

[return to home page](#)

This Week You Need To Know

Looking for Trouble: What It Means To Have — The Efficient Will To Change the Universe

What follows is the transcript of Lyndon LaRouche's remarks of May 8, 2004 to the East Coast and Seattle cadre schools of the LaRouche Youth Movement, held over the weekend of May 7-9. Subheads have been added.

LYNDON LAROUCHE: Well, I'm glad to see you all arrived here safely. And we hope you'll leave safely, after what I have to tell you.

You know, it's time to get serious. And we have some old fogies—you know what an old fogy is, somebody over 45 ... and under 62—who are rather pessimistic about life. You know, if they don't get instant rewards. It's sort of a case of a mass commitment to *ejaculatio praecox*: It's called a Baby Boomer. Instant gratification. And instant frustration.

So, but they tend to be pessimistic about our situation. And they obviously, most of them are draft dodgers, and therefore don't know much—in their careers—and they don't know much about—. Like Cheney, Cheney's a draft-dodger. He's 63 years old. He's just one year over the official Baby-Boomer age, and he dodged the draft. His wife got pregnant to help him dodge the draft. He was about to be *wh-t-t-!*, and she got pregnant. Miracle, she pulled a miracle.

But, the problem with this is, we are not in a situation that requires pessimism. The Baby Boomers tend to be pessimistic, if they don't get [whining] "instant gratification." And therefore they want, say, [snarling] "Well, you weren't elected President yesterday! Therefore, I'm pessimistic! What're we doing all this for?"

We're now in a situation, you have a presumptive candidate for the Democratic nomination, who is currently a global disaster. And not only is he currently a global disaster, he is *perceived* as a global disaster, even by those who are protecting his candidacy. So, at this point, it probably is the case, but for what the Democratic Party generally did with respect to me, Cheney would be out, already, a year or so ago; possibly even, we might not have had an Iraq war. Certainly, if the Democratic Party had not excluded me, we would not have an Iraq War. It couldn't have happened. Because, once the debate of the issue, the controversy over the cover-up had occurred, you couldn't go ahead with the war.

We had a bunch of gutless people, who in the fall of 2002, capitulated. And if I had been in the picture in the Democratic Party, it wouldn't have happened. They wouldn't have dared. Because some of them were intelligent enough to recognize I was putting a penalty on them all. But, they weren't afraid of me, in the party, because they were fools. I did lay down the grounds for the penalty. But they said, "We can ignore his threat of a penalty, because he's not going to be there, to collect on the penalty."

Now, you've got a point, that you have a war ideologue, which is insupportable. And you have horrors that are going on there. Now, evidence of the horror became manifest, in terms of some dirty pictures. We understand we have not gotten the

full edition, which we were promised by Defense Secretary Rumsfeld, who will give you some more really ugly pictures. The worst is yet to come, he's promised. And considering the people he works with, I wouldn't doubt that. I would expect it.

But the policy was already there! You didn't need the pictures, to know the policy. You didn't need the pictures, to know that's what was happening in Guantanamo Bay. You didn't need the pictures, to know all these arrests and suspensions and roundups, like roundups after the Reichstag Fire in Germany. Goering set fire to the Reichstag, and they began rounding everybody up they didn't like. Here, in the United States, they began rounding up Muslims—just rounding them up! And holding them, for various periods of time, with no civil rights, under Ashcroft, and similar kinds of things under Bush.

So, we know this was all going on! It was no mystery. But, it went on. It went on, and on, and on, largely because of the Democratic Party leadership, the Democratic National Committee. It went on, because I was excluded from the fight, officially. They thought they had me out of the picture. They didn't feel themselves accountable, to what I was saying about them.

Now, that has changed.

The pictures were simply the trigger, the detonator, on the explosive charge, which was already there. And what has helped to make this that, is, most people who know anything, know about my LaRouche Doctrine. It is influential throughout the Middle East, so-called. It is spreading around the world. Everyone sophisticated in Washington knows it's there. Our military experts *know it's right*. And so, the pressure's on.

Because, we have two issues: We have the biggest financial crisis in modern history, which most people know about, behind the scenes. They just agreed to pretend, like typical under-62-year-old people, to pretend it isn't there.

"I don't go there! You can talk about depressions. They've come. I will ignore them! They don't exist!" It's like the Pooka, the *New Yorker* cartoon series of Thurber. The rabbit, the mysterious invisible rabbit. The giant invisible rabbit, the Pooka. [whispering] "The depression isn't there! It doesn't actually exist! Why? [then shouting] Because we refuse to acknowledge it! It won't come, either!"

Why won't it come?

"Because we and the Republicans have agreed, the White House has agreed, it will not come! Until after November. Until after the election. *It will not come until after the election!! We have decided!!*"

They have told Europeans: "It will not come until after the election. We have *fixed* it."

They fixed precisely nothing. It's coming on.

But, under the conditions of the continuation of the Cheney policy, conditions of warfare, it will be impossible to carry out anything resembling an effective defense, against the onrushing financial-economic collapse. It just won't be possible. If you don't have cooperation and trust among nations—.

Let's take one example, a little case in point: Now, in the past week, the price of petroleum, on the London petroleum marketing exchange, which sets the price at the end of the day, at the close of doing business, rose to the vicinity of \$40 a barrel. And it has not stopped there. A great part of the world's petroleum supplies, on which we have made ourselves, like fools, excessively dependent by suppressing nuclear development; if we had done in the United States, what was done in

France even, in terms of percentage of power generation and distribution from nuclear power, we would not have the degree of national insecurity we have on power generation and distribution, today.

But now, in this condition, where the game has been rigged, to make the world dependent upon petroleum supplies, as a basic fuel stock, internationally, and in which the Gulf area is the richest producer of petroleum at the lowest price on the planet—what happens if you have a general outbreak, a disruption, tantamount to what's going on in Iraq, in the Gulf region? Iraq is one of the major petroleum producers in the world. It's a key part of the complex, north of the Gulf itself, it's the most important producer of cheap petroleum supplies, because of natural conditions there. If this entire area begins to go up in smoke, can you afford to drive an automobile in the United States?

How many power stations in the United States are dependent upon petroleum? Petroleum-burning, or natural gas? How much of the industry of the United States—look at those trucks, careening along the highways, because we don't have railroads any more, at least in most of the country? What happens to all those trucks? What happens to the physical economic structure of the world, especially Europe and the Americas, under those conditions?

Therefore, as long as you keep Southwest Asia, a strategic part of this planet, in the condition it's in now, with an increasingly explosive condition fostered by the situation of U.S. policy in Iraq, under the conditions of an already-ripe explosion and collapse of the world monetary-financial system, what is the strategic interest of the United States and its people, *in carrying out my Doctrine—now?*

Make a Decision

People say, "What are your chances of being nominated and elected?" I say, "Probably much better than your chances of surviving my not being elected!"

That's the way people have to think about it. You do come, in the course of history, to points of crisis, which have been ripening all along, and which you, maybe like a Baby Boomer, an under-62er, have been pretending you could ignore. And the crisis comes, and you have to make a decision. The decision involves several things. It involves changing what you assume to be unchangeable. You say, "We will never do that! No one will ever accept that! No one will ever do what you say. So what're you talking for? Nobody is ever going to accept what you're going to say!" Suddenly, you come to the point, "Well, in other words, you're saying you don't wish to survive." You have to *change* your values, you have to change your way of thinking, or you are *not going to survive*. That's where we're at.

We are at one of the great points in history, which I've been talking about for a long time—it was coming on; we talked about it. People said, "No, no, no, no! It's not going to happen. We're instant gratification people. If it didn't happen yesterday, it will never happen!" It goes on, and on, and on. And finally, the time comes to pay the bill. "I will never pay that bill! That is, to make the changes in policy, the changes in my way of thinking, which you say I have to make: I will never do that! So, history will just have to accept the fact, that I'm not willing to go along with that. Therefore, you're wrong! Because we will never accept that."

Take the case of the Peloponnesian War. Athens, which had risen, in the time of Pericles, to a position of an unusual degree of strategic power in the region, as being the head of a coalition, which had, at least on the maritime side, had defeated the Persian Empire, in a rather decisive way. And, at that point, on the basis of the spread of an ideology, which is virtually identical with what is popular in the United States today, called "popular opinion"; "majority popular opinion"; "popular tastes."

These were the Athenians who said, "We are now, like Washington: We are an empire! Our last competitor, the Persian

Empire, has collapsed. Sparta has accepted our leadership. We have no competitors! We can now run the world! We are now an empire!" And therefore, they went to the small island of Melos, and said, "Well, here are your orders." And the Melians said, "No. You're not treating us properly."

"Well, you do that, or we'll kill you."

And the Melians said, "We won't do it."

So, they came, and they killed the men, and many others. They committed genocide, against the population of the small island of Melos.

This act had the arrogance of the Athenians under Pericles. And they went into a general war, which became known as the Peloponnesian War. It became a war between certain groups of states in the area, aligned with Sparta, and those allied with Athens. And they weren't satisfied with that! Under Thrasymachus, who was a most notorious character, an opponent of Socrates in *The Republic*, they went into Magna Graecia, that is, the southern part of the Greek colonies in Italy and adjoining territories: Sicily and Southern Italy. And they extended the war there, under Thrasymachus.

As a result of that, Greek civilization, politically, as such, was doomed. It never recovered from that effect. And despite the aftermath of Alexander the Great, who was influenced while he lived, by Plato's Academy of Athens, despite that, this cleared the way for the emergence of the Roman Empire, or the Roman conquest and Roman Empire, especially from about 200 B.C., at the time the Romans conquered Syracuse, and killed Archimedes.

There was a turning point, down, in general trends in European civilization as a whole, until the 15th-Century Renaissance.

That is popular opinion for you. It was called, then, "sophistry." Today, in U.S. politics, it's called "spin." "I don't spin things that way." "You say this. I have a different spin!" "I have my desires! And you're not going to spin me out my desires!"

And that's the situation we have.

So, you have a population, a culture, an opinion, and trends, which are clinically insane, like those of the Athenians of the time of Pericles, when they started the persecution of the people of Melos. We are doing, in a sense, in Iraq, what the kingdom of Pericles, or the leadership of Pericles, did to the people of Melos and other countries. And we're headed toward a similar consequence.

Now, Socrates was subjected to judicial murder, by an organization known as the Democratic Party of Athens. The tradition of democracy, the very meaning of "democracy," today, in the United States—the popular understanding of the meaning of the word "democracy," in the United States and Western Europe, *is identical* to the conception of sophistry, practiced by the Athens of Pericles. In other words, we are not only in a *parallel* situation, to that which brought the downfall of the leading culture of that period—Athens—we *are falling for identically the same reasons*. And we call it "democracy." We call it "popular opinion." We call it "public opinion." We say, you can not go against "public opinion." You can not go against the Democratic Party's "public opinion," within its ranks. You've got to stick to what the newspapers and the mass media accept. This is sophistry. This is moral stupidity.

How much moral stupidity can you report upon, in your experience? How many people say, "You can't do it, the mass media won't support you"? How many people say, "You can't do it, public opinion won't support you"? How many people say, "You can't put the toothpaste back in the tube. We made the changes, and you can not go back and fill the tube again,

and go back to what things were before"? How many people say that? How many people tell you, the system is going to *be* that way?

What are they telling you, if they are right, in their forecast of what's going to happen, what is going to happen? The United States will virtually disappear. And the rate of death in the United States, and the rate of poverty, will be far worse than anything you can imagine today.

So, they have the power, in a sense, to stick to their popular stupidity, and to behave the way they've been behaving up to now. But, can they *outlive* the results of that conviction?

In other words, they either go our way, or this nation is doomed. It is not doomed because we're so smart. It is doomed because we have chosen a rational alternative, as Socrates and Plato did, to the alternative called "democracy," in the time that the Democratic Party of Greece—so-called, by the Greeks themselves, at that time—committed the judicial murder of Socrates, in a trial, which reminds you of a kind of a political trial that occurred in the United States recently: The way the court system functions, in recent decades.

In other words, you're looking at a nation which tells you that it is doomed. When they tell you, "this is popular opinion," they're telling you, "we have decided *to die*, as a nation." And you see it in Iraq. People say, "How could they do that? What was their interest? There must be a rational reason why they did it?" There was no rational reason. There was an obsession, just like Ashcroft's religious obsession. Like religious fanatics' obsession. Do you think the Battle of Armageddon is going to mean that God is going to intervene, and these guys aren't going to have to pay the rent next month? They believe it! They say they believe it. They get up there, and they give these long-winded speeches at these revival meetings, and they promise things exactly like that. Do you believe that any of the things these preachers say is going to happen? Do these people appear to believe that? They appear to believe it. Fanatically. They appear to believe it, with or without DeLay! That's the kind of society we live in.

So, you are in a very interesting period in history. Can you do something, to change the course of the United States, today, as the Greeks had reason to wish they had changed the policy of Athens, back at the beginning of the Peloponnesian War? If we don't make that change now, what will happen to us will be far worse than what happened to the Greeks in the Peloponnesian War. We will destroy ourselves.

So therefore, the pessimist is a person—among us, and around us, we run into—people who say, "Well, we're not successful. We're not going to be successful, because we're going against popular opinion. We're going against the mass media-determined opinion. We're going against authorities, who will not support us, because we 'offend' them, with telling them they're behaving like fools. We 'offend' them, by behaving like Socrates, and telling the truth."

You Have the Energy

And see, the point is, some of you are younger, and you have more juice in you, and therefore, you have more guts, when it comes to defying a generation which you know, as your parents' generation, which you know has made a mess of this nation, and of the world. And you know that you have no future, under the ideas which are prevalent in your parents' generation. And you've got some juice in you. And therefore, you're capable of saying, "Well, I'm supposed to have a future for at least 50 years from now, or 50 or 60 years from now. What kind of a future is it? Does it even exist?"

So you have a conflict between what you perceive, being young adults, in that age-group where you have more vim and vigor than the old farts do. They don't *have* to lack that vim and vigor. They just *chose* to lack it! They want a sense of security—which is otherwise called "stupidity" and "inertia." "By not being forced to move, I'm secure." "If I can stick to

my old habits, I'm secure!" "If I'm within the bounds of popular opinion, I'm secure." "If I dress properly—."

You know, just let's take the case of these Milanese models: You get a girl, and she's been vomiting too much, she's so skinny you wouldn't see anything except a floating head, unless she were wearing some indescribably ugly rags! Torn rags! This is called "fashion"! People are trying to compete, in the United States and elsewhere, women are trying to compete—some women who are much too old to do this! As a matter of fact it's bad for their health—are trying to do this, in order to be "popular"! To compete in popular fashion! That's what we're dealing with.

So therefore, what you do: There's only one thing you *can* do—the thing that Socrates did, and the thing that Plato did. The legacy of that period, of the work of Socrates and Plato and similar people, who followed them, which gave us the basis for developing and creating modern European civilization, especially as expressed by the work of Dante. Now, Dante was a loser! Dante Alighieri: He was a loser! He was killed! On the way back from Venice—mysterious death. He was despised. He was pronounced a heretic. His writings were banned by the Vatican (which was a very corrupt Vatican at the time).

As a matter of fact, the Vatican collapsed! We had three Vaticans, and possibly four, in the course of a new Dark Age, in the 14th Century, when one-third of the population of Europe was lost. That is, the level of population dropped by one-third. Half the parishes of Europe vanished from the map, in a period of about 30-odd years. The new Dark Age. Mass insanity, like the Republicans today, the Republican religious fanatics of today. The single-issue fanatics of today. Mass insanity! And Europe was almost destroyed.

But, it was the ideas of Dante, and what he represented, the ideas of Abelard of Paris, again a victim, these ideas gave us the foundations of a modern European civilization, founded in the period of the Council of Florence in the 15th Century. These were the ideas of Socrates, the ideas of Plato, above all others. The idea of Christianity, which was not that of the Vatican of that time, but was that of the followers of Plato, of Paul's I Corinthians 13, the concept of *agape@am*.

So, in the history of mankind, it was the struggle for truth against populism, against what we call in the United States today, "democracy," or "public opinion," or "official opinion of the news media": It was those who fought against *that*, who fought for truth, who made history. And some of them didn't make it much, in their own lifetime, except to get persecution, but they made it for the future.

Now, this comes to the question of, how do you assess your life? You assess your life, as death and birth as bookends, and you exist only between the bookends. And therefore, you have to make it pleasant reading between the bookends. Each page must be pleasure and comfort, and satisfaction. And don't worry about the future. There'll be so much pleasure, you won't notice you're passing.

Or, knowing that this is the nature of man: That you are born and are going to die, sooner or later, is it while you spend your life, and do what affects humanity, that counts? All of the effective people in history, were people who did that. They made that choice. They had a conception of birth and death, as sort of the bookends of mortality. But, they also saw in themselves, something which was more than mortality: The ability to discover truth; to discover principles of the universe; to introduce these to humanity; to pass them on to humanity, to be used by present or by future generations for the benefit of mankind.

And a sense that you live, in creating the future of mankind. You live, in bringing forth from the past; you correct the injustices of the past. Truth was fought for in the past, by civilizations that were crushed, by people that were crushed. When you do something to bring justice to the dead, even thousands of years later, you are doing something that makes your life important. Because, you're not only bringing justice to them, you're preserving and putting into perspective the importance of what they did, for tomorrow. As we do with these Platonic studies, and other studies. We're trying to find the most ancient expressions of humanity. We're looking for contributions of tens of thousands of years ago, and longer, which

have permanent value for humanity, which we should understand today; assimilate, and see what we can do with them, see what we can learn from that, see what we can contribute to a better understanding of mankind's future. These are the kinds of things we have to do.

If we are those kinds of people, if we are secure in our sense of personal identity; if we are people living in the present, who do honor to the past, and who provide for the future, then, what do we have to fear? They kill us? We're going to die anyway. What have they taken away from us, except the opportunity to do good?

So therefore, our job, and your job—the only way you can find the strength inside yourselves, to do what you have to do—is to locate your identity accordingly, as an historic individual: A person who is serving to bring justice out of the past, out of the contributions of people past; and working to build a heritage, from which the future of humanity can prosper.

You know, it's like the case of Martin, his last speech, the day before they came to kill him: What was he fighting for? Was he fighting for civil rights for so-called "African-Americans"? No, he wasn't doing that. He had a higher mission: *To make the nation right—for everyone*. And his power was, that he was *not* a single-issue idiot. He was a leader of the entire nation, trying to bring the nation to an understanding of what was *right*. And we, who come from the lowest, shall reach the highest, because we are making a great contribution to this nation, and to all humanity, by bringing the United States to what it was intended to become. That is a sense of immortality.

It is a sense, also, of truthfulness, because you can not believe that you are actually earning, in a sense, immortality, for living now, unless you can believe that what you're doing is truthful: It corresponds to the laws of the universe. It corresponds to principles of a verifiable truth. You can not assert an opinion, because you choose to believe it, and fight for that opinion, because you "*feel*" you should fight for that opinion. That's not worth anything! You have to *know*, with absolute certainty, that what you're doing is right.

And therefore, the first thing you have to deal with, is, do you know what is right? So therefore, the importance I stress on Gauss, on the 1799 paper, which is absolutely unique. You won't find the same thing directly expressed, in any later paper of Gauss. But only in that paper, the first one he ever published, as a scientific paper, in which he attacked Euler, Lagrange, d'Alembert, and so forth. He attacked them, on what? He attacked them on what issue? The issue was, *the nature of man*. It was a concept that he had acquired, partly under the influence of two of his teachers, Kaestner and Zimmermann. He had this concept of an anti-Euclidean geometry from them. Throw away the axioms, definitions, and postulates of an *a priori*, or idealistic, notion of geometry. Limit yourself to what you know, are universal, physical principles: That is, principles which lie beyond sense-perception, but which affect sense-perception, and by the Socratic method of hypothesis, you can discover what these principles are, that you can not detect directly with your senses. But, principles which affect what you see with your senses. Principles; universal principles. No principles must guide you, or govern your mind, except what you know to be universal, in that sense.

Don't say, "Well, my experience teaches me...." Say, "Don't be an idiot! Your experience never taught you anything." Look, I've got a goat out there. The goat has got a lot of experience. That goat is doing the same damned thing his grandfather was doing! If he gets a chance, huh? Now, he's learned from experience. You can vote for Bush, by experience. "I did it before. I'll do it again." Without considering how the universe is going to react to this phenomenon of your voting for Bush!

Only Man Can Discover Universal Principles

So therefore, you have to know that the principle is actually valid, in terms of beyond the senses, which means, that only

the human mind can discover a universal principle. Only a human mind can take, and seek out, the paradoxes, the inconsistencies, the errors, in experience; and find a pattern in these errors, and define what the universe must be like to cause this to occur; and then, to test that principle, that you think you have—that solution you have—and test it, by applying it, to demonstrate, to test whether that principle is true or not.

And that's what you know. And you have two areas to work in. The reason I proposed the Gauss 1799 paper, was because it proposes this question, what Euler, Lagrange, and others denied. They denied the existence of principles existing beyond the perception by sense-perception. That is, the principles could not be *perceived* by sense-perception, but only be adduced by the method of hypothesis, by proving experimentally a discovery of a principle, which lies and operates from outside sense-perception. So that what you have in sense-perception is essentially the *shadow*, cast by a principle upon the domain of sense-perception. Sense-perception is like a screen, and what you know is the shadows that real principles cast upon the screen, the projection screen of sense-perception. Only a human being can do that.

That is unique. That's the first thing you have to learn. And the first place you apply it, is where? You apply it to physical experiments, that you, with your mind, can directly observe: How does nature behave? You try to find the principles that *run* nature. You look, as we do, generally, you look at abiotic principles, non-living processes. You conduct experiments which are based on the assumption that the processes are *non-living*. Then you have a second class of physical experiments, which deals with so-called living processes. And you're concerned about the principled distinction, primarily, between those classes of experiments which correspond to *non-living* processes, and those classes of experiments which involve another principle, an additional principle which is not found in non-living processes.

And you look, as Vernadsky did, at the planet. And the planet is a biosphere. What does that mean? That life is more powerful than abiotic principles. That life penetrates, and acts upon the domain of abiotic principles. Life does not *come* from inorganic processes; life is a principle, in the universe, which *acts* upon what we call inorganic processes, to produce the combined effect, such as we call the biosphere: a planet which has fossil layers and so forth—including the atmosphere, which is a fossil, a product of living activities, which produced the atmosphere, which produced the oceans, the water, which produced the fossil layers on this planet; which concentrated certain minerals and certain deposits within the fossil layer, which you will not find concentrated as efficiently, for your purpose, anywhere else, except by knowing which fossil made that deposit. Who made all that chalk, on the cliffs of Dover? Trillions of animals, who died, and left their little bodies behind, as chalk, as a result of what they had consumed.

So, the planet is becoming, more and more, a living creature. Because what we call the "inorganic" or abiotic processes of the planet, are constantly being *gobbled up*! And *taken over*, by a superior force! Called "life"!

And then, we find a third one: The planet is being transformed, the biosphere is being transformed, by a *more powerful force*! The more powerful force is the ability of the human mind, to discover a universal physical principle. And the changes in the planet as a whole, as a result of man's discovery and application of physical principles, is changing the planet into what Vernadsky called a "Noösphere." That is, the ratio of the total pure weight, of the mass of the planet is being increased, so the products of man's intervention, through man's discovery of principles, is becoming more and more. And if this continues, the whole Solar System is going to become a product of the human mind, which has gobbled up, assimilated, and mastered all processes of non-living and living processes on the planet.

That's the process. Nice, huh?

This is what's known as "being created." This is what is known as "man in the image of the Creator," a power which exists *only* because of the powers unique to the human mind: of forming a valid hypothesis, and verifying that hypothesis by experimental methods of an appropriate type.

That's number one. That's one department of knowledge. And that's what Gauss refers to. There is no truthful mathematics, unless it takes into account the existence of phenomena, objects, which are not phenomena of the senses, but phenomena of the mind, called "verified universal physical principles." And therefore, when you write a mathematical formula, as was later made clear by Dirichlet, a teacher of Riemann's, and Riemann himself, the concept of the complex domain.

What do we mean by the complex domain: It means, on the one hand, your calculations at the blackboard, so to speak, must reflect, first of all, what you actually observe with your senses, or observe with an instrument which functions as an extension of your senses. But, that is not what explains the universe. That is *not* the universe. You must now say, that there's also something else in there, which is not accounted for by these so-called sense-perceptual constructions. It comes like a shadow. It's like the loop in the orbit of Mars, which comes periodically, where Mars appears to go backward upon itself in its orbit, and then come back into the regular orbit: an anomaly! Not explained by any of the usual nonsense.

