouche Youth Movement, and the Philippines Chamber of Filipino Entrepreneurs, on Feb. 19, 2004 in Manila. The threat by Standard Chartered that the Philippines may get the Argentina treatment, has been front-page news for the past weeks in Manila.

Whereas, the people of Argentina have suffered the consequences of asphyxiating conditionalities, and onerous impositions of the banking institutions, vulture funds, and the International Monetary Fund;

Whereas, the global financial system of Floating Exchange Rates has attracted highly volatile types of speculative investments in: securities and bond markets; commodity futures markets; derivatives markets; those virtually destroying interest in long-term production, employment-generating businesses;

Whereas, the resulting economic deterioration of Argentina has caused wide-spread bankruptcies and unemployment; increased inability of government to provide healthcare and other basic services; severity of poverty, hunger, and disease;

Whereas, the International Monetary Fund has given an ultimatum and a deadline of March 9, 2004, for the government of Argentina to pay $3.1 billion to service an officially contested debt; the payment of which requires a guarantee of reimbursement based on a previous agreement which the creditors refuse to honor;

Whereas, in rejecting IMFs indifference to resulting hunger and death, the good people of Argentina now face their greatest challenge in recent history, as human beings created equally in the image and likeness of God; and as citizens of a perfectly sovereign nation-state;

Whereas, His Excellency, President Kirchner, dutifully and courageously defends the lives and the sovereign will of his people; that they may be treated, not as human-cattle, asked to die, so that banks may continue to profit; that they be allowed to function as creative and beneficial members of human society, in a spirit of *agapē* and cooperation with citizens of all nations;

Now and therefore, in solidarity with the people of Argentina, rejecting all that is unfair; all that is usurious; all that causes hunger, death and destruction; and all that is evil,

We, citizens of the Philippines, the Philippine LaRouche Society, and the LaRouche Youth Movement do hereby denounce the calloused exploitation of resources, predation of vulture funds, greed and thievery of creditor banks, and genocidal disregard for human lives by the International Monetary Fund and its surrogates.

Furthermore, it is our sincere belief, that the present crisis which now confronts Argentina, is a mere reflection of the real crisis which all human beings the world over must now address. It is by now an incontrovertible fact, as Lyndon LaRouche has correctly forecast, and as evidenced by successively disintegrating economies, the world's financial system, the Floating-Exchange-Rate System, is collapsing. It is incumbent upon all who understand the gravity of the most serious threat to the continuance of present civilization and succeeding generations, that we stand on the side of Truth.

Unless we muster the courage to fight for the right to life; to promote the general welfare; and to bequeath man's collective achievements for the benefit of posterity; and unless we support fellow human beings in any and all nations, oppressed by the insatiable greed of financier oligarchs, then we too will soon perish.

Rovers Discovering Mars Secrets and Questions

by Marsha Freeman

Scientists discussing the process of planetary exploration often say that what they learn during a mission will pose more questions than are answered. In the case of Mars, nothing could be truer.

All of the successful landers that have been deployed to the surface of Mars in the past have been set down in sites chosen, largely not for their scientific interest, but to meet the criterion of safety. There was no point in choosing the most interesting region of the planet, if there were little chance the rovers would survive the descent and landing on the surface. And many of the most interesting sites scientifically, are in regions where the topography prohibited such risky landings.

But the success of the 1997 Mars *Pathfinder* mission, with its miniature *Sojourner* rover, verified the approach of landing on the surface by deploying air bags to protect the spacecraft, even in rocky terrain; it encouraged the engineers to employ the same technology to set down two rovers this year at sites chosen by the scientists of NASA, rather than its engineers.

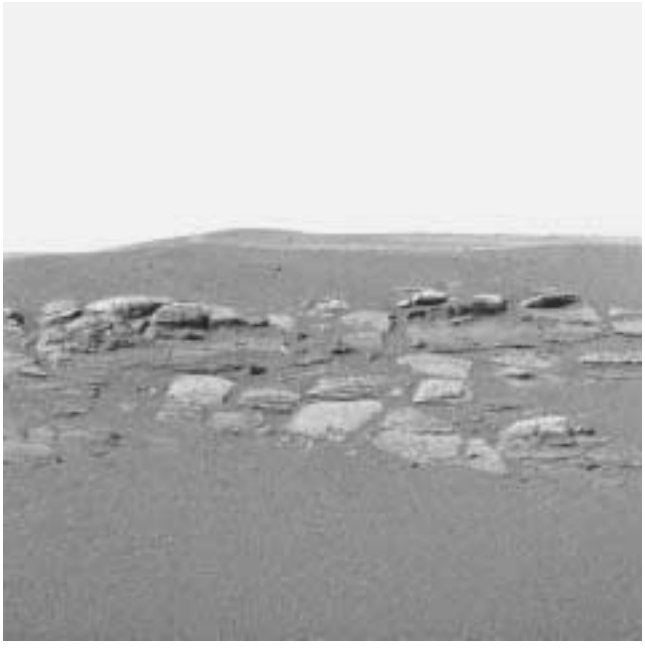
NASA's decadal approach to Mars exploration is to "follow the water" on the red planet, seeking confirmation on the ground, of clues gained from orbit that at one time Mars was a warmer, wet planet, with rivers, lakes, and perhaps oceans.

The two sites for the Mars Exploration Rovers, named *Spirit* and *Opportunity*, were chosen because they indicate the past presence of water on Mars. *Spirit's* Gusev Crater appears, from orbit, to have once been home to a large lake, with outflow channels leading into rivers. *Opportunity's* Meridiani Planum is covered with the mineral gray hematite, which on Earth, often forms in the presence of water. Scientists hope that *in situ* intensive investigation of these two sites will confirm their orbital hypotheses.

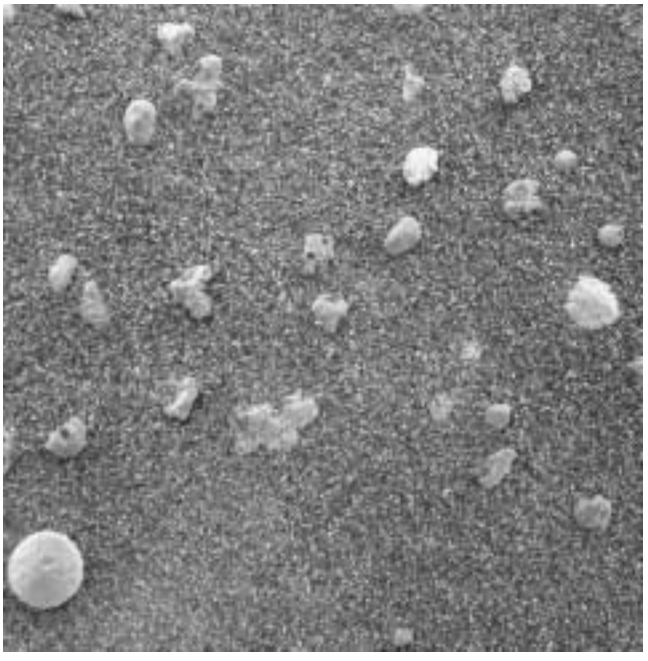
The first phase of the rovers' exploration was the "wow" phase, that produced three-dimensional color panoramic images. At Gusev Crater, an inviting series of hills in the distance, and smaller craters inside the larger Gusev, whet the scientists' appetite. At Meridiani Planum, the outcrop of bedrock inside the small crater where the rover landed promised to provide the first look at ancient rock formation on Mars.

But so far, the rovers have found no evidence of past water at Gusev Crater, nor any gray hematite at Meridiani Planum which they can say, without hesitation, formed in the presence of water. Mars does not give up its secrets easily.

The rovers are now engaged in their less dramatic, but more important, intensive study of the rocks, soil, and atmo-



While the primary assignment for the Mars Opportunity *rover is to find the origin of the crystalline gray hematite seen from orbit, its serendipitous landing inside a small crater at Meridiani Planum, has led scientists to focus its initial exploration on this outcrop of bedrock, which reveals the ancient history of the planet.*



One of Opportunity*'s first assignments was to examine the soil near its landing site. This patch of soil, 1.2 inches across, captured by its microscopic imager, unexpectedly revealed circular or spherical grains. The one in the lower left is about 0.12 inches across, or about the size of a sunflower seed.*

sphere at their respective sites, using the identical suite of instruments each carries along as they move from one target of study to the next. Scientists are searching for the "ground truth" to the features found through remote sensing from Mars orbit.

The two explorers are not yet even half-way through their three-month mission on Mars, so science team members are hopeful that before the Mars Exploration Rover mission is completed, at least some questions will be answered, though more will be raised.

The Mysterious Spherules

The huge amounts of data streaming back to Earth from the Mars rovers is allowing the scientists to start to eliminate hypotheses, about phenomena they did not even know existed.

On Feb. 4, the science team announced that the examination of a patch of soil in the small crater where *Opportunity* landed—its first scientific investigation—did not reveal the presence of hematite, but did reveal strikingly spherical pebbles among the mix of larger particles that are sitting on a bed of fine sand. "There are features in this soil unlike anything ever seen on Mars before," stated principal investigator Dr. Steve Squyres.

The spherules appeared in pictures of the soil taken by the rover's microscopic imager, which is able to resolve features as small as 0.2 inch, or the size of a sunflower seed. Dr. Ken Herkenhoff, from the U.S. Geological Survey's Astrogeology Team, noted that "the variety of shapes and colors" indicates the presence of "particles brought in from a variety of sources."

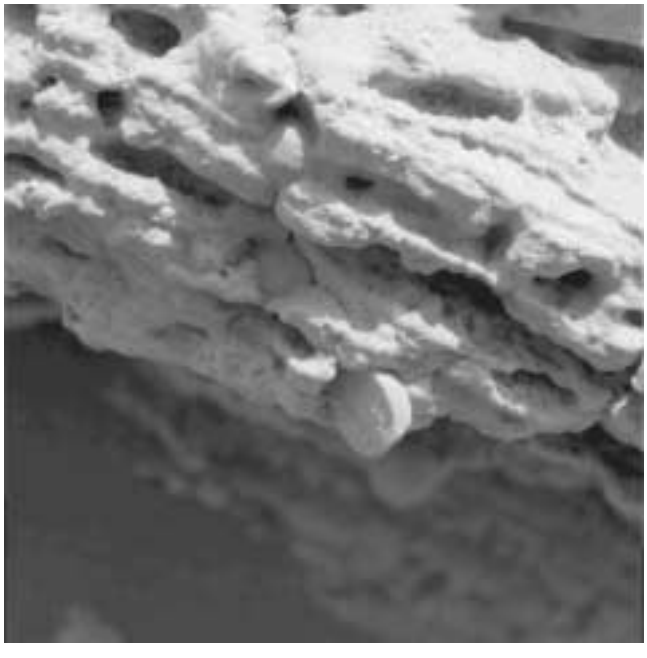
The variety was interesting, but the spherules themselves were intriguing, as "there are only so many ways to make really round grains," Dr. Squyres explained. Dr. Hap McSween from the University of Tennessee cautioned that not only the action of water, but a number of "straightfoward geological processes can yield round shapes."

The spherules could have accreted from minerals precipitated from a liquid water solution; or they could have formed into droplets from material heated and thrown up into the atmosphere, from volcanic eruptions or meteor impacts. Some of the small pebbles have holes in them, perhaps produced by volcanic processes, when gas bubbles formed in the solid material, according to Dr. Squyres.

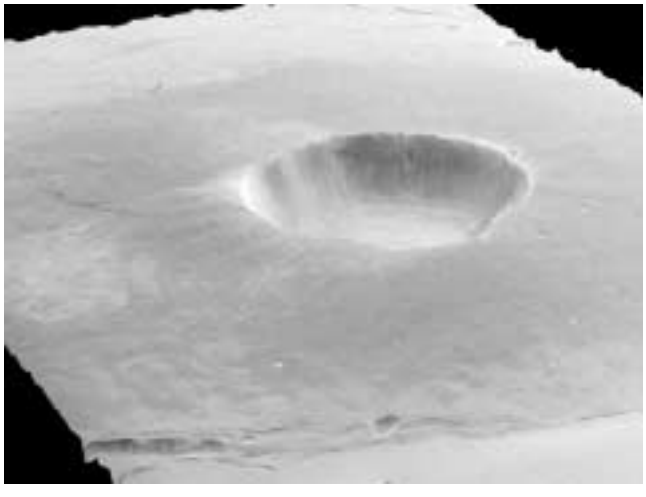
One day later, on its 12th day on Mars, *Opportunity* drove more than ten feet toward the right side of the outcrop of bedrock, and over the next two days, nestled up to take a closer look at a rock called Snout (since renamed Stone Mountain, even though it is only a few inches in height).

On Feb. 9th, scientists reported that microscopic images of Stone Mountain revealed yet more tiny spherules, seen embedded in the layers of the rock, "like blueberries in a muffin," as Squyres described them. And the photographs provided one explanation as to why *Opportunity* found these tiny spheres in the soil.

The layers in the rock, Squyres reported, are made of a fine material, either dust or sediment, and are only fractions



The microscopic imager showed spherules, similar to those found in the soil, embedded in the matrix material of the outcrop rock. One spherule appears just about ready to fall off, on to the soil. A crack in the rock can be seen tracing back up the rock from the visible spherule.



The major agent of change on the surface of Mars is no longer liquid water, but its constantly-changing weather, and dust storms. This photograph, taken on Jan. 19 by Europe's Mars Express *orbiter, is a three-dimensional oblique image of the summit* caldera *of the volcano Albor Tholus. On the far left rim of the crater, bright "dust fall" (rather than snow fall) seems to be flowing from the surrounding plateau into the* caldera.

of an inch thick. The spherules appear to be made of a different material than the rock's primary layered material, or matrix. The matrix is a tan or buff color, and the tiny spheres are very gray. "That's a hint that they may be different in composition," he reported.

Apparently, millions of years of sandblasting from the periodic dust storms that rage on Mars, has exposed many of the spherules; and in the images, some are seen just barely hanging on to the matrix material. Also visible in one microscopic image is a string of tiny embedded spheres, which may have cracked the apparently softer matrix rock layers.

Dr. Squyres proposed that the spherules found in the soil had fallen off the outcrop of rocks nearby and rolled downhill. But how did they form in the first place?

It was now possible to start to eliminate hypotheses, because the same phenomenon was found in two different contexts. The idea that the spherules formed when ash from a volcanic eruption was suspended in the air, agglomerated, and fell from the sky, Squyres said, was losing favor, because it would tend to produce spherules of the same material as the rock's matrix, which now seems unlikely.

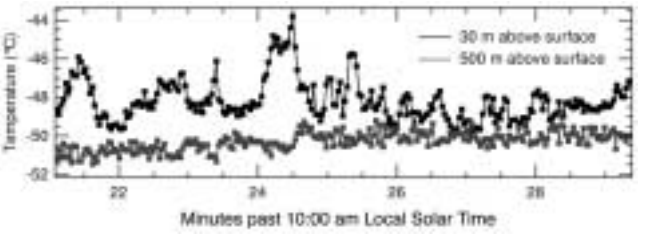
It is still possible, from the data acquired so far, that the tiny spheres formed when molten rock froze in mid-air and formed into glass beads. But the most interesting possibility is that spherules may have formed as the layer of rock formed, concreting as dissolved minerals flowed through the rock, precipitating granular nucleation points which then grow over time into spheres. If that is the case, one would expect to find layering preserved in the spherule.

The scientists are confident that with its suite of instruments—which can not only image the spherules in detail, but use spectrometers to unearth its composition—*Opportunity* may even ascertain that these particles contain some of the hematite the rover was sent to find.

Mars Thermals

If there were once liquid water on the surface of Mars, carving out canyons and creating the geological landscape, it is long gone. Frozen water exists in both its north and south poles, and there are indications from orbital measurements that caches of water ice reside not far from the surface. At the present time, however, and in its recent history, the agent of change on Mars has been its weather—the daily and seasonal variations in temperature that change the composition of its atmosphere as ice sublimes, and create winds and violent global dust storms on the planet.

The two rovers on the ground each carry a miniature thermal emission spectrometer, or Mini-TES, which is a smaller version of the same instrument carried on the orbiting Mars *Global Surveyor*. By designing experiments to coordinate observations from orbit looking down, with data from the rovers looking up, atmospheric scientists will be able to produce a seamless weather map for Mars, from the ground to a few hundred miles above the surface. Refining the prediction of the weather on Mars is critical to the high-precision landing of future spacecraft. In addition, on-going—not just historical—geologic processes on Mars will be better understood, such as how the layered bedrock at Meridiani Planum is being eroded, allowing the "blueberry" spherules to drop out on to the soil.



Measurements taken by the Mini-TES instrument aboard Spirit *revealed that in mid-morning, thermals—or transitory warm air masses—pass over the rover. The thermals appear at about 100 feet above the surface of the planet.*

The main task for each Mini-TES is to measure and characterize the thermal emissions of rocks and soil, to determine their mineral composition. But twice a day, the Mars *Global Surveyor* (MGS) passes over the rovers, and scientists can instruct the rover's instrument to look up, while the orbiter's Thermal Emission Spectrometer looks down at the rover site. Mini-TES on the rover can "see" temperature differences up to three miles above the rovers; MGS can measure temperature down to about three miles above the surface.

During a briefing at NASA's Jet Propulsion Laboratory on Feb. 12, Dr. Don Banfield from Cornell University presented data taken by the Mini-TES aboard the *Spirit* rover on its 12th day on Mars, as it "stared" at the sky. Measurements were taken every two seconds, producing data of changes taking place about 100 feet and at nearly 1,000 feet above the surface, mid-morning local time at Gusev Crater.

Dr. Banfield reported that very significant changes (7° Fahrenheit) in temperature were measured, passing intermittently over the rover. As the ground warms in the morning Sun, the hot air rises through convection, moving away from the surface, and is replaced by cooler air. The change is such, he said, that, were you standing there, you would feel the difference in temperature. These periodic temperature changes are called thermals on Earth. It is the first time they have been seen on Mars. Dr. Banfield said that these warm air pockets rise to about 300 feet.

Over the weekend of Feb. 15-16, *Opportunity* was instructed to look at the sky, while MGS was looking down. The data received from these coordinated measurements are now being analyzed. Scientists hope to be able to create a seamless temperature profile for the Martian atmosphere, from these simultaneous and complementary measurements. They hope to be able to better describe the conditions that create the dust storms, that today are the agents of change on a constantly changing Mars.

JOSÉ LÓPEZ PORTILLO (1920-2004)

'They Can Never Forgive Him For Showing Courage'

by Dennis Small

It was altogether fitting and proper that the Mexican LaRouche Youth Movement (LYM) take upon itself the task of paying final respects, on behalf of U.S. Presidential candidate Lyndon LaRouche and his political associates, to former Mexican President José López Portillo, who passed away on Feb. 17 at the age of 83.

At the wake in Mexico City, a LYM delegation placed a floral wreath bearing the simple legend: "For His Patriotism. LaRouche Youth Movement,' and sang "Oh, Freedom," the song made famous as a battle hymn of Martin Luther King's civil rights movement, and since adopted as an anthem by the LYM internationally.

The youth explained to appreciative family members of the ex-President and to others, that they did this to pay proper homage to this patriot—who waged war against the IMF system in his effort to industrialize Mexico and build a New World Economic Order—and to demonstrate that "the nationalist fighting spirit of Don José López Portillo would continue to live on in us" (see page 15).

It was fitting, because López Portillo, over the period of his 1976-1982 Presidency, grew to respect and admire U.S. statesman Lyndon LaRouche (with whom he met personally on May 23, 1982), and the movement of youthful Mexican patriots associated with LaRouche, in whom López Portillo saw the best hope for Mexico's future. As the ex-President himself put it in an exclusive *EIR* interview 16 years later (see below): "As President, I had a relationship with Mr. L.H. LaRouche of respect for his solidly independent and tenacious ideological position, which I share in large measure, largely because of the adherence he had achieved from a group of young Mexicans, whom I equally respect and admire."

And it was proper because, in that moment of song, three courageous figures of the same, older generation—José López Portillo, Lyndon LaRouche, and Martin Luther King—were brought together as if to further their shared mission on behalf of human dignity and freedom, through the youth of today.

Also fitting, if one understands its significance, was the predictable torrent of bile and filth which issued forth from the press outlets of the international financial oligarchy at the news of López Portillo's death. These are the same financiers whom López Portillo had enraged by suspending foreign debt payments in August 1982, and then declaring exchange controls and nationalizing Mexico's banks in September 1982, and whom he had driven thoroughly mad by *openly associating with Lyndon LaRouche*—not only back in 1982, but over the next two decades until his death.

For example, the *New York Times* of Feb. 18 lied that, under López Portillo's government, "Mexico set off a worldwide debt crisis"; and that he was "one of the most incompetent leaders of Mexico's modern era, and his government among the most corrupt." An AP wire published in the *Washington Post* the same day painted a picture of López Portillo as a total failure, who was booed and ridiculed after he left office. And the London *Guardian* of Feb. 20 described López Portillo as "probably the most heartily despised former president in Mexican history," because of "his free-spending ways, along with rampant corruption."

The *New York Times* article expressed particular outrage that the former President "remained unrepentant about his conduct," telling the *Times:* "I would do everything over again exactly the same." Of a similar tenor were the statements issued just days prior to López Portillo's death, by the daughter of one of Mexico's most powerful private bankers,

José López Portillo, President of Mexico from 1976-1982, enraged the Anglo-American financial oligarchy by nationalizing the banks and imposing exchange controls in 1982. A friend and collaborator of Lyndon LaRouche, he continued to fight for a new, just economic order after his Presidency.

Bancomer's Manuel Espinosa Yglesias; she accused López Portillo of allowing foreigners to take over Mexico's banks by nationalizing them in 1982—a curious argument, indeed. She wailed at what López Portillo had done to her father, and demanded that he apologize: "I want a press conference, something, I don't know exactly what."

Issue Is Argentina . . . and Brazil

Lyndon LaRouche characterized this wave of obituaries and retrospectives on López Portillo as "filthy lies," character assassination whose real intent is to scare off any other country—such as Argentina—from acting today as López Portillo did back in 1982: breaking with the IMF, and bringing LaRouche into that battle, publically.

"López Portillo's role in 1982 typifies the potential of the Argentina situation today," LaRouche explained; Argentina's President Néstor Kirchner is threatening to default on a $3.1 billion payment due to the IMF on March 9, rather than subject his country to further deadly looting. Such an Argentine move could set off a wave of defaults by other debtor nations, which would bankrupt the entire IMF system. LaRouche noted that the media are taking the former President of a neighboring country and defaming him with lies—and in the process trying to destroy the very institution of the Presidency in Mexico—not only because of Argentina, but also because of Brazil, and Mexico, and the entire bankrupt global financial system.

The synarchists running that system intend to impose genocide and dictatorship on the world in order to maintain political control, and will brook no opposition—especially if it has to do with Lyndon LaRouche. That is the reason, LaRouche concluded, that these same synarchist circles are blocking LaRouche's inclusion in Presidential debates and similar events.

The current Argentine crisis brings the issue into sharp focus. Over the past five months, there has been a significant *shift* in U.S. policy, and that of the other G-7 nations (Britain, Canada, Germany, Italy, Japan, and France), in support of the "witting intent to commit genocide" in Argentina, as LaRouche put it in a Feb. 12 statement. The shift involves the following.

In September 2003, the United States and the other G-7 nations pressured the IMF to sign a deal with Argentina to avoid the international debt blowout (and its own demise) that would have ensued had the country defaulted on a $2.9 billion payment due to the IMF. They did this, despite the fact that the Argentine government had not reached an agreement with its creditors over $99 billion in public bonds defaulted on in December 2001. In response, the "vulture funds" involved in Argentina let out a howl of protest against this supposed capitulation to Argentina by the IMF and the United States, because the Argentine government was only offering them 25% of the face value of their unpayable bonds. The vultures are speculative financiers who specialize in buying up the depreciated bonds of countries that have defaulted, or are about to, for a couple of pennies or dimes on the dollar. The

vultures then demand payment of the *full face value* of the bonds, and threaten to sue to seize that government's assets. They specialize in literally picking over the dying carcass of impoverished nations in distress—thus, "vulture funds."

But unlike last September, the United States and the G-7 now are backing the vultures completely. In early 2004, the IMF was instructed by the G-7 to *refuse* to lend Argentina the next tranche of money it needed in order to meet its $3.1 billion obligation to the IMF on March 9. The IMF complied, and blacklisted Argentina although the Kirchner government had met all of the austerity guidelines previously negotiated with the Fund: budget cutbacks, layoffs, and so on. The only thing the Fund accused the Argentine government of, in fact, was failure to "negotiate in good faith with its creditors"—i.e., they hadn't agreed to butcher their economy and population in order to satisfy the blood-lust of the vultures! *The American and other G-7 governments have thus transformed themselves into debt collection agencies for the most extreme, and rapacious, speculative capital.* As LaRouche had warned, the deranged bankers now will stop at nothing to turn Argentina "into another Auschwitz."

In fact, military action is now being overtly threatened against Argentina and any nation that doesn't comply. For example, the Jan. 30 *Wall Street Journal* carried an article by Americas Page editor Mary Anastasia O'Grady, which reminisced that "In the 19th century such a massive debt moratorium might well have provoked a military attack. Gunboat diplomacy—sending troops to reclaim assets from deadbeat sovereigns, was an acceptable practice." The Feb. 18 edition of London's *Economist* magazine suggested the same: "Without an army to back it up, a creditor will find most of a sovereign state's assets out of reach."

Argentina is of course not alone in facing such a crisis. Neighboring Brazil, the largest economy in Ibero-America and the biggest debtor in the entire developing sector, will be looking down that barrel as well in 2004. In 2003, Brazil was able to avoid debt default by a series of fortuitous circumstances whose chances of being repeated this year are next to zero (see article, page 22).

'With Balls, My Friend'

Wherein lies the only real danger to Wall Street and the City of London? That, in the face of such crises, world leaders and politicians find the courage to act as did Mexican President José López Portillo; that they do so, as he did, in concert with Lyndon LaRouche; and that they maintain that courage in the face of all threats and adversity, as López Portillo did.

Consider the López Portillo record, as we document it in the pages that follow. After his bold actions of 1982, López Portillo left office and adopted the traditional silence of former Presidents in Mexico. But he never backed down from what he had done . . . or whom he had done it with.

More than 12 years later, López Portillo finally broke his public silence, because Mexico had "fatally collapsed in the face of the worst vices of capitalism: speculative and sterile capital." In a pair of press interviews in early 1995, López Portillo defended his actions as President: "We achieved an interesting period of development of Mexico; we doubled our industrial plant, we created more than 4 million jobs—and I maintain, in Mexico, to govern is to create jobs." And he again pronounced: "Speculative finance is vicious, and did us no good. . . . It goes around the world ruining countries, as it just [in 1995] ruined ours."

Three more years later, on Sept. 8, 1998, López Portillo wrote an article in the daily *El Universal*, in which he said: "Despite the years, and the fact that we have been the good students of the International Monetary Fund, our problems remain unresolved. . . . It is time that we advance, . . . ordering world production, and not remaining subject to monetary demands which, fatally, subdue and oppress us. . . . Think about it. I said it as President; I repeat it now as ex-President."

And on Sept. 9 and 10, 2002, on the occasion of the 20th anniversary of his historic bank nationalization, the Mexican daily *Excélsior* ran a lengthy interview with the ex-President. A humorous exchange occurred when López Portillo was asked about the fact that the majority of Mexico's banks are today foreign-owned:

"Is it difficult to recover the banks?" *Excélsior* asked the man who had nationalized them.

"Of course."

"But, how can they be recovered?"

"With a new expropriation."

"But we don't have a nationalist President, as when you expropriated the banks in 1982. How can it be done now?"

"With balls, my friend. From that standpoint, I do believe I was [a nationalist]."

As for the LaRouche question, López Portillo was uncompromising. As he put it succinctly, in remarks made after listening to the keynote address given by Helga Zepp-LaRouche before the Mexican Society of Geography and Statistics in Mexico City, on Dec. 1, 1998: "It is now necessary for the world to listen to the wise words of Lyndon LaRouche."

When LaRouche was finally able to return to Saltillo, Mexico in November 2002, after a 20-year absence from the country, he spoke by phone with his old friend and fellow warrior. LaRouche had the following to say about López Portillo in an interview with television host Arq. Héctor Benavides during that visit:

Q: Twenty years ago, you were in Mexico. What do you see as important changes in those 20 years that you were not here?

LaRouche: Well, I've been here in spirit and mind, very closely observing everything. I have some very dear friends, including the former President, López Portillo. We still think together! We remember what should have happened. We would like to do it. Not for me, I'm not a Mexican. But it's a beautiful idea. And he's a beautiful person. . . . In 1982, with

From the Mexico LYM: 'For His Patriotism'

The following report was filed on Feb. 18 by the LaRouche Youth Movement (LYM) in Mexico.

Don José López Portillo, the last President of the Mexican Revolution, died on the night of Feb. 17, 2004. He was one of the few world political leaders who sustained a public relationship with Lyndon LaRouche, and the last true nationalist President of Mexico.

In all sadness, the LaRouche Youth Movement of Mexico went to pay its condolences, both to the family, but also to the entire nation, for the loss of this great Patriot. We took with us a wreath of flowers which bore the legend: "For His Patriotism. LaRouche Youth Movement."

The wake was held in the Army Chapel. We arrived at the same time as former President Carlos Salinas de Gortari, and we were therefore held up by security, but the military personnel there let us pass, and allowed our wreath to be placed by the door of the chapel. Some other security people tried to get us to leave, but certain soldiers said, "No, no one is to be denied entrance." They took advantage of the fact that prominent political figures were leaving to allow us access to the chapel with our wreath, to make our presence known.

Things were really pathetic inside, with the politicians in little cliques, spreading rumors and gossip about Don José. As is known, he was the target of a flood of slanders, for having taken on the international rentier financial interests.

Politicians of all stripes, as well as former Presidential candidates such as Francisco Labastida and Cuauhtémoc Cárdenas, arrived, with all the media approaching them and encircling them, like a real circus.

We were there for a few hours, on the sidelines of the wake, where everything was turned, as LaRouche would say, into a spectacle. It didn't seem like a wake, so we decided to take action. We had just decided to sing, when one of Don José's daughters saw us and asked about the wreath. We told her we wanted to come inside and present the wreath and sing, and she immediately agreed. The entire LYM entered the chapel, as one. When we came in, we were allowed to view the body, and place our wreath in front of it. When he read what our wreath said, former Presidential candidate Cuauhtémoc Cárdenas stepped aside and gave three of our members his place next to the casket.

After a few minutes, López Portillo's widow came in and we stepped aside for her, and again for the entire family. When the media circus followed Mrs. López Portillo out, we began to sing "Oh, Freedom," first in a Spanish version, then in the English version, then again in the Spanish. Everyone went silent and listened, and for a moment, seriousness reigned in the room.

After we finished singing and left the room, various people approached us to ask who had sent us, what we had been singing and why. We told them we were with Lyndon LaRouche, that the song was used by Martin Luther King's civil rights movement, and that we offered it in homage to the fight that Don José López Portillo had waged "to free us from the oppression of the international bankers"—something which isn't said in the media.

Afterwards, his daughters thanked us. We gave an *EIR* with pictures of LaRouche and Don José on the cover, to one of the daughters.

We left the place unnoticed by the media, but our goal had been achieved, which was to pay genuine homage, however small, to this Patriot, and to demonstrate, as we told his daughter, that the nationalist fighting spirit of Don José López Portillo, would continue to live on in us.

May he rest in peace.

the attack on Argentina and Mexico, they moved in like vultures on the bankrupt nations, to *loot the nations*. . . .

Q: Can what happened in Argentina happen in Mexico?

LaRouche: Sure it can! Fast! All you have to do, is have the dollarization of the Mexican debt, and have the kind of thing that's being applied to Brazil now, in Mexico, and you'll have a complete wipe-out of Mexico. . . .

Q: What do we do to avoid that?

LaRouche: The solution is essentially political, and of leadership. . . . In Mexico, you have a reservoir that I know of, of leadership, a core of leadership which, if mobilized, does have the intellectual capacity to play that kind of role. It's typified by López Portillo; typified by the intellectual capability within Mexico and in its institutions, with what López Portillo attempted to do between August and October of 1982. . . . You had a President of Mexico who had an understanding of natural law, history, a Classical mind. And many people around him as well.

Q: Nevertheless, the image that exists of him is that he was a corrupt President.

LaRouche: This was the idea of the liberals who tried to destroy Mexico in 1982. . . . That's their attitude toward López Portillo: They can never forgive him for showing courage.