So therefore, what is this anomaly—or any other anomaly? It's the shadow of the hand of the real universe. Concept of principles *reflected*, as a deformation, a distortion, a modification, of what the senses see, directly and explicitly. What do you call that? Well, you say, let's take the complex domain. And you introduce the concept of the complex domain, which casts *shadows* upon the perceptual domain. That's the complex domain.

And what Gauss is saying, clearly, in the question of the fundamental theorem of algebra, at that point, is exactly that: It is a *fraud*, by Euler, by Lagrange, and by the other haters of Leibniz, to insist that mathematics can work on the basis of a Cartesian or Euclidean model of mathematics. Because that model, is the model of the universe, as seen by animals! Not by human beings. The human mind sees the universe as principles acting, upon the universe, distort the shadows of sense-perception, impose something upon sense-perception which is not consistent with a sense-perceptual view of the universe. That's number one.

That's the principle of truth. And that's what Euler and Lagrange reject. They reject the notion of truth, because they reject the idea that we must discover the universal physical principles, which actually govern the universe; principles which they can not *directly* determine, through the senses, by extrapolation from sense-perception, but which we must account for, as *distortions*, of a sense-perceptual universe, caused by these principles.

It is this kind of knowledge, by man, applied to the universe, which creates the Noösphere. An idea which already existed among ancient Greeks, the idea of *Noos*. The idea of the power of the human mind, the creative power of mind, to discover the principles of the universe, and, with that discovery, *to apply* these principles of the universe, *to* the universe, as an act of man's will, to change the order of the universe.

This is the concept of creativity. It is not new to Vernadsky with the concept of the Noösphere—on the contrary. Vernadsky proceeded, on the basis of Classical Greek precedent, on this account, and he proceeded on the basis of recognizing that the kind of universe that *he* knew, from the standpoint of his biogeochemistry, as the Noösphere, was a reflection of the power of the human mind, becoming manifest as transforming the universe, into something dominated entirely by the human mind, and the acts of the human mind.

So, you can discover that principle.

Human Absurdity: A Disease

Now, you get another problem, which you can also observe: The behavior of people. Now, this is almost a form of disease, and you have to have a clinical attitude about the whole business. Otherwise, you don't understand people. If you don't look at people as a disease, you can't understand them. [laughs] Because their behavior is absurd. But, nonetheless, despite the

absurdity, which is prevalent in our time—it's one of our greatest contributions—we have proceeded further, and to higher levels in absurdity, than had been known in mankind before this time. That is the achievement of our age.

But: We also observe, that, despite this, you see, for example, take the case in history, I've referred to it often: Now the Roman Empire was an abomination—before it came into existence. It came into existence, because it was already an abomination! And it was an abomination, produced by an abomination. Roman law, Roman tradition: It's evil. It should never have happened—but it did.

And then, in Roman culture, for example, you had the case of Cicero. And Cicero was a positive figure, who was killed in the time of the civil wars, and the death of Julius Caesar, the assassinated Julius Caesar; and, soon after that Caesar's great enemy, Cicero, was murdered. So, you see that.

Then, you go into another period of evil, from about the 9th Century A.D. into the Dark Age: This is an age of evil. This is the age of ultramontanism, when the Christian Church, from the top, became corrupt—*rotten, and evil*. How? Well, they adopted a policy, from the Roman Empire, a policy which they used to call the Donation of Constantine—which was a fraud; it never happened. But, it was created, as a myth, as a piece of fiction, to try to control the Church and control the Christians. The argument was that the Pope had divine authority, given to him, as a power by the Emperor Constantine! This pig!

Now, pigs do not give divine powers. They may give a lot of pork—but not willingly.

So, this thing was actually a creation, in the decline of the power of Byzantium, a bunch of swine, living at the north of the Adriatic Sea, in an area which was emerging as Venice, which was an area of pirates and money-lenders, usurers; which formed a society, based on Roman law, the general law of the family of Roman society. A large family would appoint a leader of that family, who was the leader of various predatory operations, such as usury, but generally thievery of that type, loan-shark type of thievery.

And so, this system took over the power in Europe. It began to chew up, essentially, chew up Byzantium. It became a maritime power, and a rentier-financier-oligarchical power. It exerted its power, as the bankers of Europe, from Venice, through an alliance with a bunch of—well, a bunch of criminals, called the Normans, which became known as Norman chivalry. They made an alliance with certain forces controlling the Papacy, which were ultimately allied with them, including the Cluniacs, from the Benedictine area of Cluny. And they set up a system, which was the ultramontane system. It was characterized by the Crusades. And the Crusades began, of course, with the Albigensian Crusade, and then actually, the Norman conquest of England, killing all the Christians, who were called Anglo-Saxons at the time. I don't think England has fully recovered from the extermination of Christians by the Normans, to the present day.

So, this Norman system, the system of the Crusades, Norman chivalry, the blessings of Cluny, the control of the Papacy by Cluny, largely; and control of all of this by Venice, which was financing the Crusades, and taking in the loot, as the *loan-shark*! The loan-shark sent the chivalry out to kill and rape. The chivalry came back, and deposited their loot with the bankers. The bankers were the loan-sharks; the loan-sharks, the bankers, were Venice. That was the system.

This system ended up creating the new Dark Age, of the 14th Century.

Now, in this period of darkness, you have some beautiful things were done. The Cathedral of Chartres, for example, in France, is an example of a great work of art. And in principle, a cathedral building typifies a great culture that is struggling to emerge under the domination of this evil empire, this so-called ultramontane system—that no government should exist, except the government of this imperial authority; and the Pope was supposed to be the stooge for the imperial authority. And that's the way they ran things.

But even in this evil age, the beauty of mankind, the beauty of the human mind, asserted itself against tyranny, with contributions from which we benefit today. Among those, were the contributions of one of the greatest minds of that period: Dante Alighieri, whose work was the foundation of the idea of modern art: Modern poetry, modern drama, in its modern form, come essentially out of the work of Dante Alighieri. The ideas of statecraft.

So, this requires us to look at a second area, apart from so-called "physical effects." Apart from simple physical effects, you look at another object, which is anomalous, and this is frightening: the human mind. Now, you look at the behavior of the human mind, and you look at it from one standpoint in particular. You don't start with the individual human mind, though you're going *back to* the individual human mind. You look at social relations, and social processes. You say: How is it possible, that individuals who make individual discoveries, of universal physical principles—how is it possible that they're able to agree to cooperate, in using those principles and applying them to make society better? How does man learn how to behave, with respect to man, on the basis of recognizing that there's something about a human being that's different than an animal? The human being is capable of discovering, through hypothesis, and through experiment, universal principles, which are true: They're true in man's relationship to nature; they're true in man's relationship to inorganic nature, and organic nature.

Now, what is true, in terms of principle, in the behavior by mankind himself, or among people? Where's the lawfulness in that? Is this subject to laws of principle, as living processes are, or non-living ones? Are there universal principles of human behavior, which are truly universal?

This becomes, then, the study of what? How do you go at this? You study history. You study history, not as it's taught, usually. You study history, as sometimes people learn it, by institutions which don't intend to do that. They tell you traditions, they give you *explanations* about how mankind went from one generation to another.

The Concept of Powers

But look at mankind from a much more interesting standpoint: Mankind's power over nature, comes from an increase in the accumulation of, and application of, discoveries of universal physical principles, as the Socratic method defines that, as Plato defines it. By these principles, man acquires what the Classical Greek—that is, the pre-Aristotle, pre-Euclid Classical Greeks, defined as "powers": *And this is the most important thing for you to know*. The concept of powers. It has one, which seems to be deceptively simple. Another is not so simple—it's much more fun, because it changes the way you define yourself. Once you begin to understand this principle, which is denied to you in virtually every university that you ever attend; once you understand that, *you have to change*. Your conception of yourself has to change. And your *effectiveness* as a person has to change, for much to the better.

Right. That was the simplest aspect of it. When you rediscover a universal physical principle, if we are able to cooperate in using that principle, we are able, therefore, to increase man's power in the universe, as measurable per capita, and measurable per square kilometer of surface area of the Earth. It's expressed partly as technologies, which come as a product of the discovery of these principles. Man now has more power, the individual has more will-power, to change nature, and to change its behavior, to lift mankind to a higher standard of living; to make possible more people, to live. Because, if we were simply what we appeared to be, we are a variety of great apes—and not so great, at that. Under those conditions, taking the past 2 million years, as our estimation of what the ecology of this planet has looked like, during the Ice Ages, mankind's population could not have exceeded somewhere between a single-digit million living individuals.

We now have over *6 billion* people living on this planet. How did that happen? Obviously, mankind did something that no monkey could do, no gorilla could do—and, George Bush couldn't do, either. He may qualify as an ape; or, he's aping the

wrong people.

We can increase the power of mankind, per capita, to exist in the universe. This is one of the most important things: Mankind, by discovering and applying universal principles, can increase man's power in and over the universe. The principles already existed. They existed in the universe, but once we discover them, rather than being merely affected by them, they now become subjects of *our will*: And that's the important point I want to make to you. Will. Your will. What is the meaning of will? Will-power?

Because, you are not now discovering a "rule," by which you act. Oh, some people do that. They go to school. They study textbooks. They rehearse making experiments. They learn the *rules*! They hear about "energy," which doesn't exist. Energy is an effect, it's not a substance. They learn the rules: "Now, if we obey these 'rules' (and maybe with a little bit of cheating, to help out), we can make something of this." Hmm? That's what you get. You try to enforce the "rules." So now, you are a subject of the "rules." You go to a university to become a subject of the "rules."

The way you punctuate, is not the way you think. It's the way you were taught to behave. And, most of the way you punctuate, is idiotic. You can not communicate ideas, the way most of you punctuate—at least, you couldn't communicate them clearly. You hear some people speaking, speaking as if they were a teletype machine gone amok? There's no punctuation in their speech, typical television-radio announcer, today. Dr-rr-rr-t! Nothing to it! There's no expression! There's no division of subject! The idea of subject with a relationship to subject, doesn't exist. Contrast, irony, doesn't exist. The function of irony is denied! It becomes dolts! And I know, I have to deal with a lot of them.

So, therefore, the question is, do you simply learn to obey the rules, which you call principles, as described in mathematical or similar terms, from lectures, educational programs, rehearsals? Or, do you actually have the *will*, the efficient will, to change the universe?

This is where I get into trouble, because I *do* have this will. Typical, for example, in Kepler: In Kepler's translated works, his conception of universal physical principle, of the type that Gauss is referring to in attacking Euler and Lagrange, and so forth, he uses the conception of "intention." He says that a law of the universe, a physical law of the universe, reflects the "Creator's intention." In other words, the universe is no longer is a machine, a clockwork machine, which is ticking along to fixed laws. The universe is now seen as some intellectual force; an efficient intellectual force *is moving* the universe, in a way we recognize as universal physical laws, as distinct from mechanical or clockwork types of laws. So, Kepler says: This is the *intention* of the Creator. The concept of gravity is the *intention* of the Creator. It is not a principle, like a clockwork design applied to the universe: It is an *efficient intention*, by an intellectual power.

Now, when you generate a discovery, or *re-generate* the experience of making the discovery, your relationship to the universe is far different than the dolt who passed the examination in the university; than the engineer, who looks it up with his slide-rule or whatever, his computer, and looks up tables, or looks up formulas. This guy is a dolt. He is not a person of will and intention. Except perhaps for other things, but not for science.

Will comes in this way: You have to think about the process by which a discovery occurs. And don't look at a discovery as a shadow, an effect of something that happened. You have to account for the way this act of discovery *came into being*.

Now, I had the pleasure of addressing a Building Trades Council meeting, in Louisville, Kentucky, the day before yesterday. And I went through this with them, and I'll just give you a summation. You'll see it in the briefing, probably tomorrow or the next day. I said: "I am a troublemaker. And you know, that every job you go on, is usually bad. And your job is to make a bad job, which you are given to do, a good job, because, every job is defined incompetently, in one degree or another." What you have to do, is recognize, of course, the incompetence of the assignment you've been given. And then, you have to discover what the problem *is*; what the trouble *is*. So, you are looking for trouble! You concentrate on

looking for trouble. You expect it. You demand it! Because, you know, that this thing, that is not going to work, involves assumptions which are false. You have to find out, how these ideas, these false ideas, came into being. And you've got to discover the nature of the problem, and you've got to develop a solution for the problem, within the practical terms in which you are operating."

That is what a typical engineer or building trades team is doing. They're given a job—"Here's a blueprint. Do it."

"Well, this thing'll never work. What's wrong with it? Why doesn't it work? What's wrong with the design? We've got to fix it. We've got the job, of doing this job. If we do it, as we are told, it's going to be a monster. It will fail. Therefore, we have to concentrate, and think: What is wrong with this? What is the trouble with it? And therefore, we have to turn a bad job, which we're given to do, into a good job, to get the result intended."

Now, what this means, is, the person who does that, is a different kind of person, than the usual punk coming out of university. They are looking for trouble. They become good students, because they are looking for trouble. They're given, "This is what you will do." "Uh-oh! Another flop! I've got to find out what's wrong with this creature, that's telling me this. I've got to find out what the truth is!"

Don't swallow it, because you're taught. I recall, years ago, my parents and others used to tell me to do something—I'd never do it. They'd say, "Wait till you're grown up. And wait until you have your degrees, and *then*, you can criticize. Until then, learn what you're told to learn! Pass the examination, and read the books, and repeat after me!"

Now, a good scientist never did that. A good scientist is a rebel. "This guy's tellin' me something—huh!" [laughter] "He said, 'do it this way!' Uh-huh! Now I'm going prove this bum is wrong." Right? "I'm going to find out what the trouble is, with the way he's *thinking*! Not *what* he's thinking, but *the way* he's thinking." Hmm?

So therefore, your intention is not, simply, operating with a certain formula, as a principle, to discover the formula by looking it up in the book. "Look in the Internet! It must be there someplace!" And then apply it!

That is not really human. We are getting more and more to the point, "We can get computers to do that, what d'we need that guy for?" We need human beings for their human potential, not for their machine-like potential. The point is, you have to be the kind of person, who is looking for trouble. You're looking for the bad job that is presented to you, and you're trying to make a good job, out of the bad job you're asked to do. And you have an attitude of always looking for the error, the falseness in the assumptions given to you. You develop the ability to smell out those errors, as typified by the Gauss 1799 paper: Wherever you find somebody arguing the way Euler did, the way Lagrange did, the way Cauchy did; whenever you find someone thinking like that, you know, you've got a mental case on your hands! This guy does not belong to this universe.

Therefore, now what you have to do, is recognize, you've got trouble. There's something wrong here. Now, what is the practical implication of the fallacy of Cauchy, the fallacy of Euler? Why is Newton an idiot? Prove it! Be a troublemaker: Prove it!

Intention, Will, and Troublemaking

Now, this is a way of thinking. It's a natural, *human* way of thinking, as opposed to learning how to behave. Being a troublemaker. You have the *intention*. You are copying what Kepler recognized in the universe. Or, Plato and Pythagoras recognized in the universe: That when mankind makes a discovery of principle, a natural principle, mankind has acquired a new power, from the Creator, over the universe. And this power changes man's relationship to the universe.

But, the essential thing, is not the discovery of this result. The essential thing is the passion, the sense of intention, which *drives you* to make those discoveries, and to act upon them. In other words, it's not applying the right formula to the situation, that creates a scientist (not, at least, a good scientist). What creates the good scientist, is that he is intrinsically a *troublemaker*. He knows that society is a lot of fraud. And therefore, he's always looking for what is wrong, and trying to develop in himself, or herself, a mental map of the kinds of mistakes that are made by the society now.

And therefore, whenever you run into a situation, where you find typical behavior, of a class of type that you know is wrong, you go by instinct, or at least by instinct, *to change it!* And, the one thing you want to do, is change it. Because, you know that the act you perform today may be necessary. But the *human action* is what you do *to change the universe*, by developing new powers. And how? Every time you face a challenge, which you know epistemologically to be wrong, you are going to try to find the answer, and solution. When you try to find the solution, you're going to be determined *that it be implemented*: That's your intention. You're now acting like God. You're now acting in the likeness of the Creator. You are a troublemaker, like the Creator.

And, George Bush doesn't like that very much.

Anyway, so, that's the point, the point on that. Is, you're in the situation, you're young, you're adults, therefore, you have this potential. You have more energy, than the old, dried-out old husks your parents are. The under-62ers. The disaster area. You have that. Therefore, you have the energy and the flexibility, to be able to be persons of intention; to be persons of will; to express will, in this sense. Not as the idea of a formula, but as the commitment to discover what is wrong. To be able to develop in yourself, the ability to recognize symptoms, of where wrong thinking is coming out. Like the great military commander who succeeds, because he outflanks the opponent. He recognizes the principle they didn't recognize, and uses it, as an act of will, to win the battle or the war.

What I'm doing, in a sense, with this election campaign. I'm outflanking the bastards. They say, "Well, if you don't win that primary, how ya gonna win?" Don't worry, buddy. Wait till we come to Moscow, and you'll see how Napoleon fares. That's what happened to Napoleon: He got to Moscow, and that was the end of him, or the beginning of the end.

And that was the plan. It was an intention, founded, actually in the discoveries of Friedrich Schiller, in the studies of the Netherlands war, and the Thirty Years' War. And his in-law, von Wolzogen, made the study, based on Schiller's studies; presented it to the Prussian general staff which was advising Czar Alexander I. The choice was made: Do not try to beat Napoleon and his Grande Armée at the borders. Don't spend your troops, trying to defeat him at the borders. *Draw him in*, by retreating. If he goes toward Petrograd, retreat toward Petrograd. If goes toward Moscow—God save him, we'll get him there.

Moscow was mined. The battles were drawn out, to make sure that it took time for Napoleon to get to Moscow. By the time he got there, it was winter. *And the city was mined*. Napoleon's troops celebrated their occupation of the city ... and the city blew up!

Napoleon, without logistics, had to retreat. And the Russian Army, with its Prussian volunteers in it, fell upon the heels of Napoleon; large sections of the Russian population mobilized as guerrilla fighters, against Napoleon. And Napoleon reached Poland first, long before the rear guard, headed by Marshal Ney came in. Marshal Ney came in, in the winter. Napoleon greeted him, "Where are your troops?" Marshal Ney looked at him, forlorn. "I am your troops. I am your rear guard."

In the history of battles, the history of struggles, that is often the way it goes. You don't say: If you're going to win, these are the rules by which you win. The minute the enemy presents you, and says, "These are the rules, which you have to play

by; the rules, by which you will be scored": Smile. You got the sucker.

Thank you. [applause]

Latest From LaRouche

LaRouche Addresses Labor in Kentucky

What follows is the presentation Presidential candidate Lyndon LaRouche made to the Louisville, Ky. Building Trades Council at their regular meeting on May 6.

INTRODUCTION: Join me in welcoming Lyndon LaRouche. Mr. Lyndon LaRouche is running as a candidate for President, U.S. President, and we'll suspend our regular order of business to allow Mr. LaRouche the floor as long as he needs.

LAROUCHE: Well, as you know from experience, that most of the jobs you come to, are bad jobs, that you have to turn into good jobs. I've been there, in the old days of consulting.

Now the job of President is like that. The job of President of the United States today is a very bad job. The specifications of the job are wrong, the materials you have to work with are wrong, and you've got to turn it into something.

Now, that's our problem. It's not the problem of the next President, it's *our* problem, because this is our country. And the function of President, as the Presidency, despite the fact that the present incumbent is not too clear on which direction North is, that the Presidency is the actual institution, which must make the ongoing decisions on which the way things turn depends. The Congress is important, as it advises the President, in particular, because it makes laws and so forth, but the action from the Presidency.

In an emergency, it is the President of the United States who reacts to the emergency, not a discussion with the Congress. The necessary action is taken, and then the Congress comes in on the act, in terms of how this is going to affect the lawmaking and provisions. When the President acts, he has to get permission from the House of Representatives for the money, with the consent of the Congress to do the job, that sort of thing.

Now, most people who are running for President, tell you what they're going to do when they get there. Now, if they're not already doing it, as you may know, they generally don't do it when they get there. You know, you say, "I don't want to talk the President, I want to talk to his teleprompter. I want to get an intelligent answer."

Now, here's what we face. We're faced with a very bad job. The United States and the world is bankrupt. The banking system of the United States is bankrupt. The IMF monetary system, financial system, is bankrupt, and in the process of disintegration. This is the problem the Presidency faces.

We're also faced with, as often in times of depressions, or similar crises, usually there are military and related crises that occur. We have phenomena which are called terrorism —it's somewhat of a misnomer, but it exists. We have wars which are spreading. Right now, Sharon and Cheney would like to have a new war against Syria, for political reasons — they're desperate. And Syria's the number one target. They intend to drop a couple of nukes on Iran, if they get re-elected. They intend to do the same thing with North Korea. We're in a period of trouble.

Look at the Patriot Act, look at what its implications are. You look at what's happening in the prisons, the military prisons in Iraq, for the Iraqis, in Guantanamo. And we know the same kind of mood is coming in the United States, with the Patriot Act, and similar kinds of things. There's a tendency to go toward dictatorship.

The real thing comes about money, on this thing, money in a special way. When bankers become bankrupt, and the question is, who is going to pay the debts, the bankers say, "The people will." As they said in the case of Argentina.

Now I happen to know that Argentina does not owe a nickel to anybody, but under the provisions of certain changes in the world monetary system, from 1971-72, and actions taken in 1982, the countries of South and Central America were looted by these international financial institutions. The way they did it was this:

Under a floating exchange rate system, they would start with the London market. They would get a run on a nation's currency. They'd target the currency, they would organize a run against the national currency. The value of the national currency is falling on the international markets. The country's in trouble. People of the country say, "What are we going to do?"

Someone says, "Call in the IMF and World Bank. They'll advise you on what to do."

The people from the World Bank and the IMF arrive, as advisers, and they say, "Well, slice this, cut this, cut this, cut this... and also drop the value of your currency. Maybe 20%, 30%, maybe 50%." The country says, "We've got to do it. We'd better do it. Otherwise they're not going to let you go."

"Okay, that's the deal. Fine."

"Oh, one more thing. When you drop the value of your currency, as we order you to do, that means that you are threatening to cheat your creditors. If you're going to pay in your currency, and your currency has been dropped by us by 20 to 40, by whatever percent, you've got to make up for that. You've got to increase your debt to compensate your creditors on future payments to them."

Now, if you look at the total debt, of the countries of Central and South America, back in 1971, back in August of 1971, and look also at the same figures, the same kind of figures, for the following year of the so-called Azores Monetary Conference, when the floating exchange rate monetary system was put into effect: these countries owe not a nickel to anyone on national account. They have more than paid every debt they actually incurred. The debt which is squeezing them, is the debt which was imposed upon them artificially, without their receiving a nickel for it in advance.

And now they come in, and they say to Argentina, "We're coming to eat your people." And they're going to say the same thing, and are saying the same thing, in South and Central America.

Take the case of Mexico. 1982, Mexico was hit by his operation. It was run from the United States. It was run by very dirty people, against the President of Mexico who happened to be a friend of mine, Lopez Portillo, who just recently died. We staged a fight. We tried to save Mexico and other countries from this kind of predatory operation.

Now, if you look at an area like Monterrey, which used to be an industrial center in Mexico, look at other parts of Mexico, the country has been destroyed. What's happened therefore: we have the globalization and NAFTA process. What we did is, we destroyed the ability of Mexico to provide for the employment of its own people. Then we dumped those people, as virtual slave labor, in maquiladoras in the northern states of Mexico, or we brought them across the border as cheap labor, here.

Now, what they get in wages in Mexico, is not enough to support a family. So, we're destroying the country. This is what we're doing throughout the hemisphere. This operation. This is what they plan for *us*, here in the United States, and elsewhere, under the conditions of a monetary crisis. That's what the big fight is, behind the scenes in the election campaign.

Now, there are two ways you go at this. We're going to have a big depression, that is, a financial depression. The question is, can we prevent that from becoming a permanent economic depression, a killer kind of economic depression inside the United States.

We can! We have a precedent. Franklin Roosevelt represented the precedent.

Now you go back to 1929, when, because of a breakdown of the Versailles monetary system, over the period 1929 through '31, the United States, between that time, 1931 and 1933, March '33, had lost half of the average income, in real terms, of our people and our industries. We were bankrupt. We were bankrupt not merely because of '29, we were bankrupt because of Herbert Hoover, and Herbert Hoover came in with the same basic economic policies that the Nazis applied in Germany. That is, when the bankers were in trouble, the people are eaten. That's what happened to us.

Roosevelt came in, and demonstrated that, under our Constitution, we don't have to put up with that. That Roosevelt on March 1933, put the banking system into receivership, with a bank holiday, and we came out of that bank holiday, as an intact nation. Roosevelt also launched a program, of a type which we need today, a jobs program. What were the jobs?

Well, the basic point is, when you get into a financial crisis, where business is bankrupt, or about to go bankrupt — and I can assure you that all of the leading banks of the United States today are bankrupt, and hopelessly bankrupt, for special reasons. So there is no credit in the system to speak of, net credit. Where is the credit going to come from? Where did it come from then?

It came from the Federal government, in various ways. The government took action either to create credit, the Federal government, or to make arrangements which helped others create credit, as in the case of the Reconstruction Finance Corporation, which helped to build, for example, the Tennessee Valley Authority. So, government is good at one thing, in terms of business: it's good at government business. The government business is what we used to call basic economic infrastructure, before Brzezinski was running the Carter Administration, when we shut down regulation, and began to close down regulated industries, of power companies, mass transportation, and so forth. Government is good at that.

Now, we have, as you know from your work, we have a tragedy in the United States in terms of basic economic infrastructure. We don't have it. What we have is rotting. In terms of generation and distribution of power, we're at a point of breakdown. The industry is bankrupt—deregulation has created a nightmare. We're headed for hell in terms of power generation and distribution, the way things are going now. This is an area where the government has to be responsible. The Federal government has to take the initiative to repeal deregulation. They can set forth a program, a regulated program, on the Federal level, and on the state levels, of returning to a system of private utilities, to ensure that we can maintain the large-scale investments, that are required to put the whole industry back into shape. Because we've got collapses on our hands coming up fast.

We have the same thing in mass transit, rail transit. We've lost it. We need a national rail system. We also need improvements in rail systems in regions. We need, in terms of this growing sprawl of habitation around cities, we need light rail. We've got to avoid the congestion. We've to enable people to get more efficiently to and from their places of work. We've got to bring the society back together again.

We have a water crisis. The Mississippi system, of which you're a part here, the larger central system based on the Mississippi River, up to the 20 inch rainfall line out in the Midwest, this whole system, it's disintegrating. We started a system of water management. It was actually completed under Roosevelt, up to about St. Louis, and from there on down, we had a system, the TVA system. The attempt to get the TVA, the Tennessee-Tombigbee system, into operation, was an extension of that kind of system, of managing the existing water resources to deal with the problems.

We have not yet attacked the Missouri. We have not attacked the Northern Mississippi, which is a region which fairly needs the same thing.

So, we also have not touched the Great America Desert area, which runs from nearly the border up in Montana, down into the middle of Mexico, in the Sierra Madre region in Mexico. We haven't touched it. So, we have a need for a large-scale water management program, on a Federal and state level, which means putting the Corps of Engineers back to work, in the way they used to work, and with the rules they used to have.

So, we think — power, huh? Water. Mass transportation. These are areas in which we need a large investment. In these and related areas, in rebuilding health care facilities, which we've lost, in rebuilding educational systems and institutions, the Federal government, in cooperation with the states, has a major infrastructure requirement. My estimate is that over the next 4 years, what the Federal government should be doing, in cooperation with the states, is creating 6 trillion dollars of credit, against our so-called 10 to 11 trillion dollar economy. 6 trillion dollars of credit for long-term investment, in large-scale public infrastructure on the state and federal level.

That of course, as you know, when you go into Federal projects of this type, and state projects, with government organized credit, under the kind of system that Roosevelt used, that is the way you revive the private sector: through contracts, through the market that is created by increased employment in these areas. Therefore, you need credit for that, as Roosevelt did then.

So, you have to take, reorganize your bankrupt banking system, make credit available, federally organized credit, or credit indirectly federally organized, as with the Reconstruction Finance Corporation, to recycle the credit in the system officially. Make the credit available through local banking facilities. Establish institutions in each area to review loans, loans to be made under this kind of system. If somebody's a good businessman, and's got a good proposition, the local community thinks it's sound, it meets federal standards and priorities, they should get the loan. These loans have to be in the order of magnitude of a basic rate of 1 to 2 percent, long term credit.

This means we need a regulated system, a fixed exchange rate system, where we control inflation of the currency by the way Roosevelt did, and the way we did up until the early 1960s. Because only with a fixed exchange rate system, can you keep interest rates down. If you have a floating exchange rate system, debt will drive the interest rates up, and will put you out of business, or in restrictive conditions, through what's happened to us.

So, we have a great problem. We're in a depression. It's coming on fast, it's coming on now. They'll lie about it here; in Europe they're much more honest about it. The system is finished. That's the bad part of the job.

The good part of the job is, we can make something of it, as a nation. We in the United States have the experience, as with the Roosevelt experience; we can tackle the job, we can get it done. We can create the credit.

The problem is, how is the job going to get done? Who's going to do the job?

Now, obviously, being the President of the United States, gives you the power, as it did Roosevelt, to get a lot done. And

it's important to have a President who's going to do that. But that's not enough. The mistake people make, and I'm sure that in dealing with your areas, your respective areas, you know this very well, you can put a man on a job, but is he going to be able to do it? You can give him the guidance, you can give him the education, the schooling and so forth to know what he should do. Can he do it?

Well, something else comes in. A different human factor. There's a difference between knowing something from a book, or having rehearsed in a laboratory, or rehearsed the job, and facing a job that requires ingenuity, innovation. Doing something that's not in the book. It requires the kind of leadership that is looking for trouble. A good man is always looking for trouble. Why? Because you've got rules. You're supposed to do the job this way, that way. Rules.

"I don't like that." If you're any good, [you say] "I don't like that. There has to be a better way." That's the way you do a job. There has to be a better way. There always is a better way. And you need people who think and act on the basis of that simple philosophy, which was the basis on which the smart corporations in former times, set up their system of turning in proposals, through the box, in the employees' suggestion box. Because the good employee, the good skilled person, whether they're a scientist or just a skilled person, comes onto the job, looks at the job, and says: "I don't like this. There has to be a better way." And therefore, ingenuity and creativity comes not from someone saying, "What's up? We need an adviser on this problem." I was a consultant for some decades, I can tell you about that one.

But that doesn't really do the job. They call in Booz Allen Hamilton, or someone like that. I've tracked some of their jobs in the old days. They did a lousy job. They would go by the book, they would make plans, and so forth, no good.

But you have to have an attitude of doing the job. The attitude of the troublemaker who, on the one side, says, "There has to be a better way to do the job. I don't like this way. It's boring, it's stupid, it's inefficient, it's lazy. There has to be a better way," and has the competence to work out a solution that will work, and prove it. And put it into action.

Now, troublemakers, good troublemakers who are the best managers, don't wait to be asked. They're pushing, they're always thinking. And they're the ones that will carry the job through, because if they run into a problem, in implementing the new policy, they will fight to make it work. Whereas the mere book technician, who's educated in how to do it by the book, will give up if it doesn't work. Whereas the person who understands what the innovation is, will make it work.

Now, this is true in government. The function of a competent President in the United States, in a time of crisis, is not to be the guy who has a teleprompter, which tells him what to tell people to do. A good President is a man who's got his hands dirty, who's looking for trouble, having people around him who work with him, who are also looking for trouble, in each department of government. "Look, I want you to look for trouble! I want you to see what might hit us, or where we're doing the wrong thing. That's your job, and your job is also to *do* something about it. If you don't think you have the authority to do something about it, come talk to me. I want to know about it. We'll get some people down there to help you. We'll get the job done."

And that's where we are now. That's where *you* are now. Because you are a part of the people who are on the line, who have to get the job done. You're the troublemakers who recognize what's wrong with what's being done often, and can have access to people we work with, who will show you what the problem is, and how the improvement can be made.

What you need, and many Americans need, in government or not, is to be turned loose, in that way, in an organized way. Where we say, we've got a problem, we've got a mess. In principle we can solve the problem. We cannot rely on waiting for somebody to cut the orders, to tell us how to solve the problem, or that it exists. We have to be troublemakers, who suspect what's wrong, who recognize what's wrong, who have the ability to find out from others what they need in assistance to determine what the problem is, and what the solution might be. The kind of troublemakers who are going to get on the job, and make sure the job is done properly.

You need that all the way from the top down, in government, and in society. You need a leadership by troublemakers. And I think you are troublemakers. Because you wouldn't be in the positions you're in if you weren't. You're the ones who are critical of what is going on. You're critical of the way the job is being done. You're critical about what is not being done for the society. You see the mess we're making of our economy. You see the problems that are associated with trying to build up, these suburban build-ups around a city like Louisville. It's a problem. It's a mess. It's a problem, a crisis for the future. It shouldn't go that way. There should be rules and directions, to prevent this thing from becoming chaos, and becoming the slums of the future.

We're destroying... You know this stuff. You see it, day by day.

So, you know something about being troublemakers, and you want permission to be a little more of a troublemaker. You want some cooperation up and down the ladder. Your initiative is an essential part of government. You're the ones saying, "I can do it." And when somebody's in charge, in government, and they want a job done, they go to someone who is competent, and who will say, "I can do it."

You can't give an order, and expect the order to be carried out because it was uttered from your lips, because you copied it from the teleprompter. When you give an order, you're actually turning someone loose. You're looking for somebody who's capable of doing the job, who is willing to do the job, and, with your encouragement and backing, is going to have some zest for getting the job done, competently. And that's how you run government.

Now we have a situation where you've got the other philosophy is now running the election campaign. The question is, which can lose the quickest, the Democratic candidate, or the Republican candidate. They're both losing. Republicans who wanted to vote for Democrats out of disgust, are now being discouraged by Kerry; that's what they're saying.

So, we've got a mess. The parties are operating on the usual old game. They're looking at the upper 20% of family income brackets, they're taking the count of average voters, typical voters who are expected to vote, looking generally for the upper brackets, and then trying to figure out how to manage and brainwash the lower income brackets, if they choose to come out to vote. The parties are operating on the basis of getting big money from big contributors: like George Shultz, Warren Buffett, and George Soros, and looking at the people who are likely to vote, based on past performance.

They're trying to influence them and manage the others, discourage the others from taking any role other than supporting their leading candidate.

You look at their programs, look at their definition of the problems. How many people as candidates, in the United States today, are talking about the *Fact*, well-known, that we are in the process of a financial collapse internationally? A housing collapse, internationally. The housing market is about to collapse. We have a bubble in the housing market, through Fannie Mae and Freddie Mac. They can go under.

We've got other bubbles. Who talks about it? We're got a war in Iraq, which is threatening to spread to other countries; what are we doing about it? People are making proposals; maybe the Secretary of Defense may be dumped, any day now, over this scandal of the prison in Iraq. But they're not *doing* anything about it. They're saying, "me, too. I can do the job in Iraq better."

No one can do the present job in Iraq better. You've got to cancel the job. We should not be in the occupation business. We're in a situation where we send people over to get killed, and that's called patriotism. I don't think sending American soldiers over to get killed in Iraq, is patriotism — because that's the only thing you're doing. (applause)

I've got a policy which is getting a lot of support from around the world, and people here, on how to deal with this Iraq situation. But nobody else is doing it, not in this country, and other candidates. We don't belong there. We've got to get ourselves out clean. We can't just scamper and run, but we've got to stop the killing. We've got to pull most of our people back, retrain them. We've got some other things to do in that area. We've got these wounded veterans returning who can't get health care. We've got a Veterans' hospital system that's broken down, that can't care for them. That's called patriotic, huh?

So, that's our situation. Neither party, presently, is disposed to act. And the reason they're not disposed to act, is because they lost the fundamental principle of our Constitution, from the beginning. In politics, if you're any good, you look at the guy who's at the bottom of the barrel first. Because if you cannot take care of the people who are at the bottom of the barrel, you can't take care of anyone. What you do, as we've seen over the recent years, as the lower 80 percent of family income brackets in the United States have been going down, down, down, since 1977. We've seen the poor, who are now becoming up to 80 percent of the population, do not have the standard of living they had back in 1977, in terms of effective physical standard of living. They're being more and more neglected. They're becoming more and more discouraged, more and more withdrawn.

When you say you're President of the United States, you say, "I represent the United States." Well, why don't you represent the lower 80% of our citizens of the United States?

You say, "We represent the Western Hemisphere." "Well, why don't you do a better job in representing Mexico, and Argentina, and Peru, Bolivia?"

The problem is, people are not taking any responsibility of being troublemakers, who look for problems where they're emerging, and try to determine solutions for those problems, and measuring the competence of their solution, by the test of what effect are you having on the poorest, least well-protected sections of our population? What are you doing for the coming generation? What kind of a world are you creating for people who are now 18 to 25? What kind of a world are you entering, for the next 50 years of their adult life?

What are you doing for the young children, who are coming up and getting into those generations?

That's the test of government. That's the test of a good troublemaker, and we don't have it. But *you*, in the unions, typify those who are the right constituency. We need to have a representation, Roosevelt-type system of representation, in which the major part of the population, including those who fall in the lower 80% of family income brackets, know they have an advocate, a leader and an advocate in government. And then you ask them, "Don't tell them to get big money from the big contributors, and tell you what to do. If you want to turn out the vote, why don't you motivate the person to vote? Motivate the citizen to vote? Give him a reason to vote? Don't try to buy his vote."

Become *his* representative. You know that, in the union business. You want the people to turn out? You want to build? You've got to convince the people you're leading that you're working for them. You want people to turn out to vote? You send the people, and go to the people who need that the most. They'll be your best defenders, your best promoters.

And that's the situation. I can do a good job. I'm probably the only man in the United States who can, because of the peculiarity of my situation, knowledge, and so forth. I'm the only one qualified to be president, that I know of right now. The others are far down the list. But nonetheless, what I have to do is not simply sit back and wait to become president. I have [tape break]

leadership now, within the population, as a man of our nation, with some skill and some access to influence. And that there

are people like you, working with what I'm trying to do. And we have to, sort of, move in on the government and on the parties—whatever the outcome of the elections are: *We have to move in*, and make sure, that *we* are controlling the standard of performance we impose upon *them*: "You want to be President? Do the job we want you to do. You want to run an economic policy? Create the economic policy that we need. We'll tell you what that is. We'll tell you what the needs are."

We have to, as citizens, realize that, in us, in each of us, is something of the President of the United States, is something of the leadership of our states. *We* have to think, as if we were Presidents of the United States, each of us, in part, in ourselves. We have to provide the spark of leadership, that will force some of those—some are good, some are dummies—in government, to do what we know has to be done.

We, as troublemakers, have to create the spark, which is the spark of leadership, which will control the nation. We have to have the image of what Franklin Roosevelt brought out in people who were waiting to die in 1932-33, and brought them back to life, and made us, again, the most powerful producer nation on this planet. That was leadership. We have to have that leadership in each of us. We have to collaborate to create that force of leadership, which politicians will be compelled to get along with.

Thank you.

Dialogue with Presidential Candidate Lyndon LaRouche — In Utah, on the Jack Stockwell Show

May 3, 2004

JACK STOCKWELL: Good morning, everybody. It is the third day of May. You are listening to the Jack Stockwell radio program, brought to you this morning live; none of this canned stuff on this show....

Now, unannounced — as far as I know it was unannounced — Lyndon LaRouche, live on the line. He's going to be with us most of the morning, I hope. We will be having traffic on a regular basis for you, coming in here. But, again, I want to announce him as the fellow who has more individual contributions in the Democratic Party, than John Kerry. There is a lot of controversy going on inside the Democratic Party right now, as well as a lot of Republican influence, but you're not going to hear too much of it in the media, because the name of LaRouche is a hiss and a byword to the international banking cartel, and they do not want this man's politics, his ideas, or his thinking, but especially his ideas, getting out there into the public sector. Because once he has a chance to establish a new mindset, a new construct for your mind to grab a hold of, and to think and contemplate, rather amazing things happen inside the human psyche, when things like that are allowed to take place.

But here, on this show, he gets a chance, and by popular request. Many of you who attended his appearance here a couple of months ago in Salt Lake, have asked several times, through e-mail or phone calls, "get him back on, get him back on."

So, without further ado, Mr. LaRouche, are you there?

LYNDON LAROCHE: Yes, I'm here. I could correct you on one thing. The media has just, in an interesting way, featured me, on the front page of the Style section of today's *Washington Post*.

STOCKWELL: The front page?

LAROUCHE: The front page of the Style section. Yes.

STOCKWELL: Are you in your Gucci, or your Versace outfit? How are you on Style?

LAROUCHE: I was in a monkey suit at the time, but that's—. I'll read the paragraph, because I think people will enjoy it.

"Nix the moment where Henry Kissinger, older than ever, declines, with actual horror in his voice, the opportunity to speak to Lyndon LaRouche,"

And then it continues on the jump page: "who, it happens, told us, 'Keep out of mischief, unless you enjoy it.' " And then it concludes, "Oh, that lovable LaRouche."

So, that kind of coverage, I get. On the deeper stuff, it generally does not appear.

STOCKWELL: Well, for two reasons. Number one, I think the prevailing reason is they don't have the education to understand what you're talking about. But number two, those who do have the education to understand what you're talking about, do not want to see the citizens of this country, or the whole Earth, for that matter, being placed before the interests of the corporations.

And you're kind of the front man, in my way of thinking, you're kind of the front man out there right now, who represents the common man, the forgotten man and woman, the individual whose productive efforts, and back-breaking sweat labor, has made this country the number one, or at least one time, the number one productive power on the face of this planet. Only to now slide behind several others, rapidly gaining, as those whose interest at one time were to make this country productive, are now interested in: "Well, let's just send them all out to the Malibu Beach, and let them sip banana daiquiris, while they live off the efforts of slaves around the rest of this planet."

LAROUCHE: Yes.

STOCKWELL: And it's coming to a head, sir, it's coming to a head.

LAROUCHE: Yep, it is.

STOCKWELL: The Federal Reserve people meet this week, what do you think's going to happen?

LAROUCHE: Not sure. We're in a real crisis. I can tell you what happened in Germany this weekend.

STOCKWELL: All right.

LAROUCHE: The German government met, most of the officials of the government met, and agreed that they're going to dump the austerity policy as such, as an error, as a hopeless mistake, and go for a stimulus package in employment. That is a change. We've been pushing for it—my wife, you know, who's a candidate for the European Parliament, has been pushing that in Germany, and apparently some of this is getting through, one way or the other.

STOCKWELL: What's the unemployment rate in Germany?

LAROUCHE: I'm not sure right now, I think it's about 10 million, or something.

STOCKWELL: Yeah, but it's a higher percentage than we have.

LAROUCHE: Officially. I think our percentage is actually higher. We are more experienced at lying in government than they are. What they do is, they drop from the labor force entirely, and therefore they drop the percentage!

The LaRouche Doctrine

STOCKWELL: Well, that's one way to do it. Now, tell us, sir, what this means, that that kind of change occurred this weekend in Germany. What does that mean?

LAROUCHE: Well, it means a lot of things. First of all, the same thing I've been involved in. As you know, I've put out this proposal, which is called the LaRouche Doctrine proposal, for settling the Iraq question. This has large support in Europe, as well as in the Arab world and related places. Prominent figures are actually formally endorsing this — which is what I've asked for.

Now, this tends to have happen, what happened under General Conway, in part, the Marine commander in the Fallujah area, who brought in an Iraqi general, to replace his forces in policing Fallujah, and drew his forces back to a reserve position; which is not received happily as news in Washington, D.C. But the mood is now, that we can get out of there. Many people who've heard my proposal are acting upon it. That is my policy is accepted, the Arab world, or a lot of it, will accept what I propose be done.

STOCKWELL: Now, I want you to explain in greater detail in just a moment, But we do need a traffic update, as we're just getting started.... [commercial break]

My guest is Lyndon LaRouche, live from back in Virginia, this morning. And those of you who are calling, I'll just ask you to be patient, and hold on for a few moments. Let's get Lyndon rolling, and then we'll be glad to take your phone calls locally....

So, we're talking about what just happened there with Fallujah, a little bit of a pullback. Isn't that the general idea of the LaRouche Doctrine, right now?

LAROUCHE: In a sense, it is.

STOCKWELL: To bring in some UN people, bring in an Iraq—put the Iraqi army back in charge. The U.S. soldiers will fall back to a position where, "if you don't fire on us, we won't fire on you," and let's get this country in transition to your own control?

LAROUCHE: Yes, essentially. But there's a key part here, which, it won't work except as I proposed it.

First of all, you have to have support from within the Arab world, and some adjoining regions, for the policy. Otherwise, you won't get the negotiation that you want—that is, a workable negotiation.

Secondly, the problem here is, the United States and the rest of the world are now on the verge of the greatest financial crash in modern history. It's now oncoming. The crash has not occurred, but the crumbling preceding the crash, is now in

order. And we can expect things like a collapse of the entire U.S. real estate bubble, and a chain reaction of that, around the world to occur at any time. Since there's free will in these matters, you can't tell the exact time, but you can say, "we're in the area, in the locale, where, within the coming weeks and months, we must expect this to happen."

Now, if we have a world war, which is what Iraq really represents, a commitment by Cheney and company toward a world war, if we have that in progress, we're not going to be able to get the cooperation we need, to deal with the international financial crisis. And therefore, what I've proposed, of course, is that we create a zone of security in Southwest Asia, ringed by states such as Turkey, Syria, Egypt, and so forth, and also bring in Armenia and Azerbaijan, which are on the flank of this thing: to get an agreement on a security and peace arrangement, which means that the present policy of Israel will have to be ended. We're going to have to give it up under U.S. and other pressure, and go back to the Oslo Accords, as proposed by Yitzhak Rabin when he was Prime Minister, before they killed him. That kind of approach, backed by the full energy of the United States, will bring about the preconditions needed for peace in the Middle East.

STOCKWELL: You're going to have to have somebody in the White House with the backbone that Eisenhower had back in the '50s.

LAROCHE: The point is, you have to have somebody in the White House who has just dumped Cheney, and is scared stiff, and has gone back to his Daddy and said, "Daddy, what do I do?" And that crowd says, "Look we need Middle East security. This is the petroleum-producing area of the world. We need security in this area if we're going to deal with an economic crisis." And therefore people like James Baker III, and others, who may not be too friendly to me, would nonetheless, under those conditions, say, "Let's do it." And if they had to fire Karl Rove to get Cheney dumped from the ticket, they'd do it.

Under those conditions, the President would probably be inclined to go along.

STOCKWELL: Without a change like that, and the scenario that you're setting, for a continual engagement of American troops until we have Samuel P. Huntington's Clash of Civilizations well under way, to the point that we just can't withdraw from Fallujah any more, that could be the end of things as we know it.

LAROCHE: Well, it could be a Dark Age. We could get into that: People don't realize in the United States. It's the generation in power, the upper 20% of family-income brackets, who are now, shall we say, in the 50s, and very early 60s.

STOCKWELL: All right, hold on. My guest, Lyndon LaRouche. Greg, I'll get your call, right on the other side of the first break.... [commercial break]

I've got a guest on here, Mr. LaRouche, who is here right now. Lyn, we've got lots of people who'd like to talk to you. Do you mind if we get some calls on here?

LAROCHE: Why not do it? Good.

STOCKWELL: Let's go right now with Greg. Greg, you are on the Stockwell Show.

Q: Good morning, Mr. LaRouche, and Jack Stockwell. My question has got to do more with American regional problems, rather than the international ones. Would you consider that?

Mexican Immigration

STOCKWELL: Certainly.

Q: Out in the West here, especially in Utah, since one of our counties, either Unita or Dushane County, is the highest percentage of Mexican influx throughout the United States. We have this Mexican immigration problem. Now, I've been an ardent supporter of yours, Mr. LaRouche. However, some of your explanations as to this immigration problem, are not quite clear to those of us who live right with it. Can you re-explain your solution to that, in light of—several years ago, at the Cinco de Mayo Day here in Utah, the Mexican Consul said to his people, "Act like this is your country, because it is."