An Ambitious Plan To Industrialize Mexico

by Dennis Small

The last time that Mexico saw actual economic growth was under the Presidency of José López Portillo (1976-1982), and his Global Plan for industrial development. His government was committed to technological advance, to using Mexico's oil to trade for technology with the United States and other nations. It was committed to industrialization, to nuclear energy, to city-building; and it was committed to stopping speculation within and against Mexico, and replacing the global system of speculation and free trade with one committed to production and justice. And it imbued the nation with a sense of "can-do" optimism that it has not seen since.

At the end of 1978, the López Portillo Administration stunned the world by announcing enormous new oil finds which instantly converted the country into one of the world's major petroleum powers. Moreover, the President stressed that the oil revenues would be used to *industrialize* Mexico, and he appealed to the United States and other countries to aid in that process. In its Nov. 28, 1978 issue, *EIR* ran a cover story entitled "The Oil Giant Next Door," and called for the U.S. government to adopt Lyndon LaRouche's policy of exchanging oil for technology with Mexico, to join their ambitious development effort. That feature noted:

"The head of Pemex [Mexico's national oil company] reported that the first new 100 billion barrel field alone would require drilling 16,000 wells in the next 10 to 13 years—quadrupling the drilling rate prevailing in Mexico since it nationalized its oil industry in 1938. These oil exploitation requirements, coupled with Mexico's firm commitment to industrialize fully in order to become a nuclear energy-based economy by the 21st Century, will make Mexico one of the world's most dynamic capital-goods importers virtually overnight. . . . Mexico has laid out detailed plans for vast industrialization based on the steel, petrochemical, capital goods, and nuclear sectors of its economy. In the words of President López Portillo, 'We must begin to construct the cities of the 21st Century.' "

EIR took note of some of the specifics of the López Portillo strategy:

"The commitment of Mexico's leadership is to invest the revenues from its oil boom in *multiplying* and *self-renewing* sources of wealth within Mexico—that is, in unprecedented in-depth industrialization. . . . The industrial boom will make production of capital goods a national priority. Mexico's 'developmentist' (*desarrollista*) model of the past 30 years, which is now widely repudiated throughout government circles, favored production of consumer goods at the expense of capital goods. Mexico's industrial boom will reverse this emphasis and create a fully integrated, in-depth industrial apparatus for the first time in the nation's history.

"The industrial boom will involve integrated government planning and coordination on a scale never seen before. The oil, electricity, and increasingly the nuclear programs, for instance, will provide the core demand for the capital goods industry. The national gas distribution grid, due to be completed in March 1979, will anchor new industrial centers, with special emphasis on expanding coastal industrial complexes such as the giant Las Truchas steel plant on the Michoacán coast. The need to build ports for the export of the oil is being taken as the spark for fully diversified port-industrial complexes.

"The industrial boom will increasingly shift the nation's energy perspective from oil to the atom. Precisely as the full extent of Mexico's oil potential has been revealed, López Portillo and his top ministers have stressed that a first priority for use of the oil wealth is to guarantee Mexico's advance to the energy perspective stretching beyond oil—nuclear fission and fusion."

In his second State of the Union address, delivered on Sept. 1, 1978, President López Portillo underscored the role the capital goods industry would play in the development strategy his government had adopted:

"Effective use of rural manpower, employment opportunities for the growing labor force, and optimum levels of occupation for the economically active population; we must bridge the gap with the development of the steel and capital goods industries, which are the keystones of the process."

On Nov. 16, 1978, López Portillo submitted legislation to the Mexican Congress which provided for a sweeping reorganization of the private banking sector, in order to create a Hamiltonian credit system to meet the country's development needs. In the words of the bill: "Financing will not be granted exclusively on the basis of collateral, but rather according to the economic viability of the project. . . . Long-term projects will be given grace and repayment periods in conformity with the nature of the projects."

A Unique Opportunity

In his fourth State of the Union address on Sept. 1, 1980, López Portillo stressed the theme of industrial development:

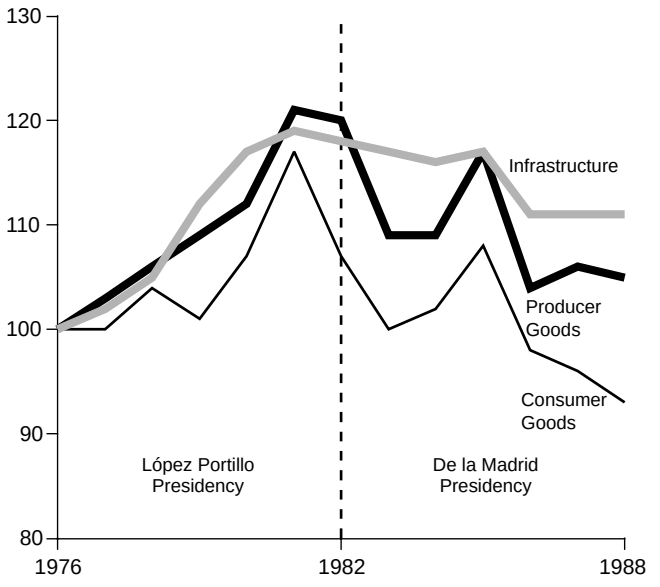
"By the year 2000 . . . if we wish to meet the goals of the Global Plan, we shall be obliged to build at least a whole new Mexico in addition to the present one, the legacy of its entire history. That is the measure of our responsibility. . . .

"Mexico, through a combination of favorable circumstances, has not only overcome the recession, but its economy has expanded as never before in its history. Just as was proposed in the Global Plan, for the second consecutive year, the growth of our economy has reached an unprecedented 8%,

FIGURE 1

Mexico: Physical Economic Growth Under López Portillo

(index 1976=100)



Source: *EIR.*

thanks to the country's vitality of all its citizens. . . . There are those who, because of understandable ideological paradoxes or warped intellectualism, question and criticize the economic growth we have achieved, as if it were a crime. Let them stew in their own sick juices. . . .

"We have therefore concentrated our resources and capital goods on the most dynamic and productive strategic activities, such as petroleum, steel, chemicals, petrochemicals, fertilizers, and electricity. The facilities that we are now installing in the petroleum, electric, and steel industries are among the largest in the world. . . .

"We cannot afford to make mistakes today. We will never have another opportunity like this one."

The Administration of José López Portillo did in fact succeed in seizing that historic opportunity—all the subsequent lies notwithstanding. According to a detailed *EIR* study of the physical economy of Mexico over the period 1970-96, as measured in the physical production of market baskets of consumer goods, producer goods, and infrastructure, the real economy of Mexico grew in the six years under López Portillo, by about 15% per capita—including the last year of his Administration (1982), which was characterized by vicious international financial warfare against Mexico, which caused a significant downturn in the real economy. These results compare more than favorably with the 11% per-capita real *decline* under López Portillo's International Monetary Fund-run successor, Miguel De la Madrid (see **Figure 1**).

1982 State of the Union

'Mexico Shall Live'

Excerpts from President José López Portillo's Sept. 1, 1982 State of the Union address, explaining his decree nationalizing the banks.

The world's productive capacity has been increasingly subjected to contraction and unemployment by an unjust and obsolete financial system that claims those policies are the only remedy to the growing crisis. . . .

The lack of coherence between industrial progress, whose technology advances by ever more astonishing leaps, and a world financial structure that has responded to the technological challenge primarily by attempting to stop it, is increasingly evident. The financial plague wreaks more and more havoc around the globe. As during the medieval era, it plunders country after country. It is transmitted by rats, and in its wake lie unemployment, misery, industrial bankruptcy, and speculative enrichment. The remedy of the witchdoctors is to deprive the patient of food and submit him to forced rest. . . .

What we could not deal with was the loss of confidence in our peso, aggravated by those—inside and outside the country—who could manipulate expectations, and cause what they pronounced, by the mere pronouncements themselves. . . . Against this, the vigor of our economy simply could not hold out. . . .

One of the unavoidable decisions that the New World Economic Order must take before the current system collapses in an untimely and perhaps catastrophic manner, is the formation of a system of compensation, so those nations that are victims of capital flight can have access to some form of credit originating in those resources, through a special recycling mechanism. . . .

We would like to discuss this with representatives of the financial system of the United States, and, I emphasize, to convince the generous American people that in the solution to our respective problems, we are not trying to harm the American taxpayer, but rather to make accessible to Mexico the credit represented by extensive Mexican resources that have left our country in a way that creates economic and trade problems on both sides of the border. . . .

The Mexican state has never expropriated for the sake of expropriating, but rather for the public good. What we now do liberates the free initiative and the free productive impulse of Mexicans from free trade and the straitjacket imposed by a parasitic system. . . .

[W]e can conservatively affirm that within the past two or three years, at least $22 billion has left the Mexican econ-

omy; and an unregistered private debt . . . of around $17 billion more has been generated, adding to the country's foreign debt. These figures, when added to the $12 billion in Mexdollars [accounts in Mexican banks denominated in dollars but originally funded mostly by pesos]—in other words, a total of $54 billion—are the equivalent of half of all the deposits in the Mexican banking system at this moment, or about two-thirds of the entire recorded public and private debt of the country. . . . [I]n the past two years, Mexican rentiers have made more investments in the United States than all of the foreign investment in Mexico in all of history. The book value of the foreign investment in Mexico is approximately $11 billion, 70% from the United States. The net income to our country in 1981 from foreign investment was $1.7 billion. A ridiculous sum in light of what flowed out of here. . . .

It has been a certain group of Mexicans . . . counselled and supported by the private banks, that has taken more money out of the country than all the empires that have exploited us since the beginning of our history. . . .

The fundamental question is determined by the difference between an economy increasingly dominated by absenteeism, by speculation, and rentier finance, versus an economy vigorously oriented toward production and employment. Speculation and rentierism translate into a multiplication of the wealth of a few without producing anything, and is necessarily derived by the simple plundering of those who produce. And over the long run, it inevitably leads to ruin.

In effect, our country, given its total shortcomings and its social dynamic, cannot afford to allow the development of speculative activities. Our nation has the imperative of dedicating all its resources to production. . . . Mexico cannot permit financial speculation to dominate its economy without betraying the very essence of the system established by the Constitution: democracy as the constant economic, social, and cultural betterment of the people. . . .

We must organize to save our productive capacity and provide it with the financial resources to move forward. . . . In response to these priorities, I have expedited two decrees: one that nationalizes the country's private banks, and another that establishes general exchange controls. . . . It is now or never. They have looted us; Mexico is not dead. They will never loot us again. . . . Let joy and excitement in the battle reign in every Mexican home. . . . We have shut down the capital flight.

Mexico has lived. Mexico lives. Mexico shall live.

Viva México!

Speech to UN in 1982

We Must Stop 'A New Medieval Dark Age'

On Oct. 1, 1982, José López Portillo addressed the United Nations General Assembly in New York, where he issued a clarion call for a New World Economic Order. The following are brief excerpts from that historic speech.

. . .The most constant concern and activity of Mexico in the international arena, is the transition to a New Economic Order. . . .

We developing countries do not want to be subjugated. We cannot paralyze our economies or plunge our peoples into greater misery in order to pay a debt on which servicing tripled without our participation or responsibility, and with terms that are imposed upon us. We countries of the South are about to run out of playing chips, and were we not able to stay in the game, it would end in defeat for everyone.

I want to be emphatic: We countries of the South have not sinned against the world economy. Our efforts to grow, in order to conquer hunger, disease, ignorance, and dependency, have not caused the international crisis. . . .

After major corrective efforts in economic affairs, my

President López Portillo explains the dangers of global speculation, in a speech to the UN General Assembly, Oct. 1, 1982. The global financiers were terrified that his example would spread to the rest of the developing sector.

government decided to attack the evil at its root, and to extirpate it once and for all. There was obviously an inconsistency between internal development policies, and an erratic and restrictive international financial structure.

A reasonable growth policy was irreconcilable with freedom to speculate in foreign exchange. That is why we established exchange controls.

Given our 3,000 kilometer border with the United States, exchange controls can only function through a banking system that follows the policies of its country and government, and not its own speculative interests or the fluctuations of international financial chaos. That is why we nationalized the banks.

We have been a living example of what occurs when an enormous, volatile, and speculative mass of capital goes all over the world in search of high interest rates, tax havens, and supposed political and exchange stability. It decapitalizes entire countries and leaves destruction in its wake. The world should be able to control this; it is inconceivable that we cannot find a formula that, without limiting necessary movements and flows, would permit regulation of a phenomenon that damages everyone. It is imperative that the New International Economic Order establish a link between refinancing the development of countries that suffer capital flight, and the capital that has fled. At least they should get the crumbs from their own bread. . . .

The reduction of available credit for developing countries has serious implications, not only for the countries themselves, but also for production and employment in the industrial countries. Let us not continue in this vicious circle: it could be the beginning of a new medieval Dark Age, without the possiblity of a Renaissance. . . .

We cannot fail. There is cause to be alarmist. Not only the heritage of civilization is at stake, but also the very survival of our children, of future generations and of the human species.

Let us make what is reasonable possible. Let us recall the tragic conditions in which we created this Organization, and the hopes that were placed in it. The place is here, and the time is now.

Interview With EIR

We Urgently Need A New Bretton Woods

José López Portillo granted an exclusive interview to EIR *on Sept. 17, 1998 in Mexico City. The following are excerpts:*

EIR: On Oct. 1, 1982, in your last speech as President of Mexico before the United Nations, you stated that to face the critical problems of the world: Either a new world economic order is accepted, or civilization will sink into "a new medieval Dark Age, without the possibility of a Renaissance." Sixteen years after your statement, how would you evaluate it today?

López Portillo: I still hold to it. It was evident to me that we had already passed from the stage of economic crisis or erosion through "simple inflation," to the stage of a structural crisis of the international economic and financial system. This was recognized worldwide as the "contemporary crisis," or the "crisis of the capitalist system."

The economic and monetary stability of the Bretton Woods system was already breaking down. . . . Strongly pressuring against this was what I characterized as the new economic theology, which was not really all that new: free markets, free trade, free competition, total opening of national economies to "foreign investment." This is the doctrine of the International Monetary Fund, perhaps the last relic of the old Bretton Woods sys-

Lyndon and Helga LaRouche during a visit to Mexico in May 1982, during which Lyndon LaRouche met with President López Portillo, at the height of Mexico's battle for national sovereignty and financial survival.

tem, which took charge of imposing the conditions for the disappeance of the system which had engendered it.

The worldwide imposition of these precepts has placed humanity in a savage "state of nature," in which force is the justification of the powerful, and the anguished conviction of the weak has to live accepting their rules. . . .

EIR: In your administration, you insisted that Mexico would grow "against the tide of the world recession. . . ."

López Portillo: I was fully aware as head of state, as I am as a Mexican, that the country should be competitive within the arena of western development. . . .

This meant great projects for the national economy. Twenty new cities, four industrial superports, the development of the petrochemical sector, entering the era of nuclear energy. For this reason, we began the Laguna Verde nuclear plant, and I proposed internationally the World Energy Plan, to thus assure the flow of technology vital for the development of economies such as ours.

EIR: Recently you signed the call for the establishment of a new Bretton Woods system. This statement, an initiative of the political leader Helga Zepp-LaRouche and Dr. Natalia Vitrenko, a Ukrainian parliamentarian, calls upon President William Clinton to take the lead in establishing a new and just international economic order. What can you add to what the call states?

López Portillo: There are various reasons why I join that call. Among the leading ones, is what I have already explained: a new world economic order is urgent. . . .

But above all, I am convinced that the worldwide solution to the crisis we are experiencing, has to come from an association of developing countries, such as Mexico, India, Egypt, Argentina, Brazil. The case of China is indicative of what a developing country can and should do. The economically powerful countries should understand that they, alone, cannot put the world in order, as, in fact, they have been unable to do in this past quarter century.

With regard to the United States, as I have always conceived it, they have a leadership role which they do not exercise, and this vacuum is filled with something, even if that is disorder and anarchy. The convoking of a new Bretton Woods system by the government of William Clinton, together with countries such as ours, would help solve many of the voids of recent history.

Otherwise, I think the world economy could use reordering. Fixed exchange rates among national currencies; controlled convertibility where it is necessary; exchange controls and capital controls, which prohibit the creation of markets for financial speculation; encouragement of protectionist measures in trade and tariff regulations. If it could be done after the Second World War, with decisiveness, it could also be done today.

EIR: Of those I am familiar with, you are the only Mexican statesman who identifies with Shakespeare in order to analyze the essence of our times. Characters such as Hamlet, or Shylock, the usurer of *The Merchant of Venice,* appear in your writings, in your speeches. Why?

López Portillo: That is because they are not fictitious characters; they are real people. Hamlet is the recognition that there is an historical anguish, a universal anguish.

Those who do not confront "to be or not to be," are monolithic spirits, who know nothing of being, and only know of doing. Administrators of their own submission. It seems that this is the spirit of the current leaders of the world. Nobody wants to know about a decision such as, "I am ready for whatever it takes, in order to achieve a noble goal."

Shylock is the usurer in *The Merchant of Venice,* in whose hands our country has been since 1982. I remember it well. With the fall in the price of oil and the increase in interest rates, we were left only with payment obligations and without monetary resources.

And we resorted to Shylock to sell him our petroleum blood, before he could try to cut the flesh, and so we could pay him his due. And Shylock behaved like Shylock. Humiliating proposals, unacceptable attempts at blackmail as a condition so that they, the creditors, would provide us the resources to pay them their loans coming due, when, from beforehand, all our economic surplus was already in the safety of their own coffers.

I also know how to deal with Shylock. When I issued categorical instructions, in 1982, that Mexico would declare a suspension of payments, the U.S. negotiators withdrew the unacceptable conditions, not without first obtaining some other usurious benefitsl. . . .

EIR: In conclusion, I would like to ask you for a few words about Lyndon H. LaRouche. There was a lot of speculation about your relationship with him during your Presidency, which I would like you to comment on; also, how do you view him now, as ex-President?

López Portillo: As President, I had a relationship with Mr. L.H. LaRouche of respect for his solidly independent and tenacious ideological position, which I share in large measure, largely because of the adherence he had achieved from a group of young Mexicans, whom I equally respect and admire, who even had to endure accusations of belonging to the CIA, which turned out to be false.

As ex-President, my sympathy for his imprisonment, and my wish for his legal situation to finally be resolved, the which is aggravated by an illness from which, I hope, he recovers.

'Listen to the Wise Words Of Lyndon LaRouche'

The following excerpts are taken from the remarks made by José López Portillo after the keynote address given by Helga Zepp-LaRouche at the Mexican Society of Geography and Statistics, in Mexico City on Dec. 1, 1998.

. . . I congratulate Doña Helga for these words, which impressed me, especially because first they trapped me in the Apocalypse, but then she showed me the staircase by which we can get to a promised land. Many thanks, Doña Helga.

Doña Helga—and here I wish to congratulate her husband, Lyndon LaRouche. . . . And it is now necessary for the world to listen to the wise words of Lyndon LaRouche. Now it is through the voice of his wife, as we have had the privilege of hearing.

How important, that they enlighten us as to what is happening in the world, as to what will happen, and as to what can be corrected. How important, that someone dedicates their time, their generosity, and their enthusiasm to that endeavor.

For my part, I fulfilled a period of responsibility, and I can report, in a somewhat dramatic way, what happens to national economies in an international financial order such as that which has ordered our affairs since Bretton Woods. . . . But at the same time, for geopolitical reasons, we had to insert ourselves into the international world, into the environment which surrounded us, and enter, somehow, into the international bodies which ruled the world.

But, what happened when the Mexican Revolution clashes with those powerful bodies, expressions of powerful countries, which have no reason to take into account the revolution of a developing country, which had lived through such a turbulent 19th Century and which has so many social conflicts? Because we should recall that Mexico is a country of profound inequalities, as was observed since the 19th Century by Baron von Humboldt himself. This is a country of inequalities, and as such, could be left neither to free competition, nor free trade, nor the values of liberalism, today called neoliberalism.

As a result, when we would go to the international bodies, they disdainfully did not take into account either our political problems or our social problems, and, by dint of their rejection of the values of our Revolution, we became accustomed to disdain it, and even to forget it. . . .

And thus Mexico has forgotten its Revolution and, as a result, the national economy which we had somehow wanted to establish.

And so, I have heard, with special interest and even enthusiam, that those who can do it, in this world, are thinking of reforming the Bretton Woods agreements, in the right way, such that the world economy might function to resolve human problems, with humanism, and not to benefit capital, while forgetting or sacrificing the value of labor.

I remember that in the time of my responsibility, all of the prescriptions which the international bodies gave us, tended to depress demand—not to foster production, but to depress demand: "Pay less to your workers, your peasants; sacrifice employment." When, in our country, to govern is to create jobs.

When we tried, for example, to establish regional justice—this is also a form of inequality in Mexico, the different regions which also need to be developed, but for this, you need, for example, subsidies, privileges—and they threatened us: "Watch out! That's encouraging dumping." And we held back. Little by little, in this way, we lost the spirit of the Mexican Revolution.

López Portillo with Helga Zepp-LaRouche at a meeting of the Mexican Society for Geography and Statistics, Dec. 1, 1998. "Let us hope, Doña Helga, that your husband can influence the government of the United States, so that the proposals which you so brilliantly have laid out to us, can, in some way, be realized. . . ."

This, briefly, is the experience of our national economy, and thus the importance that someone in the world is thinking on behalf of everyone, and is opening doors. Let us hope, Doña Helga, that your husband can influence the government of the United States, so that the proposals which you so brilliantly have laid out to us, can, in some way, be realized, and with them, that each people can express its uniqueness in the cultural realm, and in every possible aspect. Thank you.

From the question period

After his speech, the first question asked of López Portillo was what had happened after 1982, after he had implemented LaRouche's proposed Operation Juárez.

López Portillo: It was nothing specific, but simply circumstantial. The hard-headedness of the international bodies left us without any option, and as a consequence, we were trapped. We misbehaved with the international bodies, and we were punished. They accused us of being populists, etc. Other governments behaved themselves, and the result has been the same. This is what is dramatic: We push the rock to the top of the hill, and when we reach the top, it falls down on us. It is always the system, the environment which stubbornly refuses to understand revolutionary values, as I mentioned a moment ago. And perhaps the rejection has made us used to this, and we end up forgetting them; because we became used to this, to being disdained, to being put off, and we began to behave ourselves—and then "whammo," we get hit again. This is simply the result of the fact that the international system isn't set up for countries like ours. This is a concrete example of a specific national economy not fitting into that financial order, and hence the necessity for [that order] to be reformed. That is why I am so happy to hear that many people have begun to talk about reform, from which I was shut out. Thank you.

'Support LaRouche For President'

José López Portillo issued this letter on Nov. 18, 1999, calling for U.S. citizens to give Presidential pre-candidate Lyndon H. LaRouche, Jr. their "timely recognition and support."

Over the years, I have unfortunately seen confirmation that, absent the introduction of a superior principle of Justice—for which I fought during my term as President of the Republic of Mexico—which reorders the current international, monetary, and financial system, civilization, and with it tens of nations and millions of human beings are being flunginto a vortex of calamities and chaos, which are in themselves unjustified and unnecessary, which not only insistently offend and trample on human dignity, but also continuously place international peace in danger.

Only the transformation of the current world order into one which places the inalienable rights of people as individuals, and of nations, at the center of fundamental decisions, can initiate a new era of prosperity, peace, and happiness—rights, such as to enjoy not only the freedom to create the material conditions of their existence, but, based on that, to fully develop their cultural, scientific, and human potential in general. Such a change can only be based on full confidence in that which is best in man, in reason, and the virtues which only the human species is capable of developing.

In the battle for such an order, I would like to recognize the tireless and generous efforts carried out by Lyndon H. LaRouche, for whom I hope for the best as a pre-candidate for the Presidency of the United States of America. I wish that his voice be listened to and followed by those in the world who have the grave responsibility of stopping this situation from continuing on its calamitous course, and I hope that his fellow U.S. citizens, who will elect their President in the coming elections, will give him their timely recognition and support.

—José López Portillo

Brazil's Choice in 2004 Is Mexico's of 1982

by Dennis Small

Will Brazil in 2004 have a crisis like Mexico's in 1982? Over the course of 2002 and 2003, *EIR* repeatedly warned that any one of a half dozen different triggers could lead, at any moment, to a debt explosion in Brazil—the Third World's largest debtor, with over $500 billion in real foreign debt. But 2003 came and went without a major financial incident on the Brazil front: You could almost say that it was a charmed year for the country's creditors.

In 2003, the first year in office of the new government of Luiz Inacio Lula da Silva, everything seemed to work perfectly for the banks and the International Monetary Fund (IMF):

1) *Interest rates on Brazil's public debt plummeted,* as the dissociated head of the Federal Reserve, Alan Greenspan, dropped U.S. rates in order to keep the $400 trillion global speculative bubble afloat. That translated into unusually low interest rates that Brazil had to pay on its floating-rate public

debt, which comprises about half of the total public debt of 913 billion reals, as of the end of 2003 (about $311 billion at the current exchange rate of 2.94 reals to the dollar).

2) *Brazil's country risk rating dropped sharply.* The country risk is an instrument of financial warfare set by the international creditors through JP Morgan, which determines how much more than the yield of U.S. Treasury bills a country has to pay to roll over its debts. Brazil's rating was reduced from a staggering 2,400 points (i.e., 24% above the T-Bill rate) in October 2002, to just under 400 in early 2004. This also helped keep Brazil's interest payments down, relatively speaking.

3) *The value of the dollar plunged internationally,* such that even the Brazilian real strengthened against the dollar by about 22% in 2003—for the first time in a decade. This meant that Brazil's dollar-indexed public debt became more manageable, and the government was able to reduce the portion so indexed, from about 40% a year ago, to 23% of the total, today.

4) *There was record foreign investment in the Brazilian stock market.* This was partially offset by a decline in so-called Foreign Direct Investment (in plant and equipment), which fell to $10.1 billion in 2003, from $16.6 billion the year before. As the head of the Central Bank's economic research, Altamir Lopes, explained: "We no longer have privatizations pushing up foreign investment."

5) *Once in office, the Lula government deep-sized its anti-IMF electoral rhetoric of 2002,* and used its popularity to impose austerity policies so draconian, that even the country's creditors were pleasantly surprised. While Wall Street cheered, over the course of 2003 Lula was able to:

- Reduce real wages of Brazilian workers by 13%, and shrink wages as a percentage of total national income from 36.2% to 31.5%;
- Drive official unemployment up to 12.3% of the Economically Active Population—although reliable sources estimate that real unemployment actually stands at 25%, double the official rate;
- Produce a primary budget surplus—the amount by which government revenues exceed expenditures (excluding interest payments)—of 4.38% of Gross Domestic Product (GDP). This was *higher* than what the IMF required of Brazil under its standing agreement, which was 4.25%. This surplus was achieved with brutal cuts in expenditures on infrastructure, health, education, scientific and technological development, the space program, military and security forces, etc.;
- Ram through "structural reforms" demanded by the IMF, including of the pension and social security system;
- Generate the country's first current account surplus in 11 years, mainly by slashing imports and exporting like crazy—leaving that much less for domestic consumption. Whereas Brazil had run a current account *deficit* of $7.7 billion in 2002, last year it ran a $4.1 billion *surplus.* This amounts to an almost $12 billion swing in one year.

And yet, despite almost nothing but good news—as far as Brazil's creditors were concerned—the country was still unable to keep pace with its growing debt bubble.

The Brazilian government paid out staggering amounts on its public debt in 2003. Despite the generation of a Primary Budget Surplus of over 66 billion reals, the government had to make interest payments of more than *double* that amount: 145 billion reals (nearly $50 billion). That was 40% of the entire government budget, and a full 10% of the country's GDP!

And yet despite this bloodletting, the total public debt grew from 881 to 913 billion reals over the course of 2003. As a percentage of GDP, the public debt grew from 55.5% in 2002, to 58.2% in 2003. This is the highest level in the modern history of Brazil; it is a near doubling from the level of 30% it was at about a decade ago, in 1994.

As the staid daily newspaper *O Estado de Sao Paulo* recognized in shock, in a banner headline across its economics page on Jan. 31: "Record Surplus Is Insufficient to Pay Interest."

The Jan. 15 *Financial Times* of London reminded the Brazilian government that it has to pay $37 billion in debt amortization in 2004, and that it had squeaked by in 2003 only because foreign capital favored it. But "how many of Brazil's gains could unravel with a shift in investor sentiment?" the *Financial Times* threatened. Last year's cuts in social scurity benefits and brutal budget austerity helped "the sustainability of its debt. Yet to consolidate investor confidence, Brazil must implement further structural reforms to make the public and private sectors more competitive," the *Times* demanded.

On cue, Brazil's Country Risk rating rose from under 400, to 570 points during the first half of February—a clear threat of worse to come, if the government doesn't perform as demanded by its creditors.

What, then, will happen, when any one of the abovementioned factors goes awry in 2004, as it surely will, with the world financial system careening out of control? Under those circumstances, can the Lula government be counted on to maintain its subservience to the IMF and other creditors? Not necessarily.

The London *Economist* magazine, another mouthpiece for international financial interests, is particularly worried about Lula's international diplomacy, and especially his campaign for cooperation with nations such as India, South Africa, China, and Russia. "Lula appears to be an ardent defender of an old idea, which was in vogue in the Non-Aligned Movement in the 1970s, according to which poor countries could challenge the rich and reach develoment through mutual cooperation," the *Economist* sneered. Lula's reluctance to buckle under to the Bush Administration's Free Trade Agreement of the Americas is understandable, but "that doesn't make it more intelligent," they warned.

35,000 Years Ago, Man Was An Explorer and an Artist!

Archeological discoveries in Siberia, Germany, and Austria reshape our scientific understanding of when human civilization emerged. Dino de Paoli reports.

This article first appeared in Neue Solidarität, *Feb. 4, 2004.*

Two new exciting discoveries have forced those without prejudice, to rethink when and where modern culture appeared, why man explores his environment, and why human beings engage themselves in artistic compositions. Here we will look at the implications of two scientific announcements regarding human culture around 40,000 to 30,000 years ago, when a thick sheet of ice still covered half of what is today Germany, France, and North America (**Figure 1**).

A modern utilitarian materialist could not even conceive that our prehistoric ancestors would have decided to suffer the cold in Siberia instead of sunbathing in the Red Sea. The same materialist would also assume that if humans were really so crazy to choose living under such harsh conditions, they would have time only "to struggle for survival." Under survival conditions, the priority is supposed to be the attempt to satisfy material needs; "spiritual" needs have no place there. Art is considered only as a relaxation after one's stomach is full.

Forget the utilitarian materialists, and let's see what man was doing in those cold prehistoric days.

"Humans in the Arctic Before the Last Glacial Maximum" is the title of an article published in *Science* magazine, Jan. 2, 2004, by a group of Russian scientists led by Prof. Vladimir Pitulko of the Russian Academy of Science of St. Petersburg. The article reveals: "A newly discovered Paleolithic site on the Yana River, Siberia, at 71°N, lies well above the Arctic Circle, and dates 27,000 radiocarbon years before present [about 30,000 calendar years ago], during glacial times. This age is twice that of other known

FIGURE 1. The Ice Age. *Glaciers from 40,000 to 30,000 years ago, when much of the Northern Hemisphere was ice.*

FIGURE 2. The Yana Site in Siberia, Above the Arctic Circle

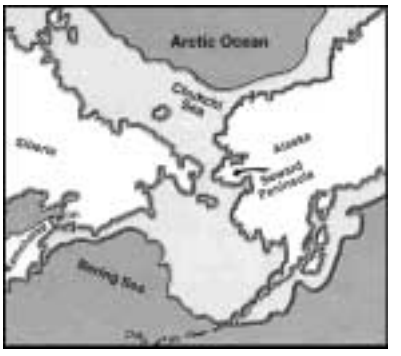


FIGURE 3. The Bering Land-Bridge. *The Bering Straits area before inundation, around 11,000 years ago.*

occupations in any Arctic region."

Before going any further, we have to stress an important detail.

The Great Circles

The Yana site is only 100 km from the Laptev Sea, and its 71°N location is well above the Arctic Circle (**Figure 2**). Before Yana, the oldest known human presence above the Arctic Circle was a site in Berelekh 70°N (in east Siberia), dated 14,000 years ago. Why is the Arctic Circle so relevant? With it, one indicates an imaginary circle around the Earth, located approximately at 66.5°N. But it is not just an "imaginary" thing; it represent a very specific physical effect.

The Earth rotates with an inclination of about 23.5°. This creates an area around the poles where for one day or more each year, the Sun does not set (around June 21) or rise (around Dec. 21). In the case of the North Pole, the circular southern limit of this area (the Arctic Circle) is located at 66.5° (90–23.5=66.5). The length of continuous day or night increases northward from one day on the Arctic Circle to six months at the North Pole. This means, that in Yana, people experience approximately one month of continuous night or continuous day.

One can speculate about the implications of this: The settlers in this area had to experience the "shock" of the complete disappearance of the Sun, but they also could see that this was a recurring cycle and, more important, they had the advantage of being able to observe the *complete rotation* of the stars, and the Moon (in Winter) and the Sun (in Summer). The observation, by settlers within the Arctic Circle, of complete spherical rotations could have had great implications both for their "myths," and for a rudimentary conception of astronomy and geometry.

What I say is considered speculation, only because the dominant prejudice today is that such "primitive" human beings had neither time nor intellectual and spiritual powers for such activity. That this is a prejudice, I have shown in a previous article,[1] and I will also treat it briefly below, when we will talk about art.

It is also worth remembering here that the Indian independence leader Bal Gandaghar Tilak, in his book *Arctic Home in the Vedas* (1903), had already noticed that the ancient Vedic texts demonstrate knowledge of solar astronomical phenomena only observable north of the Arctic Circle. Tilak only considered settlers and periods around 6-8,000 years ago, but the arguments are, in principle, valid also for Yata, although the site is four times older.

There is really only one issue: Were such 30,000-year-old human beings able to look above their heads and inside themselves? I think, yes, and there are many proofs for this, but let me proceed, for the moment, with our story.

Towards America?

The importance of assigning higher intelligence to such human beings is also relevant for the next subject. The authors of the Yana article stress: "This site shows that people adapted to this harsh, high latitude, Late Pleistocene environment much earlier than previously thought," and "East Siberia was thus thought to have been colonized no earlier than 20,000 to 22,000 years ago. Some researchers believe the harsh glacial environment prevented human occupation of western Beringia until after the last Glacial Maximum, about 18,000 years ago."

"Western Beringia" is the western side of a vast area joining eastern Russia and Alaska. During the Ice Age (from 1.9 million to 11,000 years ago), the ocean levels rose and fell many times in relation to the freezing of seawater and melting of the ice. During the periods of maximum cold (approximately 50,000 to 40,000; 30,000 to 18,000; and 16,000 to 12,000 years ago), the ocean levels were more than 100 meters (333 feet) lower than today, and therefore the shallow seas now separating Asia from North America (the Bering Strait) disappeared, creating a wide grassland steppe, linking the two continents through the "Bering Land-Bridge."

As the authors stress, the environment there, 30,000 years ago, "had shifted from open, flood-plain meadows to tundra. This part of Asia was never covered with large ice sheets. But average temperatures were colder than are those of today." Under such conditions, the "Bering Bridge" offered the possibility for plants, animals, and humans to cross in both directions before the area was definitely inundated 11,000 years ago, when the ice melted (**Figure 3**).

1. "First Americans" *Neue Solidarität,* June 25, 2003.

This brings up again the issue of the colonization of the American continent. The standard theory of the colonization of America is based on the "Clovis hypothesis," which holds that America's first colonizers were the Clovis peoples, who crossed by foot from Siberia into North America around 11,000 years ago. This theory has been cast into doubt by discoveries of prior human civilizations made in Chile and elsewhere in the Americas, yet it is still considered to be an untouchable dogma.

The presence of human beings in the Beringia region much before 11,000 years ago reopens the debate. The authors of the above article themselves imply that there are similarities between some artifacts at Yana and those used by the Clovis culture. If true, then the question is: Why did these Arctic peoples wait for 16,000 years before crossing the landbridge, when they had the necessary means to do it long before then?

An Advanced Technical Culture

Quoting again the authors of the *Science* article: "Artifacts at the site include a rare rhinoceros foreshaft, other mammoth foreshafts, and a wide variety of tools and flakes." The artifacts reveal a clever and advanced technique, they write: One of the researchers found "a carefully worked foreshaft, with bevel ends, made from the horn of a woolly rhinoceros. . . . Foreshafts permitted hunters to replace broken points quickly, then hurl the spear again—a great advantage when facing big game." Similar instruments, of a younger period and made from ivory, have also been found in North America. In Yana, the settlers also used ivory, and "two foreshafts of mammoth ivory," in combination with artifacts from bones of other animals, were recovered.

Other tools, the authors write, were made from "flinty slate, granite, and quartz. Slate and granite occur in the riverbed. The quartz came from elsewhere. The stone industry comprises unifacial and bifacial flaking of pebbles and quartz."

Some of the tools are very nice-looking, and probably had only artistic value. Some sensitive soul may protest, that in such difficult conditions nobody would produce "useless" artistic objects. Nevertheless, the existence of artistic activities is not only plausible, but it is a "fact" which we will discuss below. In any case, that the people in Yata used some form of "art" seems to be confirmed by the authors themselves, who report the presence at the site of "small pieces of red ocher." Red ocher is the basic material used to paint on rock in prehistoric caves all over the world! The same ocher can also be used to color objects and bodies.

Before we go to the second archaeological discovery, we note that the world has to accept the conclusion of the authors: "It is now a fact that humans extended deep into the Arctic during colder Pleistocene times." Their conclusion sheds light on the first unsolved puzzle of human history: Why did man colonize such remote areas? There are many theses; the most untenable for me is the hypothesis that there was "pressure caused by population growth." I have already discussed this in a previous article,[2] and therefore here I would like to answer simply with, "Why not?" Why should they not have explored those regions? Why would some of us today like to go to such an inhospitable, dry, and cold planet as Mars?

FIGURE 4. Water Bird

Ancient Art on the Danube

On Dec. 18, 2003, several German newspapers carried the headline: "Discovered—Mankind's Oldest Work of Art." These headlines echoed in more popular terms a scientific article in *Nature* magazine titled, "Paleolithic Ivory Sculptures from Southwestern Germany and the Origins of Figurative Art."

To quote from one news report:

"In the cave known as the Fels Cave near the town of Schelklingen in the Swabian Alps, archaeologists from the University of Tübingen have discovered three small sculpted figures made of mammoth tusk ivory. According to reports by one of the leaders of the research team, Prof. Nicholas Conard, these objects represent a horse head, an aquatic bird, and a lion-man. The age of the find has now been determined by radiocarbon dating, as more than 30,000 years old. Thus they are among mankind's oldest works of art."

Photos of some of the objects can be seen here. **Figure 4** is a water bird—absolutely the oldest human representation of a bird. **Figure 5** is a beautiful horse head.

Objects with these same themes, and also 30,000 years old, had already been found in nearby caves. In Vogelherd, for example, there is a horse sculpture from the Vogelherd cave (**Figure 6**).

A researcher in Tübingen states the obvious: "The area of the upper Danube, including the caves of the Swabian Alps, was a center of cultural development of modern man. It is in this area, in four caves: Hohle Fels, Vogelherd, Hohlenstein-Stadel, and Geissenklösterle, that, so far, 18 ivory figures have been found which belong to the oldest traditions of mankind's

2. The woolly rhinoceros evolved in northeastern Asia and became extinct around 10,000 years ago. It was massive, covered with a thick coat of hair, and had two large horns. It is painted in many caves, for example, in France's Chauvet cave, 32,000 years ago.

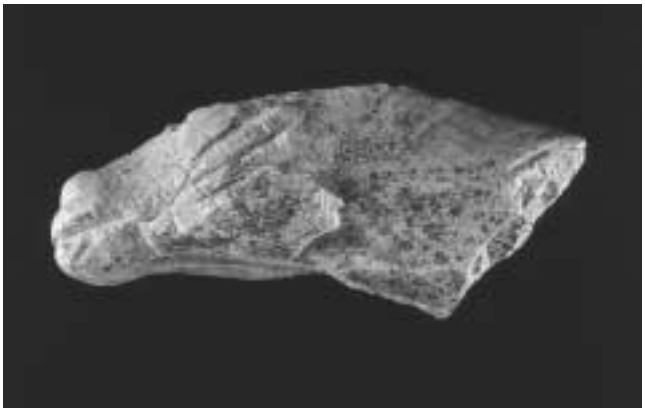


FIGURE 5. Horse Head From Hohle Fels

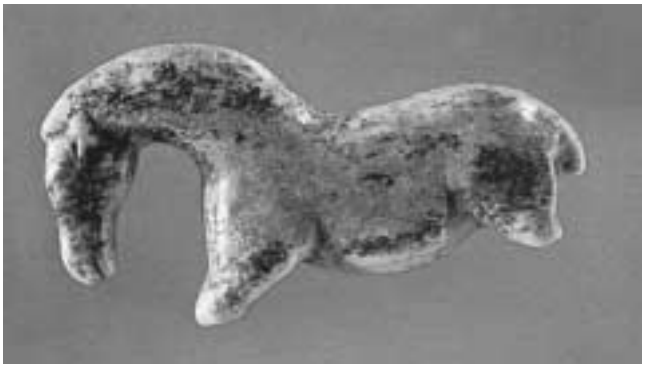


FIGURE 6. Horse From Vogelherd Cave

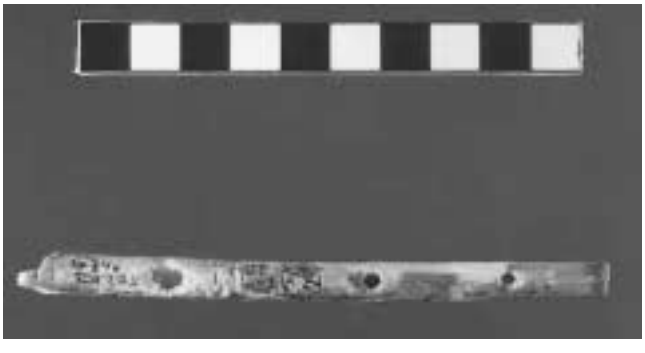


FIGURE 7. Bone Flute

figurative art. Further finds from these caves are old stone age musical instruments [see **Figure 7,** a bone flute], jewelry, and tools."[3]

But artistic objects approximately 30,000 years old have also been found in Austria and other countries, and even in Siberia (although not with the same density as in South Germany)! In Siberia, the head of a bear carved onto the vertebra of a woolly rhinoceros was found, near Tolbaga along the Khilok River, together with artifacts, also 30,000 years old. In Galgenberg (near Stratzing, Austria), the famous "Venus from Galgenberg" was found, a very nice piece of stone art, probably representing a woman, about 28,000 B.C. (**Figure 8**).

FIGURE 8. The Venus of Galbenberg

In southern France, to mention just one site among many, old paintings have been found in the Chauvet Cave, dating 32,000 years ago, which represent, among other things, the woolly rhinoceros, whose horns were used in Siberia to carve weapons and artistic objects.

The artistic and exploratory activities selected for description here should be enough of a proof of the artistic and technical inventiveness that our ancestors had and used around 30,000 years ago. I cannot judge whether these activities were the result of one culture, but surely, along the border of the ice, from France to Siberia (to limit myself to northern Europe), the same quality of human mind was at work. Without entering into any theoretical debate about aesthetics, there is no doubt that such objects and paintings are pieces of art in the strict sense of the word. This fact, this use of art, when "material needs" would have seemed to have the absolute priority, tells us more about the worth and meaning of "spirituality" than any modern treatise about aesthetics.

As especially the objects depicting the man/animal tell us, these human beings had become conscious of the fundamental paradox of human nature: Man's essence is the paradox of a being who, at the same time, is "nature" and "transcending nature." Spiritual needs, the creative powers, had become conscious to these people, and they were communicating this in a language that is still understandable to us today. It is the recognition and the feeding of that spiritual power which, in my opinion, is the engine driving these peoples to explore and colonize new regions, to master new technologies, and to gain new knowledge about the rotating Sun, Moon, and stars.

3. There is currently an exhibit in Blaubeuren, Germany (until April) where some of these objects can be viewed.

I Stand At The Bedside of A Doomed Empire

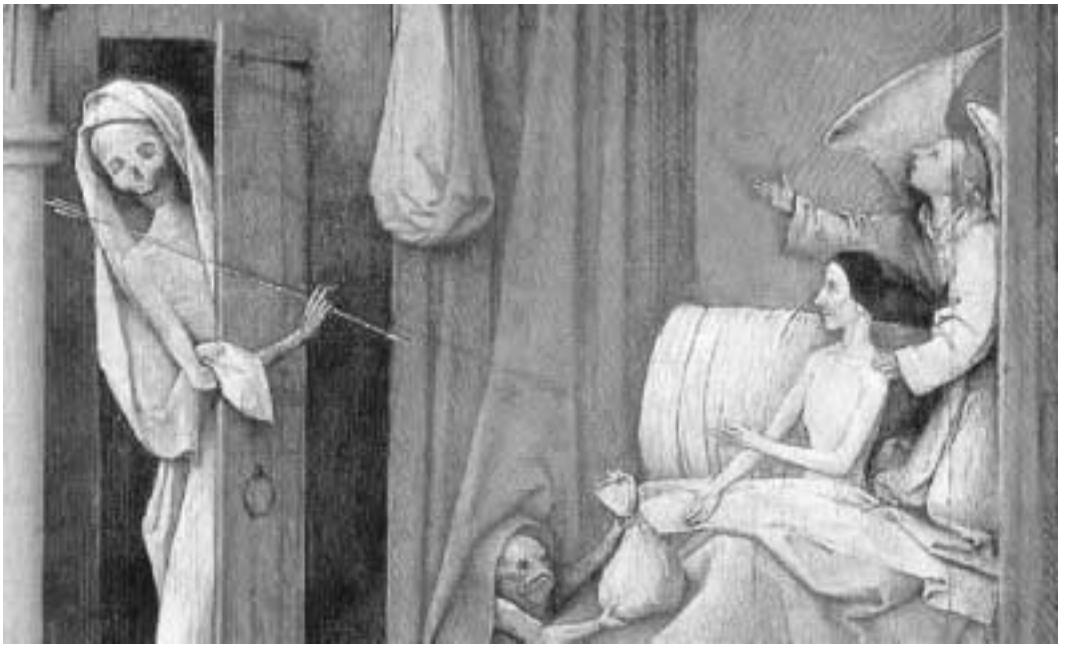
by Lyndon H. LaRouche, Jr.

Here is the keynote address of Lyndon LaRouche, to the annual Presidents' Day conference of the International Caucus of Labor Committees and Schiller Institute, Feb. 14, 2004.

This is, as I have promised, a truly momentous occasion. It's a historic occasion, more than historic. Because, we're looking at not only the collapse of an empire, which came into being about 250 years ago, between 1755 and 1763, when the British victory over the French, in particular, established the British East India Company as an empire, casting itself in the image of the Roman Empire, an empire which was constituted by a group of banking interests, essentially of Venetian origin, which ran the British East India Company, and ran the Company as, itself, an empire. At that point, in 1763, the British Empire, as it then existed, was led by a man who had not quite reached his 30th birthday, known as the Marquess of Lansdowne, later, and also more notorious as Lord Shelburne. This man set forth two operations, part of the same thing, in place, which have governed the direction of world history—as world history—from that time to the present day. The first intent of Shelburne was to destroy the English-speaking colonies of North America. And he assigned a number of people, including Adam Smith, as agents, to conduct that policy.

This was a policy which led to the American Revolution, and led to the establishment of the greatest threat which the British Empire has faced, to the present day: the American Revolution, and the establishment in 1789, of the Federal Constitution of the United States. The greatest single threat to the empire, on this planet, over the entire past quarter-century has been that process, which created the United States.

At the same time, Shelburne and Co., through agents including Adam Smith, most notably Jeremy Bentham, and others, organized in France, around some of the followers of Voltaire, organized a cult, a freemasonic cult called the Martinists. This Martinist cult, which included assets of Shelburne, such as Jacques Necker of



"The Death of the Miser" (detail) by Hieronymous Bosch.

Lausanne, Switzerland, Philippe Égalité, and others, set into motion on July 14, 1789, the Bastille event, which was intended to bring the danger of the spread of the influence of the United States to an end worldwide. Because, at that moment, you had had the attempt by Bailly and by Lafayette, to introduce a reform in France, which would have established a constitutional monarchy, which would have steered that monarchy along economic-development lines, akin to those policies adopted by the United States, with its Constitution.

So again, this is the way history has gone. The two English-speaking foci of the current of world history: the United States, which represented the best currents in Europe—typified by the Classical humanists and the influence of Leibniz; typified by the tradition of the Treaty of Westphalia; typified by the legacy of the 15th-Century Renaissance: These were the great English-speaking forces in the world, which were assembled for a collision, which is now coming to a point of historic decision, in the weeks and months immediately ahead of us.

One way or the other, this is the end of the Anglo-Dutch Liberal model of parliamentary government, and its influence in the United States—either for better, or for *very much worse.*

Presidential candidate Lyndon LaRouche describes to a national conference the imminent death of that bankers' empire known today as the IMF/dollar financial system, and traces its history back to the British East India Company's and Lord Shelburne's assault against what the American Revolution represented.

Policy Was To Crush the United States

Now, it should be recalled, that the Martinists, who were used by Shelburne, and run largely, directly out of London by Bentham, as the head of the secret committee of the British Foreign Office, which had been created by Shelburne: They ran the French Revolution. They ran the affair of the Bastille. They ran the Jacobin Terror. Danton and Marat were British agents, trained in London, deployed from London, and delivering speeches in France, *written in London,* under the direction of Bentham. The Jacobin Terror was *run from London.* Napoleon was a creation of the Martinist freemasonic lodge, the Napoleonic Empire. And then, when the time came, that Napoleon and his empire had essentially destroyed much of Europe, then the British said, "Okay, get rid of Napoleon." It was done by Germans, actually.

And they set up the Vienna Congress—which was a "sexual" Congress of Vienna, where countesses and others diverted the count-heads of state for the British, and Castlereagh and Castlereagh's stooge in Austria, ran what became the

Vienna Congress.

And in good time, as the British had planned well, that Metternich disappeared, over the period from 1830-1832 to 1848. It was an operation run by Bentham's successor, Lord Palmerston, who ran Giuseppe Mazzini, the head of Young Europe, an organization which included Karl Marx. The entire operation of the Revolution of 1848, was run by British intelligence, for the purposes of finishing off the power of the Habsburgs, and making them a subordinate agent, within a British-controlled empire.

We were almost crushed, repeatedly. The intention of Britain was to destroy us. This was the perpetual policy, of the British toward the United States, and the policy of the key traitors within the United States: such as Gallatin, such as Aaron Burr, such as the leadership of many of the political parties. The controllers of agents, such as Andrew Jackson, Martin Van Buren, Polk, Pierce, Buchanan, who were agents of the enemy, determined to destroy us.

In the process, the American patriotic tradition had a resurgence, around the tradition of Lafayette, around the personality of John Quincy Adams, and with a very significant recruit by John Quincy Adams to his cause, the Whig, Abraham Lincoln, who was Quincy Adams' voice in the Congress, in denouncing the Polk Presidency for the war against Mexico, of that period. And that President Lincoln, later, led the United States to return to itself, as a nation. And we emerged from that Civil War, as the greatest single nation-state power on this planet, in terms of economics. The British had more power, as an empire, but, we were the most powerful state, the greatest economy, the most progressive economy, in the world, by 1876.

This was the work of Lincoln's revolution: We had become *ourselves.* But, meanwhile, the Anglo-Dutch Liberals were already at work, subverting us, with Andrew Johnson, who was a disaster, and others.

Corruption Sets In

And so, we went through these processes. At the beginning of the century, we were destroyed by the assassination of a President, McKinley. It was an assassination run by the same interests, for the purpose of putting Teddy Roosevelt in the Presidency. Teddy Roosevelt was a member of the Confederacy tradition: His uncle, who trained him, who steered him, who crafted his career, Bullock, was the chief of intelligence of the Confederacy, who operated from London during the period of the Civil War.

The real successor of Teddy Roosevelt—who destroyed the American System, in the name of "trust-busting"; he destroyed the American System, in order to create hegemony for New York-based, British and other bankers, for their system. In other words, he transferred the power, from industry and agriculture, to the financiers. He was succeeded, by a passionate advocate for the revival of the Ku Klux Klan: Woodrow Wilson. And Woodrow Wilson launched the mass mobilization and revival of the Ku Klux Klan, in the United States, during his Presidency, *from the White House,* publicly and personally.

So, this was the corruption which grabbed us, from the time of the McKinley assassination, until Franklin Roosevelt. And Franklin Roosevelt, *despite his own party,* became President. His party did everything possible—the Democratic Party—to *prevent* him from becoming the Democratic nominee! And, it was also the same filthy bankers, of the Teddy Roosevelt/Woodrow Wilson tradition who did it.

But, Franklin Roosevelt saved the United States, in a unique way, by his leadership. But then, he died. And even before he died, we were in trouble.

The history of this process in the 20th Century is quite interesting. The British policy, that is, the policy of the British East India Company, and its followers, had always been to use war on the continent of Europe, as a way of putting the nations of continental Europe against each other's throat, in such a fashion, there would never be a threat of a challenge to British supremacy, from the continent. This was a characteristic of the 19th Century. It was also the continuing characteristic, deep into the 20th Century.

So, time came, at the end of the so-called First World War, which had been concocted by the British, especially by a man who had been dead—Edward VII, the man who created the Federal Reserve System in the United States through his agents here, including Teddy Roosevelt and Woodrow Wilson. The British had decided at the end of World War I, to close in, and create a new kind of world empire. The empire was the empire of fascism: It was the empire of the Synarchist International, which we knew as fascism from 1922 through 1945. The forces behind this fascism, were bankers, including Lazard Frères, in France; and others. These bankers conspired to install fascism on the continent of Europe.

Some of these fascists went further, around Hitler. They conceived of creating a world empire, along the following lines, which came to a crisis point in 1940, when the remains of the British Expeditionary Force were sitting on the sands at Dunkirk, waiting for Hitler's tanks to pounce, and finish them off. Hitler held back his tanks, at that time—very momentous. Because, Hitler thought that the British Establishment was going to join the Nazis in a program of world conquest, whose included target was the destruction of the United States. Here was the plan. Now, this is Churchill, as Defense Minister of Britain, sitting in opposition to these fascists, not because he wasn't a fascist; but because he didn't think it was in British interests to play this game. Or, British imperial interests.

The fascist plan, including people in London of very high rank, some of whom were never prosecuted for what they did, conceived of taking the British Navy, the German Navy, the French Navy, the Italian Navy, and the Japanese Navy, as one force, which, once the Soviet Union had been quickly destroyed by this alliance, would then turn on the United States and destroy the power of the United States. The reason that didn't happen, is that the British Navy did not join the

"If we can not change, if we select our choice of President, if we select our policies, now, in these weeks and months, the way things are going now, in general, this nation will not long survive."

Nazis at that point, that Hitler was sitting there poised, ready to receive them with open arms, as part of his alliance—which is why he didn't crush the British Expeditionary Force, when he could, at Dunkirk.

Churchill said, "No, we will not let someone from the continent of Europe, even if we like his nastiness, such as Hitler, to take over control of the British Empah! And therefore, we will even degrade ourselves, to go to our so-called 'American cousins'—even to one we hate the most, Franklin Roosevelt—and seek his cooperation in defeating the Nazis." So, a German official, Canaris, who was not exactly a Hitler man, prevailed upon Francisco Franco—another nasty fascist, in the tradition of the Inquisition—not to occupy Gibraltar: Because, had the alliance gone through, and had Gibraltar been occupied by the Nazis, i.e., Franco, then the Mediterranean would have been a closed lake, controlled by this alliance. Under those conditions, the existence of civilization would have been in jeopardy. Canaris prevailed upon, and frightened Franco, into refusing Hitler's demand that he seize Gibraltar.

So, this combination of decisions: Churchill says, the British fleet will go to Canada, if England is invaded, and will ally with the United States. This decision did not prevent the war, but it ended the possibility of Hitler's world conquest.

A Turn Toward Utopian Policies

Therefore, in 1944, once the Allied forces, led by the United States, had made the breakthrough in Normandy, and the Wehrmacht position on the continent of Europe was in terminal jeopardy—and was saved only because the British intelligence services informed the Nazis of the plot for peace, and they hanged the generals, in July 1944. At that point, there was turn in U.S. policy: that those bankers who had been for Hitler, like Harriman, Morgan, Mellon, du Pont—the same types of bankers who had conspired to assassinate the President of the United States in 1933-34, in the thing that was testified before the Congress on the Generals' Plot—these guys went back to their old ways.

Their policies were, at that point: Take a right turn; go to a utopian policy; use weapons of mass destruction, including the nuclear weapon which the United States was developing in experimental mode, at the time; and air power, to conduct a new kind of warfare. And to use a war against the Soviet Union, or with the Soviet Union, as the pretext for this policy. In other words, going back to the same Nazi policy that Hitler and Co., and his allies in France, in Italy, and so forth, had had up to June 1940: Go for a war against the Soviet Union, as the way of putting this policy into place.

We had, in the United States, we had a reign of terror in the United States which reached a peak, in about 1947. Later, it became known as McCarthyism. McCarthy was a joke—Joe McCarthy. Truman was the problem. But, not all of our people in this country were fools. There was the plan already, which I, sort of, was party to, in a, sense in 1947: to have Eisenhower run for the Democratic nomination, and get Truman out of there. The only way to save the United States. Eisenhower turned it down, but did run for President later.

Then, Truman got us into a Korean War, through his own stupidity, his own recklessness, his own fascist qualities. Some people may not like that, but that's what he was, don't kid yourself. He's a bankers' man.

And the Korean War became a mess. And, about the same time, it was discovered that the Soviet Union had developed priority in a thermonuclear, deployable weapon.

Preventive nuclear warfare, using air power, went off the agenda. Truman was told not to run again. Eisenhower was put in place. The Korea mess was put into—not deep freeze, but was put into some kind of management. And we stumbled

through two Presidencies fairly well.

But then, when Eisenhower left office, warning against the danger, not in a clear way, but in a frank way—some honest details—warning against what he called "the military-industrial complex." The military-industrial complex was nothing other than the Bertrand Russell policy, the Winston Churchill policy, the policy of what we call the "Utopians" in the United States, of using nuclear weapons and air power, as a way of *terrorizing* the world into submitting to world government: a new form of empire; an echo of the Roman Empire; a continuation, in a new form, of the British Empire.

That's what he was warning against, when he said "military-industrial complex"; it was not a "military-industrial complex"; it was actually a commitment, by the same crowd whose policies are expressed by Cheney, today, for world government, through nuclear terror.

We have lived under different, various phases of nuclear terror, since the close of the war. It was for this reason, that Truman dropped two totally unnecessary nuclear weapons on Japan, on the civilian populations of Hiroshima and Nagasaki. The last two weapons of the type we had—they were experimental prototypes. It took some time, before we got online, producing nuclear weapons in a line sense. So, we went first. Truman's policy was the policy of *preventive nuclear warfare!* The policy designed by Bertrand Russell, the man who's considered a pacifist. I guess killing everybody makes you a pacifist: Nobody shoots back.

That was the policy—until the Soviet development of a deployable, thermonuclear instrument was known. At that point, Bertrand Russell opened negotiations with Stalin's successor, Khrushchov. This was done in London. And, what happened was, that Khrushchov and Russell agreed on negotiating a system, a so-called permanent system of world rule, based on what we later called "Mutual and Assured Destruction."

Now, once Eisenhower was out of office, having made his warning speech, the right wing surged forward, in the form of Allen Dulles's caper, the Bay of Pigs. It surged forward, in the realization of the plan which Khrushchov and Russell, among others, had concocted, in the form of the 1962 Missile Crisis. And after the Kennedy assassination, which cleared the way for launching the Indo-China War, we underwent a great change, which leads to the immediate subject we have to consider *now, in these weeks:* We have to decide, as a nation, as nations, whether civilization will survive on this planet. That decision will be made, in the course of the coming weeks! And I shall indicate what the problem is. But first, get the situation.

A Transformation in Our National Character

What happened was, that we, in the United States, underwent a transformation in our national character, which has threatened us with doom, today. The danger comes, not from someone outside our skins. It comes from our own people. It comes from those who are largely 60 years of age, or slightly younger: the so-called Baby-Boomer generation, which occupies the key positions in government, business, and other institutions of the United States, today. *This is the source of the danger.* Not someone from the outside, but a generation from the *inside,* which did what? They underwent a cultural paradigm-shift, as it's called, typified by the rock-drug-sex counterculture, during the middle of the 1960s. This was the result of the cumulative effect on their parents' generation—that is, my generation—and on themselves.

Remember, their parents' generation had gone through what? We had gone through a nightmare, the Coolidge-Hoover-Mellon nightmare. We were being destroyed as a nation. I can tell you, from my memory of the 1920s, *we were disgusting!* And then, we were hit by the Depression. And we became sheepish, frightened, worried.

Roosevelt appealed to the "forgotten man," in a campaign speech delivered in West Virginia. This aroused the nation. He was able to *defeat* the Democratic Party, and become the Presidential nominee. The nation was inspired, with the idea that recovery, that hope was possible.

People had been ground down, already. Their character, our character, changed in the beginning of the 20th Century. Look at the literature. Look at what was considered popular entertainment. Look at the popular culture, at the beginning of the 20th Century: It was disgusting! This is the period of Jim Crow! It was disgusting! We were a disgusting people, in our behavior. We were humiliated, like the hand of God had humiliated us! We were thrown into a Depression: "I guess we weren't so good, huh? We must'a made some mistakes, huh?"

But, not only were we humiliating, in our illusions, in our delusions: We were also given hope. We were given a chance, the reality of a recovery that this, too, shall pass. We were inspired. And this degree of inspiration continued in the American forces, in the United States and overseas, for example—the military forces—up until about the time the two bombs were dropped on Hiroshima and Nagasaki.

Things were going bad already. But, this *little man*—this Truman—. There was an incident I had, when I was in service in India, on my way into northern Burma. And, some GIs came to me—Roosevelt had just died; the announcement had just come through. They said, "We want to talk to you." (This was during the daytime.) "Can we meet tonight?" So, we had one of these improvised meetings at night, with a bunch of GIs and me. And the question was: What does the death of Roosevelt mean for us? My answer was simple. I said, "I don't know. But, I'm terribly worried, that such a great President should be replaced, in such a time as this, by this *terribly little man.*" And I was right. The right wing took over.

I saw people, who had been battle-hardened, who I though I had understood; and within a year or so, after returning from military service into civilian life, I saw people who had been turned into stinking cowards. This was my generation. This was 95% of my generation. It was later called "McCarthyism." It was actually better called "Trumanism," because it

Lyndon LaRouche with civil rights heroine Amelia Boynton Robinson, vice president of the Schiller Institute. Her and LaRouche's appearance at a Talladega, Alabama commemoration of Martin Luther King Day on Jan. 19 is being discussed all over the country; the DVD of LaRouche's presentation, "The Immortality of Martin Luther King," is circulating in the thousands.

was done under Truman. And it was done under the Harriman crowd, the same Harriman crowd, who had been part of the forces that had *put Hitler into power in Germany in the first place!* The right wing had taken over America.

There was a reaction, a reaction against the Korean War. The Eisenhower reaction. There was a feeble attempt, around President Kennedy, to go back in the direction that we had been, under Roosevelt. That was crushed. Young people, whose parents had become prostitutes—i.e., my generation: "Don't say anything, don't do anything, don't think anything, that might get our family into trouble. Think of your father's job! Don't say anything. Don't associate with anybody who might get you in trouble, and jeopardize your father's job! Or cause you to be ostracized in your school, by a whispering campaign." Everybody was afraid of the FBI. The great scarecrow of America.

The children were raised: [whispering] "Be careful!"

"Be bold! Be optimistic! Be bright! Be shiny! Be acceptable! Learn to 'go along to get along!' "

"Go with the crowd. Go with the flow."

And the flow was civil rights. The flow was similar things. And these young people went along with it. They played a significant role in this. But then, they were hit by the hammer: the hammer of the Missile Crisis—where people were going into bars, looking for God. Atheists were suddenly jumping into a beer-keg—"I found God!" And, for several days, that was the characteristic of this country. I was there; I remember; I saw it! Don't tell me it didn't happen; I was there. I was a witness to it.

I saw most of entire generations go insane! My generation is, again, insane: Fear! Crumbled before the idea of an Indo-China War—*crumbled!* Everything they said they had fought for—no longer!

The Cult of Dionysus Takes Over

And their children had gone worse than crazy: the rock-drug-sex counterculture. Remember where it had occurred: The rock-drug-sex counterculture, which had existed as the "beatnik culture" of the early of 1950s, emerged where? It emerged among young people, in universities, either on state subsidies or families which could afford the tuition, at the leading Ivy League and other universities in the United States, presumably studying to master history, to master science, professions, and so forth. What are they doing? They're fleeing from their textbooks, into a night with marijuana, and red wine, mixed. A night with LSD. A night with sex with anything that crawled, and then figure out what the sex was in the morning. This was what happened! The throbbing beat of the drum: to silence thought, to silence *all* thought. Wild entertainment. The Cult of Dionysus, reborn in America.