STOCKWELL: All right. Now, before he answers that question, Greg, I'm going to leave you on hold so you can converse with him on that question, but we need another traffic update.... [commercial break]

Mr. LaRouche, it sounds like, you know, there are shows here at K-Talk—let me put this in another context—that really hit the immigration problem heavy. Because I don't know what your experiencing in Leesburg, Loudoun County, Virginia. But out here, it is beyond belief. Especially with Utah being the first state in the Union to grant a legal driver's license to an illegal alien. They don't pick them up any more, they give them drivers' licenses out here. So, in the context of everything Greg had to say, would you address the situation?

LAROCHE: Yeah, fine. The problem here is U.S. policy, and it goes back to 1982 in particular. We had for a long period of time, prior to that, we had a policy of bringing in virtual slave labor across the border from Mexico, as the so-called wetback labor. This was done by U.S. employers, and done through the aid of contractors, who were sometimes criminal types, who would engage in telling people they'd get a job in the United States, and smuggle them on railway cars, or trailer-trucks, and often, if they got caught, they would leave the people inside, *dead*.

Now, this thing was regularized after '82 increasingly, when the Mexican economy was shut down. And what had happened is, that more and more, certain financier interests in the United States, decided to shut down U.S. employment of U.S. citizens, and bring in cheap labor from Mexico, either directly, or through NAFTA, through the *maquiladoras* operation in the northern states of Mexico.

So, what we have is, we have a U.S. policy which is wrong, which is based on treating Mexicans, who are looking desperately for employment, as virtual slave labor inside the United States. This, of course, has a chain reaction effect on our citizens. We dump the slave labor, or people who are virtually slave labor, we've dumped them in to replace people who are presently employed. Therefore, we create unemployment. We do not provide sufficient support for the infrastructure of the communities into which these people move. We don't allow, or we have not yet allowed, any regularization of the relationship between this immigration, and the United States.

The other side of the point is: The people who support this illegal operation, from the United States, include people like Soros, who support the legalization...

STOCKWELL: Hey, Lyn? I've got to interrupt. We've got a big blast of static show up here on the line.... [interruption—then commercial break]

All right, we're back. Thirty minutes after the hour of 7 o'clock. We were able to get Mr. LaRouche back on the air.... Good, let's get back to where we were a moment ago, this immigration thing.

LAROCHE: Let me qualify myself on this one, because I think the caller may not fully understand what I'm talking about, and many people who are listening, who are also concerned about the same thing, don't understand what it means, when I say something.

STOCKWELL: Are you just finally learning that?

LAROUCHE: I know. I'm an action person, essentially. The only reason I don't act on some of these things, is because the government won't let me. But if I have any influence on government, it will act.

But I can also tell you, that if I don't have influence on government, nobody's going to act, and the problem is going to become worse! So, you come with me, or don't complain. I'm the action man.

Now, what's the story here? I was recently in Mexico. I was in Monterrey, which used to be one of the industrial centers of Mexico. I was previously, the earlier year, in Saltillo, in Coahuila, which is the next adjoining place. Now, I spoke at universities in both cases, and was interviewed all over the place. I also met with people who are relevant.

Now, here's the story: There are four states of Mexico which border Texas. There has been a proposal for cooperation between Texas and these four states. It's ongoing. I'm supporting it. My solution to this, is to create the jobs in Mexico, and to have U.S. policy *oriented* toward developing jobs in Mexico, not for the purpose of excluding Mexicans from the United States, but because they would rather have decent jobs in their own country, and be with their own families, than living as immigrants inside the United States, particularly illegal immigrants.

And the way to do that, is very simply: take the Northern area of Mexico, develop projects which are *of interest to us as a nation*; develop them *in* Northern Mexico — like infrastructure projects and so forth — developed in cooperation with the Mexican government; and stop this erratic flow into the United States, which is being used by racists, like the supporters of Samuel P. Huntington, who is trying to orchestrate, with racist types, such as Dick Cheney's crowd, a conflict inside the United States.

Now, here's what the danger is: You have from Spain, a fascist organization, an extension today of the old Nazi organization, which is operating from Italy, from France, but coordinated from Spain. These people are saying that the former colonies of Spain, belong to Spain today. These people have been taking over the power interests of South America, looting South America, helping to cause a crisis, and they have been mobilizing anti-American *hatred* in these populations, under the direction of people I know to be *Nazis*. And you have people who are *pro-Nazi* in the United States, along with Samuel P. Huntington, pushing from the other side.

Now, when I say I'm an action man: We do have a problem. Our people are upset and frightened by this problem—as you, Greg, have said. I want the problem solved. I know how to solve the problem, I'm ready to solve it. Give me the backing and I'll solve it. Otherwise, we have nothing to complain about.

STOCKWELL: So, you're talking about creating a situation in the northern states of Mexico, where they would find it's just as good for them to stay there, make the money they need to make, that they got to run up here to get, rather than having to come across the border to support their families?

LAROUCHE: Exactly. The point is, the United States' immigration policy should be our traditional melting-pot society policy. But, that means, there has to be a certain quality in the process of immigration. We can not destroy our country by turning it into a patchwork country. It has to be a melting-pot nation, where we develop a common culture, and common standards, and we share them.

STOCKWELL: Well, there are a lot of people who are using this current immigration flood to their own nefarious ends, and that's this Nazi network you're talking about. Is that also the group that's pushing this Aztlan thing—that whatever

existed as a part of Mexico prior to the war with Mexico, that they lost to the United States, down south of the Rio Grande—that would include the whole Western part of America, including the state of Utah!

LAROCHE: Absolutely, you're right Jack. These are Nazis. They're pure Nazis, and they represent a terrorist threat against the United States, among other things. I'm determined to shut that down. I know how to shut it down, and I'm prepared to act and *do* it. If I were President of the United States, it *would* be shut down. If I get enough backing, it *will* be shut down.

STOCKWELL: All right. Let's go to Max. Max, I think we have enough time for you to ask your question, and then we've got to go to a commercial break.

Q: Yeah, I've always had the same thing, that Mexico needs to develop its own economy, and quit relying on our companies down there, that aren't paying them enough anyway, to make a living down there. There's no infrastructure to even hook up a Whirlpool washer, or electricity, or whatever, to have it in your house, and they can't even afford to buy it anyway.

What I really wanted say, though, Jack, is, I heard last night, that China's going to float their yuan, and it's going to cost us a lot more—you know, it's going to devalue our dollar against it. And, Chinese goods are going to be a lot more expensive. I wondered if he'd comment on that?

STOCKWELL: Does that mean the Wal-Mart prices are going to go up?

Q: Yes, they're going to skyrocket.

STOCKWELL: No-o-o-o!! Don't tell me that!

Q: Yes, we're heading for a great big round of inflation, unless we start making things ourselves.

LAROCHE: It's true. He's right. This is a reaction of China, a defensive reaction against what George Bush and company won't admit: The U.S. economy is going into the bucket! We're in an inflationary collapse of the U.S. economy. Therefore, China is defending itself against the onrushing collapse of the dollar, and its onrushing *dependence* on the U.S. export market, as an export market—they're taking defensive measures.

These are normal reactions of a nation, against what they know is the ongoing *collapse* of the U.S. economy. The problem is, we don't admit it! George Bush won't admit it.

STOCKWELL: Well, they certainly won't admit it before November!

LAROCHE: Well, they're going to have to admit it now, because the collapse is coming. It's going to come *before* November. We're on the verge of the greatest financial collapse this country has ever experienced. It's coming on now.

I'm prepared to deal with it. We *can* deal with it. But, if you don't like Franklin Roosevelt, you might as well stop complaining, because that's what you're going to get.

Q: Yeah, it's going to cost more to shop at Wal-Mart, so—.

LAROCHE: So what!?

STOCKWELL: Thanks a lot, Max.

LAROCHE: That's all right. We can do without Wal-Mart. I like the other businesses better!

STOCKWELL: Yes, of course.

We'll be right back. Lyndon LaRouche, my guest. We're going to talk more about this greatest collapse in history on our doorsteps. Don't go away. [commercial break]...

My guest Lyndon LaRouche, live from back East. Again, according to the Federal Election Commission, Mr. LaRouche has more individual contributors to his campaign—and believe me, the DNC knows this—more individual contributors to his campaign than even John Kerry. John Kerry has more money, because you got to pay more money if you want to buy somebody. But, when it comes to individual contributions, he's still the lead, as far as the Democratic Party race is concerned. More and more delegates want to support him in the coming Democratic Convention, which, of course, has every intention of not even letting him *in the city*! Let alone inside the building, where the Democratic Convention will be held. We'll get into that a little bit later, as to why that might be the case.

But, I want to give you a phone number, right now, where you can get a hard copy of what he is talking about. If you've never seen a copy of the *EIR* magazine, which to this day—. I get a lot of them, and I read a lot of them on line, and I have a lot of them sent to me as complimentary subscriptions—I haven't seen anything with the depth, the content, and the research, that goes into *EIR*. Here's a phone number, it's toll free: 888-347-3258. Tell 'em you heard Mr. LaRouche live on the Jack Stockwell Show, and you would like a free copy of the *EIR*. You might also ask for a copy of his DVD, his Talladega speech: If you still are not clear in your mind where Mr. LaRouche stands on many concepts relative to bringing America back to where she was 40-50 years ago, as the number-one productive power on this planet, that might be the speech you want to listen to.

Now, I got to try and sift through here, and find out where my traffic is.... [traffic break]

All right, now—before that break, Lyn, I've got some people already calling in, wanting an elaboration on what you had to say about FDR. I'm going to go ahead and bring them on, because you're out here in an area, that is, for whatever reason—I think I know the reason [LaRouche chuckles]—but, it's very *anti*-FDR. In fact, a lot of people out here have the idea that FDR must somehow, have been in communication with Yamamoto himself, orchestrating the attack on Pearl Harbor. You know, Billy Mitchell and his court martial; Operation Red and Orange, and all that stuff notwithstanding, from 20 years prior. So, I think it would be a good idea. Let me get Ed on here, because he's got a question relative to that, and then, maybe you can elaborate what you mean, on the more positive things that FDR represented. Because, I know that in personal conversations that I've had with you myself, there were things that FDR did, that you were not very much in favor of. So, Ed, your question, please.

FDR and Infrastructure; FDR and the War

Q: Well, good morning, Jack. I'm not totally opposed to FDR. I used to live right next to the Grand Coulee Dam in Washington, and that was a result of the FDR public works projects, and so forth. And, I guess, I'm just trying to understand how he would apply—and I understand that we're already in \$31 trillion in national debt at this point; and if we go into much bigger spending mode, and borrowing mode, that would put us even deeper into debt. So, I'd like to know what Mr. LaRouche proposes to do on that.

STOCKWELL: That's a good question. Now, let me model that question here a little bit, just slightly with a question I want to add to that—Lyn, so you understand where we're coming from out here: Everybody out here thinks, that when you mention FDR, our taxes are going to double and triple. And I don't think they've got this concept, yet, in their mind—I know Ed does, but there's a few others that don't—of this idea of this system of central credit. Where the government itself extends the credit, rather than borrowing it from the Fed, without having to drive taxes to Communist Russia levels. When you say "FDR," that's what they think.

LAROCHE: The problem here, is, in the past generation, about 40 years, the generation which is now in their 50s and early 60s, does not—in general, with very few exceptions—have *any* comprehension of what a real economy is. And therefore, they think like George Bush thinks—maybe the daddy understood something a little bit differently—but the son, who's now President, doesn't even know what an economy is. They think that an economy is current money spent, and they just don't understand the principle of capital.

Now, the way that you get out of a depression, is, the government must put the system through reorganization: The present banking system of the United States is hopelessly bankrupt, under present conditions—.

STOCKWELL: That's that \$31 trillion, that Ed's talking about?

LAROCHE: Well, it's much more than that.

STOCKWELL: It's more than that, actually, yeah.

LAROCHE: We're talking about *quadrillions*, in terms of impact on the U.S. economy, in terms of financial derivatives and things like that.

So, we're now hopelessly bankrupt. All the leading banks in the United States, maybe with a half an exception here or there, are bankrupt. They're bankrupt, largely because of this buried-in-financial-derivatives-crossover kinds of things like that.

So, this thing is coming down, it's coming down soon. It may come down within days; it may come down within weeks; it may take a few months. But, she's coming down! So, what do we do? What we have to do, is, we have to put the system, under the Constitution; under the Preamble to the Constitution, the provision for the protection of sovereignty, general welfare, and posterity: The President must act, with Executive Orders, later supported by the Congress, which put the Federal Reserve System itself into bankruptcy reorganization.

Now, as Roosevelt did, with his bank reorganization act, but in a much less serious situation, put the thing into reorganization, and we got through, without any significant crisis. The government, also, to protect us against speculation, gold speculation at the time that the British gold system had collapsed in 1931—the British collapsed it, themselves—took in gold, and used it as an implicit reserve currency, to back up the dollar, and to prevent speculation against the dollar in the international markets.

On that basis, the United States created credit, Federal credit, that is, Federal obligations, for capital improvements. Now, by a capital improvement, you mean generally something you invest in today, which is going to be paid out, both in terms of being used up and otherwise, over a period of some years, maybe a generation, maybe two generations—a major dam, a major water system. We're talking about two generations' capital cycle. A normal investment in a plant, about a generation. Investment in an important machine tool, would be from a half-generation, or a third of a generation, to a full generation.

So therefore, what the government does, by investing in things which are useful, over a period of years, decades or longer, it is able to increase the level of employment to the degree that two things happen: First of all, you increase employment as such in government-sponsored projects, which may be Federal credit applied to the states, or to a Federal project as such. Secondly, you produce a line of credit through the banks, which are now in a reorganization mode, under which private investors, who go to the bank, who qualify for loans for expansion and maintenance of their business, will be granted loans on the basis of what the local banker and some committee in the community, thinks. On that basis, you promote capital investment. If, for example, by such means, today, we increase the net employment in the United States by 10 million persons, in decent jobs, that itself would mean, that we could cause each of the states of the United States to come into balance on current account. It also means that the United States as a whole, can operate in terms of current expenses, on current account, by taking into account capital factors.

Now, that's what you have to do. That's what Roosevelt did, in his way. His method was a great experiment, in which there were many things that didn't work right, partly because the opposition prevented it from working right.

STOCKWELL: Okay, now, when we get back from the break, I've got some questions relative to this, to make this as simple as possible, for everyone to understand. Don't go away. We'll be right back....[commercial break]

All right, I have my guest here, Lyndon LaRouche. He'll be on the rest of this hour, and the coming hour. Now, Lyn, you went into some length there, describing what you would do as if you were President right now. And I know a lot of that terminology, kind of—you know, you were talking about things like that when you were first born. That's why your parents knew there was something very weird about you [LaRouche chuckles], but, it escapes the understanding of some of my listeners.

Let me try to simplify this, and tell me if I'm wrong in some area here, but, what you're going to do is, you would put the current financial system into bankruptcy, which means they wouldn't have the option of deciding whether to go along with it or not; they would just finally have to admit the truth to everybody, "Listen, we don't have a tenth of a penny to cover a hundred billion dollars we've got out there in loans right now, because there is no way to control the value of the money itself." It's just going to continue to inflate, and this condition's going to go until nobody will trust anything. So, to stop that from happening, we're going into involuntary bankruptcy.

But, we're going to bring a program in, immediately behind it. One based on the whole Hamiltonian concept, of state credit: Where the state, the government itself, *backed up by a gold-reserve standard—one thing that's missing in our economic program, right now—a gold-reserve standard, so that we know, that if the government were to loan Bank System A (there's several major banks out here, but I won't mention any of them by name), but The Major Bank A, out there in Utah, would get a certain portion of money from the government, not tax dollar money—credit money, based on the faith and the credit of the United States government, backed up by a gold-reserve standard, at a very low interest rate, designed for infrastructure projects. Projects that will build our ability to produce steel; our ability to mine coal; our ability to put together sophisticated nuclear power plants; our ability to put maglev trains, and anything else that we want to do: We have to have the productive ability restored in this country to be able to do that.*

So, the government itself—or Bank A would apply to the government. The government would say, "Sure. Here's \$2 billion. Now, this is what we want to see for this \$2 billion that we're going to give to you at 1.5%. You're going to loan it out at 1.5%, or 2%, or whatever, but very low interest. And it's going to hold that interest value for 25-30 years, a whole generation, because it's tied down to the value of gold. It isn't going to be able to be played with, as one market company buys a loan from another company that bought a loan, from another company, and keep jacking the value of that loan all over the place.

We'll tie it to the value of gold. We will build watershed projects in Utah; we will build a nuclear power plant in the Four

States area, so that we can get 4 cents a kilowatt power to those people down there, who can take advantage of the natural resources, that they *can't* take advantage of now, because there's no water and there's no cheap power to do it.

Is that the kind of thing we're talking about?

LAROUCHE: In that direction, yeah.

STOCKWELL: Okay. Add to that.

LAROUCHE: Well, what we need: We have to have, as I say, a national program, which means we have to go back to regulation.

STOCKWELL: Yeah! Definitely.

LAROUCHE: People have to understand, that any currency is an idiot. Any paper currency is an idiot. There's no way that paper currency, or money defined in terms of paper currency, *can find a natural level of value*. The whole idea of free trade is a piece of nonsense, which was invented by the British to keep us and other people poor! So, there's no sense to it.

So, we must have regulation. Government must be responsible. We must make sure that what is done with our credit, is spent wisely, and that our investments are protected. For example: If we're going to make a loan to someone—say, it's a loan of 1.5% or 2%, or something like that—with a foreign country, or someone domestically, we have to be sure, that the currency does not depreciate in value, through inflation or other means, over the period of that loan. Otherwise, you'll either have the bank go bankrupt, or you will have the company that borrowed, forced toward bankruptcy by the rise in the cost of these loans, that is, maintaining them.

So therefore, we must have regulation. That's the sticking point. People who believe in free trade, simply do not understand the ABCs of economics. And therefore, they think that somehow free trade means that by free decisions of billions of people or something, that things will level out at the right price. And that is not true; that is a myth; it was never true.

STOCKWELL: Level out at the right price for the mega-corporate CEOs. But, not down on the other end. Not for us.

LAROUCHE: No, no, of course not! You're not important! You're not the guy that owns the government! And that's the point: Who owns the government? Our people *have* to own the government. They can only own it through their control over the government. And government has to be accountable.

People don't know what government accountability is, today. That's our problem. The present generation—running businesses, running the government—only a small minority of this generation knows the ABCs of economics, as people of a previous generation, say 30 to 40 years ago, knew. They don't know the ABCs of running business. And that's what killing us.

STOCKWELL: Well, we're going to have to go to the break, national news feed. But, I think most people equate a good economy with the availability of cash. You go to the bank, you walk out, you've got your \$15,000 or your \$30,000 truck loan, and that means the economy's okay.

We'll be right back with my guest Lyndon LaRouche, right after the news feed. Don't go away.... [commercial break]

My guest is Lyndon LaRouche live from Leesburg, Virginia, this morning....

I'm sorry, my apologies. I forgot to put the VIP button on here for Lyn, so I cut off Jim. His question was, Jesse H. Jones' [Reconstruction] Finance Corporation, the things that worked well, the TVA, some of these other things were his doing; it was his intellect that brought this to pass. Do you have somebody in mind? How would you go about replacing Jesse H. Jones today?

LAROUCHE: Well, there are a couple of people around who could do it, but, you know, they would have to have the right President. For example, I think the former Treasury Secretary is typical of people who know the ropes well enough to manage things off. For example, you have Laura Tyson, who was formerly in the Clinton Administration in the Treasury Department. She's competent. There are other people who have that kind of competence. So, we don't have an absolute shortage. We do have a critical shortage of enough people in that category, but I think we have enough to get by with.

STOCKWELL: You say Laura Tyson?

LAROUCHE: Yeah.

STOCKWELL: If you were to somehow be elected, today, to be the President, do you have some Cabinet ideas?

LAROUCHE: Oh, well, I have a lot of people, including a lot of—right now, I have military, because one of our big programs has to be to retool our youth. And I want to get the military back to an engineering basis, and use an engineering program for our military program. Because, when you get into a combat situation, the first thing you have to do—as we see now, in Iraq—the first thing you have to do, is clean up the mess you made. And, we're not doing that job. So therefore, the people who clean up the mess, are the people who have engineering training, engineering knowledge, and that's a skill which is useful in life generally.

So therefore, if we're educating our people, including young people, who today are practically unemployable in proper industries, if we're educating them in, say, a military program of national service, and given them an engineering training, that is going to take up a lot of the slack we need taken up, in terms of rebuilding our economy.

The Reconstruction Finance Corporation

STOCKWELL: And, once they're out of the military, then they have a great career ahead of them, as an engineer.

I have to apologize, Jim. I pushed the wrong button, in my hurry here. He's talking about Laura Tyson, who served in the Clinton Administration. But, if you have some more, you'd like to ask Mr. LaRouche, please feel free to do so.

Q: Well, I was just thinking in terms of things of, you know, the things that didn't work—for instance, the third row, where they had the farmers plowing under the third row? And Jones said, "No, this is stupid. We'll take that produce, those things, and we'll put them in warehouses, and we will loan them money against it, and when the prices go up, we'll sell it." Now, that was a good idea. And Jones never lost a penny. He *made* money for the government, and they were direct government loans. They go the bankers the heck out of the picture—now I'm liking this thing I'm hearing Mr. LaRouche saying, because it sounds very much the same.

LAROUCHE: Well, the problem is here, is that, Roosevelt had political problems, and so did Wallace, in getting things through.

Q: Oh yeah! Well, Wallace was the one, that just about destroyed—

LAROUCHE: Yeah, well fine. Wallace had a very strong constituency among farmers. And farmers thought that by creating a shortage, that they would pull up the price of food. And that didn't work, and Wallace was wrong on that.

But, you have to understand the political pressures, and anybody who's going to be President has to understand that: That he's going to run into pressures, where what he wants to do that's sensible, the Congress won't go along with, for reasons like that. And you will have somebody in the government, who will be the vehicle *inside* your government, who will go with certain people in the Congress.

So, that is a problem.

STOCKWELL: Go ahead, Jim.

Q: Well, probably the best thing that Jones did, is, when World War II broke out, two years prior to World War II, he had gone through, contacted people in manufacturing, set up government contracts—all under the table and very sneaky—

LAROUCHE: Yep!

Q: So, that when things happened, our mobility was just like overnight—boom!—we were into action.

LAROUCHE: Well, Roosevelt understood that himself, actually from 1936 on.

Q: Jones was way smarter than Roosevelt. So many of the good things that can be done in this country—. The problem is, we were an agrarian country. We didn't have dams. We didn't have these things. These things had to be built. So now, what's the next step? Where do we go from here?

STOCKWELL: Good question. Thanks for your call, Jim. Lyn, where do we go from here?

LAROUCHE: Well, we have to go to a new kind of world. The world is getting more crowded in one sense. We have over 6 billion people on this planet now. We also have a situation with military technologies, as such, that, we're faced with two possibilities. We're faced with war with superweapons, and many countries have them, weapons beyond what have been used previously, and they're being developed rapidly. We also have the phenomenon we're seeing in Iraq: We're seeing the spread of what is called "irregular warfare," or sometimes "asymmetric warfare." Which means, in practice, it means a combination of modern weapons with so-called "people's war," as we had in Indo-China. We already had that, in a sense, in the Korea War.

So therefore, we have to think about these things in a different way. Instead of saying, "Who're we going to beat" in war? We have to run ahead of that, and determine how we're going to organize the world, in such a way we don't *get* to the point that we say, who we're going to beat in the next war.

That, I think can be done. I think governments are sufficiently terrified, by things including this war in Iraq, to realize, we can not do that kind of foolishness any longer. So therefore, we better use our heads.

STOCKWELL: Well, we have books like Caspar Weinberger, that wrote here a few years ago, *The Next War*, talking about six or seven possible war scenarios. If I understand what you're talking about, you're referring to a mind-set that

would be more oriented in, who was going to be our major trade partner five years from now. Because, without strong economic ties, between countries that have strong, sovereign borders, to protect their own industries, without that as a backbone, there never *can be* a world of peace.

LAROUCHE: I think we can do better than that. See, because at the same time, you have a technological revolution we have to make. Our big problem is now, from the middle of the 1960s, we had the spread of this anti-technology movement, which came out of the so-called youth rock-drug-sex counterculture, which is now called the environmentalist movement.

STOCKWELL: Anti-technology.