Where did it start from? It started from the so-called "cream of the crop"—the young generation, entering universities, especially leading universities, during the middle of the 1960s. They turned against technology: "Technology's bad! We've go to stop technology. We've got to go back to nature." And they took their clothes off, to prove it.

We became that. Therefore, we have undergone what is called a cultural paradigm-shift, over the past 40 years, in

which the generation which entered universities in the middle of the 1960s, are the worst offenders. And the more high-ranking they are today, generally, the worse they are. Because, they represent the leading edge of a cultural trend. It's a great cultural transformation: *And this is the great source of danger*.

See, we've been through depressions, follies, before. But this has something different in it. We, in the United States, never before, as almost, virtually, an entire generation, have repudiated the culture of modern Western European civilization. And this, of course, spread in Europe the same way. It's spread in other parts of the world. We never repudiated it. We sinned against it, we violated it, but we didn't *repudiate* it! For 40 years, the generation now in leading, controlling positions of power in the United State, Europe, and elsewhere, have repudiated civilization.

A Corresponding Shift in Economic Policy

We have, in the United States, gone from being, in Kennedy's time, the world's leading producer society—the greatest producer of agricultural and industrial goods, the world leader in technology: We went from being that, to becoming a relic, a caricature of Rome under the Caesars.

Especially after 1971-72. In 1971-72, what did we do? We shut down the monetary system, the fixed-exchange-rate monetary system that Roosevelt had established. The system which had given us the possibility of recovery in the post-war period. We shut it down. We went to what is called a floating-exchange-rate system.

And, what did we do, with this floating-exchange-rate system? We went to poor countries of the world, more and more; we said, "*We* will determine the value of your currency, under a floating-rate system." We sent the IMF and the World Bank to enforce it. We pushed down the value of their currencies, by speculative runs, organized on the London financial market. We then went to the government, and said, "Call in the IMF. Call in the World Bank. Get some advice." The advice was, "Drop the value of your currency."

And the frightened governments said, "All right. So, we'll pay in our—"

"No!! You don't pay in your money any more! You pay in dollars!"

"How do we do that?"

"Well, we give you a debt, an additional debt, you didn't incur. We dictate it to you. We create it, and we tell you to take it. This debt is based on the estimated difference in value between your currency before we devalued it, and afterward."

That is what the debt of South and Central American countries, today, is. There's no country in South and Central America, in general, which owes a nickel to anybody! Including Argentina. The debt is entirely artificial. [applause]

Sucking the Blood of the World

And then, what did we do? And, look at Mexico, after 1982, after what they did to Mexico in 1982, between August and October of 1982. What did they do? They destroyed the Mexican economy! What did they do then? They said, "We will use your cheap labor."

So, what we have done, as a nation, we have gone to the poorest countries of the world—or those we made poor, by decree; we told them, "You will now produce cheap goods, for us! And they're going to be cheap, buddy—even if you die doing it!"

Then, we said: Okay. We're getting our goods, not from our production. We're getting it from cheap labor, in foreign countries. Therefore, we can shut down our factories. We can go into globalization. We can let NAFTA go into effect. *We now suck the blood of the world.* We bring slave labor into the United States, and we call it "illegal immigrants." But, we bring it in, because we want the cheap labor. We force Mexico to supply cheap labor, even at the cost of the *lives*, of people who are paid so little that they can not survive, or raise a family on that income, not physically. We do the same thing throughout South America.

We conduct genocide in Africa, because, in 1974, Kissinger and others devised a policy of genocide against Sub-Saharan Africa. The policy, "Those raw materials in the Africa—they belong to *us!* We can't let the Africans use them up. If we let their population grow, they will use them up! If we let Africans have technology, they will use them up more rapidly.

"Therefore, we have to do something about these Africans. And their voracious tendencies to survive.

"How do we do it? *Genocide!*"

And genocide is an Anglo-American-Israeli trick, in Africa. It's that simple. It's done through corporate vehicles, it's done in other ways; it's done through private armies, organized in the usual, customary way. The same way Iran-Contra was organized. That's how it's done.

So, what we've done, is we've now created a world, which is no longer self-sustaining. Europe is bankrupt. It just happens that the United States is more bankrupt. And Japan, financially, is the most bankrupt nation in the world. How'd they become bankrupt? By subsidizing the United States' dollar.

So, we now come to a world, which, in terms of Europe and the Americas, can not survive on its present levels of productivity. Our level of infrastructure collapse, in the United States today, in power generation and distribution, in mass transit, and so forth, is poorer, by a large margin, than the time when Franklin Roosevelt was elected President. We are on the verge of destruction.

And what's the enemy?

A Sane Alternative

Well, what are the alternatives? As President of the United States, or if it were decided that I was going to be nominated, as President of the United States, today, the problem would be under control, as far as the international monetary-financial system exists. Because, I know, from our discussions with people in Europe, and elsewhere, that the potential—just like

A Feb. 14 Democratic caucus in Washington, D.C., to select Democratic delegates. At LaRouche's keynote that day, his campaign spokeswoman Debra Hanania-Freeman reported that hundreds of LaRouche supporters were arriving at caucus sites in the nation's capital and being blocked from voting for LaRouche by the use of electronic "touch-screen" machines and other methods.

what happened yesterday, in Italy, in this discussion there, in the Italian Parliament: that the people in Europe, if the United States would make certain proffers of policy, that most of the nations of continental Europe—including many of the Brits—would agree to go along with that policy, which would be essentially, a return to the philosophical standpoint of the original Bretton Woods agreement, to put the entire present system into monetary-financial reorganization; to ensure stability, and to launch a pattern of growth on this planet.

That, in a sense, echoing what Roosevelt did, philosophically, in 1933-34, that can be done today. It requires the political will; it requires an initiative from a President of the United States, or someone who was understood as going to *be* a President of the United States. Under those conditions, leading nations of Europe and other parts of the world, will immediately begin to adapt to such a proposal from the United States. That, I can guarantee. My job is to deliver that. Because, I'm the only American who knows how to do it, and has the credibility around the world, to be believed, in doing that.

That's one side of the problem. But, why isn't that decision made? Why are Americans insane? Why don't Americans pick a President, whose role would ensure a solution, for a problem which is crushing the people of the United States, among others? Why are they so insane? Because we have gone—in the generation which dominates politics, which dominates life in the United States today—we have gone from being a producer society, whose standard of values is to measure things in terms of productive output, and producing for the needs of humanity, to a Roman-style pleasure society.

Look at the minds, look at the minds of the generation now in their fifties and early sixties. *Look at them!* What are their attitudes? And what is the conflict, which has emerged, in the United States, in particular, between young people who are over 18 years of age into the twenties, and their parents' generation? Studies have been made, by political institutions of the United States, over the recent period: Several years ago, there was a change, a fundamental change, in relationships between the youth generation and their parents' generation, from a sense of tolerant friction, to one of hostility. Young people today, in Europe, as in the United States, are saying to their parents' generation, "You have given us a no-future society, in which to live! You are the enemy. Not because you're the enemy, but because, as long as you insist, successfully, on imposing this no-future society on us, *we don't have a chance to live!* And you won't have any children or grandchildren, to work for."

What has happened is, today, you have people who, as a result of the cultural paradigm-shift, no longer have productive values, no longer think of what they give to humanity—they think of the pleasure, the entertainment they get, *to get them through the next terrible errors, of unreality.* We are a pleasure society! Look at us! Entertainment! Look at us! We are a nation of gamblers, not producers. Everybody is looking for money, for nothing, by gambling.

What do people do in states? The state's got a problem: "Bring in the gamblers." The states have a problem: "Legalize dope."

We are an entertainment society, an entertainment cul-

"Jesu, meine Freude": the challenging and beautiful eight-part motet by J.S. Bach which LaRouche has made an international anthem of his youth movement. A Youth Movement chorus performed in a "workshop" on the piece, while leaders including Megan Beets (at microphone) uncovered some of the secrets of its counterpoint. LaRouche's movement sings "Jesu" everywhere in its campaign organizing.

ture, in the same way, that Rome, with its Colosseum, its Circus Maximus, with the slaughter of Romans by Romans, under Emperors like Claudius, Nero, and so forth: *We have become that kind of sick culture. We have become a culture, in that generation, which has lost the moral fitness to survive.* They would rather die, than change their way of life. They would rather die, than give up their entertainment.

They will say, as I've written on a number of occasions: "I stole this stateroom, fair and square! And I'm not giving it up, even if this whole ship sinks!"

That is the idea: "I want my pleasure! I want my way of life! Don't try to make me rational! Don't ask me to behave rationally. *I need my entertainment! I've got to get through tonight!* And otherwise, if I have to face reality, I know I'm a piece of dung. And therefore, the only that keeps me from considering myself a piece of dung, is my pleasure! My entertainment, my diversion!"

You see these crazy models: If you take a dirty garment, you rip it to pieces, you put it on a naked, skinny girl, it's a high-fashion garment! This is the society we've become!

This is our problem.

Qualities of Leadership

This is the same problem I addressed in Talladega, in pointing to the significance of Martin Luther King. Martin Luther King had a sense of immortality, which the people around him, including Jesse Jackson, didn't have. So, when Martin was killed (by courtesy of J. Edgar Hoover, or the wish of J. Edgar Hoover), what happened? The Civil Rights movement was fragmented. Why? Because leaders did not have the values that Martin had. Martin, as I said, had a sense of immortality: that life is a passage, from birth to death. There's nothing in it, that you can hold onto, except what you contribute by living. And therefore, it is what you are, immortally, which is what you are in life.

Now, every great leader in society, in a time of crisis, has been a leader precisely because they faced that reality. Not only because they had the talent to lead, but because they had the moral commitment, to say that "I can not be bought. You can not buy me, with my fear of death. But, I will lead."

The problem is, the pleasure society is the worst extreme of people, who *do not believe* in their children's future. The Baby-Boomers *do not believe in their children's future!* And that's what the children of the Baby-Boomers are saying! In their sense of hostility toward the Baby-Boomer generation: *"You have given us deliberately, a society which has no future!* You're asking us to live in a cage, where the animals aren't fed. And we don't like it. *We want you to change.*" They don't say, "We want to kill you." They haven't gotten to that point yet. That may come later. They say, *"We want you to change."* And, that's the conflict.

Learn the Lessons of History

If we can not change, if we select our choice of President, if we select our policies, now, in these weeks and months, the way things are going now, in general, *this nation will not long survive.* And *either way*, this system, that was consolidated, first in 1763, at the Treaty of Paris, proclaiming

the victory, and establishment in fact, of a worldwide British Empire—intentionally modelled upon that of ancient Rome, an empire of a financier power, not legions—that empire has now come to its end. It will not survive. Either we will put it to a merciful conclusion, by a revival of the world economy, and bringing together a confederation of perfectly sovereign nation-states on this planet, around principles and issues of construction of the planet, and on promotion of development of the individual, within their national cultures, or we shall not survive.

We must do that.

We must not talk about the precedents of former history, as if they were legal precedents we must follow. We must talk about the *lessons* of former history, as I've indicated some of the lessons here, today, in brief. We must make a choice: We must say, the time for the way we have put humanity through brutal experiences in the past, must now finally come to an end."

We have, in our aspirations, and the founding of our republic, we've established the principle of the sovereign nation-state, as the most suitable form of government for a people. We have also understood, that all people have an interest, whether they recognize it yet, or not, in having such a form of state for themselves. We should understand, by now, that the principles of that sovereign state, are so common to us all, that despite the fact that we are separate and sovereign, we have a common interest, in a system of relations among sovereign states, which recognizes that principle reflected in our Declaration of Independence and Preamble of our Federal Constitution.

The time has come, when we need to have a new vision of leadership of this planet. A sense, we must now, for the sake of humanity, we must now create a global alliance, of respectively sovereign nation-states, committed to recovery, and committed to the principle of the immortality of the human individual. That the meaning of the individual lies, not merely in what happens between birth and death—which is a very short period of time on which to base a policy—but morality is based on a sense of what we, with our lives, with our talent, give to future generations; and to realizing the intentions of the generations before us: the kind of intention which enables us, if lived, to die with a smile on our face, that we have performed our mission, and it is good. And we are pleased.

Why do you think someone like Jeanne d'Arc would, knowing that she was going to be burned alive, if she did not compromise, would stick to her mission? If she had not continued her mission, the first modern nation-state, France, would not have come into existence. The Papacy would not have been restored, as it was. Modern society would not have come into existence, the modern nation-state. We'd be still living in some kind of feudal hell-hole.

She had a sense of *mission,* as all other great leaders of mankind have. And their sense of their interest in their *mission,* overrode the fears of mortality.

We need to select, and encourage, leadership of that kind. *With that kind of leadership,* and with insight which should be given to us by studying of the history of mankind from the past, we should understand the time has come for a change in the planet: the change to a system of sovereign nation-states, united by certain common ecumenical principles. We do not need to look forward to war. We will still need to maintain strategic defense. But, the transition to strategic defense, will be to a world in which war, as we've known it in the past, is no longer a necessary condition of mankind.

If we can do that, we shall survive. If we can not do that, we shall not survive. And if we can not do that, then we look forward in the early period, to a rate of mass death on this planet, from forces already set into motion, where the numbers of over 6 billion persons reported living today, will be reduced, fairly rapidly, to something significantly less than 1 billion.

We are looking at the brink of a precipitation into a New Dark Age, beyond anything that recorded history has given us before.

We have the option, the alternative, of moving upward again. And learning this lesson of the mistakes we've made, by taking steps to ensure these mistakes are not made again, then we can recover from the present situation.

That's the message of today. *And we have to make the choice, in the immediate days and weeks ahead. If we don't change, we are finished. We better start changing, now.*

Russia's 'Asian Tilt' Expands Its Economic Ties

by Mary Burdman

"Russia's multi-vector foreign policy is yielding tangible benefits. This is most graphically seen on the Asian track," Russian Foreign Minister Igor Ivanov told an expanded meeting of the State Duma's International Affairs Committee on Feb. 12. Expanding relations with its "leading partners in Asia"—China, India, and Japan—is a priority this year, Ivanov told the Duma Committee. "Russia-China relations are at their best-ever level. Strategic partnership with India is growing stronger on the basis of a summit level declaration and other agreements. Cooperation with Japan is proceeding in the positive vein. It firmly relies on the bilateral action plan adopted last year."

Russia has gained a much stronger foothold in international affairs in recent years, Ivanov said, due to "internal stabilization and the achievement of higher economic growth rates. A policy of ensuring long-term vision of the national interests has been shaped. We can now safeguard our national interests through cooperation with other countries."

Overall, the leading Russian foreign priorities are the Commonwealth of Independent States of the former Soviet Union, and Europe. The United States, which had been Russia's top priority in 2002, is now in third place, followed by Asia.

Ivanov wrote that Russia's role is "that of a connecting link between East and West," in his article, "Russia in Asia and Asia in Russia," which was published in the January 2004 issue of the journal *Asia and Africa Today*. This is the monthly joint publication of the Institutes of Oriental Studies and African Studies of the Russian Academy of Science.

Russian relations with Asia are growing fast—but enormous work has to be done to create the infrastructure to realize the potential of the Eurasian landmass. There are two primary vectors for this effort. First is the growing cooperation among the "strategic triangle" of Eurasian giants: Russia, China, and India. The second is the Shanghai Cooperation Organization (SCO), founded as a unique cooperative effort for joint security and economic cooperation by China, Russia, Kazakstan, Kyrgyzstan, Tajikistan, and Uzbekistan.

The Strategic Triangle

Ivanov had stressed the "vital and special importance" of Russia's Asian policy on his return from the Jan. 15 SCO foreign ministers in Beijing. During a stopover in Novosibirsk, he gave a press conference to discuss how to develop economic contacts between Siberia and the Russian Far East, with the Asia-Pacific nations.

In *Asia and Africa Today*, Ivanov wrote that while Russia has both European and Asian "tilts" to its foreign policy, "Russia's national interests objectively require heightened attention to the Asian tilt." This is due to the "dynamic growth" in Asia, focussed on "science-intensive, high technology industries." The world's third space nation is China, he emphasized.

Ivanov contrasted the growth in Asia, to the bad conditions in Asian Russia, despite that huge region's great natural wealth, "powerful" science and industry base, and "creative" population. Russia must take responsibility to change the situation in Siberia and the Far East, by "active participation in regional economic integration." A key principle of foreign policy, is to create friendly and cooperative neighbors. For Russia, its relations with China are of "fundamental importance. . . . Without vigorous efforts to attract our Asian neighbors, including China, a rapid development of the eastern regions of Russia is impossible. . . . [W]e need a weighty Asian presence in Russia's east as much as we do the integration of the Russian economy into the emerging new economic

Bohai Region A Target for Development

China's northeastern Bohai Bay region—formerly a heavy industrial center, but recently bypassed by development—is one area of potential new infrastructure-driven economic growth due to closer relations of Russia, China, and India. China is starting a 1,300 kilometer railroad corridor in its Northeast; Russia is planning construction of floating nuclear plants for use in China.

space of Asia. This is our strategic task for years to come," the Foreign Minister wrote.

Ivanov pointed to the growing role of multilateral associations and new collective mechanisms in Asia. These include the SCO, as well as Russian relations with ASEAN, and the Kazak initiative to create a "pan-Asian dialogue" through the Conference on Interaction and Confidence-Building Measures in Asia (CICBMA). The aim of these associations, Ivanov concluded, is "common security and the creation of optimal conditions for the prosperity. . . . As the Chinese poetic genius Bo Juyi wrote with oriental subtlety and allegory, the intertwined roots of various plants mature together, using for the good of each other, their stalks and leaves alike."

There is no formal association of the three Asian giants, Russia, China, and India, and there will not be any time soon. This is not only due to remaining problems to be solved among the three, but, far more, due to their emphasis that their growing cooperation is *not* aimed at any other nation or group of nations—a reaction to the frenzied "preemptive war" policies of the Bush-Cheney Administration in Washington. However, in the coming months, the foreign ministers of the three nations will hold their third meeting since 2002. "We are now discussing the dates for such a meeting to take place in Moscow in the near future," Foreign Minister Ivanov announced Jan. 29. Most likely, it will be in the Summer, after the Russian Presidential elections and national Parliament elections in India, or, at latest, early Autumn. Policymakers participating in this process, are stressing how important this upcoming meeting will be. The eventual aim, would be a summit among the leaders of all three nations.

During his visit to India Jan. 19-21, Russian Defense Minister Sergei Ivanov had praised cooperation among Russia-India-China "in the military-technical sphere," but cautioned on the need to expand political relations. Ten days later, Deputy Foreign Minister Yuri Fedotov, also in New Delhi, again emphasized that Russia wants further development of triangular relations. "Russia has good and friendly relations with India. Russia is developing friendly relations with China. Thus, we have all preconditions to cooperate more intensely," he said. He said that trilateral meetings among the three nations' foreign ministers had become "a common practice" in the framework of U.N. General Assembly sessions.

The New Railroads

Security is the leading issue of relations, but economic cooperation is expanding on the bilateral level. The ultimate benefit for all nations involved is clear.

Developing its regions bordering on Asiatic Russia is also a priority for China. Since last year, Beijing has launched a project to revive China's Northeast, which had been the most important heavy industrial base in China in the 1950s and 1960s. Lack of investment and innovation in the state-owned industries led to widespread closures and layoffs. The region is too strategically important to neglect. It is closest to the vast water, mineral, and other resources of eastern Siberia, and to the new continental bridge that will open up when the tensions on the Korean Peninsula are resolved, and the Trans-Korean Railroad is completed.

At the begining of February, China's Ministry of Rail-

ways announced that it will build a new "golden transport passage" by building a 1,380 kilometer railroad in the border region of China, near Russia and North Korea. This will open up the interior of Northeast China to the sea and the outside world. The railway will go from the Suifenhe River in northern Heilongjiang Province, which borders Russia's Far Eastern coast, where Vladivostok is located; traverse Tumen and Tonghua of Jilin Province, on the border with North Korea; and go through the cities of Benxi, Dandong, Zhuanghe, to end in the important port city of Dalian. Dalian lies at the mouth of the Bohai Sea, where it joins the Yellow Sea, bordered by the Korean Peninsula and China's Shandong Province.

The railroad, to be completed in 15 years, will finally create efficient transportation in Northeast China. It will eventually connect 10 cities and link 11 existing, unconnnected railway lines, and promote land border trade between China and Russia, and South and North Korea.

In the nearer term, both Russia and China are expanding border infrastructure. This month, Russia's Far Eastern Railway reported that its cargo turnover with China would be over 25% bigger in 2004 than last year, over 7 million tons. Both nations are improving railroad infrastructure, including to make it possible for Russia to expand oil shipments to China via railroad, since the long-discussed oil pipeline from Siberia is stuck in the discussion phase.

The Russian Railway Ministry also said Feb. 16 they are prepared to help construct the new rail and road bridge over the Amur River, near Kanikurgan, which had been planned in 2001.

High-Technology Cooperation

There are also plans for scientific cooperation between the two countries. The International Department of Rosenergoatom, the Russian Atomic Energy Agency, announced Feb. 13 that its project to build the first floating nuclear power plant in China, "is ready. It is protected and licensed by the state supervision authority," department head Anatoly Kirichenko told Itar-Tass. China will be the first country where a floating nuclear station will be built, he said. "Corresponding agreements have been reached with Chinese structures—the government, financial organisations and a shipyard," Kirichenko said. This will be project a breakthrough for Russian and world nuclear power engineering. "This is related not only to technologies but also to investments and cooperation of the two countries," he said.

Scientists from the two sides will also work together in St. Petersburg, to try to create a vaccine against the deadly disease SARS, which created such havoc in China last year.

Russia and India also have plans for expanding their high-technology cooperation. Representatives of both countries' defense sectors discussed military-to-civilian conversion programs at the "Defexpo India-2004" military exhibition which opened in New Delhi this month. "Considering that enterprises of the defense industry both in Russia and India form the basis of the high-tech complex of the economy, cooperation between them also in the field of military-to-civilian conversion programs has latery begun to be established," the news agency Novosti quoted an expert of Rosoboronexport, Russia's only state mediator for military-technical cooperation with foreign partners.

Rosoboronexport said that many Russian enterprises, known in India for producing the world's best military hardware, also produce dual-purpose and civilian products, including road-building machines, rail cars, and container-tanks. Rosoboronexport is looking to "the expansion of Russia's military-technical cooperation with India and other countries in the area," the spokesman said.

Nepal as Land-Bridge

For China and India, bilateral trade is already expected to reach the level of $10 billion by the end of 2004—almost the level of U.S.-Russian trade. Trade was worth $7.6 billion in 2003. Zhou Gang, former Chinese Ambassador to India and secretary-general of the China-India Eminent Persons' Group (EPG), said that the two countries will set up a "compact" Joint Study Group of officials and economists, to write a program for expanding trade and economic cooperation in the next five years, the *China Daily* reported. The EPG, whose Indian co-chairman is former external affairs minister R.L. Bhatia, met in Beijing Feb. 18-19.

Senior Chinese Communist Party member He Guoqiang, head of the Organization Department, was in India at the same time to promote political relations, and Chinese Minister of Culture Sun Jiazheng, who has been invited to visit India, said the two nations would be signing new agreements on cultural exchanges, including setting up the first cultural centers in each others' capitals.

Finally, there was a fascinating proposal made by Dipak Chatterjee, secretary of the Indian Ministry of Commerce and Industry, at a conference in Kathmandu, Nepal, on Feb. 3. China's *Peoples Daily* prominently reported Chatterjee's proposal that Nepal, with its special geographic advantage, should act as a land-bridge for trade between India and China. This, he said, would avoid the inconveniences and costs of sea transport, which both sides currently must use. India and Nepal will now improve the infrastructure at existing customs facilities; if, as is likely, this is agreed to on the Chinese side, this will be another step forward directly resulting from the historic visit of Indian Prime Minister A.B. Vajpayee to China last June.

India-Pakistan Talks Cross First Big Hurdles

by Ramtanu Maitra

The Feb. 16-18 first round of talks involving top-level foreign office bureaucrats of India and Pakistan went off very well at Islamabad. Now, the ground has been set for problem-solving discussions to be held in May or June, soon after India's parliamentary elections are over, and a new government takes over for the next five years in New Delhi. Although the process that led to the holding of talks was made public only in early January, when Indian Prime Minister Atal Behari Vajpayee arrived in Islamabad to address the South Asian Association of Regional Countries (SAARC) summit and to hold bilateral talks with the Pakistani President Pervez Musharraf, both India and Pakistan had begun the actual process leading toward resolution of bilateral disputes months earlier.

At the summit conference itself, Vajpayee called for an end to "mutual suspicions and petty rivalries" that have "haunted" the South Asian region. "History can remind us, guide us, or warn us. It should not shackle us. We have to look forward now with a collective approach in mind," he emphasized. Both the Indian premier and Pakistani President Pervez Musharraf called for beginning a "composite dialogue" on all bilateral disputes.

Winds of Change

The reports indicate that during the months preceding the Indian premier's arrival in Islamabad last January, India and Pakistan had begun a quiet channel at a very high level to bring the political enmity to an end, and pave the way for the solution of conflicts, including the five decade-old battle over the state of Jammu and Kashmir. The architect of this quiet diplomacy is India's National Security Adviser, the Prime Minister's Principal Secretary, Brajesh Mishra.

Mishra has also been deputized by Vajpayee to work out a framework with Beijing to resolve the India-China non-demarcated boundary issues. Speaking at the Munich Security Conference in early February, Mishra said: "There have been some winds of change in South Asia, following a series of initiatives taken by our Prime Minister [Vajpayee] since April last year, and positive responses from Pakistan. At Islamabad last month, our Prime Minister and Pakistan's President Musharraf agreed to recommence the process of India-Pakistan dialogue in an atmosphere free from terrorism. . . . There is no denying that improved India-Pakistan relations can transform the political and security landscape of South Asia. I must emphasize that the dialogue can be taken forward and sustained only if violence, hostility and terrorism are prevented."

The talks were the first peace effort by India and Pakistan in almost three years. Previous efforts stalled after India cut relations following a terror attack on its Parliament, which it blamed in part on Pakistan. Subsequent to that attack on Dec. 14, 2001, the two nuclear weapons nations came very close to an all-out war during the Winter, as India assembled about 700,000 troops facing 300,000 Pakistani troops along the international boundary and the disputed border areas. The troop assembly was completed in May 2002.

Following the withdrawal of troops, completed in December 2002, both countries began to seek a way to reduce hostilities. What delayed the process was Islamabad's unwillingness to abandon the more than decade-old support it had lent to the insurgents infiltrating into the Indian part of Jammu and Kashmir from Pakistan. The lack of political will of Islamabad at that point made it difficult for any serious dialogue to begin.

In this whole process, the Bush Administration had played a less-than-honorable role. State Department and Pentagon officials alike, who are keen to have both Pakistan and India as friends, had systematically misled New Delhi by claiming that they were in a position to force the Pakistani President to abandon the support to the insurgents; they claimed "total control" over Islamabad. It took New Delhi months to realize that Washington's promises were vacuous and not transparent. At a certain point last year, both India and Pakistan began to move despite this hindrance by U.S. claims and demands.

The most volatile of these disputes which they attacked, was the territorial claim over the state of Jammu and Kashmir by both countries. Since 1947, when the British colonials left the subcontinent, India and Pakistan have fought two wars over the territory. Over the years, it became evident that a military solution to the Kashmir issue is neither feasible, nor desired.

The dialogue to resolve the Kashmir dispute was also stuck in the mud on a 1949 UN resolution. A product of the cold war, the resolution called for a plebiscite to determine whether the Kashmiris, the majority of whom are Muslims, would like to be part of Pakistan or India, or to have an independent nation. After supporting the resolution briefly, India, realizing the danger, backed out and called for bilateral resolution of the dispute. In 1972, in what were known as the Shimla talks, both India and Pakistan had agreed to resolve all bilateral disputes through negotiations without resorting to military adventures.

The 1972 agreement, however, remained mostly a paper document. The breakthrough came late last year when Musharraf, during an interview with the BBC, made it clear that he

is not bound by the plebiscite clause. That was the signal needed by both nations to deal with the dispute bilaterally and not be manipulated from outside.

On Jan. 3 at the SAARC summit, Indian External Affairs Minister Yashwant Sinha, who had labored hard with his Pakistani counterpart Khurshed Mahmud Kasuri, told the journalists' meeting organized by the South Asia Free Media Association (SAFMA): "I have absolutely no hesitation in saying that the winds of change are blowing in the SAARC region. In Islamabad, I have a sense of history. Agreements have been reached on the issues that were considered not only as conflicts, but also perhaps impossible." What Sinha referred to was also true for the SAARC—which had remained moribund since its inception in 1987 because of the India-Pakistan hostilities.

India-China Relations Key

The most important motive force, although not the only one, for these winds of change was the rapid improvement in India-China relations. In recent months, India has widened its economic and political relationships with China, and the two are now involved in working out a framework to demarcate the India-China disputed border in the Himalayas. The non-demarcated border, a legacy of the British Raj, was earlier considered a non-resolvable dispute between India and China. Most Western analysts have said over the years that India-China relations could improve only up to a point, at which they would get stuck on the border issues. But since Vajpayee's visit to China last June, very high-level envoys were appointed by both nations to work out a framework to resolve the dispute. From all available reports, the progress that these two nations have made in this area is phenomenal.

With India and China willing to cooperate and expand economic and technological influences well beyond their geographical boundaries, there has been a sea-change in the attitude of the smaller nations in Southeast and South Asia towards both giants, and among themselves. In South Asia itself, India has worked out preferential trade deals with Sri Lanka and Nepal, and is in the process of doing so with Bangladesh. India has also brought together a cooperative grouping, BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka, Thailand—Economic Cooperation), which embraces nations beyond South Asia.

India is also playing an active role in developing the infrastructure which would land-link the Indian subcontinent to Indo-China. That East-West route, once it finds its way through Pakistan, would link up the South China Sea to Iran and beyond to Europe.

With this fundamental change occurring, it became evident to Islamabad in particular that to sit out the process could lead to further weakening of Pakistan.

At the end of the three-day talks in Islamabad, a joint statement was issued on Feb. 18. It called for the following schedule of meetings:

- Foreign Secretaries would meet in May/June 2004 for talks on peace and security, including Confidence Building Measures (CBMs); and on Jammu and Kashmir.
- Talks on Siachen; Wullar Barrage/Tulbul Navigation Project; Sir Creek; Terrorism and Drug-trafficking; and Economic and Commercial Cooperation would be held at the already agreed levels in July 2004.

It was also decided that prior to those, a series of technical level meetings would be held: between the Director General, Pakistan Rangers, and the Inspector General, Indian Border Security Force, in March/April 2004; expert-level talks on nuclear confidence building measures in the latter half of May 2004; and a meeting of the Committee on Drug-trafficking and Smuggling in June 2004.

Pakistan Puts End to Jihad

In India, the talks have gone down well with the masses, and the BJP is expected to improve its electoral standing within the ruling coalition. It seems that after the high tide of anti-Pakistan feeling in 1999, the Indian public wants the BJP to achieve some kind of permanent equation with Pakistan. It is unwise to speculate about what the Indian and Pakistani sides would "give" to achieve this equation. The other point of comfort is that Pakistan has virtually put an end to *jihad*, by declaring a ceasefire on the Line of Control (LoC) separating the disputed state of Jammu and Kashmir. The *jihadi* camps are gone from Azad Kashmir (Pakistan-held part of Kashmir). Early this month, Indian Defense Minister George Fernandes said Pakistan's government has taken "effective measures" against Islamic militant groups based in Pakistan, leading to a decline in incursions into Indian-controlled Kashmir.

It is also reported that the Indian troops on the Kishenganga-Neelam river boundary have retreated to allow Kashmiris to arrange family reunions across the stream. Pakistani observers claim that this was the biggest irritant that has been removed by the Indian side. Artillery shells in this part of Azad Kashmir had given rise to tragic civilian losses that Pakistan could hardly tolerate; it had responded by making it hot for the Indians on the other side of the LoC. Recently the Neelam Valley residents gave televised thanks to both governments for letting their lives return to normal.

Talks on a Kashmir bus service, and a possible train and bus route between Pakistan's southern Sindh province and India's northwestern Rajasthan state, are expected to occur on March 8-9 and March 29-30.

Pakistan's Foreign Minister Khurshed Mahmud Kasuri's Feb. 16 statement is of great significance. He said that while he was not imposing conditions, it was imperative for talks between India and Pakistan to proceed at a pace that would yield results, before President Musharraf gave up his military uniform by the end of the year. "The President is wearing two hats for a year, and advantage should be taken of that," he said.

Time-Bomb of Civil War Is Ticking in Iraq

by Muriel Mirak-Weissbach

Time is running out for the Bush Administration in Iraq, but not in the way some of its leading lights think. It is not the June 30 deadline, set by U.S. proconsul Paul Bremer and the Iraqi Governing Council (IGC), for a cosmetic "transfer of sovereignty"; nor is it the November elections in the United States, which count. Rather, it is the steadily deteriorating military situation for the U.S. occupying power, facing an expanding resistance which it is incapable of containing, much less defeating. Unless a wholesale shift in policy is effected, now, toward the effective entry of the United Nations, and a UN-coordinated process of electing a constituent assembly and government, the danger is of civil war and subsequent break-up of the country.

It is no accident that Henry Kissinger, the ideologue of geopolitical manipulation and Hobbesian "diplomacy," raised precisely this possibility in an opinion piece in the German *Welt am Sonntag,* on Feb. 15. Kissinger projected a scenario whereby a pseudo-government would be created, but not accepted, thus triggering greater strife, which could ultimately lead to partition.

Kissinger wrote that on June 30, "the formal end of the occupation changes the nature of the American engagement, but not its necessity. It requires a new strategy, to transform power into legality, and therefore requires a new dimension of diplomacy." Specifically, he wrote, "A sovereign Iraq, which agrees to having the coalition forces remain, so that they won't be seen as occupying forces, requires a government which is representative, secure, and internationally recognized." Although the United States would like to introduce a system of "checks and balances," he said, that is not part of Iraq's tradition. Instead, ethnic, religious, and tribal groups will probably seek to defend their interests against others', and this means that after June 30, "the security situation in Iraq could at least for a time get worse, because the various dissatisfied groups would attack the government." Dismissing the position of France and Germany "for a rapid transfer of sovereignty under the aegis of the UN," as something which "has been overridden by events," Kissinger stated categorically, "The U.S. government will not bring the UN in."

Instead, he proposed that the "international community" be brought in after July 1, in two phases: first the NATO contact group, to set up a presence, then a group under UN leadership. "Such an arrangement gains in meaning, as soon as one has to face the ultimate challenge: for, Iraq, which, like Yugoslavia, had been created for geostrategic reasons, cannot be held together by representative institutions which desire an autocratic regime or which break up into groups." He continued with this important point: "Even though it would not correspond at all to the desired results, still events *could make the partition in three states necessary.* But that would require a strong international leadership. This does not mean renouncing a U.S. policy of multilateral consensus, but rather its shaping under a strong leadership."

Elections: When and How

In direct opposition to Kissinger's geopolitical fantasies of a new empire, there are forces inside Iraq and in the UN who are exploring the possibilities for an effective, genuine transfer of sovereignty, to a democratically elected government. On Feb. 12, a UN delegation led by special envoy Lakhdar Brahimi met with the highest Shi'ite authority, Ayatollah Ali al-Husseini al-Sistani, in Najaf, Iraq. The issue of the talks was elections: Although Bremer and the IGC had agreed in November to "transfer sovereignty" to a body selected through regional caucuses, al-Sistani made known his rejection of the plan, demanding, instead, that free and fair elections be organized, and insisting that they could be organized within the time constraints given. Although Bremer attempted to contact al-Sistani, to argue the case that elections could not be held so soon, the Shi'ite leader refused to meet him—the representative of the illegal, occupying power—and proposed contact with the UN instead, as the only body, according to international law, which could reintroduce legality into the situation. Al-Sistani initiated contact with the UN, through a leading Shi'ite member of the IGC, and invited UN Secretary General Kofi Annan to send a delegation.

Following the talks, Brahimi told reporters that al-Sistani "is sticking to his position, and we share his opinion totally, because elections are the only way to bring Iraq out of the tunnel. We are also in agreement with him that they must be well prepared to obtain the results called for by himself and the Iraqi people." "The elections must be held at the best time possible to yield the result we hope for," he added, without giving a timeframe. "Ayatollah al-Sistani is completely within his rights to demand the holding of elections and we are completely in agreement with him because it is the right way to resolve the Iraqi problem," Brahimi said.

In a press conference, Brahimi detailed the reasons why organizing elections would be difficult, including technical factors: If rationing cards were to be used, as suggested, this would not satisfy all conditions, since many Iraqis do not have them, while others have forged cards. This would provide no proteciton against fraud. In addition, he pointed out that one has to decide what kind of government system one is electing. In current circumstances, it would not be possible to organize perfect elections, he said, but rather "reasonably credible"

elections, whose outcome could presumably be acceptable.

As for the transfer of sovereignty, slated for June 30, Brahimi said there is no agreement, to whom it should be transferred. Some members of the IGC would like to propose themselves, in perhaps an enlarged form, as the "transitional" sovereign body. Whatever it might be, it would be a "transitional authority" with a "short-lived" mandate. It would not have much power.

The strongest, and most emotionally charged answer Brahimi gave, was in response to a question about the danger of civil war. He stressed that a civil war does not start because someone decides to start it. It breaks out when one group or groups see their interests as opposed to those of the nation. He issued an appeal to all Iraqis, of all groups, to be extremely cautious. He cited Lebanon and Algeria as countries where no one dreamed civil war could break out, but yet it did.

Brahimi delivered his report to the UN, on return to New York, where the matter now rests. It is up to Kofi Annan to present a creative proposal, capable of untying the many difficult knots.

One most glaring problem is the feasibility of a return of the UN to Iraq. Clearly, if real elections are to be organized with any legitimacy, the UN must be involved. Yet, as the Secretary General has repeatedly stressed, and Brahimi's group confirmed, Annan will not re-establish a presence there, unless security is guaranteed. Bremer's Provisional Coalition Authority had promised such guarantees, but has been physically unable to protect UN personnel, as the bombing of their headquarters last Summer dramatized.

A related problem, raised by Brahimi, is that of the entity to which sovereignty is supposed to be transferred. Whether it may be an expanded IGC or another body pasted together by the occupying powers, it is not expected to be recognized by Ayatollah al-Sistani—who, as the UN mission demonstrated, *is* the leading authority in Iraq. This is perhaps what Brahimi meant, in describing the new body as "transitional" and "short-lived." If a formula were to be found to make such an entity acceptable to al-Sistani, it would signify a compromise, whereby elections would be held, but several months later.

The Fallujah Syndrome

Time is running out. The gun battle which took place in Fallujah on Feb. 18 was a singularity in the process of the guerrilla warfare in Iraq. A group of 50 resistance fighters stormed the central police station, and freed up to 100 prisoners being held there. Simultaneously, they attacked the central headquarters of the Iraqi Civil Defense Corps, the same building which had been hit two days earlier, targetting (but missing) U.S. Army Gen. John Abizaid's convoy. A gun battle ensued between the attackers, who were armed with rocket-propelled grenades, AK-47 machine guns and mortars, and the Iraqi security forces. At least 20 people were killed, mainly Iraqi police, and 30 were wounded.

U.S. Iraq proconsul Paul Bremer's political and economic decisions have been consistently wrong; now his demand for an unelected Iraqi government to receive power by July 1, is guaranteeing a government that will be "short-lived," and setting up civil war.

As a military expert pointed out to *EIR*, the modus operandi of the event has several noteworthy aspects: The intelligence capabilities of the attackers were excellent, evidenced by their knowledge of the movements of General Abizaid earlier, and their information on the staffing and set-up of the prison. The size of their unit, 50 men, marks an escalation compared to the typical, daily roadside bomb attacks and ambushes against convoys. The attackers were well-equipped, well-trained, and effective; it is estimated that they lost only four men.

Finally, and most telling, is the fact that the U.S. forces on the scene did not intervene. This provoked expressions of rage among the Iraqis. One policeman at the site was asked by a journalist about the U.S. Army. He answered: "Shit on the Americans, shit on them." He had been shot in the leg, and three of his colleagues standing beside him had been shot dead, during the siege of the police station. "The American Army watched but did not help," said Qais Jameel, another wounded policeman. "I don't know why. Americans don't like the people in Fallujah."

According to the cited military expert, such an event is seen by the Iraqi policemen as a betrayal by their comrades-in-arms, and denotes either panic or total demoralization on the part of the U.S. troops. Reports of increasing suicides among the troops confirm this picture. And, the fact that the entire force currently deployed in Iraq is to be rotated out—rather than just a portion—tells the same story.

Face Reality Before It Is Too Late

There is a way out of the "Vietnam in the Desert"—Lyndon LaRouche's image for the Iraqi quagmire. The only viable solution remains what LaRouche has proposed: The

United States must declare the intention to withdraw and to bring the UN in, not as a fig-leaf, but as a legitimate body for the task. Kofi Annan has emphasized that this requires security guarantees. Such security can, ultimately, be provided only by a re-established Iraqi military. As the leading expert on Iraq in Germany, Aziz Alkazaz of the Deutsches-Orient-Institut, told *EIR*, only the Iraqis can restore law and order. The security situation must be given over to the Iraqis, not to those currently being groomed, but to "clean elements in the Army, who are recognized by the population as Iraqi patriots, who have not sold out, and are not criminals. They could establish security and stop the crime and anarchy."

This requires facing the painful reality, that disbanding the Iraqi military was a terrible mistake, made by occupation administrator Paul Bremer. On Feb. 18, USMC Gen. Peter Pace, the vice chairman of the Joint Chiefs of Staff, made clear that the decision to disband had not been made by the competent military officials. "I do not know the discussions that took place in theater on when or how to disband the Iraqi military," Pace stated to the New York Council on Foreign Relations. "I did not give Paul Bremer advice." Moreover, "That issue was not specifically addressed by the Joint Chiefs, brought to the Joint Chiefs," he said. "We were not asked for a recommendation or for advice."

Now that mistake must be rectified, if it can, in time. Restoring security through a sovereign Iraqi military force, is the first precondition for holding elections. In the view of Alkazaz, the security situation must thus become visibly better, as the result of the intervention of a national, patriotic Army figure, who establishes order—but does not move against different groups. There are many such well-known Iraqi military figures. The UN cannot provide this security, and if the Americans try to establish order, the conflict situation remains.

Through the establishment of order, people must be able to see a new horizon. They have to be able to perceive that the occupation will end. An agreement has to be made for an orderly U.S.-U.K. military withdrawal—not overnight, but real.

As specified in LaRouche's proposal, the UN must oversee the electoral process leading to a constituent assembly, which would draft a constitution. The Iraqi constitution of 1958 should serve as the historical precedent and starting point. Elections could then be organized. Former Deputy Prime Minister Tariq Aziz, who is still being unlawfully imprisoned, should be released from custody, and allowed to serve in this process.

Will Schröder Resign As German Chancellor?

by Rainer Apel

The surprise resignation on Feb. 6, of Chancellor Gerhard Schröder as national chairman of the Social Democratic Party (SPD) has been read—in Germany as well as abroad—as the first step towards his withdrawal from the chancellorship in the near future. The resignation announcement came after the publication of disastrous popularity ratings for Schröder (14%), and his government and SPD party (24%). The SPD is expected to lose votes heavily in all 14 elections—on the state and municipal level, as well as the European Parliament—that will be held in Germany this year. The first election takes place in the city-state of Hamburg on Feb. 29, and the month of March is expected to tell more about Schröder's further plans.

On March 21, the SPD will officially replace Schröder with the designated new party chairman, Franz Müntefering. On March 25 Schröder will deliver a "State of Germany" address in Federal parliament. It cannot be ruled out that he will use that occasion for a vote of confidence. With his thin majority in the parliament of only 4 seats over the opposition, Schröder might lose that vote, because his Agenda 2010 budget-cutting policy is meeting very strong opposition inside his own SPD and the labor unions. If five SPD members of the Bundestag vote against or abstain, Schröder's thin majority is gone. There are 2 Bundestag members of the post-communist PDS, who, because their party opposes the Agenda 2010 from a leftwing-populist side, will also not vote for Schröder.

Neither Schröder's withdrawal as SPD party chairman, nor a lost vote-of-confidence, would be to the instant benefit of opposition leader, neo-con party chairwoman of the Christian Democrats Angela Merkel. Merkel's proclaimed desire for a "regime change in Berlin now" stays 6 seats short of a majority in the national parliament, and because of her neo-con positions, she is not likely to pull SPD members over to her side. She cannot openly challenge the incumbent Chancellor in a no-confidence vote that she would not win. There are also enough serious policy differences between Merkel's own CDU party and the allied CSU, the autonomous minor Christian Democratic party of Bavarian State Governor Edmund Stoiber, to undermine Merkel's own ambitions. Stoiber himself responded to the Schröder announcement on Feb. 6 with the warning that the Christian Democrats

should "rather build an account of voters' confidence in the elections of 2004, than hang on to unrealistic dreams (sic)." Moreover, Merkel is not more popular than Schröder, and several polling institutes even place her behind the incumbent Chancellor.

In addition, the German constitution impedes abrupt government changes, by demanding either a "constructive" no-confidence vote or early elections as the only legal procedure to change government: A government cannot be voted out, without an alternative candidate for chancellor gaining an absolute majority of more than 50% of seats (the "chancellor's majority") in the federal parliament.

One should furthermore not underrate Schröder's talents as a "survival specialist," which have kept him in office through numerous highly-critical periods after he took office in October 1998. The way Schröder worked himself out of a virtually hopeless situation, a few weeks before the national elections of September 2002, illustrates his special survival talent. He suddenly outflanked the opposition through "national emergency" rhetoric during the big eastern German flood of August 2002, and successfully tapped anti-Iraq War sentiments in the overwhelming majority of the population, which secured his re-election with a thin edge of only a few thousand votes over the Christian Democrats.

The opposition Christian Democrats have never been able to challenge Schröder openly. The incumbent Chancellor's acute problems have been caused by his own incompetence and indecision. For example in the aforesaid difficult Summer of 2002, Schröder could have listened to a widely-circulated and widely-discussed *Open Letter To The Chancellor*, authored by the German LaRouche Movement's chairwoman, Helga Zepp-LaRouche. There, she urged Schröder to scrap all the budget-cutting insanity and go, instead, for a national pro-infrastructure, job-creating program of industrial recovery in the larger framework of Eurasian Land-Bridge development. There were short moments during which Schröder and several cabinet ministers of his discussed the option of national infrastructure bonds to fund the reconstuction in the flood-savaged regions of eastern Germany. But Schröder opted instead for budget-balancing.

Another missed chance for Schröder was on New Year's Day 2003, when he took part in the maiden ride of the world's first commercial maglev track—just-completed—in Shanghai, which China built in cooperation with Germany. From Shanghai, Schröder could have sent a special New Year's message home, appealing to German technological pride and calling for such infrastructure projects in Germany. He did not do that, instead axing for budgetary reasons, a few weeks later, one of two small maglev projects envisaged in Germany. And during the Summer of 2003, Schröder gave the go-ahead for the second round of Agenda 2010 budget cuts.

It may be that Schröder will muddle through the coming weeks and stay in office. But if his policy remains unchanged, Germany will be run down further.

Film Review

'The Last Samurai,' Or the Last Railroad?

by Kathy Wolfe

"*Ten wa hito no ue ni, hito wo tsukurazu*," wrote Fukuzawa Yukichi, leading intellectual of Japan's Meiji Era in the 1860s. The literal translation is, "Heaven did not make people above people," but his actual reference is to the opening lines of the 1776 Declaration of Independence of the United States: "We hold these truths to be self-evident: that all Men are created equal."

One of the great stories of history, a story blacked out today, is the creation of modern Japan in the era of the Emperor Meiji (r.1868-1912). This is not because Japan is a mystic, exceptional land, or even because it was the first non-European nation to achieve global industrial power. And it was certainly not because a few wealthy Japanese lords decided to "xerox" Western culture, and sell their nation to the highest Yankee bidder, as Warner Brothers' *The Last Samurai* would have you think.

It is the story of how a small band of young American and Japanese intellectuals, each independent of the other, on opposite sides of the globe, decided that the "Dignity of Man" must be set higher than the age-old privileges of aristocracy, which treat men as beasts. It is the story of the universal nature of man, no matter where, to seek a society based on the sovereignty of the individual human mind. It is the story of how they joined together, to meet the mighty British Empire and its opium gunboats on the eastern rim of Asia—and turned it back.

Yet the film's theme is that arms merchants ruined the United States in the 1870s, including the lives of Civil War heroes such as Captain Nathan Algren (played by Tom Cruise), who were sent to massacre the American Indians. Then these merchants moved into Asia, selling guns and war. But Algren, hired to train Japan's new army in Western weapons, is recruited by the samurai leader Katsumoto (Kensaku Watanabe), who demonstrates to Algren the human dignity and superiority of his code of honor.

World Reality

History's samurai are much to be admired, but the film tells a violent lie, by ignoring the world reality of that time. Both Japan and America faced Britain's giant Opium Empire, armed to the teeth, occupying all India and China. British gunboats were already shelling Japan's southwestern cities,

such as Kagoshima, by 1863. Had Japan not imported American help and technology, it would have been occupied and destroyed, like China.

Also ignored is Britain's frontal assault on America. London had financed the secession of the South and the 1865 assassination of Abraham Lincoln, an overt attempt to Balkanize and reoccupy the United States. Lincoln's ally Tsar Alexander of Russia, in the 1860s, sent his fleet to New York and San Francisco to forestall British invasion. Civil War cannons at the Golden Gate Bridge to this day attest to the British threat to California.

Ignored are the writings of Townsend Harris (first American envoy to Japan), President Ulysses S. Grant, and others, who wrote that Americans came to Japan *not* as did the European empires: to take no lands, but to form an alliance, to defend the national sovereignty and freedom of both nations. Japan was literally the last place on earth where the U.S. fleet might dock to buy fuel, food, and water, to stop British occupation of the Pacific.

The film is intensely anti-American; it airbrushes the British Empire out of history, and paints America as the world's villain. In so doing, it denies the existence of the minds of Benjamin Franklin, Alexander Hamilton, and Tom Paine, and the fact that they founded a republic based on the Dignity of the individual Man.

Yet read the original writings of America's founders, and of the founders of Japan's Meiji era such as Fukuzawa, Okubo Toshimichi, and Okuma Shigenobu, and it is clear, that they take independent joy in the same purpose: the education of each individual human mind, and the creation of sovereign nation-states based on the Dignity of Man.

Attack on Industrial Culture

The film is also horribly anti-Meiji, in a racist way. It denies that Fukuzawa, Okubo, Okuma et al. could have recognized the American "Idea of Man"—because it was something they were already seeking. In fact, these Meiji leaders had reached the same conclusions before Commodore Perry set foot in Yokohama in 1853. The Tokugawa Shoguns closed Japan to foreign relations from the early 1600s to 1853, but in the 1850s, Japan's young intellectuals risked their lives to travel secretly abroad, study foreign books, languages, and science—and as any true intellectual does, look at the world *as a whole.* They saw the "big picture": The British Empire by 1840 had crossed Eurasia, occupying most of it, destroyind the principle of national sovereignty, enslaving populations.

The Meiji intellectuals also took a good, hard look at Japan's age-old "rule by the few," and saw that their nation must industrialize, or be crushed, and wrote so.

Yet *The Last Samurai*'s ultimate aim is to provoke a psychotic reaction against industry, in Japan today. It paints science, engineering, and anything to do with electricity, railroads, cities, and machines, as cultural imperialism, killing the soul of Japan.

The film's villain, Baron Omura, wants to kill off the noble samurai, as General Custer slaughtered the noble Indians, to seize their land for his railroad. This is a direct attack on the Eurasian Land-Bridge-New Silk Road program, a plan to uplift billions of people "from Pusan to Paris" precisely by building large railroad projects, amplified by major water, power, and other industrial programs. The reader should ask: "Why?" And, while glorifying the peasants who are shown planting rice one seedling at a time, barefoot knee-deep in water, the film neglects to mention how many billions of human lives have been ruined by such medieval production methods, which necessarily leave only a tiny elite to rule over most of the population as if they were cattle.

In fact, Japan today is in a profound existential economic crisis, in which Tokyo elites are already pondering precisely these questions, and asking just what industry has meant, and should mean in the future, for Japan. The film's masterminds have found a crack in Japanese society, and seek to blast it wide open.

Take a snapshot of any street in midtown Tokyo, a rush of students with orange and green hair, nose rings, bare stomachs, two cell phones in each hand, their MP-3 players surgically sutured to their ears. Elites across Asia are looking with dread at this hideous "culture" of violence and video-games, which today's all-too-real American Empire has created. More and more they ask: "Is this the culture which we want to bring to billions of people in Eurasia, and call it 'modernization'?"

Top officials who have devoted their lives to Great Projects such as the New Silk Road, seriously ask whether it's not all wrong. "Contrast the decay of our youth, their selfish commercialism, their disregard for our nation's future, to the peaceful village of my youth," one says. "My family gathered for quiet dinners and calligraphy each night—and no one locked their doors."

"My sons have no idea what to do with their lives," one official confided to me. "I tell them: 'Your material goods mean nothing, your life means nothing, unless you serve your country.' They stare back at me blankly. Was the old life not better for the spiritual human being?"

This serious question raises the issue of how we must not only reorganize the entire world monetary system, and rebuild its physical economy, but must also create an entirely new artistic culture based on the Dignity of Man. Japanese society is ready to explode. If Japanese troops start to die soon in Iraq, it will, and the anti-Americanism won't be pretty.

Who are the Hollywood consultants monkeying in this tinderbox? Whoever they are, they have certainly spent big money, to try to ensure that Japan and America do not join together in building the Great Project of the New Silk Road today. Or engage again in serious discussion of what is the human mind, what is Classical culture, and what is its universality.

That should suggest to the reader, that precisely this is what thinking Japanese and Americans should boldly now, once more, go forth and do, together.

Geneva Accord—Beacon Amid Mideast Troubles

by William Jones

In a Washington forum organized by the Swiss Foundation for World Affairs on Feb. 10 on the Geneva Initiative for Middle East peace, speakers from both the Israeli and Palestinian delegations to the Geneva negotiations met to present their outlook for peace, and the purposes of their initiative.

At a time when the violence in the Middle East seems to reach ever greater heights, a group of Israelis and Palestinians have put forward a proposal which they feel would provide the impetus for a final status agreement to end the Israeli-Palestinian conflict (see interviews which follow). The agreement which was formally signed at a meeting in Geneva on Dec. 1, 2003 represented something of an anomaly in a situation where even the truncated "Road Map" touted by the Bush Administration was pretty much in shreds, or as one of the speakers put it, "clinically dead, but not yet certified.".

Comprehensive Solution with International Backing

The Geneva Initiative has received a broad spectrum of political support from the international community . "We are using every meeting to push the initiative at every level," said Urs Ziswiler, Senior Diplomatic Advisor to the Minister of Foreign Affairs of Switzerland, which has given strong support to the initiative. Already support has been received from Canada, Norway, Sweden, the European Union, the United Kingdom, Germany, and France, Ziswiler said. In the Arab world, the Initiative has garnered support from Morocco and Qatar, and meetings will be held with Saudi Arabia regarding the proposal.

The Geneva Initiative is the more remarkable in that it encompasses, in its form of a draft permanent status agreement, an agreed resolution to all the major areas of contention. This, according to the initiators, was absolutely essential for the success of the negotiations on the measure. "The Road Map is seriously deficient," said Gaith Al-Omari, a member of the Palestinian delegation. "The concept of a Palestinian state is not enough. You must have the end-game clarified." In addition, as several speakers underlined, the notion of a "sequenced" end of the Middle East conflict would only leave the door open for some disgruntled activist or group to launch an atrocity, which would push the "sequencing" one or more steps backward.

The Geneva Accord, as it is called, does clarify the end-game. The Accord calls for: 1) Two states, one Jewish and one Palestinian; 2) Withdrawal from territories occupied in 1967, with border adjustments and territorial swaps; 3) Sharing sovereignty in Jerusalem, following the formula, "What is Jewish will be Israeli, what is Arab will be Palestinian"; 4) A solution to the problem of Palestinian refugees that is based on compensation, rehabilitation, and resettlement; 5) Special arrangements to ensure Israeli security; and 6) An announced and enforced end to the conflict, including all forms of terrorism and violence.

The agreement excludes the right of return of Palestinians to homes they may have formerly inhabited within the territory of Israel, perhaps the most difficult concession for the Palestinians to accept, but without which an agreement might be well-nigh impossible. "Indeed, it is a grave injustice not to let Palestinians live in parts of Palestine," said Gadi Baltiansky, former press spokesman for Israeli Prime Minister Ehud Barak and a member of the Israeli delegation to Geneva. "But it is also incorrect not to allow Jews to have their state. A compromise must be found."

Needed: Region's Populations' Support

According to recent polls of Israeli citizens, said Daniel Levy, one of the architects of the Geneva Accord, there is presently about 40% support for the agreement among the population, although this is by no means matched in the percentage of support in the present Knesset. Support for individual parts of the agreement is much higher, however.

Probably something of the same percentages prevail on the Palestinian side, added Gaith Al-Omari.

Their real task ahead is to increase that support by building confidence in the Geneva Accord in Israel and in the Palestinian areas. The international support, in particular that from the United States, is important in building that confidence.

"We now have a detailed and fair paper to use," Lipkin-Shahak said. "We now have to pave the road to get there. The Accords must be inserted in the conversation every time that Israelis speak with Palestinians and that Palestinians speak with Israelis."

While Secretary of State Colin Powell did express his appreciation for the Geneva Initiative in a meeting with two of its initiators, Yossi Beilin and Yasser Abed Rabbo, on Dec. 5, the Administration's verbal insistence on the virtually moribund "Road Map" has effectively opened the way for Israeli Prime Minister Ariel Sharon to begin implementing his own "unilateral" solutions in the region. These are moves which, given Sharon's profile, may unleash unforeseen—and devastating—consequences. The Administration's continually harping on its step-by-step Road Map, is rapidly becoming a genuine "road-block" to a solution of the Israeli-Palestinian conflict.

Interview: Salah Abdul Shafi

'People Have Lost Hope In the Peace Process'

Salah Abdul Shafi is a member of the Palestinian Steering Committee for the Geneva Initiative. He is Chairman of the Board of Directors for the Palestinian Forum for Democracy, and a member of the Palestinian Authority National Reform Committee. He was interviewed in Washington by William Jones on Feb. 10.

Palestinian Geneva Accord negotiator Salah Abdul Shafi at the podium during conference at Johns Hopkins: "People were expecting the so-called peace dividend. People expected that living standards would improve. On the contrary, everything deteriorated. That's why people don't believe in peace any more."

EIR: What difficulties have you had to overcome in organizing support among the Palestinians for the Geneva Initiative?
Shafi: Well, the first problem we face is that people are pretty much frustrated. They have lost hope in the peace process. Given the daily difficulties that people are living under—constant Israeli incursions, demolishing of homes, targeted assassinations, and disengagement of the international community—all these factors together make the people think that this document will not see the light of day in terms of implementation, and will end up as the other plans that were presented in the last three years—the Mitchell report, the Tenet report, and the Road Map.

EIR: You mentioned the growing poverty and the economic decay in the Palestinian areas. From Oslo on, there were certain signs of hope, and I think there were promises to the Palestinian community that there would be an improvement in their conditions of life, promises which have not been kept. There has been a great deal of discussion, but little has happened. Do you feel that something must be done in this area to revive people's confidence that the process will indeed lead to better conditions for the Palestinian people?
Shafi: Absolutely. The paradoxical situation that we're facing is that after the peace process, living conditions deteriorated, the living standards declined, the unemployment rate went up. People were expecting the so-called 'peace dividend.' People expected that living standards would improve, that they could move freely. None of this happened. On the contrary, everything deteriorated. That's why people don't believe in peace anymore.

Of course, the international community is providing money in different areas, economic aid in terms of infrastructure, emergency assistance, supporting the budget of the Palestinian Authority. But what is needed is to link this economic assistance, this funding, with a political horizon so that people know that at the end of the day they will be living with dignity within their own independent, sovereign state. If this assistance continues the way it has been done in the last 13 years, it will only be within the concept of emergency assistance, but not as an assistance that is aiming at establishing the basis of a future state.

EIR: Do you feel that the recent stagnation has pushed people more and more into terrorism? When people feel they have their backs to the wall, they are sometimes willing to sacrifice everything, including their own lives, in order to change the situation. And that desperation, of course, is often manipulated by people who want to increase the terrorism, foment more chaos. How do you think the situation stands today? Has it become more desperate?
Shafi: Absolutely, this is on the increase. The fact is that extremist political groups like Hamas and Islamic Jihad use the desperation, the frustration, the poverty of the people. That's why if people see hope in the future, combined with an improvement in their economic situation, their living standards, it will minimize the chances of Hamas and Islamic Jihad to dominate the political scene in Palestine. So what is needed is a combined effort to give people a political vision, give them economic assistance, give them something to eat, and I'm sure they will turn their backs on Hamas and all the extremist groups.

EIR: . Has the U.S. invasion in Iraq had a big effect in shaping Palestinians' attitudes toward the United States?
Shafi: Definitely. You see, Palestinians are living under occupation. They see that the Iraqis now are living under American occupation. What adds to the hostility of Palestinians toward America is the biased policy of the current American Administration in favor of Israel. People feel that the United States is not an honest broker in the process, but that the United States rather adopts Israeli positions. So people emotionally are pitted against the United States, and these emotions, of course, have been fueled by the U.S. war in Iraq.

EIR: The proposal by Prime Minister Sharon to demolish the settlements in Gaza—do you think this will lead anywhere?
Shafi: Of course, as Palestinians, we welcome any kind of

withdrawal from Palestinian territory. Palestinians in the Gaza territory will certainly be happy to see Israelis dismantling settlements and withdrawing their forces. But, if Israel continues to besiege the Gaza Strip; if Israel continues to impose restrictions on the movement of Palestinians from and to the Gaza Strip; if Israel continues to control the movement of goods to and from Gaza, at the end of the day, this will not help. And, if Israel intends by this move to impose final borders or impose a final settlement, I think this will be a recipe for the escalation of further violence.

Interview: Amnon Lipkin-Shahak

'The Occupation Cannot Last Forever'

Gen. Amnon Lipkin-Shahak (ret.) served as the Chief of General Staff of the Israeli Defense Forces from 1995-98. He was Israel's Minister of Tourism and Minister of Transport from 1999-2001, and took part in the Israeli delegation to peace talks at Camp David II, Sharm El-Sheik, and Taba. He was a member of the Israeli delegation to the Geneva Initiative negotiations. General Lipkin-Shahak was interviewed by William Jones in Washington on Feb. 11.

EIR: Maybe you want to explain something of the background to the Geneva Initiative. Obviously, in a very difficult situation, in which there was almost no optimism regarding the Israeli-Palestinian situation, people on both the Palestinian and Israeli sides took the opportunity to put something forward in order to create a ray of hope, to show that there are potentially agreements, on all major areas of contention, that can be reached. What effect do you think this has had on the population in Israel? in Palestine? What do you hope to achieve with this?

Lipkin-Shahak: Well, first of all, as you mentioned, if there was any other political initiative in the air, maybe this initiative wouldn't be needed. But this initiative came on the political level at a point in time when there was nothing—a total vacuum. And I think that the timing for this initiative was perfect. Of course, nothing is perfect; but the time was ripe. Because the initiative creates for the people in Israel and, in other ways, for the Palestinians, a public discussion about the future of the Israeli-Palestinian conflict, a discussion of "where are we going"?

Before the Geneva Accords, we all agreed that terror should not continue, that we should fight terror, and that we should do whatever is needed and whatever is possible to fight terrorism. But just by fighting terrorism—even if [we] will be very, very successful—we are not going to bring an end to the conflict. And after the Geneva initiative was brought to the public, suddenly we saw the Israeli government, we saw Sharon—the first week that Geneva was in the air, things started to move. Sharon sent his son to meet Palestinians. The Labor Party came with new ideas about a future peace agreement. Another party, the Shinui, which is a member of the coalition, started to suggest certain ideas. The Israeli Prime Minister with his present unilateral proposal came only at that point.

And by the way, Sharon said recently—in order to explain why he made this unilateral suggestion—that whenever there is a vacuum, we have these Genevas. And to prevent Geneva, we have to initiate something. And I think he's right, by the way. And I think this public, internal Israeli debate is needed. Because we are talking about the future. Nobody is happy in Israel. The economic situation is not very promising. Every aspect of life is affected by the conflict.