LAROUCHE: Yeah. And this is a fraud. This is what threatens to kill us. We can deal with most of the problems we have to deal with, if we would develop technologies we need. For example: The case of nuclear energy. There *is* no substitute for nuclear energy! It doesn't exist! People who are trying to talk about it—it's idiocy! Because, when you think about greening the United States, for example. Take the whole American Desert area: This desert has no development of significance, since the beginning of the last century. Here's a rich area, which needs water. We have the potentiality of developing water resources. With energy in that area, and enough water in that area, we can begin to green it. We're going to have to think in terms of one and two generations, but we can do it.

There are similar things in other parts of the world, desert areas that should be greened. So, if we have positive programs of technological development, we can create *common* interests among nations, to replace competition. In other words, we still have a system of sovereign nation-states, which we must have. You can't function in a globalized economy. But, we can have arrangements, where we understand, that our interests in cooperation, is our strongest interest, and we can come to agreement on things that ensure long-term cooperation, as opposed to medium- to short-term to long-term conflict, in terms of economic issues.

That we can do. That we must do.

STOCKWELL: All right, 18 minutes after the hour. We'll have some traffic for you in just a moment. My guest is Lyndon LaRouche. Judy, you'll be next, if you'll just hold on [commercial break]....

Those of you just tuning in, I'm talking to Lyndon LaRouche, live back in Leesburg, Virginia The number back there, 888-347-3258. If you've never read a copy of the *EIR* magazine, I suggest you do it once. It is the most fact-filled—now, you know there's other magazines out there on economics and whatever else. His is definitely on economics; that's the central core. But, you'll just call the number. Ask for a free copy....

All right, let's get Judy on here, with us. Judy, you're on the Stockwell Show.

Q: Yes, hi. I have a comment and a question.

STOCKWELL: Please.

Q: Thank you so much, Mr. LaRouche, for taking time out to be on our radio program here. I have been a supporter of yours for years, and you have actually changed my life. And I wanted to say that this Thursday—Jack, are you speaking at our meeting?

STOCKWELL: You know, I forgot all about it!

Q: Okay, that's why I'm calling. Because, we have monthly meetings for you, Mr. LaRouche, here in Sugarhouse, at 1760 South 1100 East.

STOCKWELL: Well, it's not unusual for me to forget stuff like that.

Q: Well, we put the word out that you're going to be there, Jack. So—

STOCKWELL: Well—yeah, I'll be. When and where is it?

Q: In Sugarhouse—

STOCKWELL: Oh, in Vintage Square! Yes, yes, yes.

Q: Okay, at 7 o'clock.

STOCKWELL: 7 p.m. this Thursday night.

Q: And I wanted to say, for people who want a copy of your LaRouche Doctrine, *EIRs*, the DVDs, the *New Federalist*—we have all of that. And we will bring it. It fills our cars up. We bring it to all of our meetings. And people can see it personally, take copies home, read it.

And also, the Democratic Convention is Friday and Saturday—we will be there. You will be represented there, Mr. LaRouche!

LAROUCHE: Thank you!

STOCKWELL: Even though [Utah state Democratic chair] Donald Dunn didn't want him.

Q: Yes.

LAROUCHE: I think he didn't object. I think other people did.

STOCKWELL: Well, it's the people who control Donald Dunn.

Q: The National Committee, that's right.

STOCKWELL: Yeah, I think Donald Dunn's a fairly decent guy. He's just under the pressure of the National Committee, and if he's going to stay as chairman of the party, here, in this state, he's going to have to do what the National Committee wants him to do.

LAROUCHE: Isn't that terrible?

STOCKWELL: Well, no. You would like somebody to be able to stand on the basis of principle, and what is morally right, rather than political policies.

LAROUCHE: Well, the point is, the poor guy knows, that what is said against me by the National Committee is a bunch of lies. I mean, you know, I feel pain for him, that he has to eat that junk, when he knows it's lies.

Q: You know, Mr. LaRouche, I think people here in Utah, a lot of them are waking up, since you were here. We're trying to get information out constantly, on a daily basis. And, I'll tell you, people here better wake up, and realize that Bush is not our man. And we've got to change this country, and bring it back. And you really, and your ideas and your proposals are the only way that it can be done.

LAROUCHE: Thank you.

STOCKWELL: Judy, let me ask you again, this Thursday night, is it at 7 or 7:30?

Q: At 7.

STOCKWELL: I am speaking this Thursday night, 7 p.m., at Vintage Square. You might want to call in tomorrow, and tell Sargeant Striker [ph] here to remind me to announce that, because I'll have forgotten by tomorrow morning. I have so many—! It's not that it's not important to me, it *is* important. I just have so many things going on, the only thing I know for sure is when the Sun is up, and when it isn't. [LaRouche chuckling] I mean, I was up the other night, till 4 a.m., and I was back doing what Mary and I took off this weekend to do, by 6:30.

The True Story of the War

Q: Well, I figured maybe you had forgotten. The question that I wanted to ask, that I keep getting from people, is that FDR knew about Pearl Harbor ahead of time, and he allowed it to happen. So, would you comment on that? And then I'll hang up.

STOCKWELL: Now, we will be going to a break in about 30 seconds. Let me put that into another context, and then you can address it as soon as we're back from the break. And that is, because of some recent documents that were made available through the Freedom of Information Act, it seems to indicate that the Oval Office, in the late fall of 1941, knew, beyond a shadow of a doubt, that an attack was immediate. And so, even though we know they knew they were going to be attacked by the Japanese, there are a lot of people who seem to think that FDR was kind of huddled into a corner, with this Grinchy look on his face, just waiting for the bombs to drop, because that was the only way he could get us into the war in Europe, and he didn't do anything to save the servicemen. When we get back, please comment on this.... [commercial break]

You're listening to the Jack Stockwell radio talk-show program, and my guest, Lyndon LaRouche, Democrat candidate for President of the United States, who just happens to have more economic contributors in the sense of Federal Election Committee observance, than even Mr. John Kerry. Yet, the Democratic National Committee refuses to recognize the man's existence, let alone his candidacy for President.

Now, the question there, before we went to break, Lyn, was, after—sometimes you can throw out somebody's ideas, if you can bad-mouth him bad enough, over this particular issue or that, to try to dismiss the entire cacophony that ever came out of the man's mouth. I think that's what some people are trying to do, is to downplay the fact that FDR had some very, very valuable ideas; in fact, economically, he saved the country from fascism. But, the fascists would like to throw out his ideas and never have them ever considered again, and one of the easiest ways to do that, is to dismiss the person as a devil. Would you comment, maybe in that light, on what Judy had to say, that there are those who believe that FDR essentially

was in league with the socialists of the whole world, to destroy the United States, and was hand-in-hand with Yamamoto's attack on Pearl Harbor!

LAROCHE: Well, actually, the people who spread that overlook some facts, including some books that try to make this connection. The evidence was, in the investigation of the Pearl Harbor incident, was, there was incompetence on the part of the military, the Naval and Army command; negligence, which in a sense, reminds me of what happened on 9/11, in the United States, where the key thing is—we don't know exactly who did it; we have no proof of who did it, to this day. But, we do know that things that should have been operating, to minimize, if not totally prevent that incident, had been pulled down. And that was a matter of negligence.

Also, that there was evidence that we had a security problem, and a threat to the United States at the time. That was out. I was among those who warned against it. I didn't know that New York was going to be the target, or something of that sort, but I did know that we had a major security problem. And I, and many other people, said so. But, now it comes out, in the 9/11 Commission report, that some people are now catching on, to that was the nature of the situation.

Now, the same thing happened in the case of Pearl Harbor. If someone wants to make the point that Roosevelt had not warned against the attack on Pearl Harbor, then why would he also have been responsible for pulling back the military against the defense of Pearl Harbor? The point was, the attack against Pearl Harbor, was, of course, the thing that forced people to say, "Let's go to war with the Japanese." But, why throw the fight? Why not win that battle? By setting up adequate defenses?

What was known, is this: As far back as the early 1920s, when the United States was involved with Britain and Japan and others, in the so-called naval parity agreements, the British and Japan allied against the United States in those agreements. And, this led to the situation, where Japan was allied with the British, in a plan for a joint British-Japan attack on Pearl Harbor. This is what Billy Mitchell referred to, in his trial. So the plan for a British-Japan attack on Pearl Harbor was known in advance.

Now, if Churchill had not made the decision he made, to go to Roosevelt in June of 1940, then Britain would have joined Hitler in an alliance against the United States.

Now, many of the people, who were in that proposal, like Halifax and others, were not prosecuted. Only a few people, who could have been hung as traitors, were actually hung on that issue. But therefore, at that point, Churchill, who was sympathetic to Hitler in many ways, that is, in terms of policy, was not sympathetic to the idea of turning over the British Empire to the control of a Nazi dictator from Germany. And therefore, for that reason, he decided to lead Britain to an alliance with the United States, rather than going with Hitler, as many British leading officials did wish to, at that time.

This changed the situation. Now, what happened was, Japan was allied with Germany. Japan went ahead with the attack on Pearl Harbor, which had originally been planned as a joint operation by the British and Japanese. That's why Billy Mitchell was court-martialed. Billy Mitchell exposed that fact, and demanded that we develop a defense against that kind of attack. For that, they got rid of him: He wouldn't shut up. He kept going at it, and they got rid of him. That's the history of the thing. That's the essential thing.

Roosevelt knew of this plan, this threat to the United States—everybody knew, who should have known, of this threat to the United States. It was not believed that Japan would actually carry it out. We thought they would bluff. They didn't bluff.

I later had a chance, later in the 1980s, to meet some people in Japan, who had been involved, directly or indirectly, with the Japan planning. And what happened, there were some last minute changes made, where Japan ground-based airplanes

were stuck on the carriers, and so what came in, was much more than anyone expected. But, this thing was, even from the Japan side, the actual attack was not clear before the time it was occurring.

Now, in the meantime, what Roosevelt did—which is the other side of the thing—he deployed our capabilities, our aircraft carrier capabilities, into the Pacific to intercept what he thought would be the main Japan fleet coming in. That was the Battle of Midway. The victory of the U.S. forces at Midway, was a turning point in World War II. It was that victory, which led to a change in the world circumstances, which led to our victory.

STOCKWELL: Okay, I have a question, then, about this Midway thing, that you just brought up to my mind. But, I'll have to wait, obviously, until the break.

My guest, Lyndon LaRouche, candidate for the President of the United States of America.... [commercial break] We have a lot of questions coming, and we'll get to you in just a moment, folks. But, I want to wrap up this idea about Pearl, that we were talking about.

Now, Lyn, I remember in high school there, in Fairfax County, Northern Virginia where I grew up—Thomas Jefferson High School—American history, 11th grade: My class was taught by a retired Army colonel who had fought in World War II, and just loved American history, and that was his retired job, teaching that in high school for kids. I remember him talking about the Civil war, and he said, that the South knew and understood, they could never beat the Union. But they felt, with the help they were getting from Europe, that they could be a thorn in the side of the Union, long enough, that the Union would finally recognize their secession and just let 'em go if they could continue the battle long enough.

Now, wasn't that somewhat of Japan's thinking? Because Japan knew, when the war started, they were starting a war they could not win. But maybe, could be a thorn in the side of the United States long enough, or at least the Allied powers, that we'd finally let them have a section of the Pacific, and just kind of truce it out after that, and let them go on with what they wanted. Now, wasn't there some kind of thinking in the Emperor's mind, or Yamamoto, or some of the others, that if they could hit us hard enough and just stay there long enough—which, of course, we ended, the Pacific war was essentially over with the Battle of Midway; there were a few other battles that needed to be done, but after their carriers were destroyed at Midway, that, kind of, in my way of thinking, showed that all Japan was thinking of at the moment, was to just try to be that pesky mosquito, that we finally let it have its blood and let it go.

LAROUCHE: It wasn't quite like that.

STOCKWELL: All right, correct me.

LAROUCHE: Remember, the group that was responsible for the original British alliance against the United States—that is, in the post-World War I period—they were determined to organize the war in Europe. These guys, together with supporters from New York City, such as Harriman and so forth, actually funded putting Hitler into power, when he went into power. Now, at that point, the intention was, to keep the United States out of the war they planned to build around Hitler.

What they planned to do, was to actually have Hitler have a victory in Europe, against Russia, against the Soviet Union. Then, turn around, bring France, Britain, Spain, Italy, German, Japan, as an alliance, especially as a naval alliance, to destroy the naval power of the United States, and thus reduce the United States to second-rate status. That was the plan.

Those, such as Churchill, inside the British Empire, had a growing feeling they didn't want to do this. Not because they were not fascist supporters. They were. But because they did not want to give up, what they considered the British Empire.

STOCKWELL: To a German-speaking dictator.

LAROUCHE: Exactly.

But, the group behind this was not nations. The group behind this was bankers, who were called the Synarchist International. The same kind of bankers who are working to keep me out of the Democratic Party and Presidential elections *now*. The same kind of people. Whose policies are those of Hjalmar Schacht. And leading banking interests, in the United States, are pushing today for a Schachtian approach to a collapse of the U.S. economy, which they hope will occur after the November 2004 elections.

So, under that circumstances, this was the screw-up in the thing. Now, you have to look at what happened, look at what happened in Germany at a similar time. Midway was decisive for Germany. Two things were crucial for the German policy in World War II: One, was, of course, the Stalingrad battle. They had lost that. Then, the United States' ability to come back, after the Pearl Harbor attack, at Midway, meant that the United States was capable of running a two-front war, worldwide. And under those conditions, Goering and company knew the ultimate situation of Nazi Germany was hopeless.

At that time, the circles associated with Goering, inside the Synarchist International, including French bankers and other bankers, like Lazard Freres, for example, these guys decided on a post-Hitler, spread of the Nazi plan for world conquest. That is now ongoing today! The same plan.

Many people, in Europe, and in the United States—a few in the United States—have understood this. For example, in connection with my work with the security services of the United States, back during the SDI days, I was given access to documents on the Synarchist International from the U.S. over the period of 1921-22 to 1945, and also military intelligence and some French intelligence. So, I know this stuff. I also know that our people *know it*, that this problem exists.

So, it is not simply a reaction of national governments to one other thing, that does it.

Now, take the case of Japan. Yamamoto represented a group which had run a successful coup against the Emperor of Japan, Hirohito. And that coup had been the second Sino-Japanese War, which Hirohito, the Emperor, was opposed to. But they got it through. But, toward the end of the war, this faction in Japan, knowing that the Emperor had negotiated with the United States, for a peace treaty, which the United States had negotiated under Roosevelt—but this agreement was suppressed under Truman! It was suppressed under Truman, in order to drop two bombs, which he had not been able to drop on Berlin, on Hiroshima and Nagasaki.

You're dealing here, with a mentality, which is not a common-sense mentality. You're dealing with these fascist types, like these bankers behind them, with a certain kind of mentality which operates in a certain way. Now, Roosevelt understood this. Roosevelt knew what this was. Now, he was operating, and our U.S. forces were operating on a basis of a problem, of a compromise with Britain: That is, we were limited by our agreements with our ally, Britain, as to how we conducted World War II. We were also operating with the knowledge of this Synarchist problem. And which we still are today. And therefore, our position was one, of what is called "classical strategic defense."

The first modern case of classical strategic defense, was devised by Lazard Carnot in France, but then was used by the Russians and the Prussians to defeat Napoleon, by letting Napoleon come into Russia, and then destroying him when he got to Moscow. The United States' policy has always been one of strategic defense, since that time. And this is the way we were operating in World War II, with a policy of strategic defense.

STOCKWELL: All right, when we get back, Samuel, Chris, we'll give you a chance to get your questions.... [commercial

break] We've got about six minutes left in this morning's program. Three callers, I'm going to please ask all of you to brief in your questions for Mr. LaRouche. Samuel, you're first.

Q: Good morning, Jack. Mr. LaRouche, say, I no longer have any doubt whatsoever that this historical illiteracy that's been created in the United States, by different groups, like the Skull & Bones—they created the American Historical Association, this Hegelian mind-control; it's all part of a manufactured thing. But, here's the thing: In talking about Pearl, what comes up in my mind is a question about a Mr. Tyler Kent. He was a code clerk in the U.S. Embassy in England, and what was done to him. What he did was capturing and decoding messages between Churchill and FDR, before Churchill even became Prime Minister. Very curious case. It's the case of Tyler Kent. I wish you'd comment on that.

And thank you for your presence in America.

LAROUCHE: Well, on the details of that, I don't know. But, I do know the general circumstances, that Churchill had plans, it was a dirty plan. He detested Roosevelt, frankly. They called each other, you know, "Franklin" and "Winston," but they hated each other in large degree.

But, this was alliance with Britain, during World War II, by patriots was considered an uncomfortable alliance. Because we disagreed on principle, but we had to win the war. And we needed one another to win the war.

What Churchill intended to do, was what Truman helped him do in the post-war period! Of wrecking the accomplishments of Roosevelt—he wasn't able to wreck everything. But he got us into unnecessary problems, and spoiled our opportunities. And this was done under the influence of a group associated with Churchill, even though Churchill had been dumped, essentially, by the British people, in the election that period. But, nonetheless, it was dirty games, all the way through.

Q: Right, well I was just hoping people would look into the Tyler Kent case and what Britain to him. He was a U.S. code clerk. The punishment of Tyler Kent—they didn't kill him; they arrested him and took away his diplomatic immunity, and it's quite a story. People should look into it.

STOCKWELL: Thanks a lot, Samuel. Chris, real quick, your question.

Q: Really quick—good morning Lyn. I'm one of your youth leaders here in Utah. A quick question. I've been thinking a lot about education, and, where are we going to go, to revive a Classical education in the public schools? What are some of your ideas on that?

LAROUCHE: You're going to help me do it! What we do, is we have to run the youth movement in the way that higher education should be run. We're doing it, already, to the extent we have the facilities. That is, when you participate in a process of a Classical approach to a Socratic dialogue, with a classroom size of 15 to 25 minimum-maximum. And you discuss topics the way we are doing it, you are getting a Classical education.

My view is that, you guys, doing this, are going to become the nucleus of a new United States. We're going to create a new generation, which is going to come out of this mess, and help us rebuild the United States: That's your destiny. You're going to do it.

The General Welfare

STOCKWELL: All right. Lee, in Salt Lake. Real quick, we have a minute and a half.

Q: I have a question regarding the general welfare concept, as it relates to the Democrats and the Republicans. Is there any difference between a Democrat and a Republican, as far as the Constitution is concerned, and the Declaration of Independence, where we're all created equal?

LAROUCHE: Well, the difference is this: It's within the parties. I have both Republicans and Democrats I agree with. If I were in the general election, then I would have probably almost as many Republican supporters, from among leading political figures, as Democrats. Because, the divisions within the two parties, are greater than the divisions between the two parties.

So therefore, yes, there are some people who agree with the principle of the Constitution. There're many who don't. Cheney does not. I don't think Bush knows what the Constitution is. And, I certainly know Al Gore doesn't—and so forth.

So, anyway, the difference is not between the parties. The difference is within the parties. And if you look back at the American Whig tradition—I come from a Whig tradition, as many Democrats do, and Republicans come from a Whig tradition. So, my view is that there is going to be a re-assortment of politics in the United States, under a good Presidency, in which the two parties are going to cooperation in one way—that is those agree with each other; and those who disagree will be on the other side. The time has come for that change to occur.

Q: That's great. I'm one of your followers, here. I appreciate you.

STOCKWELL: All right, Lee. Thanks for your call. I guess I'm going to speaking Thursday night, 7 p.m., at Vintage Square.

Lyn, thanks so much for being here, buddy. I appreciate your being a part of the conversation. It's always fascinating to listen.

LAROUCHE: Okay, have fun. Thank you.

Links to articles from *Executive Intelligence Review**

[*Requires Adobe Reader®.](#)

Feature:

The Uniquely Needed Doctrine for U.S. Economic Survival Today: Why 'Fiscal Austerity' Is Insane **by Lyndon H. LaRouche, Jr.**

This policy statement was released by the LaRouche in 2004 Presidential campaign committee. April 25, 2004

A Foreword: How Your U.S.A. Was Ruined

It is time to explain some basic facts of economic life to our citizens. If the majority of the reigning Baby-Boomer generation of today, might prove to be so foolish as to reject my warnings, what I write here should be passed on to both the young adults of the 18-25 age-group, and, hopefully, their progeny, too. In the worst case, then, the outcome of my effort might thus assure that something good for mankind's future generations might survive out of the new dark age of humanity which today's presumably leading choices of U.S. Presidential candidates threaten, more and more, to bring down upon us now.

Strategic Studies:

LaRouche Webcast:

Candidate Presents 'The Keys To Peace' for Southwest Asia

... Lyndon LaRouche's address to a meeting in Washington, D.C. on April 30, broadcast over the World Wide Web. Only by putting forward LaRouche's doctrine for development and peace in the region, in his name, can the United States bring peace to Iraq and Southwestern Asia, he said. No other political figure in the United States—not the President, not John Kerry—has the stature, or the trust, of the political forces in the these nations, to restore peace.

Economics:

German Government Declares For Growth Instead Of Budget Cuts

by Rainer Apel and Nancy Spannaus

Germany's foreign minister Joschka Fischer signalled a shift in the approach of the German government toward the insoluble fiscal crisis it faces, in remarks on May 3. Fischer, a leading member of the pro-austerity Green Party and vice-chancellor, spoke out in favor of dumping the policy of austerity as such, and instead going for a stimulus package in employment.

Mont Pelerinite Walpurgisnacht In Moscow

by Rachel Douglas

Some of the world's most radical apostles of bankers' dictatorship, clad in neo-liberal slogans of 'free enterprise' and 'globalization,' descended on Moscow for a two-day conference on April 8-9. Sponsored by the Cato Institute, it was called 'A Liberal Program for the New Century: the Global View.'

Inflation, Bond-Market Plunge Hitting Together

by Paul Gallagher

The breakout of inflationary fire into prices of all kinds of commodities and services this Spring, in all the G-7 economies but particularly in the United States, has broken the coverup of the underlying, raging money-supply and asset price hyperinflation pointed to by Lyndon LaRouche alone among political leaders, during the recent years' claimed 'no-inflation economy.' Those fraudulent claims have been silenced by soaring prices of especially gasoline and food. But the hyperinflationary surge is across the board. ...

International:

LaRouche Doctrine Backed In Europe, SW Asia

by Hussein Askary

A few days after Lyndon LaRouche issued his groundbreaking U.S. policy statement for Southwest Asia, 'The LaRouche Doctrine,' support started to build up in the Arab world and Europe. A major break was the endorsement of LaRouche's proposal by Iraq's leading 'Sunni' cleric, scholar, and political leader Dr. Ahmed Al-Kubaisi...

Warnings That Sharon's Latest War Schemes Target Syria

by Jeffrey Steinberg

Israeli Prime Minister Ariel Sharon, smarting from a big defeat for himself and President Bush in the May 2 referendum in which his own Likud Party voted down Sharon's proposed Gaza 'disengagement plan,' is now planning a military action against Syria and possibly other Arab targets, as a means of saving his badly weakened position.

National:

Kentucky Representative Backs LaRouche Campaign

by EIR Staff

At the conclusion of a two-day campaign trip to Louisville, Kentucky, where he addressed dozens of trade unionists, political leaders, supporters, and youth, Democratic Presidential pre-candidate Lyndon LaRouche held a press conference where he was endorsed by State Rep. Perry Clark. Clark called on Kentuckians to join him in voting for LaRouche in the May 18 Democratic Presidential primary.

Iraq Prisoner Torture Shows Face of Cheney's Beast-Men

by Edward Spannaus

Lyndon LaRouche warned you about the 'Beast-Men,' and now you are seeing them. In fact, no one who has read the LaRouche campaign's second report on the Straussian 'Children of Satan'—the 'The Beast-Men' report—should be taken by surprise, at the horrifying images and reports coming out of Abu Ghraib prison in Iraq. And the worst is still to come.

U.S. Economic/Financial News

Federal Reserve Declares It's Run Out of 'Patience'

On May 4, the Federal Open Market Committee voted unanimously to keep the federal funds rate at 1%, the lowest level in 45 years. In a shift, however, the Fed's policy-makers deleted its pledge to be "patient" before raising rates, signalling future increases. In its statement, the Fed changed its stance on the interest rate charged to banks on overnight loans, saying "accommodation can be removed at a pace that is likely to be measured."

The Fed claimed that the economy is expanding at a "solid rate," with "somewhat higher" inflation. Inflation expectations now seem to be "well-contained," it said, in a shift from its statement in March, when it had said price increases were expected to stay low.