And in the end, we have to have a certain answer to the conflict, a certain solution. We are not rewriting the Bible and telling people, " 'Look, here you have a paper that gives answers to most of, or to all of the difficult questions." No, if you want, take the paper and change things or suggest things. But what we are telling you is that, given the most difficult questions, there are, in fact, Palestinians with whom we can sit together and reach answers to these questions. There are Palestinians who are willing to enter into reforms inside Palestinian society. And those reforms are needed. So don't lose hope.

EIR: The Geneva Initiative has gained considerable international support, in Europe, and from Canada. Now you have presented this in a major way here in the United States, with your meeting here.

Lipkin-Shahak: Yes, but already a month ago we had meetings here. We met Colin Powell.

EIR: Who also expressed support for the Initiative.

Lipkin-Shahak: Yes, and we also met a number of Congressmen and Senators. But, look, Washington is not the place where we are going to spend a lot of time and effort. We are going to work, and we're working hard, back in Israel; and the Palestinians are working among their people. I think that what we have to do: To convince more Israelis and Palestinians to support the initiative, or to understand that an end to the conflict can only be done by means of an agreement, and not by an unilateral act, or by doing nothing. And therefore, most of our efforts are not here or Europe or somewhere elsewhere, but in Israel and among the Palestinian people.

EIR: The United States has, however, traditionally played an important role. To the extent that there was something

moving on the ground in the Middle East, with the support of the United States, certain things could start to happen to pull the process together. If you had an opportunity to sit down with President Bush, what would you want him to do to try to move the situation forward?

Lipkin-Shahak: I would say several things. First, I think he is informed about the situation in the Middle East. We know that American interests in the Middle East are much broader than trying to solve the Israeli-Palestinian conflict. The Americans are facing difficulties in Iraq and are not yet finished with their operations. The Americans have interests in the rest of the Middle East, and in the Near East, in the Arab world. And it's very clear to everybody that there is a very tight connection between solving the Israeli-Palestinian conflict and Arab-American relations.

But, this is not what I'm going to tell President Bush. What I will tell President Bush is—and I'm sure if it were up to him, he would like to help in solving the Israeli-Palestinian conflict because it will serve American interests. And I think that in order to do so there is an opportunity now to support a few moderate-thinking Palestinians. Because not only among the Palestinians, but also in most Arab countries, there is a fight between moderates and the extremists. And if the United States will not help the moderates among the Palestinians, there will be no change; there will be nothing good; and the chance that the extremists, in the end, will prevail, is a threat to the United States no less than it is a threat to Israel. If the war against terror is serious, we have to support those who are against Arab terrorism. And these are the same moderate people.

And therefore I think that while we're not talking on behalf of the Israeli people, and we're not trying to replace the Israeli government here—if it will be replaced, it will be replaced in elections in Israel—but we believe that the U.S. should support moderates, should support those who are preaching to look for peaceful solutions to the conflict. And if we provide a sample, that can be the beginning of a solution to the Israeli-Palestinian conflict.

EIR: Things came very close in Camp David II, as you indicated in your comments to the conference. And there has been much criticism, and a lot of speculation, as to what actually happened when the negotiations failed. Prime Minister Barak, with the backing of President Clinton, presented a proposal that Chairman Arafat could not, or would not accept; and then the blame was placed on Arafat for the failure. The question that has been continually raised is: Did they really go into those negotiations with a sufficient basis to achieve any kind of agreement, or were they pushed by circumstances, both here and in Israel—where both the Democrats here, as well as Barak, were facing very tough elections?

Lipkin-Shahak: Look, there will be a number of books out on this topic soon, by Dennis Ross and by Martin Indyk. There were no serious preparations for Camp David. I believe the professionals on the American team and on the Israeli team said that July was not the proper time to invite the parties to Camp David. I believe the Palestinians felt that Camp David was a trap, that they had to try to get out alive from the trap. They didn't come to Camp David to sign an agreement.

Former Israeli Defense Forces Chief of Staff General Lipkin-Shahak: "This [Geneva] Initiative came into a total vacuum." He believes that the most difficult issues can being solved by direct negotiations, and that assassinated former Prime Minister "Rabin was certainly right."

When we came to Camp David, the differences between Israelis and Palestinians were huge. It was impossible to bridge the gap at Camp David. There was zero preparation on the Palestinian side for swallowing what was in Camp David. I believe that they behaved—especially Arafat—in the most stupid way at Camp David. But, if Camp David had ended, not in the declaration of a total failure, but, instead, by saying, "We didn't reach an agreement. We were unable to give all the answers that were needed to reach an agreement, but we made some progress and the two parties will go back and continue to negotiate. And if the Americans feel in four or six weeks that the time is ripe, they will call the two parties [together] again for another meeting." Maybe then, the whole array of events would have turned out a little bit different.

But, there is no doubt that the Palestinians didn't want to reach an agreement at Camp David. Barak was fully convinced, and I think Barak convinced President Clinton, that he could reach an agreement at Camp David. But it was a totally wrong assumption. And therefore, it ended as it ended. And the way it ended was also another mistake. It should have ended differently.

EIR: You spoke about the economic situation. It has been the policy of *EIR* and our founding editor, Lyndon LaRouche, since the early 1970s, that economic measures had to be im-

mediately taken—at that time, even pending any political agreement—in order to create the conditions of life in the Palestinian areas so that the people there could clearly see that peace was going to improve their conditions of life. From Madrid, through Oslo, to the present day, the economic improvements have been discussed: the water projects, irrigation, the Med-Dead [Mediterranean-Dead Sea] Canal, the desalination plants. And when all this was placed on the back burner, as it always was, it created a significant obstacle to bringing home to the population—especially in the Palestinian areas—that peace would lead to a better future for them. How do you view these problems?

Lipkin-Shahak: There is more than some truth in it. Look, the Palestinians were waiting not only for political freedom and the end to occupation, and a Palestinian state. They were waiting to improve their personal standard of living. It worked for a while. And part of the reason that it failed—during the last years, it failed because of the second Intifada. There is no possibility to improve the standard of living when people are conducting suicide attacks, and terror is the name of the main game among the people. In the year 2000, Palestinians enjoyed, in Bethlehem and in Jerusalem, and in Gaza, thousands of tourists, even Israeli tourists, who brought money and created jobs. But when there are suicide attacks, there is no tourism.

Part of the money that went to the Gaza and the West Bank was Palestinian money, from wealthy Palestinians from the outside, who invested in West Bank and Gaza. And they lost their money. Why should they invest more money in a place in which they will lose their investment. And there was also some corruption. And people do not want to put money where they feel the money is being misused.

But on the other hand, too little was done. The Gaza, for instance, could have been independent in water resources. A medium-sized desalination project in the Gaza could give total independence from outside water resources. And, in a way, it's the same in the West Bank. And so, it is not only the international community to be blamed. The European community, even the United States, invested a lot of money in the Palestinian Authority. Some of this money went into the wrong pocket, some of it was improperly used; but the main reason for the poor economic situation is the terrorist activity, especially over the last three years. Without it, I believe that the economic situation of the Palestinian Authority as a whole, as well as for individuals, could have been much, much better than it is.

EIR: You mentioned at the forum, the example of Prime Minister Yitzhak Rabin. Rabin, who spent his life like yourself, primarily as a soldier, had fought against Arab forces and had fought with Palestinians for a long time, and then realized that there was no military solution to the conflict, and that the country must take another tack. Do you see yourself in that tradition?

Lipkin-Shahak: Well, I believe that Rabin was right in his decision. Rabin was courageous. Rabin was not only willing to take the risk, but Rabin paid with his life for the risk he took. Rabin was willing to lead the Israeli people to a different future, and I have no doubt now that Rabin was right, that the only way to keep Israel as a Jewish and a democratic state is by solving the Israeli-Palestinian conflict.

The occupation cannot last forever. We hate to run the life of other people. We cannot give in to terrorism. We cannot give in to those who are willing to kill innocent Israeli people. But we have to solve the conflict with the Palestinian people and let them run their life. We have our economic problems, we have our social problems. We have problems between ultra-Orthodox Jews and others. We are still a country to which many people are immigrating. More than a million Russian Jews have immigrated to Israel over the last 12 years and represent now a huge percentage of Israelis. And we have so many other things to do rather than killing Palestinians and being killed by Palestinian terrorists.

So I have no doubt that Rabin was right. And I believe that if Rabin had not been assassinated, maybe the whole picture would have been very much different than it now is. But there are too many "ifs." The main thing is that I do believe—and I don't know how long it will take—but it is in the Israeli interest to solve the conflict no less than it is the Palestinian interest to solve the conflict.

Guest Commentary

The Geneva Accords: Two States or None

by Paul Usiskin

The author is chair of Peace Now-U.K. and Rabbis For Human Rights-U.K. He is also a television producer, journalist, and broadcaster focussing on the Israel-Palestine conflict. Subheads are added to his commentary.

It's hard for a peace activist not to draw hope from the Geneva Accords. Predicated on two states for two peoples, Geneva offers a real map to reach that goal. As a television producer, I had an unique basis from which to closely observe two secret tranches of the Geneva negotiations—at Woking, near Windsor, in February 2003; and in Jordan, at the Dead Sea, in October 2003.

The three days at Woking ended with impasses over the release of prisoners and the formula for right of return of refugees. Ex-Chief of Staff Amnon Lipkin Shahak and Minister Hisham Abdel Razek debated the prisoners' issue, exchanging many bitten-off words. For Razek, a Gazan jailed for over 20 years for an attempted bombing, all the prisoners should be released on the signing of the final status deal Geneva was designed to achieve. They were prisoners of war, in Palestinian eyes. To Lipkin Shahak, over 1,000 of them were criminals with Jewish blood on their hands, whom only God could release.

Other issues, the Old City of Jerusalem especially, found quicker resolution. Earlier frequent contacts, often in secret, sometimes risky, laid the ground work for imaginative proposals. Professor Menachem Klein of Bar Ilan University, a modern orthodox Jew intent on a negotiated peace deal, and Dr Nazmi Al-Joubeh of the PLO's negotiation support unit had suggested, *inter alia*, almost invisible crossing-points between Palestinian and Israeli neighborhoods, using swipe cards.

Real Painful Concessions

The Jordan Talks were very different. The atmosphere was intense and this highlighted the different approaches by the two delegations. The Israelis met frequently to co-ordinate their stances and the debates were often anguished. Yossi Beilin listened carefully. The Palestinians' consultation style was top down, a kind of *droit de seigneur* in which Yasser Abed Rabbo would often come to delegation meetings, speak, be listened to respectfully, and then leave.

The plethora of ex-military Israelis—including Amram Mitzna, former Labor Party leader, former GOC Central Command; together with former deputy heads of the air force, the National Security Council, etc—created a strong sense that concessions were being made. These were the painful concessions that Ariel Sharon would never make. Ariel, the settlement town of 25,000 settlers, a Tel Aviv suburb in the northern West Bank, would be sacrificed for Palestinian territorial contiguity. Palestinian sovereignty would be granted over the Temple Mount. But there was deep uncertainty over how this would play on the Israeli street.

The same was true for the Right of Return of Refugees formula—acknowledging the Right, but through Camp David/President Clinton land-swap arrangements and a declaration that Return means to the new Palestinian homeland. Subsequently, Palestinian public opinion was not satisfied.

The Geneva Accord's chief negotiators, Yossi Beilin of Israel and Yasser Abd Rabbo of Palestine: Their delegations were very different in their approach to the negotiations, but found a common principle.

Israeli negotiator Nehama Ronen from the Likud party saw the talks "as a chance to ensure that her sons wouldn't have to serve as occupiers."

In the end, the Geneva Accords were agreed after firm Swiss inter-delegation shuttle diplomacy. At the closing plenary, Nehama Ronen, a Likud Party Central Committee member, who later admitted she'd almost walked out of the talks, said she then saw them as a chance to ensure her sons wouldn't have to serve as occupiers. Nabil Kassis, one of the most uncompromising of the Palestinian negotiators at Woking, said the Geneva Accords offered hope. Amos Oz, the novelist, insisted that as long as the Palestinian tragedy continued, Israel would have no security. It was, and is hard to reject these sentiments, resulting from momentary glimpses of the humanity in the other.

Three months after the commitment ceremony in Geneva, Ariel Sharon's announcement of plans for a possible unilateral withdrawal from the Gaza Strip, takes more than a sideswipe at the Geneva Accords. It is a blow for a negotiated settlement, and as clear a statement of his opposition to creating a Palestinian state. That this was revealed on Feb. 2 when the Geneva Accords people met with the President of the European Union in Brussels and then with Prime Minister Blair and Foreign Secretary Straw in London, was not coincidental. The headlines were all Sharon's the next day. And the day after, there were more questions about the fraud charges he is facing. If he is charged with crimes of moral turpitude, he'd have to resign to defend himself.

Shaky though Sharon's future may be, Dr. Emanuele Ottolenghi, a Mid-East lecturer and analyst at St Antony's College, Oxford, echoes the Sharon administration's mantra for dealing with the Intifada, of "Hit them and hit them and hit them again." Each time there's a suicide bomb, Ottolenghi asserts, the separation Wall/Fence should encompass more Palestinian territory until the Palestinians learn the lesson and curb the terrorists. He believes unilateral withdrawal serves Israel's national interests, and that we are entering a period of conflict management which will be the status quo for at least one generation. Of Hamas filling the vacuum in Gaza, Ottolenghi says that's the Palestinians' business, not Israel's. Ultimately, he thinks that whilst both peoples notionally support a two-state solution, there is now no real way to achieve it.

Gilad Sher, formerly Ehud Barak's chef de bureau, urges a similar withdrawal scenario, modified slightly by a phased process involving both the Gaza Strip and the West Bank, part of a process leading to an end of conflict.

Last Chance for Two-State Solution

Two states for two people is an official Palestinian mantra. And yet they don't believe that the conflict can be managed in a vacuum. They fear it will last several generations, in which an incremental interim solution with elements of a Palestinian state, and of autonomy, will emerge until a distant generation on both sides reaches an uncharted point of wisdom, at which the conflict is declared over.

Palestinian sources suggest that the unilateral withdrawal from Gaza will take place over a period of years, and that it won't begin until Gaza settlers have alternatives—i.e., new homes, probably in the West Bank, approved and funded by the United States. They do not expect any consultations with Prime Minister Qureia on withdrawal, because that would mean Sharon expending some political capital—some form of *quid pro quo*—for which he is simply not prepared.

One Gazan source predicts that by year's end, Palestinian society, which has shown itself to be extraordinarily resilient, will re-engage across the board in another phase of Intifada similar to the first. This time, it is believed the Palestinians will not be throwing stones.

If you want a two-state solution in the framework of a negotiated settlement, Yasser Arafat is your last chance for delivering it. And it is the Geneva Accords that can provide that framework.

Putting it crudely, it isn't that the national interests of both sides are not served by a two-state solution, so much as the unwillingness of what passes for the leaderships of both peoples to actually face each other and talk it through.

Be that as it may, the next ambitious step for the Geneva Accords proponents is to gain endorsement from the Arab League. That is not quite as tall an order as it sounds. The Arab League's Summit in Beirut two years ago proposed a negotiated deal with Israel, something that Sharon rejected outright, and is forgotten by those who insist that the Arab world still wants to destroy Israel. For Arab leaders, the truth of Israel's existence is undeniable. Geneva, to them, provides a rational step forward in that recognition process, offering, as it does, a detailed solution to a tiresome century-old conflict.

Those who insist on unilateralism and conflict management ignore the cost in lives, and the inherent desire of both peoples to find a means of peaceful co-existence. The stark choice is to pursue what Geneva suggests, or to enter a period of endless struggle which both sides know that neither can win.

Humpty Dumpty Went To Relax

by Roman Bessonov

Russian financial player Boris Berezovsky, now based in London to avoid an arrest warrant at home, has vowed to bring President Vladimir Putin down in a cloud of corruption scandal. The latest vehicle for his efforts is Ivan Rybkin, Berezovsky's former associate on the Russian Security Council. Running for President of Russia in the March 14 elections, Rybkin on Feb. 4 published a diatribe in the Berezovsky-owned daily Kommersant*, in which he tagged Putin as the biggest "oligarch" of all and threatened to unveil compromising documents*—kompromat—*on the President in the near future. Our St. Petersburg correspondent relates how Rybkin's campaign, and Berezovsky's project, then took a tail-spin into farce.*

According to a Russian proverb, if you are teaching a fool to pray, be careful: He may break his forehead.

Selecting Ivan P. Rybkin for the role of Presidential candidate, his patron Boris Berezovsky should have foreseen complications. Boris Abramovich viewed his protégé as a convenient tool, ready to fulfill any task for the boss. But Rybkin proved unable to cope with his assignment. As a rigid ex-Communist apparatchik, member of the Communist Party of the Russian Federation's Central Committee in 1993-94, Rybkin certainly knew what *kompromat* is and how to use it. But that was not enough.

What Berezovsky failed to foresee is a phenomenon well known in the Soviet *nomenklatura,* of which the London refugee had never been a part. In the top administrative circles, it was correctly believed that any personal quality of a functionary could be profiled and predicted—except for mediocrity.

During the election campaign, Rybkin was supposed to disclose sensitive information on the political past of President Putin, particularly from the early-1990s period when there was essentially no regulation of commerce, when Putin had to help manage the complex task of ensuring food supplies for St. Petersburg, Russia's second largest city. According to a report in *Novaya Gazeta,* Rybkin was soon going to pour a handful of dirt on the President, using the material from the recently published alarmist study by Jürgen Roth, *Gangsters From the East.*

In one of his own manifestos, Berezovsky had alluded to the existence of such documents, trying to attract the attention of the public to himself and that of international law enforcement agencies to Putin. Those files, however, turned out to be warmed-over accusations from political enemies of Putin in St. Petersburg, channeled through the Italian newspaper *Corriere della Sera.*

Berezovsky needed something new. In December 2003, a St. Petersburg official told me that Boris Abramovich hired Kroll Associates to dig up more old dirt on today's President. It was easy to guess that Boris Abramovich would hire the most expensive agency, as well as the most prestigious.

Indeed, Berezovsky is scarcely cut out for his adopted mission of prophet-in-exile, out to save his country through its complete destabilization. He has remade himself with a British passport in the name of "Platon Yelenin," but he hasn't managed to kick the habit of competing to achieve new heights of comfort and luxury. When the name of his former partner and ally, oil tycoon Roman Abramovich, appeared on the list of Britain's richest individuals (Abramovich still lives in Russia, but he bought the U.K.'s Chelsea soccer club), Berezovsky hurried to purchase a prestigious mansion in the English countryside, with five guestrooms and a riding school. One imagines him strolling around the premises, waiting for the starting gun, when his candidate would officially be allowed to campaign.

Meanwhile in Moscow, the obedient mule Rybkin was getting ready for the race. But did he use new dirt from Kroll's prestigious investigators? It would appear that he merely went onto the Internet, instead—and with little skill, as might be expected of an old Communist bureaucrat. Looking for any connection of Putin and the oil trade (which would link him with Abramovich, whom Berezovsky wanted to hit with the same arrow he aimed at Putin), Rybkin must have typed just three words: "Putin," "oil," and "elections." Up popped a page from the irregularly issued newspaper *Limonka,* a production of eccentric "national-Bolshevist" Eduard Limonov.

In April 2000, *Limonka* had published, under the headline "Putin, Oil and the Elections," a typical provincial smear file, obtained from a then-candidate for the post of Governor of Leningrad Region. Executed in the classic style of a KGB agent's report, it said that "Vladimir Putin, along with Victor Cherkesov (at that time the President's Representative in the Northwest), had two meetings at the Japanese restaurant Shogun in St. Petersburg with two of their close friends, Vadim Somov, general director of the Surgutneftegaz-owned Kirishi Refinery, and Gennadi Timchenko, owner of the powerful IPP (International Petroleum Products) company, to discuss the promotion of Victor Zubkov, head of St. Petersburg City Tax Office, to the post of Governor of Leningrad Region." It was also mentioned that the powerful IPP was a major shareholder of a certain powerful "Russia" Bank, which is a pocket bank of Vladimir Putin.

The next idea that came to Rybkin was to find "Russia" Bank on the Internet. But the Web spat back a huge multitude of banks, related in some way to Russia. Getting nervous, Rybkin clicked on the St. Petersburg city property map at


Ivan Rybkin (left), the toady of oligarch Boris Berezovsky (right). Said Rybkin's wife, Albina, "Poor, Russia, if people like this are running for President!"

stockmap.spb.ru, where he found out that "Russia" Bank is 41% owned by Yuri V. Kovalchuk. This rang a bell! Recently he had read in *Izvestia* an interview with Mikhail V. Kovalchuk, director of the Russian Academy of Sciences Institute of Crystallography and Head of the President's Council of Science and Technologies. Finding both names on the website of the Northwestern Center for Strategic Research, Rybkin concluded that the two Kovalchuks were brothers. His not very rich imagination added that the two brothers were owners of two major, partially state-owned shipping companies—as the accounts of those companies were in the Bank of Russia. Which happens to be not "Russia" Bank, but Russia's Central Bank!

I am told that at the Northwestern Center for Strategic Research, headed by Prof. Yuri V. Kovalchuk, Rybkin's forehead-breaking "manifesto," in which the names of the two scientists stood together with Roman Abramovich and a shadowy power broker named Timchenko, aroused roars of laughter. At Russia Bank, the reaction was probably the same, especially when both Radio Liberty and *Novaya Gazeta* also confused the private medium-sized bank with a single branch office in Moscow, with the St. Petersburg office of the Bank of Russia (the Central Bank).

Timchenko, deputy general director of Kinex trading company, was probably laughing, too, since IPP, in which he (maybe) owns a stake, is a company of 11 (eleven) persons, ranking 39th in capitalization among oil trading companies registered in Finland, and owning only a 2% stake in "Russia" Bank. Timchenko should now be waiting for his name to appear on the *Forbes* list of wealthiest businessmen, no doubt with a footnote—"according to highly informed sources from *Limonka*, issued in 2000."

Surgutneftegaz will probably sue Rybkin in London Court, entailing more unexpected expenses for his boss.

Rolling Out of Sight

All of Russia's special services might also file suit against Rybkin, since from Feb. 7 to Feb. 10 they had to search for him day and night.

After his disappearance the evening of Feb. 5, Rybkin's fate took center stage in the Russian and Western media, full of hints that the candidate could have been eliminated by Russia's security service, the FSB. Patriotic journalists and FSB men, on the contrary, believed Rybkin had been eliminated by his own boss in order to disrupt the Presidential elections. Meanwhile, a manager at the Ukraina Hotel in Kiev caught sight of Rybkin strolling along a corridor with two ladies. Then a Ukrainian Member of Parliament confirmed this information to the Interfax correspondent in Kiev. After that, the prodigal candidate called home, confessing to his worried chief of staff, Xenia Ponomaryova, that he was in Kiev for some R&R.

Ponomaryova looked far more pale and upset than three days before, when she had told the mass media that Rybkin was missing. "Was Mr. Rybkin ever pressured or followed in the streets by intelligence agents?" the press demanded. "No, I never had this impression," Ponomaryova said. As for Rybkin's wife, Albina, she exclaimed for all to hear, "Poor Russia, if people like this are running for President!"

Berezovsky's intonation suggested he would have been

more pleased, had his protégé really disappeared. "If what he is saying is true," he grumbled, "then such a candidate does not exist." Berezovsky's *Kommersant* published an article depicting poor Rybkin as a clinical madman. The reason was obvious: At his press conference to explain what had happened, Rybkin held forth, "There is one force that would like to lock me up somewhere and keep me there till I turn blue, and this force would like to undermine the elections. There is another force that is interested in a legitimate result of the elections, and this force would like me to get physically eliminated." In this way, Pinocchio exposed the master who had wasted so much time, money, and hope to carve him—and he still remained the piece of wood he had been to start with!

On Friday the 13th, a few days after his reappearance in Moscow, Rybkin turned up in London with an entirely new version of events. At a press conference organized for him by Berezovsky and the latter's Chechen comrade-in-cash Akhmed Zakayev, Rybkin declared (reading from a piece of paper) that he had been expecting to meet in Kiev with fugitive Chechen rebel leader Aslan Maskhadov, mentioning the name of a certain Gekhan Arsaliyev as having invited him to Kiev. There, he was allegedly served with tea and sandwiches, and suddenly felt very sleepy. He woke up in another flat, Rybkin said, with two armed guards who showed him "a terrible videotape" with his participation. While delivering this speech, Rybkin avoided looking into the camera, while Zakayev, from the audience, was drilling him with a fierce glance.

A Curious Turn

The emerging story turned uglier, and more ridiculous, than anyone could have expected.

Another Ukrainian source told the *Ukrainskaya Pravda* website that in Kiev, Rybkin met with Member of the Supreme Rada (Parliament) David Zhvania and was assisted by two Kiev businessmen, Igor Kerez and Sergei Bessmertny, who offered him tickets to various destinations and, finally, bought him one back to Moscow. Kerez is president of the Brinkford Co., headed by Zhvania before his election to the Supreme Rada. In November 2003, Kerez, in the capacity of vice chairman of the Board of Ukraine's Congress of Ethnic Communities, went to Jerusalem as part of a delegation of the Eurasian Jewish Congress (EAEC). The EAEC is chaired by banker Alexander Mashkevich, originally from Kazakstan, formerly vice president of the legendary Seabeco Co. of Swiss-based shadowy dealer Boris Bierstein.

Bessmertny, after spending four years in jail for burglary, went into the energy business and today is a top wine trader, co-founder of Ukrvinservice Ltd. His relative Alexei Bessmertny is an importer of French underwear for well-to-do Ukrainian ladies. Brinkford's David Zhvania, at the moment of his election to the Supreme Rada of Ukraine, was believed to be a representative of the interests of the famous Georgian thief-in-code, Zhaba Ioseliani (who died last year).

These semi-underground business circles would have been the "Ukrainian opposition" Rybkin was with in Kiev.

Ukraine's Congress of Ethnic Communities includes the Chechen Community. Do Aslan Maskhadov and Gekhan Arsaliyev attend the same sauna as the members of the Eurasian Jewish Congress? Who knows. The ways of public ethnic organizations are not necessarily very ecclesiastic. Even the St. Petersburg City Synagogue, during its reconstruction financed by the late Edmund Safra, had a sauna and a massage room installed. The contractor, Tenghiz Sepiashvili, explained to *Real Estate & Construction* weekly, "People can't pray all the time, they also have to relax."

Rybkin originally explained his behavior to Ponomaryova, over the phone from Kiev: "Can't I relax for a couple of days on my own?"

Berezovsky's devoted TV mouthpiece, anchorman Sergei Dorenko, was furious at this argument. "Rybkin needs to tell us in detail, what ladies he was spending time with there," Dorenko said to *Kommersant.* He should have added: "and money."

Berezovsky's attempts to return to Russia's political life have rebounded in a series of ideological intrigues, political scandals, and contract murders, which is likely to end—hopefully—in tragicomedy. The tragic clowns in this performance are three: Berezovsky himself, Rybkin's spouse, and . . . the international *kompromat*-collecting community, exemplified by Radio Liberty, *Novaya Gazeta,* as well as the "mafiologist" Jürgen Roth, who could scarcely have expected that the very politician who was supposed to make political use of his detailed criminal research, would be found in the embrace of the partners of one of Roth's favorite characters, Boris Bierstein, and criminals from Georgia.

Collecting gallons of dirt on the leadership of Russia, human rights militants, police investigators and their intelligence patrons, in a dubious joint right-left effort, have been hoping that Berezovsky's projects would help to undermine Putin's grip on power. So far, the net result of his latest caper has been the thorough discreditation of his chosen candidate.

Clumsy attempts to put Rybkin (and the reputation of his boss) back together again are under way. On Feb. 13, Berezovsky's former bodyguard Alexander Litvinenko, another "political refugee," developed a new explanation: "KGB poisoning." He claimed that Rybkin's tragicomical sandwiches contained a "KGB medicine" named SP-117. If this were the case, and a soporific substance had caused sexual arousal (in a state of unconsciousness, no less) instead of sedative relaxation, then Litvinenko, representing the former KGB, should receive a Nobel Prize in pharmaceuticals. More likely, he deserves a special prize for lying.

In a popular anecdote originating in the Russian State Duma, a member of that body comes home quite drunk and asks his wife to bring a basin, as he is going to vomit. As she comes back with the basin, the beaming and relaxed husband says: "The conception has changed! I've done it in my pants."

LaRouche Challenge: Take Leadership in the World Crisis

by Bonnie James

Lyndon LaRouche began his keynote address to the ICLC/Schiller Institute Presidents' Day Conference Feb. 14-15, by posing the paradox that must be resolved in the current existential world crisis: "This is, as I have promised, a truly momentous occasion, more than historic." This "momentous occasion," LaRouche indicated, is characterized by the greatest threat to civilization in known history; but, at the same time, if we seize the opportunity presented by the crisis to create a cultural and economic Renaissance, there is reason for optimism. The key to insuring that civilization is rescued, is the international LaRouche Youth Movement, which is already having a significant effect in shaping developments, especially in the United States, but also increasingly in Europe, Ibero-America, and elsewhere.

This was a bi-coastal conference, with large audiences gathered in Reston, Va., and in Thousand Oaks, California, linked by video-teleconference. Around the world, many more listened over the Internet. Attendees on both coasts were able to fully participate in all activities, including one and a half days of a youth movement cadre school that followed the public conference.

The conference itself reflected the growing role of the LaRouche Youth Movement: Two of the five panels were presented by members of the LYM, in addition to a third West Coast youth panel on Classical drama, held late Saturday night.

In addition to LaRouche's keynote address, there were the following: The West Coast youth movement presented the second panel on Saturday, Feb. 14, titled, "The Scientific Revolution and the Fight for American Independence"; the following morning, the East Coast LYM, fresh from the battlefields of the Washington, D.C. Democratic caucuses, gave a panel discussion of "Music as a Science Driver." Helga Zepp-LaRouche's second keynote speech was titled, "Let's Have a Second American Revolution!"; and the conference ended with a discussion from the West Coast by Harley Schlanger and actor Robert Beltran on "Drama as History: Clifford Odets' *The Big Knife* and Trumanism."

'Ibykus'

The conference was opened by Nancy Spannaus, under a huge banner with the single word "Ibykus" emblazoned across it. Ibykus was the Greek poet, celebrated in Friedrich Schiller's poem, "The Cranes of Ibykus" in which the poet is murdered on his way to a poetry festival in Corinth. His murder is witnessed by a flock of cranes flying overhead; they fly on to Corinth where, at the festival, they are joined by the *Erinyes* (Furies). The appearance of the cranes in the midst of the uproar over the missing Ibykus causes the murderers to blurt out: "The Cranes of Ibykus," something only the murderers of Ibykus would have known. Spannaus noted that "Ibykus" represents the principle of divine justice in the universe.

Against this backdrop, Lyndon LaRouche was introduced by the celebrated Civil Rights veteran, Amelia Boynton Robinson, who compared LaRouche to the great Biblical figures of Noah, Job, Moses, and St. Paul, as someone who always fights evil, but loves mankind.

As hinted at in the title of his speech, "I Stand at the Bedside of a Doomed Empire," LaRouche was brutally forthright in identifying the gravity of the current crisis, and the extremely limited time remaining to avert a new dark age. He pointed to the historical struggle between the forces of the Anglo-Dutch Liberal empire, consolidated in the 18th Century, and those republican forces rallied around the impulse of the American Revolution and its Constitution of 1789, as

defining the central conflict of the past quarter millennium. This conflict has now reached its endpoint: The empire is doomed, and the only issue remaining to be resolved, is who will reorganize the financial system that is now long overripe for disintegration: Will it be those political forces gathering around LaRouche's conception of a New Bretton Woods monetary system, and a Eurasian Land-Bridge, to shift the world away from its current trajectory toward doom? Or, will the synarchist bankers, who acknowledge the onrushing systemic collapse but insist on putting things back together to their advantage, succeed? In the answer to that question, lies the future existence of your children, grandchildren, and great-grandchildren, for many generations to come.

Presidential candidate Lyndon LaRouche just before giving the keynote, "I Stand at the Bedside of a Doomed Empire," to the Schiller Institute national interconference on Feb. 14.

The 'No-Future Generation'

How did we come to this point? "What happened was, that we, in the United States, underwent a transformation in our national character, which has threatened us with doom, today," LaRouche said. The danger comes from "the so-called Baby-Boomer generation, which occupies the key positions in government, business, and other institutions of the United States, today. This is the source of the danger. Not someone from the outside, but a generation from the *inside*, which did what? They underwent a cultural paradigm-shift, as it's called, typified by the rock-drug-sex counterculture, during the middle of the 1960s. This was the result of the cumulative effect on their parents' generation—that is, my generation—and on themselves."