'Hedge Funds Are an Accident Waiting To Happen'

So said Securities and Exchange Commission chairman William Donaldson, when he addressed the annual conference of the Society of Business Editors and Writers in Ft. Worth, Texas, on May 2. Donaldson noted that it is not just the institutions and wealthy individuals who are at risk if hedge funds encounter problems, since "There's not a pension fund in the country that's not using hedge funds." "This is an \$800-billion industry on its way to \$1 trillion; it's growing like a weed," he said. "We don't know what's going on in that industry."

Planned U.S. Job Cuts Rise to Over 1 Million for Year

U.S. employers announced 72,184 planned job cuts in April, up from a ten-month low of 68,034 job cuts in March, according to outplacement firm Challenger, Gray & Christmas. The April figure was down 51% from the level in April 2003, which was the second-largest job-cut month of the year. From January through April, employers have announced 335,024 job cuts.

But, over the past 12 months, 1,069,256 planned job cuts have been announced by employers, said Challenger. Since January 2001, a whopping 4,995,149 job cuts have been announced.

In April, the biggest number of planned job cuts were in government and non-profit sectors.

Warren Buffett Fears Derivatives Disaster

At the annual shareholder meeting of his Berkshire Hathaway fund over the first weekend of May, the so-called second richest man on the planet pointed to the risks posed by the huge amounts of financial derivatives. Warren Buffett cited the example of mortgage giant Freddie Mac. Despite having intelligent board members, being chartered by the U.S. Congress, and being followed by dozens of Wall Street analysts, Freddie Mac failed to get a hold on the complexity of derivatives transactions, Buffett said.

"With an auditor present, they managed to misstate earnings by \$6 billion. A lot of mischief can happen with derivatives." They are so complex that many chief executive officers he knows personally, just can't figure them out. "I know the people that run these companies, and they don't have their minds around what is happening.... Some time in the next 10 years, you will have a huge problem that will either be caused by or accentuated by people's activities in derivatives."

Buffett's Berkshire Hathaway itself ran into deep derivatives problems in 1998 after taking over the insurance firm General Re.

Wal-Mart Hits Another Wall, This Time in Chicago

After Wal-Mart got shut out of Inglewood, Calif. last month, when a popular referendum turned against the discount chain, the Chicago City Council decided May 5 to postpone a vote on rezoning which would have allowed Wal-Mart to open two stores in the city. It seems Wal-Mart is having trouble with urban areas (as opposed to suburbs and rural sites), due to the still lingering strength of labor in the cities. There is a huge fight in the city, with some of the poorest areas voting with Wal-Mart, desperate for jobs, while labor and others are fighting to save the pay scales of the rest of the city from the Wal-Mart beast. A vote is expected in the next month.

Meanwhile, competition from Wal-Mart is widely held to be responsible for the financial difficulties of the Jacksonville, Fla.-based Winn-Dixie grocery store chain, which announced last week that it plans to close or sell 156 stores, and close three distribution centers and several manufacturing operations next year, threatening the jobs of 10,000 workers.

On May 4, Vice President Dick Cheney and his wife Lynne did their best to support Wal-Mart, during a rally in its headquarters in Bentonville, Ark. Cheney calling the job-eating slave-labor giant the great example of success in the U.S. economy, and praised the firm for being "generous." One suspects he was talking about Wal-Mart's contributions to the Republican Party, which make up over 80% of its PAC contributions. He certainly wasn't referring to wages and benefits to Wal-Mart's employees.

California Hit by New Energy Emergency

More than a month before the start of summer, the California Independent System Operator (ISO) on April 30 had to ask businesses in the southern part of the state to voluntarily shut off their power, during a declared transmission emergency. As temperatures reached triple digits, total demand on the statewide system reached its highest level this year, which, at 40,451 megawatts (MW) was 3,000 MW higher than forecast. (Most forecasts are notoriously low-ball figures, based on "normal" weather, even though weather is never "normal.")

The problem was not a shortage of generating capacity, but the inability to transport the electricity to where it was needed. It was bottlenecks in the infamous Path 15 north-south transmission corridor that caused blackouts in northern California three years ago. The ISO issued its own forecast a few weeks ago, warning that supplies would be tight this year, if the state faced a record demand for power.

Meanwhile, Governor Schwarzenegger is proposing the partial return of deregulation to the electricity sector, to allow

large industrial users to bypass the state's utilities and buy power from the cheapest marketer. This will leave the pay-off of the utilities' multibillion-dollar debts, accrued during deregulation, and the rising price of power due to rising natural gas prices, to the individual consumer.

World Economic News

Run on Brazilian Debt Begins: Watch Out!

Brazil's phony financial stability came to an end this past week, as foreign capital, preparing for rising U.S. interest rates, leaves the country, driving the currency down, and interest rates and country-risk up. Despite record payments on its debt in 2003, under favorable refinancing terms, Brazil's total debt grew. Now that those favorable international conditions have ended, Brazil's debt becomes unpayable. Forget the chatter about Brazil's debt profile being improved; the process underway will, inexorably, and more likely sooner rather than later, lead to a blowout of Brazil's \$500 billion in foreign obligations, exactly as *EIR* warned would happen. (See "Brazil's Choice in 2004 Is Mexico's of 1982," in *EIW* Indepth, #8).

The run out of Brazil has been growing since April 2, but it took off in a major way midweek last week. By mid-morning on May 7, the real had fallen to 3.027 to the dollar, a 1% rise in the value of the dollar that morning alone, coming on top of the rise of almost 1.5% the day before. The run on the real would have been greater, were it not for the continuing influx of dollars from Brazil's record trade surpluses. Each fall of the real increases Brazil's public debt load, 17% of which is tied to the dollar.

Brazil's country-risk rating, which determines how much more than the yield of U.S. Treasury bills a country has to pay to roll over its debts, hit 7.52% on the morning of May 7—a jump of 5.6% that morning alone. At its low, earlier in 2004, the country-risk was below 4%.

On May 5, the Treasury Ministry suspended a planned sale of long-term debt, because "the market" was demanding unacceptably high interest rates, even though the bonds offered carried floating interest rates. By the next day, however, Treasury retreated, selling some R\$ 1 billion in debt at the higher rates demanded by the markets. The "excellent" debt profile is already going down the tubes.

Argentine President Sticks to His Policy: The Nation Comes Before the Debt

On the eve of celebrating his first year in office, President Nestor Kirchner raised state-sector wages and pensions, in defiance of ultimatums from the International Monetary Fund (IMF) that any and all "extra" monies available be handed over to the nation's foreign creditors. The funding for the wage increase will come from increased tax revenues and primary budget surplus, which the IMF demanded be used for debt payment. The wage increase, the first in 13 years (!), will be for all employees who make less than 1,000 pesos a month, to bring them up to the 1,000-peso level, while retirees will see their pensions increase from 240 to 260 pesos a month. The move will benefit 100,000 state employees, 1.7 million retirees, and 62,000 members of the Armed Forces and security personnel.

The Association of State Sector Workers, ATE, which had intended to go on strike May 13, hailed the move and cancelled its strike. In the May 3 press conference announcing the increases, Kirchner's Chief of Staff, Alberto Fernandez, suggested that more increases would be forthcoming. For now, the pension increase only affects those receiving the lowest minimum pension, for the purpose of initially lifting those individuals above the poverty line. In September, another pension increase is planned, which will affect a broader group of retirees. The wage increase does not apply to state workers employed by provincial governments, and there will likely be pressure from this sector to be included as well.

Kirchner, meanwhile, also made clear he does not intend to put through the revenue-sharing bill with provincial governments, which the IMF had demanded in its most recent accord. The Fund had wanted 90% of the provinces to agree to a different scheme of revenue-sharing, which would imply greater "fiscal restraint" on their part. But Kirchner has shelved plans to put this through, and told advisors May 4 that "there can't be a [revenue-sharing] law, and certainly not one promoted by the Fund, which would undo Argentina's fiscal goals."

Then, visiting New York City May 4-6, Kirchner told a meeting at the Council of the Americas that his government has no plans to increase the amount it is willing to pay on its defaulted bonds, when it presents its final debt-restructuring offer in June. The government plan will be done "in the framework of the philosophy of Dubai"; that is, that it will stick to the proposed 75% writedown of the defaulted debt which it first offered in Dubai months ago. This is not what the 300-person audience of Wall Street bankers and businessmen wanted to hear, as Council of the Americas vice president Susan Purcell noted. Kirchner's speech was very articulate, and a good defense of his policies, "but it didn't satisfy the Wall Street representatives present, who had hoped to hear something that went beyond the announcement made in Dubai last year on the debt."

Bank of England Raises Interest Rates Again

The Bank of England raised interest rates May 6 for the third time since November 2003, to 4.25%. Given the ever-expanding real estate and debt bubble in Britain, the interest rate increase was expected.

The Bank of England's monetary policy committee (MPC) increased rates by a quarter-point, claiming that it did so because the "global economic upswing has been maintained," and the economy would continue to "strengthen." However, the MPC statement noted the severe problem in the British economy: "Retail spending continues to be robust, underpinned by income growth and unexpectedly strong house price inflation."

British house prices are soaring out of sight. Yesterday, a key mortgage lender, the Halifax Bank, reported that house prices had risen by 1.8% in April *alone*. This is a 19.1% year-on-year price inflation, the fastest such rise since August 2003. At this point, British house prices are soaring by almost 100 pounds a *day*, or about 3,000 pounds a month.

The Bank of England earlier in the week had released a report showing a 9.3-billion-pound jump in mortgage lending in March, a record 15.2% year-on-year rise.

In comparison to soaring house prices, which are now rising by 33,540 pounds a year, the average British worker earns just 28,065 pounds a year—less than the price increase.

United States News Digest

Former U.S. Diplomats Blast Bush's Southwest Asia Policy

Just as 52 British former diplomats recently wrote Prime Minister Tony Blair a letter demanding that he use all his influence to change President Bush's Mideast policy of backing up Israel in every situation—or, failing that, that Blair stop backing Bush—now, a group of American former diplomats have similarly acted.

We reprint here the text of a letter 16 U.S. former diplomats sent to President Bush on April 30; it has now been signed by a total of about 60 diplomats.

"Dear Mr. President: We former U.S. diplomats applaud our 52 British colleagues who recently sent a letter to Prime Minister Tony Blair criticizing his Middle East policy and calling on Britain to exert more influence over the United States. As retired foreign service officers, we care deeply about our nation's foreign policy and U.S. credibility in the world.

"We also are deeply concerned by your April 14 endorsement of Israeli Prime Minister Ariel Sharon's unilateral plan to reject the rights of 3 million Palestinians, to deny the right of refugees to return to their homeland, and to retain five large illegal settlement blocs in the occupied West Bank. This plan defies UN Security Council resolutions calling for Israel's return of occupied territories. It ignores international laws declaring Israeli settlements illegal. It flouts UN Resolution 194, passed in 1948, which affirms the right of refugees to return to their homes or receive compensation for the loss of their property and assistance in resettling in a host country should they choose to do so. And it undermines the Road Map for peace drawn up by the Quartet, including the United States. Finally, it reverses longstanding American policy in the Middle East.

"Your meeting with Sharon followed a series of intensive negotiating sessions between Israelis and Americans, but which left out Palestinians. In fact, you and Prime Minister Sharon consistently have excluded Palestinians from peace negotiations. Former Palestinian Information Minister Yasser Abed Rabbo voiced the overwhelming reaction of people around the world when he said, 'I believe President Bush declared the death of the peace process today.'

"By closing the door to negotiations with Palestinians and the possibility of a Palestinian state, you have proved that the United States is not an even-handed peace partner. You have placed U.S. diplomats, civilians, and military doing their jobs overseas in an untenable and even dangerous position.

"Your unqualified support of Sharon's extra-judicial assassinations, Israel's Berlin Wall-like barrier, its harsh military measures in occupied territories, and now your endorsement of Sharon's unilateral plan are costing our country its credibility, prestige, and friends.

"It is not too late to reassert American principles of justice and fairness in our relations with all the peoples of the Middle East. Support negotiations between Palestinians and Israelis, with the United States serving as a truly honest broker. A return to the time-honored American tradition of fairness will reverse the present tide of ill will in Europe and the Middle East, even in Iraq. Because the Israeli-Palestinian conflict is at the core of the problems in the Middle East, the entire region and the world will rejoice along with Israelis and Palestinians when the killing stops and peace is attained."

Kentucky State Rep Backs LaRouche Campaign

At the conclusion of a two-day campaign trip to Louisville, Ky., where he addressed dozens of trade unionists, political leaders, supporters, and youth, Democratic Presidential pre-candidate Lyndon LaRouche held a May 7 press conference at which he was endorsed by State Rep. Perry Clark. Clark called on Kentuckians to join him in voting for LaRouche in the May 18 Democratic Presidential primary.

In his opening statement, Rep. Clark cited the fact that the financial oligarchy has taken over both parties in the United States, and that this control has to be broken. Lyndon LaRouche is the only person who can do that, Clark said, and that's why he endorses him for President. Clark also released a formal statement of endorsement, in which he praised LaRouche's FDR-like economic approach to dealing with the current economic crisis, as well as LaRouche's policy for ending the Iraq nightmare with an initiative based on the precept "Love Thy Neighbor."

Clark's statement read in part: "That policy [LaRouche's economic program] also echoes the approach of Great Kentuckians of generations past. Roosevelt proudly stood on the shoulders of both Henry Clay and President Abraham

Lincoln, who were leading proponents of what became known as the American System of Economics. It was this system that built the United States into the great nation, that up until recently, was the envy of the world. It is time to revive the American System of Clay and Lincoln."

LaRouche followed Clark with a hard-hitting discussion of why he is the only candidate for President who is qualified to be President under the current conditions of crisis. He put the key issues of the LaRouche Doctrine for Southwest Asia, and the solution to the economic crisis, on the table, while stressing that he personally is committed to changing Bush Administration policy *now*, prior to the election. After a few questions, LaRouche was interviewed separately by the NBC and CBS affiliates in Louisville.

The LaRouche campaign is concentrating over the coming week on the primary contests in Arkansas and Oregon, which also occur on May 18. A heavy series of radio ads presenting the LaRouche Doctrine is being aired, at the same time that teams from the LaRouche Youth Movement are deploying throughout these states.

Friedman Calls for Firing Rumsfeld

In his May 6 *New York Times* op ed, senior columnist Thomas Friedman writes, "We are in danger of losing America as an instrument of moral authority and inspiration in the world. I have never known a time in my life when America and its President were more hated around the world than today."

The overhaul of Iraq policy must "begin with President Bush firing Secretary of Defense Donald Rumsfeld—today, not tomorrow or next month," as he should already have done, over the Pentagon's failure of planning for the postwar period. Friedman says Bush must call for a regional approach: "Invite to Camp David the 5 Perm Members of the UNSC, the heads of NATO and the UN, and the leaders of Egypt, Jordan, Saudi Arabia and Syria," and admit mistakes, that we are losing Iraq, and that he is turning a new page." There is "still a glimmer of hope that this Bush team will do the right thing," says Friedman.

Law Professor Urges Hearings into Scalia's Conduct

In an op ed published in the New York-area newspaper *Newsday* on May 4, Hofstra University Professor of Law Monroe Freedman argues that, in the course of trying to refute the demands that he recuse himself from hearing the plea of his 25-year-long buddy Dick Cheney to keep his energy task force dealings secret, Supreme Court Justice Scalia "unintentionally made the far more important point that he should have disqualified himself in 2000 from *Bush v. Gore*, which made his old friend Dick Cheney the Vice President of the United States." Freedman argues that Scalia should have recused himself, under the Federal Disqualification Statute, a law which expressly applies to Supreme Court justices.

"In a State of the Union address, George W. Bush inveighed against 'activist judges' who, 'without regard for the will of the people ... insist on forcing their arbitrary will upon the people.' Perhaps Congress should hold hearings on Supreme Court justices who flout the will of the people, and who bring the administration of justice into disrepute, by sitting in cases from which they have clearly been disqualified under federal law," Freedman urged.

Kerry Grovels, Hillary Gushes Before the ADL

Democratic Presidential candidate John Kerry failed to criticize the rightwing, repressive policies of the Sharon government in Israel when he addressed the Anti-Defamation League of B'nai B'rith (ADL) on May 4. Instead, he said that "I will never force Israel to make concessions that cost or compromise any of Israel's security.... We will also never expect Israel to negotiate peace without a credible partner."

Senator Hillary Clinton (D-NY) also addressed the ADL meeting, praising Abe Foxman and the ADL in glowing terms. She announced that she had led an effort to condemn the "ongoing efforts to undermine Israel's standing in the world community, most recently by the General Assembly vote to take the issue of the fence to the World Court." A letter was signed by Clinton and Senators Hatch, Schumer, and Smith, "protesting the International Court of Justice's decision to hear this case, I asked them what would we do if we had constant incursions from Canada or Mexico, that people were coming over our border on a daily, weekly basis and killing innocent civilians, what would we do? Well, we would obviously take action. And I think that is the right of self-defense and the responsibility of any government to do."

Clinton and her colleagues have apparently decided to ignore the fact that Israel's fence is a de facto theft of Palestinian land.

Police-State Measures: Get Used to Them

That is the message of the May 2 *New York Times* magazine cover feature by Michael Ignatieff, the Canadian writer who made his first big splash making the case for an American Empire, in the *New York Times* magazine of Jan. 4, 2003. The feature article is a summary of a book Ignatieff expects to bring out later this month, which book is entitled *The Lesser Evil*.

In January 2003, Ignatieff said that the U.S. has to "get used to" the idea of being the world empire, like it or not. Now he says that we have to "get used to" police-state measures, because they are allegedly necessary to defend ourselves against allegedly inevitable new terror attacks, including around this fall's elections.

Ignatieff plays it coy, by criticizing Bush for running roughshod over Congress to get the war, for the lies leading to the war against Iraq, and by noting all sorts of other "excesses," such as under Hoover.

His solution is that we need a "rule of law" governing the "lesser evils" which are required to win the "war on terror." Ignatieff even applies this schema to *torture*, citing Alan Dershowitz's statement that if the U.S. is going to use it, it should regulate it with "torture warrants."

Ignatieff goes so far as to launch into an attack on the "imperial Presidency," at the same time that he defends outright the doctrine of preemptive war. He just wants to make sure that the doctrine is not carried out as stupidly and clumsily as it has been in Iraq. So, "the question is not whether we should be trafficking in detention, coercive interrogation, and targeted assassination"—i.e., we should. "It is whether we can keep these lesser evils under the control of free institutions."

Chalabi Reported To Be Playing Double Game with Iran

Newsweek magazine reported, in its May 10 issue, that U.S. intelligence officials have briefed the White House that the neo-cons' Ahmad Chalabi "and some of his top aides have supplied Iran with 'sensitive' information on the American occupation in Iraq.... [E]lectronic intercepts of discussions between Iranian leaders indicate that Chalabi and his entourage told Iranian contacts about American political plans in Iraq. There are also indications that Chalabi has provided details of U.S. security operations. According to one U.S. government source, some of the information Chalabi turned over to Iran could 'get people killed.'"

Newsweek cites Administration officials saying that "Chalabi may be working both sides in an effort to solidify his own power and block the advancement of rival Iraqis.... Yet Chalabi still has loyal defenders among some neo-conservatives in the Pentagon." The magazine stresses that "each month the Pentagon still pays his group a \$340,000 stipend, drawn from secret intelligence funds, for 'information collection.'" The factional battle is hot: "The State Department and the CIA are

using the intelligence about his Iran ties to persuade the President to cut him loose once and for all."

Retired Military To Condemn Bush Southwest Asia Policy

A group of retired U.S. generals and admirals is drafting a "tough condemnation" of the Bush Administration's Southwest Asia policy, wrote Arnaud de Borchgrave in the *Washington Times* on May 3. In addition, the Council on Foreign Relations organized a conference call for its members with retired Army Gen. William E. Odom, who said staying the course in Iraq was untenable and urged an immediate pull-out of U.S. troops.

Ibero-American News Digest

Brazilian Catholic Bishops: 'Creditors Can Wait, But the Unemployed Cannot'

Brazilian President Lula da Silva's failure to deliver on his promise to raise the minimum wage more than a bare minimum has earned him a public rebuke from the National Council of Brazilian Bishops (CNBB). After repeated assurances that the government would raise the minimum wage more than 9% (that is the increase in consumer prices over the past 12 months), on April 29, the government announced an increase of only 8.3%, to R\$260, or \$88 a month, citing the need to adhere to the International Monetary Fund's fiscal austerity conditionality. To cover for its cowardice in the face of the financiers, the government announced a small increase in its bonus payment for poor households with more than three children.

Wall Street was happy, but Brazilians were not. The CNBB issued a "Labor Day Message" which was read at the May 1 mass in Sao Paulo attended by Lula.

"Brazil is going through a profound economic and social crisis, characterized by record levels of unemployment and underemployment. More than 25 million people work in the informal sector, or even in illegal activities," the CNBB declared. The minimum wage's loss of buying power is accelerating, every day providing fewer of the basic necessities needed by a family. The inequalities worsen daily, and with it, the danger of the social fabric being ripped apart. We cannot become inured to this harsh reality.

"The public resources cannot be allocated only to payments on the domestic and foreign debt," the Bishops said. Payments must be made to investments which create jobs, and to initiatives which fulfill the constitutional requirement of eradicating poverty in our country. Creditors can wait, but the unemployed cannot."

The Federal Civil Servants' Confederation, the largest civil servants' union in the country, immediately announced that it will call a 24-hour strike of its 600,000 workers on May 10, to protest the low increase.

Energy, Economic Crises Fragment Ibero-America

The economic and energy crises wrought by IMF policy are producing political conflict among nations that should be allied with each other on the issues of infrastructural and economic development, a fact that points to the urgent need for Lyndon LaRouche's policies.

* Chile and Bolivia: Chilean President Ricardo Lagos cut off talks on an Economic Complementarity Agreement (ACE) with Bolivian President Carlos Mesa, and called for a boycott of Bolivian exports, after Mesa stipulated that "not one molecule" of the natural gas which Bolivia is shipping to Argentina can be reexported to Chile. Among other things, this

will devastate the Chilean port of Arica, which is dependent on shipping Bolivian freight for its economic survival. The rightwing Mayor of Santiago, Joaquin Lavín, demanded that Chile never consider granting Bolivia access to the sea via the Pacific, because of its action on oil.

* Argentina and Chile: Tensions are intensifying over Argentina's reduction of natural gas exports to Chile, carried out in order to deal with its own artificially created natural gas shortage. Numerous current and former Chilean government officials are demanding harsh reprisals against both Argentina and Bolivia, while a Chilean businessmen's delegation has already met with Argentine counterparts in the natural gas-rich province of Neuquén, to discuss finding a "private sector" solution to Chile's shortages, involving Neuquén Governor Jorge Sobisch, who is a political enemy of Argentine President Néstor Kirchner. Chilean Foreign Minister Soledad Alvear has warned that Chile will consider resorting to arbitration, if the problems with Argentina aren't resolved.

* Venezuela and Ecuador are getting in on the act as well. The Ecuadorean government of Lucio Gutiérrez has just signed a deal to provide Chile with oil, to offset Argentina's reduction of gas exports. Venezuela's synarchist President Hugo Chávez is, in the meantime, strengthening economic and political ties with Bolivia, against Chile, with vocal support for Bolivia's demand that Chile return to it the coastal territory seized during the 1879-81 War of the Pacific.

Bolivia Explodes in Strikes, Government Precarious

The Bolivian Workers Federation (COB) began a nationwide strike on May 3, which, while not initially supported by all sectors, has the potential, in combination with the narco-insurgency going on in the rest of the country, to bring down the Mesa government and set fire to the whole region. The strike ostensibly is in protest of the government's continued adherence to free-trade neo-liberalism, including gutting pensions, privatizations, and natural resource giveaways.

Both President Carlos Mesa and the Roman Catholic Church have appealed for a suspension of the strike to facilitate negotiations, out of fear that the strike could topple the government. So far, general negotiations have failed, and the Mesa Administration is concentrating on bilateral negotiations with individual labor sectors, to try to dilute the strike effort. However, insurgent provocateurs have already launched themselves into the fray. The lunatic Congressman and "ex-guerrilla" Felipe Quispe (aka Mallku), best known for having publicly praised the perpetrators of 9/11, has already pledged his indigenous and *cocalero* followers in the Pachacuti Indigenist Movement to the strike effort. Quispe has promised that his forces, which were active in the revolt last year that toppled the Sánchez Lozada government, will contribute by blockading roads and highways. The military, in turn, has announced that it will deploy to protect those highways.

Quispe, who portrays himself as the leader of the Aymara Indians in western and central Bolivia, has also called on his "brothers in Peru" to rise up against the white authorities, and referred to last week's mob-killing of a hated Peruvian Mayor by Peruvian Aymaras as "an historic act." He urged solidarity, because "now is the time to liberate ourselves, to fight for an indigenous nation, which sooner or later we are going to self-govern." He has called for this "self-liberation" to spread to the Aymara communities in Argentina and Chile, as well. Several indigenous groups have already launched a hunger strike in southern Bolivia, and are threatening to occupy Bolivia's oilfields, if government legislation on oil and gas development is not repealed.

Peru's Interior Minister Ousted

The latest blow to the discredited Toledo government in Peru was delivered by the Congress, which voted 62 to 39 on May 5, to oust Interior Minister Fernando Rospigliosi. Rospigliosi was held responsible for the mob-lynching of the Mayor of the town of Ilave on April 26, because he failed to send in police reinforcements, despite weeks of building protest. President Alejandro Toledo was not happy, calling Rospigliosi "one of the best ministers," but, with reported 8% support ratings from the population. Toledo is in no position to buck Congress. Five members of Toledo's own Peru Posible party

had voted for Rospigliosi's ouster. Toledo's few remaining supporters are so nervous, they recently proposed a bill to make it harder to remove the President from office!

The ouster came the day after more than 3,000 *cocaleros* arrived in Lima, chanting such slogans as "Urgent! Urgent! A New President!" The *cocaleros* say they will camp out in Lima until their demands are met, with their spokeswomen, Nancy Obregon—a familiar face in George Soros's drug-legalization circuit—promising that they are prepared to do "whatever it takes" to get their way. They gave the government 48 hours to accept their demands: Ending the government drug eradication program and shutting down its liaison office with the U.S. Drug Enforcement Administration; legalizing coca sales; and even setting up "industrialization" of coca. Obregon said that when their food runs out, the thousands of coca growers will begin a hunger strike, but they are not leaving until they get their demands passed as law.

A bill legalizing the coca leaf is already before Congress. Congress sent a delegation to meet with the *cocaleros*, discussing the formation of a mediating commission, which would include the Prime Minister, the Minister of Agriculture, Congressmen, and the growers.

Radical Right and Left Use Venezuela To Polarize the Continent

Just as the neo-cons increase the pressure for the overthrow of Hugo Chavez in Venezuela, out comes FARC spokesman and leader Raul Reyes, hailing Chavez as the great ally of the narcoterrorist FARC. The same day (May 4) that President Bush's Special Envoy for Ibero-America, Cuban-American neo-con Otto Reich, used the annual conference of the Council of the Americas to warn that U.S.-Venezuelan relations would "deteriorate" if the Chavez regime continued to aid "violent groups" in Ibero-America, Colombian narcoterrorist leader Reyes (he who so famously embraced former New York Stock Exchange head Dick Grasso when the latter visited the FARC in the jungles of Colombia), described as now being "number two" in the FARC, told the terrorist-run ANNCOL news agency that Chavez is "a true Venezuelan patriot," who will, they expect, be able to resist overthrow by the Venezuelan oligarchy. "The FARC sympathizes with the government of Hugo Chavez," Reyes said, "because it is a Bolivarian government which is developing a Bolivarian process... committed to the ideals of our Liberator."

Thus, once again, we see the (Synarchist) neo-conservative gang, with Miami's Cuban-Americans in the lead, and Fidel Castro's (Synarchist) allies in the continent, led by the FARC and Hugo Chavez, working together to trigger generalized war in Ibero-America for years to come. Hugo Chavez reiterated on his Sunday TV program on May 2 that if the U.S. uses its military presence in Colombia to attack Venezuela, "There will be war for 100 years."

For his part, Reich announced that he will be leaving his post as Special Envoy soon, to return to the more lucrative private sector, frustrated that he has not been able to "accelerate" the end of the Castro regime in Cuba, nor sufficiently help the Venezuela people prevent a dictatorship. There isn't a dictatorship yet in Venezuela, he said, but we have "to be very careful."

World Bank To Create Derivatives Market in Colombia

According to *El Pais* of April 30, Colombia has just signed a Master Derivatives Agreement (MDA) with the World Bank, according to which that country will be able to play derivatives games based on its loans from the World Bank! Or, as the World Bank's own press release puts it, to give Colombia "access to the full range of risk management that [the World Bank] offers to its clients, which should afford the government significant additional flexibility in carrying out a prudent sovereign debt-management strategy."

The MDA was signed between Colombian Finance Minister Alberto Carrasquilla and World Bank Treasury Deputy Kenneth G. Lay (no, not the Enron ex-chairman Kenneth L. Lay, although he might as well be!). This is the third such

MDA between the World Bank and a member country.

In offering these "financial products," the World Bank says it will allow borrowers "to use standard market techniques to transform the risk characteristics of their outstanding World Bank loans." The Bank says it intends to function as a bridge between "market institutions" (a.k.a. the roulette wheel) and its borrowers, while entering into separate agreements with each member country, which gives them the benefit of the Bank's own AAA credit rating.

PEMEX Initiates Mass Purge of Nationalists

Mexico's state oil company, PEMEX, has announced that 5,000 employees are to be fired by the end of September, according to *El Financiero* of May 4. PEMEX engineers, who denounced the decision, charge that those who oppose the privatization of the company, and defend the nation's sovereignty over its oil, are being targetted in the purge. Although the firings are being justified as necessary to cut costs, these engineers point out that the company is hiring from the private sector top executives, who want to privatize the company, and who also receive far higher salaries than many engineers combined, the which will lessen any "savings" from the purge.

Western European News Digest

Jacques Cheminade Presents LaRouche Doctrine in Qatar

On the evening of May 4, LaRouche associate Jacques Cheminade gave a 40-minute presentation, ranging from an exit strategy for U.S. forces from Iraq, to the reality of physical economy as defined by the LaRouche Doctrine. Cheminade, a leading political figure in France and a former French Presidential candidate, was one of three main speakers at the conference organized by a Qatari think-tank on the Iraq war, which took place at the Doha Sheraton Hotel. Over 400 people from embassies, oil corporations, civil society, and scholars attended and asked questions. The event was covered in the May 5 Arab newspapers *Al-Watan*, *Al-Sharq*, and *Al-Raya*.

'LaRouche Doctrine' Covered on Rome Regional TV

On May 4 at 10:00 p.m., the Rome-based regional TV network "Teleambiente" broadcast an hour-long live discussion on the situation in Iraq and in Southwest Asia with Paolo Raimondi, president of the Movimento Internazionale per i Diritti Civili-Solidarietà, the LaRouche organization in Italy; Prof. Giulio Salierno, author and university sociology teacher; and Maurizio Musolino, head of the news department of the weekly *La Rinascita della sinistra*, the paper of the Party of the Italian Communists (PdCI), an opposition party in the Parliament.

Giuseppe Vecchio, the program host, opened the discussion with his usual: "Let us hear the latest developments of the LaRouche campaigns and activities in the USA." Raimondi presented the fundamental points of the LaRouche Doctrine, the importance of the 9/11 Investigation Commission in Washington, and the continuation of the "Impeach Cheney" campaign of LaRouche to change the present situation in the USA.

Musolino endorsed decision by new Spanish Prime Minister Zapatero to withdraw the Spanish troops from Iraq, combined with an international mobilization to get the UN to play the leading role in a peaceful solution. He denounced the Bush visit to Rome at the beginning of June as a cheap attempt to help Berlusconi in the European election vote scheduled a week thereafter. Professor Salierno went into an historical explanation of the role played by the colonial powers from World War I on to radicalize the Arab and Islamic populations. He several times expressed his agreement with Raimondi on the neo-con imperial reasons behind the wars, on the global financial crash, and on the decisive importance of the political battle inside the U.S. led by LaRouche.

The same day, two Rome-based press agencies, Agenparl and Osservatore Politico Internazionale (OPI), reported a statement by Raimondi on the content of the LaRouche Doctrine in which he invited the Italian political forces to take note of the debate this "proposal for action" has generated inside the USA and in the Arab world.

Joint Automotive Projects Discussed in China-Germany Talks

Chinese Prime Minister Wen Jiabao, shortly after his arrival May 2 in Germany for his first trip there, visited the Audi car-manufacturing plant in Ingolstadt; two bigger joint ventures in auto were scheduled to be signed during his three-day stay: Volkswagen and Shanghai Automotive, as well as DaimlerChrysler and Beijing Automotive, will establish new modern production lines in China, with investments between 5 and 8 billion euros over the next six years.

Also mentioned as being among leading German companies that have joint-venture projects planned for China, are Infineon (information technology), Siemens (railway communication systems, other electronics, gas turbines), Degussa (special metallurgy), and Bayer (pharmaceuticals, chemicals).

Wen Jiabao was scheduled to address the German political and economic elites in Berlin twice on May 4, first at a high-tech dialogue forum hosted by the Ministry of Economics, and later at an event of the Asia-Pacific Committee of the German Industrial Association. From Berlin, he went on to Brussels, for talks with the European Union Commission on May 5.

Nuclear Technology Revived in Europe with EPR

The French government gave the green light May 5 for the construction of an enhanced pressurized-water reactor prototype, also called the European Pressurized Water Reactor (EPR), to be completed by 2010. A specific timetable has not yet been decided, and the Assemblée Nationale—where the government party, the UMP, has a solid majority—has yet to vote on it. The private sector will cover 3 billion euros of the cost.

The EPR is a Franco-German joint venture pilot project with Framatome, which will build the first reactor of this type, not in France, but in Finland, which several weeks ago signed a contract. There is also interest in Bulgaria, which wants to build a modern 1,000-megawatt unit.

A reflection of the French move was seen in Germany, where Bavarian State Governor Edmund Stoiber, in a speech in Munich on May 5, said nuclear power is indispensable, and is enjoying a renaissance worldwide, after years of being demonized. More and more nuclear power reactors will be built in the coming years, Stoiber said, adding that the transformation of Bavaria from an agrarian state to an industrial one in the second half of the past century went along with the construction of nuclear power plants, which today provide two-thirds of the state's power needs—almost as much as in France.

Europe-Russia Economic Integration Grows Apace

The Spanish newspaper *El Pais* carried a lengthy article May 5 titled "The Russians will not enter [the EU], but Russian oil will." EU Commissioner for Energy Loyola de Palacio, who recently visited Russia, told *El Pais* in the mid- to long-term perspective, there will be a more unified energy market. Russia and the EU are studying the synchronization of their electrical grids, and Russia is the main source of fission material for the EU.

El Pais further reports that the big Russian oil companies have prepared for the expansion of the EU, and have a big chunk

of the EU market. The article is illustrated with a map showing the different oil and gas pipelines from Russia to the EU. In the new Europe of, now, 25 member states, there are no borders for Russian energy: a dense network of oil and gas pipelines go through Europe which unify the oil extraction sites with the potential consumers of the West. The big Russian energy companies positioned themselves before the EU expansion, writes *El Pais*, investing in modernization and the creation of refineries, port terminals, and transport routes for gas pipelines.

The Russian state obtains 40% of its annual income from export of hydrocarbon products: 25% of the gas and 20% of the oil consumed in the EU comes from Russia, and this percentage will increase in the future, according to Loyola de Palacio. For Moscow, the European energy market, which absorbs half of its exports of oil and 60% of its gas, will be important in the future, according to Valeri Salyguin, director of the Institute of Energy Policy in Moscow.

Tony Blair Covers His Backside in Scarlett Appointment

The May 6 appointment of John Scarlett as head of Britain's MI-6 intelligence organization has triggered a huge outcry. Scarlett has spent his entire career at MI-6, and is currently chairman of the Joint Intelligence Committee, which "liaises" between the intelligence services and the government.

From that position, Scarlett not only wrote the now-totally-discredited "Iraqi WMD" report, but defended it to the Hutton Inquiry whitewash. The WMD report was not only the basis for the British to enter the disastrous Iraq war, but also was used by the Cheney crowd to justify their "preemptive war" doctrine.

Tory Party spokesman Michael Ancram said that Scarlett's "appointment at this time is inappropriate," since the government's own "investigation" about gathering and use of "intelligence" before the Iraq war—the Butler inquiry—is still ongoing.

"In today's world, Britain's Secret Intelligence Service is central to our national security. And it is essential the whole country has the fullest confidence in it," Howard said.

"The government-appointed Butler Inquiry is currently reviewing the whole question of intelligence, and the use made of it, in the run-up to the Iraq war. Given that John Scarlett is central to that review, and that the inquiry has not yet reported, I believe that this appointment, at this time, is inappropriate."

Liberal Democrat foreign affairs spokesman Sir Menzies Campbell called the Scarlett appointment "highly controversial."

Britain Will Send 4,000 More Troops to Iraq

The *Daily Telegraph* reported May 2 that the decision was made by Prime Minister Tony Blair while he was visiting President Bush two weeks ago, although it has not been officially announced. The Telegraph adds that the British defense chiefs backed the deployment, "but have warned the government that the Army is at full [stretch] and would struggle to deal with any other international emergency requiring personnel." The troops are expected to be in Iraq for not less than two years, says the *Telegraph*.

The deployment will be to the Najaf and Kut region, replacing the Spanish and other troops that are being pulled out, and bringing the entire south central portion of Iraq under British command. British senior officers warned that the deployment is "likely to lead to extensive casualties," according to the *Telegraph*. It is expected that the first troops will arrive within two weeks.

Bombs in Central Athens Echo of 1970s 'Strategy of Tension'

Three bombs exploded in the central district of Kalithea in Athens on the early morning of May 5, near several hotels scheduled to be used by Olympic officials for the 2004 summer Olympics. The Kalithea police station was hit by what officials said were three separate bombs, consisting of three sticks of dynamite attached to an alarm clock. An unnamed newspaper reported receiving a warning call 10 minutes before the blast.

Authorities are pointing to similarities to the 1970s "November 17" leftist organization, which was blamed for assassinations at the time.

Subsequently, a bomb scare was reported aboard a Greek ferry carrying 580 passengers in Athens' port of Piraeus, followed by another threat that rattled the Greek Economics Ministry. In neither case were bombs found.

The May 5 bombings took place while senior members of the Public Order Ministry, the police, and intelligence services were in the United States to discuss security for the Olympics.

Turkish police said May 3 that they had foiled a plot to bomb the NATO meeting in Istanbul in June, which will be attended by heads of government from Europe and the United States. Sixteen militants said to be connected to the Ansar al-Islam group were arrested.

Russia and the CIS News Digest

Putin Inaugurated, Meets With Patriarch

Vladimir Putin was inaugurated on May 7 as President of the Russian Federation for a second term, to which he was reelected March 14. He accepted the resignation of the government, as mandated by law, and immediately reappointed Mikhail Fradkov as Prime Minister. Putin also visited Alexei II, Russian Orthodox Patriarch of Moscow and All Russia, to receive his blessing.

Russians Usher Abashidze Out, Defusing Georgia's Ajaria Crisis

Russian representatives were decisive in defusing a potential explosion of violence between Georgia and its autonomous province, Ajaria. On Sunday, May 2, Ajarian President Aslan Abashidze had ordered the bridges between Ajaria and Georgia blown up, to prevent Tbilisi from sending in its military to disarm the Ajarian militias. On the evening of May 5, after a visit from Russian Security Council head, Igor Ivanov (formerly Russian Foreign Minister), Abashidze accepted a Russian offer of safe passage to exile in Russia, resigned, and left. His family's dynasty in the Ajaria region goes back well over a thousand years, to the 7th century.

After the destruction of the bridges, opposition forces from the Our Ajaria movement, allied with Georgian President Michael Saakashvili's group Kmara! (Enough!), conducted round-the-clock demonstrations against Abashidze at Batumi University and other locations. There were also unconfirmed reports that Aslan Smirba, former Mayor of Batumi, and Alexander Davitidze, an Ajarian underworld figure, had shifted to the Georgian side. The U.S. State Department issued a statement in support of Saakashvili's attempts to bring Abashidze to heel. Then, on May 5, Saakashvili imposed "direct Presidential rule" in Ajaria.

Saakashvili's media had repeatedly accused retired Russian Gen. Yuri Netkachov (commander of the Transdniester

contingent of Russian troops in Moldova until 1992) of assisting Abashidze. But on May 5, after Saakashvili's "direct rule" announcement, it was Ivanov (rather than a strongly pro-Abashidze figure such as Moscow Mayor Yuri Luzhkov, who had travelled to Batumi the last time a conflict flared between Abashidze and Saakashvili) who flew from Moscow to Ajaria. His mediation was approved personally by Russian President Vladimir Putin, after the latter's phone consultation with Saakashvili. And Saakashvili publicly offered to drop a pending criminal case against Abashidze and guarantee his personal safety, in exchange for his resignation.

Siberian Hydroelectric Plant Seized From UES

The biggest hydroelectric power plant in Russia (and, at 6,400 MW, the fourth largest in the world), the Sayano-Shushensk facility on the Yenisei River, was ordered seized by the Russian government on April 23. The 1993 privatization of the dam and power plant as part of the national utility company, Unified Energy Systems (UES—currently run by former top privatizer Anatoli Chubais), was overturned by a regional court following a complaint from Gov. Alexei Lebed of Kharkassia, where Sayano-Shushensk is located, that UES had imposed unjustified price hikes. Three-quarters of the power it generates is used in the aluminum industry. Reuters news agency quoted an unnamed UES official, who called Deputy Prime Minister Alexander Zhukov's order to implement the court decision, "the beginning of de-privatization."

UES stock fell 9% in one day after Zhukov's announcement. The Moscow market was already in turmoil because of a rumored interrogation of Norilsk Nickel owner Vladimir Potanin.

Russia Invites French and Italian Firms into Russian-Ukrainian Pipeline Consortium

"Being tired of attempts to implement the original project for a Russian-Ukrainian gas transport consortium, Moscow has decided to invite Gas de France and ENI into the deal," reported the Russian newspaper *Kommersant* April 26. The paper recalled that Germany's Ruhrgas expressed a commitment to join the consortium as far back as June 2002. The gas transport consortium was officially founded in 2002 by Gazprom and Naftogaz-Ukraine. Since that time, Moscow has pushed for privatization of Ukraine's gas pipelines. As Kiev was reluctant to agree, Moscow proposed to lease the Ukrainian pipelines to the consortium for 50 years, on terms of parity (50:50), but Kiev wanted 51% control.

During his April talks with Ukraine's President Leonid Kuchma in the Crimea, Russian President Putin proposed to invite the major French and Italian gas companies to join the project. According to Ukrainian MP Alexander Hudyma, the proposal will be supported by the Supreme Rada only if the 51% stake is granted to Ukraine. A Ruhrgas spokesman declined comment, pending the conclusion of negotiations.

Kommersant quoted an anonymous Kremlin source as saying that during Putin's late-April talks with EU Commissioner Romano Prodi, he hinted that "if the Europeans are interested in reliable delivery of gas, they should convince Ukraine's government not to sabotage the consortium." Thus, in the framework of this trade agreement, the Kremlin is granting a share of its political influence in Ukraine to the EU.

Russia To Repay IMF Early

Addressing the spring session of the IMF and World Bank on April 26, Russian Finance Minister Alexei Kudrin "promised to return Russia's debt to the IMF ahead of schedule, and praised the U.S. dollar," according to what the Russian business daily *Kommersant* highlighted from Kudrin's speech. Russia has borrowed a total of \$22 billion from the International Monetary Fund since joining it in 1992, but nothing in recent years. The IMF portion of Russia's foreign debt stood at \$6.5 billion in early 2003, and \$3 billion more will have been paid off in 2003-04.

Such payments have been made possible by Russia's high oil-export earnings—and fiscal austerity. If the spectre of the systemic world financial crisis was haunting the Washington meetings, Kudrin did not seem to notice. *Kommersant* reported that Kudrin appeared convinced by U.S. Treasury Secretary John Snow and Federal Reserve chairman Alan Greenspan, that the U.S. economy is growing vigorously, even if Europe is not. Snow also told him, the report said, that poor countries should turn to the IMF "only in cases of extreme necessity," while those that officially have a positive growth rate, like Russia, are expected to pay ahead of schedule.

Russia Tests Mobile Version of Topol ICBM

On April 26, Russia successfully tested a mobile version of its Topol intercontinental ballistic missile, the Topol-M (called SS-25 by NATO). The Topol-M hit a target at its maximum range of 11,500 km, Russian Minister of Defense Sergei Ivanov reported to President Putin. The Topol-M can be equipped with the new Russian hypersonic warhead, which can change course, shifting from ballistic to atmospheric flight—an anti-missile defense-evading technology that was first tested in February. The Topol-M launcher can traverse rough terrain, off-road, up to several hundred kilometers.

Southwest Asia News Digest

The New Iraqi Security Force in Fallujah Is Working

The new Iraqi security force in Fallujah, under the direction of former Republican Guard generals, is functioning precisely the way Lyndon LaRouche indicated such an arrangement could—and points to the insanity of the Beast-Men's alternative. As indicated in some detail in the May 7 *Washington Post*, this force was put together by Marine Lt. Gen. James Conway, in an April 22 meeting with a group of former Iraqi Army generals, who said they could create a force that would restore order in this city. Some of the recruits to this 1,000-man force were fighting the Marines only a month ago. Anxious to avoid an all-out Marine assault on the insurgency in Fallujah, Conway met with Generals Saleh and Latif, and was impressed with what he heard, according to the *Post*. "These were military professionals who understood a dynamic on the ground ... [and] spoke in a language ... that was very, very similar to how we perceived the problem," said Col. John Coleman, Conway's Chief of Staff.

Although Conway's superiors, Lt. Gen. Ricardo Sanchez and Gen. John Abizaid, had authorized him to reach a deal with the Iraqi officers, proconsul Paul Bremer and the civilian administrators in Baghdad apparently knew nothing of the arrangement until it was announced. "It caught everyone by surprise," said one American official in Baghdad. "Here was this Marine general making security policy, and we knew nothing about it."

The *Post* does a certain amount of teeth-gnashing about the same "stout Iraqi generals" parading around with "an imperious air." But Gen. Conway and his aide Col. Coleman say otherwise. On May 5, Coleman said "we have a potential Iraqi solution to the problem that we didn't have 96 hours ago.... As long as we can continue to show positive progress toward the mission ... we feel that we're closer to the end-state objective. The over-arching aim of this [Marine] force is to basically work itself out of a job."

General Latif Wants Americans To Go Home

The Head of the new Iraqi security force in Fallujah, Gen. Mohammad Latif, said "I want the American soldier to return to his camp. What I want more is that he returns to the United States." Speaking to Reuters May 7, he added, "They should leave very quickly, very quickly, or there will be problems. If they stay, it will hurt the confidence and we have built confidence. They should leave so that there will be more calm." Another Iraqi officer, Maj. Majid Hamid, who oversees several checkpoints in the city, told the *Washington Post*, "I don't want the American soldiers to enter our city again. That's

why I'm here."

U.S. Seizes Najaf Governor's Office

United States soldiers seized the Governor's office in the Iraqi holy city of Najaf May 6, wresting control from the Shi'ite militia-men loyal to insurgent Moqtadar al-Sadr, in battles that left an estimated 40 insurgents dead.

The fighting came as U.S. overseer of Iraq Paul Bremer announced the appointment of Adnan al-Zurufi as Governor of Najaf province, a step that is seen as marginalizing Sadr. In a press conference, Bremer stated that al-Zurufi had been a leader of the 1991 Shi'ite uprising and was exiled under Saddam Hussein. Bremer compared al-Zurufi and al-Sadr, saying that al-Zurufi was there to serve the people of Najaf.

Meanwhile, a story that *EIR* reported several weeks ago is now confirmed by other sources. The report of a peace overture to end the standoff in Najaf was offered by a spokesperson for the tribal and religious leaders, who stated that they have not yet formally approached the Coalition. The overture includes the following provisions:

- * The group will not allow Sadr to be "hurt or humiliated";
- * Coalition forces present in Najaf must withdraw; Iraqis will take their place;
- * The group will enter into negotiations with the Coalition Provisional Authority to find out what is really happening to political prisoners;
- * The group says that Sadr will be put on trial sometime after the granting of Iraqi sovereignty;
- * The Mahdi army of Sadr will become an unarmed political and social organization.