What distinguishes the crisis today, from earlier crises, is that, never before in our history has an entire generation repudiated the culture of modern Western European civilization: "We sinned against it, we violated it, but we didn't *repudiate* it! For 40 years, the generation now in leading, controlling positions of power in the United States, Europe, and elsewhere, have repudiated civilization."

This has produced a deep chasm between the "pleasure society" of the Baby Boomer generation and today's youth—their children, who have been left with no future. "The problem," LaRouche explained, is that the Boomers "do not believe in their children's future. . . . And that's what the children of the Baby-Boomers are saying, in their sense of hostility toward the Baby-Boomer generation: "*You have given us, deliberately, a society which has no future!* You're asking us to live in a cage, where the animals aren't fed. And we don't like it. We want you to change."

Unless the people of the United States support a leader of the moral and intellectual caliber of a Martin Luther King, this nation will not survive. "If we can not change—if we select our choice of President, if we select our policies, now, in these weeks and months, the way things are going now, in general—*this nation will not long survive.* Without leaders who, like Joan of Arc, will stick to their mission, even facing terrible death, civilization will plunge headlong into a dark age for generations to come.

"We have the option, the alternative, of moving upward again,"LaRouche declared. "And learning this lesson of the mistakes we've made, by taking steps to ensure these mistakes are not made again, then we can recover from the present situation.

"*That's* the message of today," he concluded. "And we have to make the choice, in the immediate days and weeks ahead. If we don't change, we are finished. We better start changing, now."

Science, Music, and Truth

A lengthy discussion followed LaRouche's keynote. Then, the program was turned over to the youth movement for the next two panels, Saturday evening and Sunday morning.

Opening the panel on Science and the American Revolution, Nick Walsh stated that, if we win this fight, LaRouche will have completed an intention that began with the American Revolution. Each of the speakers, Cody Jones, Sky Shields, Samuel Dixon, Anna Shavin, My Hoa Steger, and Mike Vandernat, developed aspects of the scientific and cultural breakthroughs—notably those of Benjamin Franklin and his networks—which were integral to the success of the that revolution.

A second youth panel on Sunday morning on "Music as

Members of LaRouche's youth movement organizing at Washington, D.C.'s Democratic Presidential caucuses that same day.

a Science Driver," answered the question recently posed to LaRouche: How can we communicate profound ideas to an increasingly bestialized population? LaRouche advised them to master Bach's motet "Jesu, meine Freude," in parallel to the work the youth are doing on Gauss's Fundamental Theorem of Algebra. The panel members, Jennifer Kreingold, Megan Beets, Mathew Odgen, and Timothy Vance, presented a powerful, and beautiful pedagogy, which allowed the audience to peer into Bach's mind, and see how he constructed this masterpiece.

We Are at a Crossroads

"Lyn yesterday shocked us," Helga Zepp-LaRouche began. We are at a crossroads. People in leading positions know that Lyndon LaRouche's campaign will bring the most crucial decision in human affairs in two centuries. If you can now take the collapsing world into your heart—if you can look at the forces in this world that want, and have wanted, a return to feudalism—including a return to the population of feudal times, a fraction of today's population—then you can do what must be done. Anyone is lying who really denies this crisis, she said.

And, underscoring the paradoxical nature of this period, she added that, simultaneously, what is on the horizon is the spread of the American Revolution on a global scale.

Zepp-LaRouche reviewed in great historical detail the battle, sketched out earlier by her husband: the divide between the forces of reaction in Europe, characterized by the 1815 "sexual" Congress of Vienna, who deployed to contain, and if possible, crush the spirit of 1789.

She noted the direct line from Dostoyevsky's "sinister synarchist" work, the *Brothers Karamazov*, to today's bestial treatment of Christ's Passion, in the soon-to-be-released Mel Gibson movie, using Hollywood special-effects violence, to obscure Christ's true mission.

Counterposed to this are "the ideas of 1789, the ideas of the American Revolution," which are eternally dramatized by Schiller. The human being's cognition is his freedom and sovereignty. This is the purpose of the spreading LaRouche Youth Movement. We have to know what has been the enemy of these ideas, ever since, Zepp-LaRouche said. She concluded with the fact that the system of globalization is now collapsing. We will turn its collapse into a just new world economic order of sovereign nation-states, she said, by putting LaRouche in the White House. The lesson of the last 250 years is that we have to have a second American Revolution, in America and internationally. We say with Schiller, "Let's recruit a million kings, because freedom is better than putrefaction," Zepp-LaRouche concluded

Trumanism

The final panel of the conference, led by Harley Schlanger, featured a look back at the phenomenon LaRouche has named "Trumanism," the transformation of the American population, following President Franklin Roosevelt's death, into "little people," fearful of doing anything or saying anything that "might get them into trouble." Schlanger discussed playwright Clifford Odets' roots in the Yiddish Renaissance and Classical culture, and his later corruption by a Hollywood entertainment industry, which had been terrorized by the Truman-era Red Scare.

Actor Robert Beltran, who had recently produced Odets' 1948 *The Big Knife* on stage, presented the play by reading significant portions of it, in each of the voices of the drama, thus bringing it to life for the audience. At the end of the play, Charlie Castle, the lead character, commits suicide, after finding himself unable to break out of the personal corruption that the Hollywood system has caught him in. Charlie killed himself, Beltran said at the conclusion, because it was the only way he could live. Tragedy happens, but there is always hope. Embedded in the play is the question: Who? Who are you really? Who will you become—for the nation, for the theater audience. Who, if not you?

This was the question that the audience was left contemplating, as the conference came to an end.

Audio-visual files of the complete conference proceedings can be found at larouchein2004.com and larouchepub.com.

Cheney Targeted In Halliburton And War-Profiteering Scandals

by Carl Osgood

Senate Democrats, long frustrated at a Republican majority more committed to protecting Vice President Dick Cheney and other Bush Administration criminals, than serving as the Constitutionally-mandated check and balance on an Executive Branch gone wild, took off the gloves last week, and put a bold spotlight on Cheney's "former" company, Halliburton. An indication of this was an extraordinary Feb. 13 hearing of the Senate Democratic Policy Committee, chaired by Sen. Byron Dorgan (D-N.D.). The committee heard testimony from a former Halliburton employee who described the business practices of Halliburton subsidiary Kellogg, Brown and Root (KBR) in Kuwait and Iraq; from the recently retired head of the Defense Energy Support Center; and from two think-tankers who are experts on government contracting.

The targeting of Cheney began with Sen. Frank Lautenberg (D-N.J.), who noted that he had commissioned a Congressional Research Service report which found that the deferred salary Cheney continues to receive from Halliburton, constitutes an ongoing financial interest in the company. He also reported that his staff had acquired documentation showing that Halliburton, through off-shore cutouts, was doing business with Iran during Cheney's tenure as CEO, in violation of U.S. law.

Nor are the Democrats letting the Congressional GOP off the hook. Sen. Richard Durbin (D-Ill.) emphasized that the Republicans have simply refused to hold hearings on Iraq contracting. "Why are we here on Capitol Hill," he asked, "if it's not to serve as an oversight of these activities?" Durbin invoked Harry Truman's 1942-44 Senate investigation into World War II contracting as an example of how Congress should act. "A Democratic Senator from Missouri, with a Democratic Congress and a Democratic President, who wasn't afraid to tell the truth," he said, "and, yet, we find with a Republican president, and a Republican congress, no Republican is willing to step forward and ask the hard questions." Lautenberg reported that he had made three requests to the Senate Governmental Affairs Committee, over the past nine months, to hold hearings, but "I didn't even get a response, so we couldn't do a Truman-like hearing because there is no such interest in a bipartisan review."

The lead-off witness was Henry Bunting, a procurement officer who worked in Halliburton's procurement office in Kuwait for 15 weeks, until August 2003. He described business practices that had little interest in controlling costs. Bunting reported, for example, that under the rules, all procurement officers had to seek a second price quote for purchase orders over $2,500. To avoid having to seek a second supplier, requisitions were frequently split up to keep them under $2,500. For purchase orders that could not be kept below $2,500, higher quotes were sought so that the quote from a preferred supplier was the lowest.

'It's Cost-Plus, Don't Worry About Price'

"There were frequent instructions by procurement supervisors and management to keep material requisitions under the $2,500 threshold to avoid competitive bidding," Bunting said. The common comment was "it's cost plus, don't waste your time finding another supplier." The result of such practices, Bunting said, was that opportunities to reduce costs and save taxpayer money were ignored. He reported that at one point, he took it upon himself to find a second source for office furniture, which was otherwise being procured from a preferred Kuwaiti supplier. "I received quotes from several suppliers resulting in cost savings of $30 per office desk and $10 per office chair," he said. "I estimate these savings as $5,000-6,000 per year." He gave another example of a requisition for towels that he had to fill for a recreation facility for U.S. troops in Baghdad. The original price of 2,500 towels was $1.60 per towel. After they were monogrammed with a KBR logo, the price tripled to $5.00 per towel, with no benefit except to KBR.

Jeffrey Jones, who until November 2003 was the director of the Defense Energy Support Center—the Pentagon agency that procures and manages the supply of petroleum fuels used by the military all over the world—confirmed that "some of the outsourcing of Federal jobs is tied to the same philosophy as" the way in which "this contract is operating," particularly in the lack of transparency in the way contracts are awarded. He contrasted the supplying of gasoline into Iraq by KBR with similiar operations overseen by DESC, saying "I can't imagine why gasoline should cost $2.65 per gallon in Iraq."

Rep. Henry Waxman (D-Cal.) discovered late last year, that KBR was charging such a price to deliver gasoline from Kuwait into Iraq, forcing the Pentagon to respond with an audit of KBR's gasoline deliveries: $61 million in overcharges were found. Jones pointed out that during his 3-year

tenure at DESC, there were times when the agency had to pay sole source suppliers for fuel, but never as much as $2 per gallon. Later, in response to a question, Jones said that DESC was able to move jet fuel into Afghanistan from Pakistan for under $1 per gallon, even though that was a much more difficult environment than southern Iraq.

Jones identified three major issues on contracting in Iraq and Kuwait. The first, he said, is terrible communications among U.S. organizations in Iraq and Kuwait. The second is the lack of organic resources for managing contractors. "When you outsource the people who can tell whether the job is being done right," he said, "then you don't have any control over the situation." He reported that DESC is one of those agencies that, itself, is being looked at for outsourcing. "I can only imagine what would happen," he said, "if we weren't around and this problem came up. . . ." The third issue, Jones said, is the overall lack of transparency on the contracting process. "Without it," he said, "you undermine the confidence of the American people" in the process, and even the confidence of the government employees required to carry out the process.

When the hearing opened up for discussion, Sen. Durbin took a cue from William Hartung of the World Policy Institute, one of the two final witnesses, who argued that what is at stake isn't simply taxpayer dollars but the safety and security of American troops in Iraq. Every dollar wasted on contractor overcharges is a dollar not available for acquiring equipment necessary for protecting soldiers' lives. The amount of money that was wasted on the overpriced towels could have bought 12 sets of Interceptor body armor, of which there still is not enough to equip every soldier in Iraq. Worse than the towels, is the $7,500 per month Halliburton is paying to lease hundreds of vehicles, mostly SUVs, vans and trucks, in Kuwait and Iraq. Four months of one of those leases could pay for one up-armored Humvee. Soldiers are now dying regularly, in Iraq, from roadside bombs and improvised mines that tear apart the unprotected Humvees they're forced to drive around in.

Waxman, Dingell Up the Pressure

The day before the Senate hearing, Waxman and Representative John Dingell (D-Mich.), the ranking Democrats on the House Government Reform Committee and the Energy and Commerce Committee, respectively, sent a letter to William H. Reed, the director of the Defense Contract Audit Agency, reporting the abuses described by Bunting and another whistleblower who is remaining anonymous. The second whistleblower had worked in the same office as Bunting as a procurement supervisor. "What is most disturbing about these allegations from the whistleblowers," they wrote, "is the regular and routine nature of the overcharging." They "describe a company that paid inflated prices for goods and services on a daily basis and then passed these overcharges on to the U.S. taxpayer. An approach of 'Don't worry . . . it's cost-plus' may be lucrative for Halliburton, but it should be of great concern to the government and the tax-payer."

Vice President Cheney's last moment in the Sun may have been this Jan. 4 rant at the Davos Conference. Now, after an 18 months' impeachment drive by Lyndon LaRouche, the Congress and the media are finally hammering Cheney—particularly on the many economic crimes of Halliburton.

Waxman and Dingell described additional examples of abuse besides those cited above, but the heart of the problem, besides the corporate ethos of Halliburton—which was raised at the Senate hearing by Hartung—is the cost-plus contract. "Under this arrangement," they wrote, "the U.S. government reimburses Halliburtion for its costs and then pays the company an additional fee, which is a percentage of costs. The higher Halliburton's costs are, the larger its profits will be. Because there is little incentive for the company to control costs, this type of contract is notoriously prone to abuse." Waxman and Dingell concluded their letter by urging Reed to investigate the whistleblowers' allegations "and to initiate action to recover any overpayments to Halliburton."

Scandal Escalates in the Press

Nor does interest among House Democrats in Halliburton's scandals stop with Waxman and Dingell. The same day Waxman and Dingell sent their letter to DCAA chief Reed, Rep. William Delahunt (D-Mass.) released a letter, signed by 32 other Democrats, calling on Attorney General John Ashcroft to appoint a special prosecutor to look into the allegations of Halliburton's 1990's dealings with Iran, which had also been aired on the Jan. 25 edition of CBS's 60 Minutes. "Since this corporation used to be headed by the current Vice President, who still receives compensation from Halliburton," Delahunt said, "a proper review requires the appointment of a special prosecutor. The Attorney General has the power, today, to name such a special prosecutor to look into these charges, just like he's done in the case of the White House revealing the name of a CIA agent." Delahunt's letter followed reports that the Treasury Department had sent a

letter to Halliburton asking for information and informing the company that an inquiry had been reopened regarding the 1990's dealings with Iran.

The Senate Democratic hearing received widespread coverage in the press, adding further fuel to the fires now burning around Dick Cheney. Not only did C-Span broadcast it in full, but the *Washington Post* ran a prominent story with a picture showing Bunting exhibiting one of the monogrammed towels. There was also other coverage both from wire services and other newspapers. The *New York Times* ran a story asserting that Halliburton is likely to be a campaign issue in the fall elections. *The New Yorker,* in its Feb. 16 and 23 issues, published a lengthy expose by journalist Jane Mayer, focusing on the role Cheney played in gaining government largesse for Halliburton, both while he was Secretary of Defense and then as Halliburton's CEO.

The investigations are also continuing to escalate as well, in Nigeria and Kuwait. In Nigeria, the House of Representatives voted to begin an investigation into allegations that Halliburton, as part of a partnership with French and Australian firms, paid $180 million in bribes relating to a natural gas project in Nigeria. French authorities have been investigating the same matter since last December. In Kuwait, the parliament voted to form a commission to investigate the price gouging by Halliburton in the gasoline shipments to Iraq, because of the involvement of two Kuwaiti firms. The parliamentarians want to find out whether or not Kuwaiti officials or officials of Kuwait Petroleum Corporation or Tanmia Commercial Marketing Company—from whom Halliburton was acquiring the gasoline—were involved in the overcharges, which could endanger Kuwait's close relationship to the United States.

In addition to the instances of contracting fraud by Halliburton, the Democrats are also not ignoring the issue of war-profiteering, which is not illegal under current law. At the Senate hearing, Durbin recounted that during the debate on the second Iraq war supplemental appropriations bill last year, the Senate agreed to an amendment that would outlaw profiteering from war, but it was defeated in conference committee by House Republicans, who refused even to discuss it. The idea, Durbin said, of the House GOP was that "we're going to protect our friends." Sen. Patrick Leahy (D-Vt.), who was a co-sponsor of the amendment, announced that he would renew the push for legislation, introduced last November, which would criminalize the deliberate overcharging for goods and services by contractors in Iraq. "U.S. taxpayers are being called upon to bear the burden of reconstruction contracts under a system that has awarded contracts with little competition and even less accountability," Leahy said in a Feb. 13 statement. "That's a recipe for waste and fraud. The taxpayers deserve this protection."

Having been the Secretary of Defense—before he became the CEO of Halliburton—and now having maneuvered the United States into the Iraq war, there is a lot of room for war-profiteering investigations of Cheney.

Bush-Cheney Prepare To Steal 2004 Election

by Edward Spannaus

As part of their efforts to put a nationwide vote-fraud capability in place which could enable them to steal the 2004 Presidential elections, the Bush-Cheney Administration has systematically sabotaged the development of security standards and other guidelines for electronic voting machines—leaving the field wide open for what amounts to a privatized, deregulated election system.

As we reported in *EIR,* Feb. 20, the unconstitutional Help American Vote Act (HAVA), rammed through Congress in October 2002, provides Federal subsidies to the states to replace their old punch-card or other voting systems, with touch-screen devices. To be eligible for Federal monies, states were to submit their plans to install touch-screens by early 2004.

But the Administration then stalled on creating the new Election Assistance Administration (EAC), which was supposed to oversee the development of standards for voting equipment, including security standards. And now, the Administration has even cut the budget for the EAC and also for the agency which was specifically mandated to develop these standards and guidelines.

Two HAVA Hoaxes

Two fraudulent pretexts were used to get HAVA passed, along with heavy lobbying by GOP-linked voting machine companies and defense contractors. The first pretext, was that the use of "modern" touch-screen devices would avoid the type of chaos that occurred around the 2000 elections in Florida, with the fiasco around recounting punch-cards with their famous "hanging chads."

The second pretext was that touch-screen machines would allow disabled persons to vote in privacy. Thus, by 2006, every polling place used in a Federal election is required to have at least one Direct Response Electronic (DRE) device, or another device "equipped for individuals with disabilities."

Among those active in bringing lawsuits to compel localities to install touch-screen machines even sooner, has been Hogan and Hartson, the law firm of John Keeney, Jr.—who told the Supreme Court, in the 2000 Presidential election case of Lyndon LaRouche's exclusion from winning Democratic Party primary delegates—that it should wipe out the 1965 Voting Rights Act, so that the Democratic Party could return to the gold old days of being a discriminatory private club.

The Hogan & Hartson suit gave Washington, D.C. the

A Washington, D.C. citizen trying to vote in Presidential delegate caucuses held on Feb. 14, confronts one of Sequoia Corporation's black boxes, which supposedly is going to count her vote. Many voters trying to vote for Lyndon LaRouche's delegates were unable to do so.

excuse to rush into installing touch-screen machines on an emergency basis. Originally, the D.C. primary was scheduled for May 15, 2004, but it was then moved up to January 13, in an attempt to make the District "the first in the nation," even before New Hampshire.

For Example: Washington, D.C.

The fly in the ointment was the candidacy of Lyndon LaRouche. The LaRouche Youth Movement sent a small army into the nation's capital, who out-organized all of the other candidates' campaigns in the streets, the neighborhoods, and even the buses and subways. On election eve, private polls showed LaRouche to be running even with Al Sharpton.

In mid-December, a bill had been passed by the D.C. Council, declaring "the existence of an emergency," and providing that the District's contract with Sequoia Voting Systems be implemented immediately. With election officials unfamiliar with the new touch-screen machines, the Board of Election put out a call for "computer-savvy volunteers" to help.

Although the touch-screen machines were installed for voters with disabilities, others were permitted and even encouraged to use them. It was reported that about 15,000 of 42,000 voters on Jan. 13 used the touch-screen devices; the others used optican-scan machines, which are also suspectible to programming errors.

The result was chaos on election night, and the disappearance of many thousands of votes for LaRouche.

Among other problems, the private vendor, Sequoia, who set up the machines, had programmed them wrong, so that they discounted write-ins and blank ballots. The machines had to be re-programmed on election night, and poll workers had to report results by hand rather than electronically. Voter turnout was initially being reported at 8-10% percent throughout the evening, and then it jumped suddenly to 16%, as 15,000 votes suddenly materialized after midnight.

Council members proclaimed the whole affair "highly embarrassing," and even the head of the Board of Elections called for an investigation—a call which seems to have been dropped as soon as LaRouche supported it.

Touch-screen devices were again used for the Democratic delegate-selection caucuses on Feb. 14—with many reports of machine breakdowns and malfunctions.

States Caught in a Bind

HAVA set two key deadlines for the states. In order to obtain Federal subsidies for replacing old voting equipment, states were required to submit implementation plans by January 2004, and each plan must indicate that the state will replace all of its punch-card and lever machines by the 2006 elections.

Additionally, as we noted, some jurisdictions were forced by lawsuits to replace old equipment earlier.

Under pressure of HAVA deadlines, and anxious to avoid a Florida-type situation with their punch-card systems—and with salesmen from the big three companies, Deibold, Sequoia, and Elections Systems and Software, banging down their doors—many states rushed to get DRE systems installed.

Meanwhile, the Administration stalled and delayed in creating the Election Assistance Commission (EAC), which was charged under HAVA with developing voting system guidelines, overseeing the testing and certification or decertification of voting systems and hardware, and conducting studies of "methods of identifying, deterring, and investigating voter fraud."

The EAC was supposed to have been created by February

2003, but President Bush didn't submit his nominees to Congress until last October, and they were not approved until December; the Commission only got started in January.

Under the HAVA law, the EAC was supposed to have submitted a detailed report to Congress by Jan. 31, 2004, describing all of its activities, its grants and payments, information on voting system guidelines, etc.

But as of mid-February, the EAC still has no offices or phone listing; it's borrowing space from the Federal Election Commission. Its first formal meeting is scheduled for March 23. Its budget for the current fiscal year was cut drastically—on the excuse that it didn't exist—and in the Administration's proposed budget for next year, its budget is cut 96%!

Money Without Standards

That's not all.

Under HAVA, the National Institute of Standards and Technology (NIST) was designated to play the leading role in developing standards for voting equipment, and assisting state and local officials in implementing new voting systems. The Director of NIST is the chairman of the Technical Guidelines Development Committee, a subcommittee of the EAC, which is charged with making recommendations to the EAC on standards and guidelines on voting machines.

Last week, the NIST announced that it has ceased all its HAVA-related activities because of a $22-million budget cut in Fiscal 2004. "We have terminated all our activities under the Help America Vote Act for lack of funding," said NIST's acting chief of staff, Nat Heyman. An NIST spokesman confirmed to *EIR* that it is being forced to end its HAVA activities, and to substantially reduce its work on cybersecurity, much of which deals with critical infrastructure, such as power plants, water-supply systems, and utilities. NIST has been evaluating computerized voting systems since 1975, and has substantial expertise in security evaluations of complex computer systems.

The four members of the EAC made their first public appearance at a meeting of the National Association of Secretaries of State on Feb. 16. According to the *Washington Post*, the commission members found themselves besieged by state officials who "want guidance on the thorniest problem in elections today, voting security," particularly as regards touch-screen systems and electronic voting. Said the Wyoming Secretary of State: "I'm scared to death to buy any machines without direction."

But that's what they're not going to get, according to EAC chairman DeForest "Buster" Soaries, who claimed it would make no sense to put standards into place before the Commission starts handing out money to the states to buy new voting machines. Soaries, a former New Jersey Secretary of State, announced that the EAC will pass out $2.3 billion to the states by this May, to help them buy new voting equipment.

Want an Enron To Count Your Vote?

What all this amounts to, is a multi-billion dollar subsidy to the Bush-Cheney allied voting machine companies—with the Administration abandoning any effort to develop security standards or guidelines in time for the 2004 elections.

Already, in states such as Georgia which have switched over to touch-screen machines, state election officials have ceded the field to private companies such as Diebold, who carry out the set-up and programming of the machines, and who count the vote.

Worse, state elections officials are not allowed even to examine software and source-code which runs the program which counts the votes. The software is considered proprietary, a "trade secret," by the voting machine companies—and it can be a felony to try to examine it.

When computer security experts from Johns Hopkins and Rice Universities conducted an analysis of Diebold's source code—which had become public, after being left on an unprotected server—they discovered numerous, "stunning" security flaws, which would allow the casting of multiple votes and the altering of results. They also found that the program could be altered from a remote location.

Now, the Federal government is handing out over $2 billion to spread more of this around the country—to accelerate the drive toward privatized, deregulated elections.

Congress should undo the damage, now, by repealing HAVA and banning electronic voting.

Opposition Trumps Bush's 'Independent Commission'

by Michele Steinberg

On Feb. 12, after months of battling, the Senate Select Committee on Intelligence, headed by Sen. Pat Roberts (R-Kans.) and Jay Rockefeller IV (D-W.Va.), voted unanimously to approve "new terms" of investigation of the private intelligence empire run by Vice President Dick Cheney through his network of neo-conservatives. The threat was identified in the now famous special report, *Children of Satan: The Ignoble Liars Behind George W. Bush's No-Exit War*, issued in April 2003, by the Presidential campaign of Democrat Lyndon H. LaRouche.

The Senate investigation has already eclipsed the so-called Independent Commission created by a Presidential executive order on Feb. 6. That commission has been denounced as a coverup by veterans of U.S. intelligence agencies, by members of Congress, and by several of the Democratic Party candidates for the 2004 Presidential nomination, including John Kerry, Dennis Kucinich, and now ex-candidates Howard Dean and Wesley Clark. But none of these Democratic critics had the guts or intelligence to join with LaRouche back in September 2002, in calling for the impeachment of Vice President Cheney. That call stressed Cheney's known connections to the Straussian liars who were inventing intelligence to justify an Iraq war: I. Lewis Libby, Paul Wolfowitz, Douglas Feith, Richard Perle, David Wurmser, Abram Shulsky, William Luti, Ahmed Chalabi, and members of Perle's Defense Policy Board.

Had members of Congress, or *any* leading Democrat had the courage to fight Cheney's lies in 2002, the war in Iraq might have been averted.

Threats, Dirty Tricks Against Dissenters

Well-informed sources in the U.S. intelligence community have told *EIR* that the campaign to discredit former Ambassador Joseph Wilson—by "outing" his wife, Valerie Plame, a covert operative of the CIA—because of Wilson's report that it was false that Iraq bought yellowcake uranium from the African country of Niger, was not the only case of such tactics.

According to Larry Johnson, a former senior analyst for the CIA, and former Deputy Director in the office of the Coordinator for Counter-Terrorism at the Department of State, the intelligence "failure" was more than distortion or misinterpretation of intelligence reports by Iraq war-hawks. It was policymakers and senior officials "making stuff up out of whole cloth." In a statement released at a news conference sponsored by MoveOn.org and Win Without War on Feb. 10, Johnson said that intelligence analysts "were pressured to find an operational link between Osama Bin Laden and Sadam Hussein. One analyst in particular, told me they were repeatedly pressured by the most senior officials in the Department of Defense." He added that "I have spoken to more than two analysts who have expressed fear of retaliation if they come forward and tell what they know."

The Senate Intelligence committee itself has been the victim of Cheney's hooligan tactics. It is an open secret on Capitol Hill that it was Cheney—not Senate Majority Leader Bill Frist (R-Tenn)—who shut down the Senate Intelligence Committee probe of the intelligence hoaxes leading up to the Iraq, following the theft of a Democratic staff memo prepared for Senator Rockefeller, which was then leaked to right-wing radio talking head Sean Hannity in early December 2003.

Within hours of the theft and leak of the staff document, Frist announced the wholesale shutdown of the Senate intelligence panel, which was just gearing up to accelerate its probe into the Valerie Plame and Niger yellowcake uranium scandals. At the same time, the Senate Judiciary Committee Democrats were victim of a similar "plumbers"-style electronic break-in, where memos addressed to Senators Dick Durbin (D-Ill.) and Ted Kennedy (D-Mass.) were stolen and passed on to the *Wall Street Journal* and other neo-con media sewers.

But, now, to the shock of many Washington observers, who believed that Cheney was "untouchable," there is a broad-based investigation of Cheney and his neo-cons. According to the joint statement issued by Roberts and Rockefeller, on Feb. 12, the Senate Intelligence Committee will be investigating:

- "whether public statements and reports and testimony regarding Iraq by U.S. government officials, made between the Gulf War period and the commencement of Operation Iraqi Freedom, were substantiated by intelligence information;
- "any intelligence activities relating to Iraq conducted by the Policy Counterterrorism Evaluation Group (PCTEG) and the Office of Special Plans within the Office of the Under Secretary of Defense for Policy [Douglas Feith];
- "the use by the Intelligence Community of information provided by the Iraqi National Congress (INC)."

All of these roads lead to Cheney.

At the same time, David Kay, the former U.N. weapons inspector, who resigned from President Bush's Iraqi Survey Group and announced that there "are no Iraqi wmd," after months of hunting for them in Iraq, has recanted his statement that the whole WMD misunderstanding was due only to "intelligence community failures." Kay, a neo-con ally before the war, said on Feb. 10 at the U.S. Institute for Peace, in response to a number of hostile questions, that he "clearly believe[s]" that the issue of "cherry-picking" and the "political use" of intelligence "must be examined."

Sharpton Is Run By GOP To Steal LaRouche Vote

by Anton Chaitkin

One shocking blow by the *Village Voice* demolished Al Sharpton's Presidential campaign, early in February. The New York weekly revealed that Roger Stone, the ultra-right Republican Party dirty tricks specialist, was "financing, staffing, and orchestrating" the efforts of Sharpton, who portrays himself as the spokesman for African-Americans.

The *Voice* article showed that since last Fall, Stone has been running all national finances for Sharpton—for the campaign, for Sharpton's own *maharaja*-style tours, and for Sharpton's private organization, the Harlem-based National Action Network. Stone has *personally* funded much of it, from sources unknown, while providing campaign strategy.

Stone has "loaned" the Sharpton campaign over $200,000, without likely repayment, while, as the campaign's de facto manager, he has apparently not even been paid. Stone got his Republican friends to contribute $250 each so Sharpton could just barely qualify for Federal matching funds. Since the story broke, the Federal Election Commission has been petitioned to revoke Sharpton's matching funds, as obtained by fraud.

The *Voice* reported that Stone's involvement with the Sharpton campaign began in a March 2003 strategy session, where Stone said he and Sharpton share "a mutual obsession: We both hate the Democratic Party." By Fall 2003, Sharpton had appointed Stone's man Charles Halloran as official campaign manager. Operatives Joe Ruffin and Andre Johnson, who had worked for Stone and Halloran in the New York gubernatorial campaign of billionaire right-winger Tom Golisano, later directly ran Sharpton's campaign in the District of Columbia.

The news confirming Sharpton's status as a stooge spread quickly throughout U.S. politics. This was only three weeks after the Jan. 13 District of Columbia primary. Sharpton had been brought in for some last-minute media appearances in D.C. to give cover to the stealing of Lyndon LaRouche's vote. (Stone's Joe Ruffin claimed that Sharpton spent $125,000 in D.C. for radio and print advertising and distribution of 55,000 pieces of literature—a small fraction of the distribution by LaRouche campaigners.)

A False Front, Garbage-Filled

The Sharpton campaign has been an empty charade put on by Roger Stone, whose fascist life is outlined below. LaRouche's campaign spokeswoman Debra Freeman noted on Feb. 14 that Sharpton "started his career as an FBI informant. . . . There is absolutely no doubt in my mind, that during the actual primary vote that took place in D.C., [Lyndon LaRouche's] vote was given to Al Sharpton. Because Al Sharpton ran no campaign. . . . Some members of the LaRouche Youth Movement visited Al Sharpton's office . . . . repeatedly, and there was never anyone there. So they looked into the mail slot, and what they saw was an empty office with no furniture, and piles of garbage: And that's lawful, because that's exactly what Al Sharpton, and his candidacy, is."

Sharpton's pathetic agentry is an old story.

New York's *Newsday* reported on Oct. 21, 1988 that Sharpton "has worked as a Federal informant . . . [and] that beginning in 1983, Sharpton secretly supplied Federal law enforcement agencies with information on . . . black leaders and elected officials. And in a two-hour interview, Sharpton admitted . . . . he also accompanied undercover Federal agents wearing body recorders to meetings with various subjects of Federal investigations. He said he had allowed [the Feds] . . . to install a tapped telephone in his Brooklyn home."

Sharpton went to Sudan on a propaganda stunt for the pro-war, anti-Muslim crusaders of the Religious Right and the Bush Administration. Rupert Murdoch's *New York Post* (April 10, 2001) described the trip: "The Rev. Al Sharpton . . . departed yesterday en route to strife-torn Sudan. . . . Sharpton [means] to link up with Christian Solidarity International, a Swiss-based group whose members have been involved in slave retrieval for more than a decade. . . . The oppression visited upon Christians in Sudan has made for some odd bedfellows. The Rev. Franklin Graham, son of evangelist Billy Graham, has made Sudanese relief a priority. . . . No small irony . . . that the very Christian religious right that Sharpton and his allies have demonized in the past is pushing hard to get a Republican administration involved in Africa. Sharpton says he received a briefing on the situation in Sudan from National Security Council Africa experts. Clearly, he has managed to get interest and tacit support for his trip from the Republican administration. . . ." The *New York Post* article's author, Robert A. George—former senior speechwriter to Newt Gingrich— was "accompanying the Sharpton party to Sudan."

Al and the Stone-Cohn Gang

Roy Cohn, Mafia mouthpiece, murder conspirator for the ultra-right, and Sen. Joe McCarthy's counsel, kept a framed copy of the *New York Post* from Oct. 17, 1980, endorsing Ronald Reagan for President, inscribed "To Roy Cohn with deepest appreciation and gratitude for all you've done, your protégé and friend, Roger Stone." When Cohn, a gay-basher, was dying of sodomy-induced AIDS, Stone was the toastmaster at his loving mentor's last big event.

"Democrat" Sharpton's campaign manager, right-wing Republican Roger Stone, said he and Sharpton share one thing: "We both hate the Democratic Party." In the D.C. Presidential primary, Sharpton was given LaRouche's vote.

Roger Stone broke into criminal politics at age 19, working for Charles Colson in President Richard Nixon's 1972 re-election campaign, running covert infiltration of the opponent Democratic McGovern campaign. Learning his trade, Stone sent to a Democratic Congressional candidate a donation check falsely made out to be from "socialists." The Watergate scandal from that year's Nixon campaign later brought down his Presidency and sent Stone's boss Colson to jail.

In 1975, Stone founded the National Conservative Political Action Committee (NCPAC) with Charles Black—who would become his permanent political partner—and Terry Dolan, an AIDS-stricken homosexual and radical "family values" right-winger. The main money for NCPAC came from North Carolina racist millionaire Tom Ellis—a promoter of Nazi eugenics—who ran the whole career of Senator Jesse Helms. Ellis brought in the new dirty-tricks consulting firm of Black, Manafort and Stone to run all Helms campaigns. Roy Cohn personally arranged for Jewish millionaires to stop contributing to Helms's opponents, in exchange for Helms changing his politics to support the extreme rightist Likud Party of Israel. Meanwhile NCPAC raised funds from conservatives for Oliver North's Central-American Contras, attempting to cover over the actual financing from narcotics trafficking.

As Black's partner, Roger Stone soon became the permanent strategist for billionaire casino owner Donald Trump, who inherited some of the old Meyer Lansky properties. Stone built up his own interests in the organized-crime-dominated casino world, while acting as political director for the national Republican Party apparatus. In 1982, Stone managed the Senate campaign of Prescott Bush, Jr. (uncle to the current President), using NCPAC funds. To help in that failed Bush race, and for a Helms campaign, Stone and Black hired Roy Cohn protégé Dick Morris, who would later advise and betray President Bill Clinton.

This is the Stone-Cohn disease, that took over Al Sharpton.

Beginning in the late 1970s, the Bahamas became the chief island-transshipment funnel for the flood of cocaine entering the United States, with its casinos as a money-laundering machine. Black, Manafort and Stone arranged in the early 1980s that the Lynden Pindling regime in the Bahamas would pay them to keep the U.S. govenment from prosecuting Pindling, for taking bribes from major drug traffickers. Through the Black firm's influence, the dope kept flowing and Pindling got U.S. financial aid for his "anti-drug" program!

Al Sharpton hired Stone's man Charles Halloran last September. Halloran had then just finished a Stone-arranged assigment running another Atlantic island campaign, for the United Bermuda Party—the white-led group seeking to unseat Bermuda's first black government.

When then-Vice President George H.W. Bush ran for President in 1988, Rep. Edward F. Feighan (D-Ohio) distributed to the press, copies of the Black, Manafort, and Stone proposal to the Bahamians. Feighan asked, "How are these guys who surround the vice president going to lead the drug war when, until recently, they've been on the other side?" In that 1988 Bush effort, Stone helped create a notorious Republican advertisement baiting Democratic opponent Michael Dukakis for granting parole to rapist and murderer Willie Horton, a big boost towards Bush Senior's election.

But Roger Stone was publicly kicked out of the Bob Dole Presidential campaign in 1996, when it was reported that Stone and his then-wife had placed an advertisement soliciting "swinger" sex from other couples.

Stone was back at it in the 2000 election, personally running the Cuban mobs rioting against the attempt to re-count the Florida votes. Later Stone arranged for covert and illegal funding for a political attack aimed at intimidating the judges who were deciding on the Florida election fiasco. A local Florida official whose name Stone used to front for this attack on the judges was fined for this criminality, but Stone got off scott-free.

Meanwhile, on behalf of casino mogul Donald Trump, Stone covertly and illegally ran ads attacking Indian casinos in New York State, rivals to Trump's enterprises, depicting the Indian-run gambling as leading to organized crime and dope! Trump and Stone were both heavily fined by New York State. Stone was represented in this case by the law firm (Greenberg Traurig) of "Casino" Jack Abramoff—the sugar daddy and chief lobbyist for U.S. House Republican Majority Leader Tom DeLay.

The *New York Times* reported on Jan. 25 that it was Donald Trump who, two years ago, introduced his friend Al Sharpton to Trump's manager, Roger Stone. That *Times* article was apparently a spur to the publication of the *Village Voice* piece, which exploded Sharpton's campaign as a sewer trick of the Republican right wing.

Book Review

The Beltway Snipers: The Jury Is Still Out

by Donald Phau

Sniper: Inside the Hunt for the Killers Who Terrorized the Nation
by Sari Horwitz, Michael E. Ruane
New York: Random House, 2003
250 pages, hardbound, $24.95

During October 2002, much of the population on the East Coast of the United States was thrown into a state of terror. The authors of *Sniper* write: "For three weeks in the Fall of 2002, the prospect of sudden death haunted millions of Americans across a stretch of mid-Atlantic and upper South, from Pennsylvania to the Carolinas. With good reason. Between Oct. 2 and Oct. 22, thirteen people were selected and shot, investigators believe, by two drifters with an old car and a military-style rifle. Ten people died. . . . The victims were chosen at random as they were going about the daily chores of life."

The book by *Washington Post* reporters Sari Horowitz and Michael Ruane, based on *Post* coverage at the time, was rushed into print while the memory of the snipers was still fresh. During those weeks in 2002, in Virginia, Maryland, and Washington, D.C., schools were closed, children were kept indoors, highways were cordoned off, and gas stations surrounded by tarpaulins to hide the customers as they pumped gas, in fear of being shot.

Sniper is useful in that it attempts to bring together the story, shedding some light on the backgrounds of the two people who have been convicted as the killers, 42-year-old John Muhammad and 17-year-old Lee Malvo.

Was Muhammed a protected intelligence asset, in a circumstance in which the Ashcroft Justice Department was gunning for police-state measures against "terrorism"? Horwitz and Ruane don't say he was, but they do point to Muhammad as a "mysterious man," whom some people called "the Chameleon." Muhammed had been in the Army and the National Guard for 17 years and had received intensive weapons training. The authors note numerous instances which suggest that Muhammad was not the "drifter" that he appeared to be. The book reports a number of highly suspicious incidents. Even at the height of the police search in the Washington, D.C. area, for example, Muhammed's car was stopped and he was questioned, but let go. At least a half a dozen times, the license plates on his car were checked by police computer.

Here are some of the other anomalies reported in the book:

March 11, 2000: Muhammad was arrested in Antigua airport for having a forged Washington State driver's license and Florida birth certificate. Two days later, an Antiguan government report said that he had escaped—he "walked out" of the police station..

March 28, 2000: Muhammad arrived in Antigua again with three children, all traveling under false names. He had fake Wyoming identification. Since the mid-1990s Muhammad, the authors write, "had over a dozen aliases, an altered birth certificate, an illicit passport, numerous driver licenses and identity cards."

April 14, 2001: Muhammad was stopped by police at the Miami Airport with two Jamaican women and a little girl. They were detained; the women were deported for having forged documents. Muhammad is released immediately.

May 20, 2001: Muhammad returned to Antigua with a new driver's license under a new name. Despite no apparent source of income, he stayed at a luxury hotel.

Nov. 28, 2001: Muhammad was in Tacoma, Washington, where a former girlfriend took him to a gunsmith, whom he asked to cut down a rifle barrel so it could be carried in a small case. The gunsmith told him it was illegal. The ex-girlfriend became scared and called the police, FBI, the U.S, Border Patrol, the ATF. There was no response.

Muhammad and Malvo were finally captured on Oct. 23, 2002. Though they were arrested in Maryland, scene of 11 of the 23 shootings, Attorney General John Ashcroft had them moved to be tried in Virginia, where only five of the shootings occurred. Maryland had suspended its death penalty and forbids execution of children under 18, whereas Virginia is number two in the nation in executions and has no law preventing executions of youth.

Horwitz and Ruane say that the Justice Department claimed it conducted a "deliberative" review before the trial was shifted to Virginia. Ashcroft however, bluntly stated the real reason: "We believe that the first prosecutions should occur in those jurisdictions that provide the best law, the best facts, and the best range of available penalties." And what is the "best law"? Ashcroft adds: "Innocent victims . . . have paid the ultimate price. It is appropriate; it is imperative, that the ultimate sanction be available for those who have committed these crimes."

Muhammad and Malvo were tried and found guilty. Muhammad has been sentenced to death and Malvo, because of his age, was sentenced to life in prison. Ashcroft now wants to retry them in order to get verdicts where both can be quickly executed. Dead men, after all, tell no tales. The real story of what lay behind the "Beltway Sniper" killings has yet to come out, despite books like *Sniper*.

Congressional Closeup by Carl Osgood

White House Threatens Veto of Highway Bill

The Senate escalated a growing confrontation with the White House on Feb. 12, when it voted up a six-year, $318 billion Transportation Authorization bill by a vote of 76-21. The next day, White House spokesman Scott McClellan, calling it an "important first test" in reasserting control over the budget, vowed that if the bill reaches President Bush's desk in its present form, he'll veto it.

It appears unlikely, however, that the bill will be sent to the White House in its present form, since the House version of the bill is an even larger $375 billion authorization. The Bush Administration, in its Fiscal 2005 budget, is proposing a much smaller $256 billion program, which many members of Congress argue is much too small to meet the highway infrastructure needs of the country.

Supporters are selling the bill as a jobs bill. Sen. Kit Bond (R-Mo.), a Republican co-sponsor of the measure, said, on the Senate floor after the vote, that the highway portion of the bill, alone, will support over 2 million jobs. "These funds will support the much needed jobs and economic stimulus that our nation currently needs." Sen. Jim Jeffords (I-Vt.) noted that the jobs created by the bill will spread beyond simply road construction, to the firms that build the machinery and equipment required to do the work.

Senator Reid Blasts Silberman Appointment

Sen. Harry Reid (D-Nev.) took to the Senate floor on Feb. 11, to call on President Bush to replace Judge Lawrence Silberman as co-chairman of the commission to investigate pre-war Iraq intelligence.

Reid described Silberman as "a person who proudly wears the label of partisan even though he hides it as often as he can from the public." He charged that Silberman cannot be independent, and as long as he is co-chair, the commission cannot be independent.

Reid gave a summary of Silberman's partisan activities going back to his role as an aide in the 1980 Reagan-Bush campaign, during which he was suspected of involvement in the so-called October Surprise, the conspiracy to prevent the release of American hostages in Iran until after the election. He also described Silberman's role, as a member of the U.S. Court of Appeals for Washington, D.C., in overturning the Iran-Contra convictions of Oliver North and John Poindexter.

Silberman later collaborated with fellow appeals court Judge David Sentelle to install Kenneth Starr as independent counsel against President Clinton. Reid quoted extensively from the book *Blinded by the Right*, by David Brock, who described in great detail how Silberman directed the propaganda campaign against Clinton, to the point of proofreading Brock's articles to make sure they were "hard-hitting" enough.

"There are many respected Republicans in public service," Reid said, "who have demonstrated an ability to put their ideological and partisan views aside when it comes to what affects our nation. Silberman cannot meet that."

Democrats Slam Powell On Iraq War Intelligence

Rep. Henry Hyde (R-Ill.), the chairman of the House International Relations Committee, opened up a Feb. 11 hearing on the State Department's Fiscal 2005 budget by attempting to buffer the Bush Administration against any attempts to criticize it for the fake intelligence used to justify last year's invasion of Iraq. He said that "the political season is upon us, and, as in war, truth is often the first casualty." He claimed that the criticism of the war, coming from those who initially supported it, "is that the President took action to defend this country instead of just sitting there." He then claimed that the Iraq War belongs in the larger context of the war on terrorism and is part of "an incredible success story, one that is still unfolding and one that is due almost entirely to the foresight and determination to act."

While most Republicans and some of the Democrats used the hearing to take up their pet issues with Secretary of State Colin Powell, Representatives Gary Ackerman (D-N.Y.) and Robert Menendez (D-N.J.) charged that the Iraq War was waged under false premises. Ackerman admitted that, at the outset, he had supported the Bush Administration's case for war, "But in the aftermath, . . . finding no weapons of mass destruction and no plans in a decade thereto, and with shifting justifications from the war coming from the President . . . I can't help but feel the same unease that my constituents feel that we were sold a bill of goods." Ackerman added that with the failure to find the weapons that Vice President Dick Cheney asserted were there, the administration has a problem of an "utter lack of credibility."

Menendez echoed Ackerman's comments and added, quoting from a recent report of the Carnegie Endowment of International Peace, that Iraq's weapons capability was effectively destroyed by the UN sanctions imposed in 1990, the 1991 Gulf War and the subsequent UN weapons inspections. Powell, both times, responded that his Feb. 5, 2003 presentation to the UN Security Council was properly debated and vetted, and that "we presented what we believed the truth to be at that time."

National News

President Bush Demands Nuclear Power Policing

In a speech to the National Defense Unviersity on Feb. 10, President Bush called nuclear proliferation the new terrorist threat, and proposed that a group of nations constitute themselves as the policing body to prevent the spread of uranium enrichment technology beyond the small number of nations already possessing it. The real aim of the policy is to make it impossible for developing countries to use nuclear power to develop their economies.

While purporting to target only weapons-grade uranium, the program actually would prevent nations that are not already in "the club," from gaining the enriched uranium they need in order to develop nuclear power reactors. The ability to enrich uranium would be interpreted, *à la* the theory of Bertrand Russell and H.G. Wells, to be a threat to world peace.

Bush proposed that the 40 nations which he called the Nuclear Supplier Group, refuse to sell enrichment and reprocessing equipment and technologies to any state that does not already possess full-scale, functioning enrichment and reprocessing plants. All states will have to declare their nuclear activities and facilities and allow the International Atomic Energy Agency (IAEA) to inspect them, virtually any time. Nations that refuse will not be allowed to import equipment. Enforcement capabilities of the IAEA will be strengthened. Bush also called for an increase in the number of nations which are part of the Proliferation Security Initiative (now 12), and expanded enforcement, including cooperation with Interpol in police measures and seizures of shipments deemed in violation of the world police-state rules.

Ousted Prosecutor Sues Ashcroft on Terror Cases

The Federal prosecutor in Detroit who was removed for misconduct and transferred to Washington for withholding evidence from defendants in a terrorism case, is now suing Attorney General John Ashcroft and other Department of Justice officials, accusing them of "gross mismanagement" of terrorism cases, and charging that "DOJ Washington had continuously placed 'perception' over 'reality' to the serious detriment of the war on terror."

The prosecutor, Richard Convertino, has been accused of withholding evidence which showed that the government's star witness was a liar; the judge is now considering overturning the convictions of Moroccan men in that case, which had been billed by Ashcroft as a "major victory" in the war on terrorism. Ashcroft himself was admonished by the judge in that case for speaking publicly about it, in violation of a court order.

There is a second case in Detroit which is blowing up, around the actions of Special Agent in Charge of the Detroit FBI office, Willie Hulon. Hulon is accused of having instructed one of his informants to break the law.

U.S. Trade Deficit Hits A Record $489 Billion

In 2003, the U.S. trade deficit on goods and services soared to a record $489.4 billion, which is 17% higher than 2002, representing the complete dysfunctionality of the economy. In December 2003, the United States imported $132 billion of goods and services; one-tenth of the imports came from China, representing in part, a significant U.S. dependence on cheaper goods. For 2003, the U.S. trade deficit with China rose to $124 billion; that with the European Union, rose to $94.3 billion. Unable to produce sufficiently either producer or consumer goods, the U.S. must import both.

The increase in the deficit comes despite the cheapening of the dollar, even though "conventional" trade theory would forecast the opposite effect.

Drug Company Trial Leads to Five Suicides

The latest suicide was a 19-year-old student who hung herself while in the bathroom of the laboratory of Eli Lilly in Indianapolis over the first weekend of February. The student, Traci Johnson, is the fifth to commit suicide while participating in a trial of an experimental anti-depressant. Traci dropped out of school to get the $25 and free meals that Eli Lilly gave to participants each day.

Earlier this month, the Food and Drug Administration held a public hearing to report on ongoing investigations linking anti-depressants to an increase of suicides by children. The hearing, held in Bethesda, Maryland, was swamped by parents who spoke about how their children committed suicide and acts of violence after taking the anti-depressants called selective serotonin re-uptake inhibitors (SSRIs). Eli Lilly is the maker of Prozac, an SSRI.

Last December, Great Britain's drug regulatory agency banned all SSRIs for children under the age of 18. However, the ban exempted the most popular SSRI, Prozac, following the lead of the FDA, which had approved the drug for children. One of the factors motivating the ban was reports of increased suicides among those taking these kinds of drugs.

Rumsfeld Proceeds With Death Squad Program

Secretary of Defense Donald Rumsfeld has given the military's Special Operations Forces (SOF) new powers for kill-or-capture missions, the Feb. 19 *Washington Times* reported. The Pentagon is getting ready to use U.S. Special Forces as spies, who will be seeking "actionable intelligence" that will enable Green Beret "A Teams" to find terrorists in order to kill or capture them. "Some senior Pentagon officials" believe that the SOF do this better than the CIA, according to the article.

This report should be seen in the context of previous moves by Rumsfeld to reorganize the Special Forces so as to recreate the Vietnam-era "Phoenix Program," which assassinated many thousands of alleged communists and sympathizers in the early 1970s.

It is thought that Rumsfeld and his allies prefer using military special forces, instead of the CIA, because the Administration has to submit a "finding" to Congress for CIA deployment, whereas this does not apply to the military.

Editorial

A Tale of Two Coups

Within the period between now and the Democratic Party Convention this summer, a decisive turn in history will be made. Either the United States will continue down its current pathway, bringing disaster upon the world and itself, or the American population will embark upon an about-face, back toward the principles of government last implemented by the Franklin Delano Roosevelt Administration, that will bring the country and the planet back from the edge of the abyss.

The ongoing implosion of the present floating-exchange-rate monetary system, will provide the impetus for such a decision to be made.

To understand this looming choice, it is useful to look at the situation as a clash of two coups, which have been in the works for some time. On the one side, there is the Synarchist coup, through which representatives of leading Synarchist bankers, within both the Republican and Democratic parties, are proceeding to subvert the U.S. Constitution, and turn the United States into the antithesis of its republican tradition. On the other side, there is a republican coup to restore the Presidential Constitutional system, which is being led by Lyndon LaRouche, with growing support from a wide array of colleagues within the extended institution of the U.S. Presidency.

Let's first take a look at the state of the Synarchist coup. There's no question but that the front-man for this grouping, "Beast-Man" Dick Cheney, is in big trouble, along with his coterie within the Bush Administration. From Zurich, to London and Seoul, there is open discussion about how the multiple scandals unearthed around Cheney have ensured that his days are numbered. From a situation in which only the LaRouche forces and publications were putting the spotlight on Cheney, back in the middle of 2002, we now have a global pattern of attack on the lying Vice-President, if not for his full crimes, at least for his greed.

But, behind the political Synarchists, there lurk the real powers of this movement, the bankers. In fact, within the United States, the Synarchist bankers come on both the left and the right, with Lazard Frères' Felix Rohatyn playing the leading role in the Democratic party circles, and the George Shultz-Robert Mundell crowd calling the shots on the Republican side. Only fools would seek to choose between these left and right forms of synarchism. Either one will lead to disaster, as demonstrated in the waves of left and right dominance through the French Revolution.

The crucial point for the Synarchists, who now seem to be leaning heavily toward their left "Democratic" option, is to keep control over the levers of credit and finance. These Synarchists, unlike many of their patsies, *know* that the system is bankrupt, and that they are going to have to eat a lot of their worthless paper. But they insist upon retaining power over who will live, and who will die.

In fact, as Lyndon LaRouche LaRouche has pointed out, the Synarchists are incapable of actually steering the United States and the world through this crisis. They are only capable of dragging the human race down with them. And they are counting on the corruption which has been induced deep within the minds and habits of the American and European populations over the past 40 years, to be able to succeed in their plans.

Quite the contrary for those who are working with LaRouche, *sotto voce* or publicly, for a return to the American revolutionary tradition, as embodied in the U.S. Constitution. Because this countercoup is headed by a leading personality, LaRouche, who has the trust of a network of leading international personalities who support his efforts, as well as a working relationship with the institutions of the U.S. Presidency, it has the capability of succeeding. Sane forces internationally, as we've seen specifically in Italy and Russia, lately, realize that they need the United States to be transformed, in order to succeed. And thus they are looking to LaRouche, and to a change in the American population behind its deeply embedded Constitutional loyalty.

The next few months will tell the tale as to which of these two coups will succeed. There is nothing written in stone: It's your choice.

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  Thursdays—4:30 pm
- W.SAN FDO.VLY.
  Time Warner Ch.34
  Wed.—5:30 pm

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  Mondays—5 pm
- MANCHESTER Ch.15
  Mondays—10 pm
- MIDDLETOWN—Ch.3
  Thursdays—5 pm
- NEW HAVEN—Ch.29
  Sundays—5 pm
  Wednesdays—7 pm
- NEWTOWN/NEW MIL.
  Cablevision Ch.21
  Mondays—9:30 pm
  Thursdays—11:30 am

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  4 am & 4 pm

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- ANNE ARUNDEL
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  Mondays—10:30 pm

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- BRAINTREE
  AT&T Ch.31
  BELD Ch.16
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- WORCESTER—Ch.13
  Tue—8:30 pm

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- CALHOON
  ATT Ch.11
  Mondays—4 pm
- CANTON TWP.
  Comcast Ch.18
  Zajak Presents
  Mondays: 6-8 pm
- DEARBORN
  Comcast Ch.16
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- GRAND RAPIDS
  AT&T Ch.25
  Fridays—1:30 pm
- KALAMAZOO
  Thu: 11 pm (Ch.20)
  Sat: 10 pm (Ch.22)
- KENT COUNTY
  Charter Ch.7
  Tue—12 Noon,
  7:30 pm, 11 pm
- LAKE ORION
  Comcast Ch.65
  Mondays & Tuesdays
  2 pm & 9 pm
- LIVONIA
  Brighthouse Ch.12
  Thursdays—4:30 pm
- MT.PLEASANT
  Charter Ch. 3
  Tuesdays—5:30 pm
  Wednesdays—7 am
- PLYMOUTH
  Comcast Ch.18
  Zajak Presents
  Mondays: 6-8 pm
- SHELBY TWP.
  Comcast Ch.20
  WOW Ch.18
  Mon/Wed: 6:30 pm
- WAYNE COUNTY
  Comcast Ch.68
  Unscheduled pop-ins
- WYOMING
  AT&T Ch 25
  Wednesdays—10 am

MINNESOTA
- ANOKA
  Comcast Ch.15
  Thu: 3 pm & 9 pm
- BURNSVILLE/EGAN
  ATT Ch.14,57,96
  Tuesdays—5:30 pm
  Saturdays—9 pm
  Sundays—10 pm
- CAMBRIDGE
  US Cable Ch.10
  Wednesdays—2 pm
- COLD SPRING
  US Cable Ch.10
  Wednesdays—5 pm
- COLUMBIA HTS.
  MediaOne Ch.15
  Wednesdays—8 pm
- DULUTH—Ch.20
  Mondays—9 pm
  Wednesdays—12 pm
  Fridays 1 pm
- FRIDLEY—Ch.5
  Thursdays—5:30 pm
  Saturdays—8:30 pm
- MINNEAPOLIS
  PARAGON Ch.67
  Saturdays—7 pm
- NEW ULM—Ch.14
  Fridays—5 pm
- PROCTOR/
  HERMANTOWN—Ch.12
  Tue: Btw. 5 pm-1 am
- ST.CLOUD AREA
  Charter Ch.10
  Astound Ch.12
  Thursdays—8 pm
- ST.CROIX VLY.
  Valley Access Ch.14
  Thursdays: 4 & 10 pm
  Fridays—8 am
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  Paragon Ch.15
  Wed, Thu, Fri:
  12 am, 8 am, 4 pm
- ST.PAUL (city)
  SPNN Ch.15
  Saturdays—10 pm
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  AT&T Ch.14
  Thu: -6 pm & Midnite
  Fri: -6 am & Noon
- ST.PAUL (NE burbs)*
  Suburban Ch.15
- St.PAUL (S&W burbs)
  AT&T-Comcast Ch.15
  Tue & Fri: -8 pm
  Wednesdays—10:30 pm
  SOUTH WASHINGTON
  ATT Ch.14—1:30 pm
  Mon, Tue, Wed, Thu

MISSISSIPPI
- MARSHALL COUNTY
  Galaxy Ch. 2
  Mondays—7 pm

MISSOURI
- ST.LOUIS
  AT&T Ch.22
  Wednesdays—5 pm
  Thursdays—12 Noon

NEBRASKA
- LINCOLN
  T/W Ch.80
  Citizen Watchdog
  Tuesdays—7 pm
  Wednesdays—10 pm

NEVADA
- CARSON—Ch.10
  Wednesdays—7 pm
  Saturdays—3 pm
- RENO/SPARKS
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NEW JERSEY
- MERCER COUNTY
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- MONTVALE/MAHWAH
  Time Warner Ch.27
  Wednesdays—4 pm
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  Comcast Ch.57*
  PISCATAWAY
  Cablevision Ch.71
  Wed—11:30 pm
- PLAINSBORO
  Comcast Ch.3*

NEW MEXICO
- ALBUQUERQUE
  Comcast Ch.27
  Mondays—3 pm
  ANTHONY/SUNLAND
  T/W Ch.15
  Wednesdays 5:05 pm
- LOS ALAMOS
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  Mondays—10 pm
- SANTA FE
  Comcast—Ch.8
  Saturdays—6:30 pm
- TAOS—Ch.2
  Thursdays—7 pm

NEW YORK
- AMSTERDAM
  Time Warner Ch.16
  Wednesdays—7 pm
- BRONX
  Cablevision Ch.70
  Fridays—4:30 pm
- BROOKLYN
  T/W Ch.34
  Cablevision Ch.67
  Tue: 12 Noon & 8 pm
- BUFFALO
  Adelphia Ch.20
  Thursdays—4 pm
  Saturdays—1 pm
- CHEMUNG/STEUBEN
  Time Warner Ch.1
  Mon & Fri: 4:30 pm
- ERIE COUNTY
  Adelphia Intl. Ch.20
  Thursdays—10:35 pm
- ILION—Ch.10
  Mon & Wed—11 am
  Saturdays— 11:30 pm
- IRONDEQUOIT Ch.15
  Mondays—7:30 pm
  Thursdays—7 pm
- JEFFERSON/LEWIS
  Time Warner Ch.2
  Unscheduled pop-ins
- MANHATTAN— MNN
  T/W Ch.34; RCN Ch.109
  Alt. Sundays—9 am
- NIAGARA COUNTY
  Adelphia Ch.20
  Thursdays—10:35 pm
- ONEIDA—Ch.10
  Thu: 8 or 9 pm
- PENFIELD—Ch.15
  Penfield Comm. TV*
- QUEENS QPTV Ch.34
  Fridays—5 pm
  Tuesdays—9 pm
- QUEENSBURY Ch.71
  Thursdays—7 pm
- RIVERHEAD Ch.70
  Thu—12 Midnight
- ROCHESTER—Ch.15
  Sundays—3 pm
  Mondays—10 pm
- ROCKLAND—Ch.71
  Mondays—6 pm
- STATEN ISL.
  Time Warner Cable
  Thu—11 pm (Ch.35)
  Sat—8 am (Ch.34)
- TOMPKINS COUNTY
  Time Warner Ch.13
  Sun—1 pm & 9 pm
  Saturdays—9 pm
- TRI-LAKES
  Adelphia Ch.2
  Sun: 7 am, 1 pm, 8 pm
- WEBSTER—Ch.12
  Wednesdays—9 pm

OHIO
- CUYAHOGA COUNTY
  Ch.21: Wed—3:30 pm
- FRANKLIN COUNTY
  Ch 21: Sun.—6 pm
- LORAIN COUNTY
  Adelphia Ch.30
  Daily: 10 am; or
  12 Noon; or 2 pm;
  or 12 Midnight
- OBERLIN—Ch.9
  Tuesdays—7 pm
- REYNOLDSBURG
  Ch.6: Sun.—6 pm

OREGON
- LINN/BENTON
  AT&T Ch.99
  Tuesdays—1 pm
- PORTLAND
  Tue—6 pm (Ch.22)
  Thu—3 pm (Ch.23)
- SALEM—Ch.23
  Tuesdays—12 Noon
  Thursdays 8 pm
  Saturdays 10 am
- SILVERTON
  Charter Ch.10
  Mon,Tue,Thu,Fri:
  Betw. 5 pm - 9 am
- WASHINGTON
  Comcast Ch. 23
  Wed:7 pm; Fri:10 am
  Sun:6 am; Mon:11 pm

RHODE ISLAND
- E.PROV.—Ch.18
  Tuesdays—6:30 pm
- STATEWIDE
  RI Interconnect
  Cox Ch.13
  Full Ch.49
  Tuesdays—10 am

TEXAS
- AUSTIN Ch.10
  T/W & Grande
  Wednesdays—7 pm
- DALLAS Ch.13-B
  Tuesdays—10:30 pm
- EL PASO COUNTY
  Adelphia Ch.4
  Tuesdays—8 pm
  Thursdays—11 am
- HOUSTON
  Time Warner Ch.17
  Saturdays—9 am
  Mon, 12/29: 4 pm
  Wed, 12/31: 4 pm
  Tue, 1/6: 4 pm
  Wed, 1/14: 8 pm
- KINGWOOD Ch.98
  Kingwood Cablevision
  Saturdays—9 am
  Mon, 12/29: 4 pm
  Wed, 12/31: 4 pm
  Tue, 1/6: 4 pm
  Wed, 1/14: 8 pm
- RICHARDSON
  AT&T Ch.10-A
  Thursdays—6 pm

UTAH
- E.MILLARD
  Precis Ch.10
  Tuesdays—5 pm
- SEVERE/SAN PETE
  Precis Ch.10
  Sundays & Mondays
  6 pm & 9 pm

VERMONT
- GREATER FALLS
  Adelphia Ch.8
  Tuesdays—1 pm

VIRGINIA
- ALBERMARLE
  Adelphia Ch.13
  Fridays—3 pm
- ARLINGTON
  ACT Ch.33
  Mondays—4 pm
  Tuesdays—9 am
- BLACKSBURG
  WTOB Ch.2
  Mondays—6 pm
- CHESTERFIELD
  Comcast Ch.6
  Tuesdays—5 pm
- FAIRFAX—Ch.10
  Tuesdays—12 Noon
  Thursdays—7 pm
- LOUDOUN
  Adelphia Ch. 23/24
  Thursdays—7 pm
- ROANOKE—Ch.19
  Tuesdays—7 pm
  Thursdays—2 pm

WASHINGTON
- KING COUNTY
  AT&T Ch.29/77
  Mondays—7 pm
- KENNEWICK
  Charter Ch.12
  Mondays—12 Noon
  Thursdays—8:30 pm
- PASCO
  Charter Ch.12
  Mondays—12 Noon
  Thursdays—8:30 pm
- RICHLAND
  Charter Ch.12
  Mondays—12 Noon
  Thursdays—8:30 pm
- SPOKANE—Ch.14
  Wednesdays—6 pm
- WENATCHEE
  Charter Ch.98
  Thu: 10 am & 5 pm

WISCONSIN
- MADISON—Ch.4
  Tuesdays—3 PM
  Wednesdays—12 Noon
- MARATHON COUNTY
  Charter Ch.10
  Thursdays—9:30 pm
  Fridays—12 Noon
- SUPERIOR
  Charter Ch.20
  Mondays—7:30 pm
  Wednesdays—11 pm
  Fridays 1 pm

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