Quartet Meeting Calls for Israeli Pullouts

Representatives for the so-called Quartet (the U.S., the UN, Russia, and the European Union) met in New York May 4, and called for an Israeli pullout from Gaza and no "predetermined issues." "We took positive note of Prime Minister Sharon's announced intention to withdraw from all Gaza settlements and parts of the West Bank," the final statement read, calling the proposed pullout a "rare moment of opportunity in the search for peace in the Middle East." In an implied reference to the Bush agreements with Sharon on the settlements and the right of return, the statement says: "We also note that no party should take unilateral actions that seek to predetermine issues that can only be resolved through negotiation and agreement between the two parties."

Colin Powell, Sergei Lavrov, Javier Solana, and Kofi Annan represented the U.S., Russia, the EU, and the UN, respectively, at the meeting.

Bush Gives Jordanian King Letter on Middle East Policy

President George Bush gave a letter to Jordanian King Abdullah II aimed at allaying the King's fears, generated by Bush's notorious letter to Israel Prime Minister Ariel Sharon. The letter to Abdullah read:

"I understand that your country and your people have important interests at stake in any settlement of the Israeli-Palestinian

dispute. And I know that your country has important interests in the emergence of a new Iraq.... I assure you that my government views Jordan's security, prosperity, and territorial integrity as vital, and we will oppose any developments in the region that might endanger your interests."

Bush then wrote of the Israeli disengagement plan, "This bold plan can make a real contribution toward peace." But he then added, "The United States will not prejudice the outcome of final status negotiations, and all final status issues must still emerge from negotiations between the parties in accordance with UN Security Council Resolutions 242 and 338." He then spoke of his "vision of two states, Israel and Palestine, living side by side in peace and security, and to the establishment of a Palestinian state that is viable, contiguous, sovereign, and independent." Reiterating his commitment to the Road Map for a Middle East peace, Bush said it represented the "best pathway toward realizing that vision, and I am committed to making it a reality."

There was apparently no mention of the question of a right of return for refugees. Nonetheless, Jordanian Foreign Minister Marwan Muasher appeared satisfied, telling the Jordanian Petra press agency, "It has achieved all the results which Jordan had expected. The most significant among them was the assertion of the American President that issues related to a final Palestinian-Israeli settlement must be tackled only by two sides concerned, they must be agreed upon by the two sides, and the United States will not prejudice the outcome of the negotiations."

For a week prior to the meeting the Israeli press were reporting that unnamed official Bush Administration sources, no doubt the neo-cons, were saying such a letter would not be given to the King.

Bush Tentatively Returning to 'Road Map' Strategy

After his promise to Jordan's King Abdullah on May 6, President George W. Bush has sent National Security Adviser Condoleezza Rice to Berlin, where, on May 17, NSC staff spokesman Sean McCormick says, she will meet with Palestinian Prime Minister Ahmed Qureia.

Palestinian Chief Negotiator Saeb Erekat said: "We welcome this meeting. It is important, since it would restore the relationship between the Palestinian Authority and the United States to the way it was before. We hope the American side will introduce mechanisms of implementation of the road map and send observers on the ground to begin implementing it. We are committed to implementing our obligations to the road map."

On behalf of the NSC, Sean McCormick said of the meeting that Rice will "convey to him [Qureia] directly what the President has said in public: Prime Minister Sharon's proposals, if implemented, provide an historic opportunity that the Palestinians should seize upon. And she will also underline that the Palestinians have obligations under the road map—including fighting terror—that they must live up to."

On May 15-16, the two days prior to Rice's meeting with Qureia, Secretary of State Colin Powell will travel to Amman, Jordan, where he will discuss the "Road Map," regional security issues, and Islamic reform on the heels of an Arab League meeting.

Iran's Kharrazi Continues Quiet Diplomacy

Iranian Foreign Minister Kamal Kharrazi continued his quiet, but effective diplomacy in Europe during the first week of May. Following talks in Rome, Paris, London, and Dublin, he visited Brussels, where he met EU Commission President Romano Prodi, EU policy chief Javier Solana, and EU foreign affairs commissioner Chris Patten.

The agenda in all meetings includes: the situation in Iraq, the Iraq war and Palestinian-Israeli conflict, EU-Iranian relations, and Iran's nuclear energy program. It is assumed that Iran is offering its help in Iraq, in return for progress in EU-Iranian relations, and a green light for the country's nuclear program.

One sign of Iranian intervention came with the news from Iranian sources last week, confirmed by media reports May 3, that Ayatollah Kazem Hossein Haeri, the mentor of Moqtadar al-Sadr, was in Iraq. The *Tehran Times* reports that representatives of his want to mediate a solution to the standoff between al-Sadr and U.S. forces. "Armed confrontation will give occupation forces the excuse to hit civilians under the cover that they are ridding Iraq of followers of ousted President Saddam Hussein or members of the al-Qaeda network," the source said, on condition of anonymity. Saying al-Sadr was "completely independent," he added that Haeri had authorized his office in Najaf to exert pressure on both sides for a solution. His office was working through Shi'ite members of the Iraqi Governing Council, as well as tribal leaders.

The talks, which started May 1, are based on the proposals that al-Sadr should be tried only after a real Iraqi government has come into being; and that his militia should be transformed into a political party (see above).

Ayatollah Haeri, 65, had been living in exile since 1976, in Iran (Qom). He had been a member of the Dawa Party in Iraq, then a leader in the SCIRI. He reportedly had good relations with al-Sadr's father, who was killed on orders of Saddam Hussein.

Other ayatollahs from Iran have stressed the fact that any attacks on the holy cities of Najaf or Karbala, would unleash a catastrophe; they include Ayatollahs Lanqarani and Behejah.

Syria Said To Arrest Five Mossad Agents

Syrian authorities reportedly arrested five Mossad agents who had entered Syria in order to kill Hamas leader Khaled Meshal, according to a report in the *Tehran Times* May 3. The five were said to have been Yemeni Jews claiming to be Arabs, entering Syria via Jordan to participate in a ceremony marking the death of Hamas spiritual leader Sheik Ahmed Yassin. The plan was to kill Meshal at the ceremony. Neither the Syrians nor the Israelis have confirmed the report.

In an interview with al-Jazeera TV May 1, Syrian President Bashar Assad warned that Israel's attempt to target leaders of Palestinian groups staying in Syria would be seen as "an aggression that will be handled as an aggression." He went on to say, "Even if Israel did not make a threat, the threat is always there. No one trusts Israel.... the threat has been there since Israel was created. Israel expresses itself freely, not through the freedom of speech but rather through the freedom of killings."

If the story of the arrests of these Mossad agents is true, it would be the second attempt on the life of Meshal to have ended in failure. Given that Mossad chief and Sharon crony Meir Dagan can't succeed in preventing his own cell phone from being stolen, it would not be surprising if it failed again.

Turkey Wants To Build First Nuclear Power Plant

Turkish Energy Minister Hilmi Guler said in Ankara May 7 that the project of a nuclear power complex, originally put on the government's agenda in July 2000, will now be realized.

The government of Bulent Ecevit, which wanted to grant state guarantees for the project, froze all plans then, under heavy blackmail from the International Monetary Fund. Now Canada, Russia, and France have offered to help in the project's construction.

Asia News Digest

LaRouche Book Exposing Neo-Cons Is Shaking Japan

The publication of Lyndon LaRouche's exposé of the "neo-con Beast-Men" in Japanese, is now making waves in that nation. The first 10,000 copies of *Neo-Con Beast-Men: The Ignoble Liars Behind Bush's No-Exit War*, came off the press April 26, and were immediately publicized in press conferences and seminars held at three major thinktanks in Tokyo April 26-28.

The 381-page hardbound book features photos of Cheney, Rumsfeld, Wolfowitz, and Richard Perle on the cover. On the back cover is a large photo of LaRouche with his biography, highlighting his authorship of the Reagan SDI, the shocking political attacks and jailing of LaRouche and his associates starting in 1988-89, and the astonishing survival and growth of the LaRouche movement since then.

While two scheduled press conferences on the book were cancelled or boycotted, *EIR* representative Kathy Wolfe got a tremendous response to her slide-show presentations on the book's content at the seminars.

China Outlines 'Military-Security Dialogue Mechanism'

Speaking at the Boao Forum for Asia on April 24, China's President Hu Jintao outlined Beijing's new offer to set up a "military-security dialogue mechanism" for interacting with other Asian countries. President Hu pointed out on that occasion that "China hopes to establish a security relationship (with other Asian countries) featuring non-alignment, non-confrontation and non-targeting at any third party."

The Hindu newspaper, which often reflects views of India's External Affairs Ministry, put this statement as a contrast to U.S. Vice President Dick Cheney's statements during his recent visit to China, Japan, and South Korea. During that visit, Cheney had emphasized that Washington would uphold America's very own Taiwan Relations Act. It was noted with some concern in Beijing, that Cheney harped on the Act at precisely the time when China was beginning to insist that the legislation went against China-U.S. bilateral ties. *The Hindu* points out that unlike Washington, which treats all its security partners as "security surrogates," Beijing wants to stabilize its relations with the other Asian countries, India and Japan in particular, and wants as well to be seen to be different from the United States.

Malaysia Rejects Proposal for U.S. Base in Thailand

Malaysia's Foreign Minister Datuk Syed Hamid Albar told a May 5 press conference, "If there are outside parties that interfere, it could complicate the atmosphere." Malaysia has consistently rejected a stronger U.S. military presence in Southeast Asia. Most recently, it disapproved an American offer to patrol the pirate-infested Straits of Malacca, where U.S. officials fear a terrorist strike could choke one of the world's busiest shipping lanes.

The Malaysian government believes that security in the waterway should be left to countries alongside it—Malaysia, Indonesia, and Singapore.

Thailand and Malaysia are to set up joint checkpoints with 52 officers from both countries after May 7. In April 4 talks in Bangkok with Thai Prime Minister Thaksin Shinawatra, Malaysia's Foreign Minister and Defense Minister Seri Najib Tun Razak gave assurances that Malaysia would never become a sanctuary for insurgents. However, they did appeal to

Thailand to address poverty and discrimination against southern Muslims as a long-term way to root out dissatisfaction that has led to violence. The Malaysians also offered assistance in poverty eradication.

Southern Thailand: Only Development Will End Conflict

The headman of a village in southern Thailand, whose village lost all the members of the village's football team in an April 28 confrontation with the authorities in the four predominantly Muslim provinces of southern Thailand, told a reporter for the *New Straits Times* that the priority must be to expedite development.

Ahmad Idris, 56, said rapid development could be a possible solution to the growing unrest in the impoverished provinces of Songkhla, Yala, Pattani and Narathiwat. His village is largely made up of farmers, rubber-tappers, and laborers.

The action of the local youth of the football team, who appeared armed with machetes, and then were slaughtered by the government, was a big surprise to the 4,000 villagers, said to be among the poorest in Songkhla, Idris said. So maybe they attacked out of frustration, he said. Perhaps they were tired of the conditions they were living in, but there was certainly no sign on April 28 that the 14-team members and five former players planned to attack a military outpost located 10 kilometers from the village.

Sadly, one of the most important "great projects" for Thailand, the Kra Canal, long championed by Lyndon LaRouche and *EIR*—a project which would transform these southern areas into one of the world's most important waterways—has never gotten off the drawing boards.

Car Bomb Kills Three Chinese Engineers in Pakistan

In the early morning hours of May 3, three Chinese engineers working for China Harbor Engineering Company and involved in the Gwadar Port development, were killed in a car bomb. Another 11 Chinese engineers were wounded. This is the first such terrorist attack on the Chinese engineers in Pakistan, and Beijing has sent investigators to Gwadar to help Pakistan track down the perpetrators.

Gwadar Port is situated in southwest Baluchistan close to the Iranian borders, and is now being developed as a free port on the lines of Jubal-e-Ali of Dubai. It is considered by Islamabad as one of the most important projects for Pakistan. At the same time, Gwadar Port is of great strategic importance to the Americans, and others. Situated almost at the mouth of the Persian Gulf, the port is of strategic value to anyone who wants to maintain control over Gulf oil.

While the investigation on the bombing is still at an early stage, it is nonetheless recognized that a number of anti-Beijing Uighur Muslim insurgents have joined hands with the al-Qaeda and Taliban militia. In addition, the latent Free Baluchistan secessionist movement targeted against Islamabad has also begun to rear its ugly head recently.

Vietnam Celebrates 50th Anniversary of Dien Bien Phu

Vietnam won a historic military victory over the French at Dien Bien Phu, the epic battle that finally collapsed French colonial rule in Vietnam. The battle began on March 13, 1954, and ended 56 days later, on May 7, when shell-shocked survivors of the French garrison hoisted the white flag signalling the end to one of the greatest battles of the 20th century.

General Vo Nguyen Giap, now aged 92, told the dignitaries assembled in Hanoi on May 2 that Vietnam had refused to "submit to slavery," but had "defeated all invaders and gloriously fulfilled the national liberation cause."

"The Dien Bien Phu victory has proved the truth of our era, that oppressed and invaded nations will surely be victorious if they possess a strong will, a correct and creative policy, and the knowledge to unite and fight for independence and freedom, and for the right to live and pursue happiness," said Gen. Giap.

In fact, Ho Chi Minh, with the help of American OSS advisors, had modelled the Vietnamese Declaration on the American Declaration of Independence, which, in essence, was drawn from Gottfried Leibniz.

Chinese Ministry of Commerce Identifies Five Problems

The Chinese Ministry of Commerce, in a recent report, pointed out that the Chinese economy is facing five major problems. These are: slower growth of consumption than of investment; a widening gap between consumption in urban and rural areas; a shortage of power supply and transportation services; the unsatisfactory quality of some commodities; and inflationary pressure.

In the first three months of this year, the total retail volume for social consumption grew 10.7% year on year, while the fixed assets investment rose 43%. During the same period, the retail volume for rural consumers stood at 430.54 billion yuan (\$51.9 billion), accounting for 22.6% of total retailing, while that of urban consumers reached 852.52 billion yuan, accounting for 76.4%.

In addition, the Ministry of Commerce report said the shortage of power and transportation services, as well as of raw materials, has not been fundamentally resolved.

London Analyst Describes Chinese Measures

The Chinese government is taking "energetic" measures to keep its economy under control, a leading City of London financial analyst told *EIR* May 5. "The Chinese have a good track record in regulating their economy," as was evident during 1994, he said. Earlier measures, taken late last year to rein in too much growth in certain sectors, did not work, so now they "are making redoubled efforts," the analyst added. Beijing "has sent out sterner instructions to the localities to cut back, and raised the amounts local authorities have to invest in certain projects, such as in steel or real estates. They have even suspended construction of a new steel works outside Shanghai."

The problem with rising commodity prices, which China has to pay for its imports, is that world commodity producers just have not planned for the scope of Chinese economic demand, the analyst said. The global economy in its current state cannot cope with the rate of Chinese economic growth, and this is a big cause of rapid price rises.

The most worrisome situation in China, is what the banks—which have a lot of bad loans on the books—might do, the analyst said. This was not a problem in 1994, because the Chinese financial sector was so much smaller then. If there were a chain of banks foreclosing on loans, this would have a "snowball effect," the analyst warned. However, were the banks to start doing anything that would cause problems, "I am sure the authorities would take measures to exert tighter control."

Sun Yat-sen's Grandson Urges Hong Kong To Learn History

Sun Tse-ping, 91-year-old grandson of Dr Sun Yat-sen, on May 4 called on the youth of Hong Kong to learn modern Chinese history and the revolutionary role of his grandfather. Sun Tse-ping was speaking at a news conference about the founding of the Sun Yat-sen museum at Kom Tong Hall in central Hong Kong. The public is being asked to donate artifacts related to Dr. Sun or the 1911 Revolution.

Sun Tse-ping said that Hong Kong's "youth generation lacks knowledge of modern Chinese history. They don't fully understand the background of why my grandfather (Dr. Sun) organized the 1911 Revolution to overthrow the Qing Dynasty in the early 20th century. This can be related to our education system, which does not emphasize the teaching of modern Chinese history among young people. Our education has not given students enough knowledge about my grandfather's ideology in the revolution," Sun said.

The museum, which should open in November 2006, to commemorate Dr Sun's 140th anniversary, should help change the situation, Sun Tse-ping said.

"As the bridge between the Chinese and Western cultures, Hong Kong nurtured the revolutionary ideas of Dr Sun—a fact he once remarked on at the University of Hong Kong in the 1920s," Hong Kong Secretary for Home Affairs Patrick Ho Chi-ping said at the event.

During his stay in Hong Kong, Dr. Sun developed his revolutionary concepts by reading widely on the political and military theories of the West. He also used Hong Kong as a base for monitoring revolutionary work in Guangzhou, then under British rule.

Africa News Digest

Freedom Day Celebrations in South Africa Include Beethoven's 'Fidelio'

The tenth annual Freedom Day celebrations in South Africa included a performance of Beethoven's opera "Fidelio" on Robben Island, the location of apartheid South Africa's most feared prison, where Nelson Mandela spent 27 years. The Cape Town Opera performed with an international and multiracial cast in late March, with Heinz Fricke of the Washington Opera conducting. The performance was filmed and then televised nationally on April 25.

Freedom Day, April 27, commemorates the day of South Africa's first democratic election, in 1994. President Thabo Mbeki's second inaugural was held on Freedom Day this year.

UN Admits Rwandan Troops Are Operating in DR Congo

Even the United Nations is now forced to admit (at gunpoint) that uniformed Rwandan troops have returned to DR Congo, as the Rwandan Army chief recently promised. (Of course, some troops had never left.)

* April 23: A UN source in South Kivu province, reached by telephone from Kigali, said, "Movements [of Rwandan troops] have been observed all along the frontier on the Rwandan side, as if Rwanda were preparing to attack on the two fronts, north and south," according to *Digitalcongo* April 24, apparently citing an Agence France Presse wire. However, the UN source and a European diplomat in Kigali, who asked not to be named, both denied the rumors of incursions into Congo by Rwandan troops.

They were, shall we say, poorly informed.

* April 24: Reuters reported that on April 21, UN troops in the Bunagana area were surrounded by 400 soldiers wearing Rwandan Army uniforms, who ordered them to return to their base. "A UN helicopter surveillance team estimated there were many hundreds more nearby." Rwanda, on April 24, denied its troops were in Congo.

In the Congo press, the attitude towards the UN troops is one of contempt and suspicion—contempt, because they ride around in big vehicles looking as if they are protecting the population, but in a fight, show little commitment (there are also too few of them to do much good in a fight); suspicion, because historically, the UN in Congo has interfered with Congolese sovereignty.

Army of DR Congo Attacks Some Armed Units of Rwandan Hutu Refugees

In eastern Congo, Army commanders loyal to Congo President Joseph Kabila have attacked some armed Rwandan Hutu refugees in what may be operations limited to groups guilty of lawlessness or incursions into Rwanda. But the picture is far from clear.

The Congo Army carried out an operation against the refugees around the town of Lemera, near the Burundi border (South Kivu province) on April 25, with casualties on both sides. Another operation was carried out over April 26-27 in forests near the Rwandan border in North Kivu province, with dead and wounded on both sides.

There are thousands of Hutu refugees from Rwanda living in eastern Congo forests. The UN troops were supposed to "repatriate" them to Rwanda, where they would have been promptly executed by the Kagame government. The Congo government of Joseph Kabila has left them alone until now, because they fought on the side of the Congo government during the five years of war against Rwandan occupation of eastern Congo that tapered off in 2003.

The Kenyan Broadcasting Corporation (KBC) reported May 1, "The top commanders of the army units involved in the latest fighting are Kinshasa loyalists who support Kabila, but the rank and file and field commanders are drawn from Congolese guerrilla forces backed by Rwanda, army officers say."

An April 26 Reuters story, "Congo Attacks Rwandan Rebels," quotes an unnamed "analyst in Kinshasa" as saying that "the government seems to be turning on [the Hutus]." Since such a change in policy would weaken resistance against the Rwandan invasion and not appease Paul "Hitler" Kagame, the story may simply be disinformation.

The refugees are not being attacked in the Congo media; on the other hand, the Army actions of April 25-27, reported in some detail by the UN, Reuters, and the KBC, are not being mentioned in the Congolese media, either.

Leading Party of Treason in DR Congo Is on the Hot Seat

With the Rwandan Army operating openly in eastern Congo again, the leading party of (pro-Rwandan) treason in Congo is on the hot seat. When the General Secretary of the Rally for Congolese Democracy (RCD-Goma) held a press briefing in Kinshasa on April 28, it was expected that he would attempt to distance his Rwanda-backed party from the Rwandan invasion. Instead, General Secretary Francis Bedi Makhubu Mabele waffled, then asserted that the claim of the UN mission in Congo (MONUC)—that Rwandan soldiers are in Congo—was false. But everybody knew they were there, even when MONUC was still denying it.

Now RCD-Goma, long known in Congo as the leading party of treason, and its leader, Azerias Ruberwa, are on the hot seat. (Ruberwa is one of the country's Vice Presidents—the one in charge of the Commission for Policy, Defense and Security.)

The General Secretary of the People's Party for Reconstruction and Development (PPRD), Tshikez Diemu, denounced RCD-Goma for "high treason" in an interview with *Le Potentiel* April 30. He is quoted as saying that the board of RCD-Goma has resigned; this has yet to be confirmed.

RCD-Kisangani (not fraternally connected to RCD-Goma) has called for RCD-Goma to make plain the nature of its military relations with Rwanda, "the perpetrator of atrocities in Congo," and to "make a choice" between Congo and Rwanda. Mbusa Nyamwisi, leader of RCD-Kisangani and Minister of Regional Cooperation, called on all members of government to drop everything to unite and deal with the Rwandan threat.

Finally, the Congolese Liberation Movement (MLC), the sometime ally of RCD-Goma, was, as of April 30, about to issue a stinging rebuke against RCD-Goma. A "war" between MLC and RCD-Goma broke out when the Minister of Foreign Affairs, Antoine Ghonda (of the MLC), officially informed the UN Security Council of the presence of Rwandan soldiers in eastern Congo.

Investigator: Murder of Habyarimana Intended To Provoke War

In an interview with *Le Monde* May 7, Andre Guichaoua, an investigator and witness before the UN tribunal for Rwanda, refined the existing picture of the motives of Paul Kagame and his adjutants in the so-called Rwandan Patriotic Forces (FPR) in 1993 and early 1994.

Guichaoua says that the assassination of Rwandan President Habyarimana was preceded by the murder of political opposition figures, for the sake of promoting polarization. These murders were then blamed on death squads directed by the Presidency. Kagame wanted to make sure that elections were not held—since they would be unfavorable to him—and did so by provoking war.

According to Guichaoua, "For its part, the FPR actively prepared for a military outcome. According to internal sources, the scenario for the assassination of President Habyarimana had been planned from the end of 1993, as a preamble to a return to war. In February 1994, the FPR thought it could no longer sit on its hands. In the Presidential camp, the foundations of a planned genocide were then in place on the political, ideological and logistical levels"—a reference to the extremist Hutus in the Habyarimana government, rather than to Habyarimana, a moderate. "The FPR leadership knew that the elimination of the President would unleash the most fanatical forces in the enemy camp."

This Week in History

President Ulysses S. Grant Opens — The Philadelphia Centennial Exposition

Just as dawn came on May 10, 1876, the bell in the tower of Philadelphia's Independence Hall began to ring, and it was immediately echoed by the Liberty Bell and all the church bells of the city. They rang out the news that a century of American independence was about to be celebrated with the opening of Philadelphia's Centennial Exhibition. It was an international exposition of progress in the arts and sciences, the first ever held in this country, and so President Ulysses S. Grant was joined at the opening ceremonies by Emperor Dom Pedro of Brazil, representing the other nations which had sent their discoveries and products to Philadelphia.

At the end of the American Civil War in 1865, many of the world's governments had assumed that the United States would undergo a long period of economic and psychological exhaustion before recovering from the devastating four-year conflict. But under President Abraham Lincoln, the states loyal to the Union had embarked upon such an expansion of scientific and technological innovation, that when the war was over, the United States had been transformed into a world power.

The wonderful consequences of following the principle of the general welfare, extending its benefits to many generations

beyond, was never more evident than at the Centennial Exposition. One hundred and twenty-eight years later, we can still look back and see the solid basis of our "modern" society being formed, as reflected in the discovery of new scientific principles, and even many of the same products that we rely upon today.

The exposition had been planned over a period of three years, with Centennial Commissioners from each state serving on the planning committees. The exhibit was spread over 236 acres in Philadelphia's Fairmount Park, and consisted of 190 buildings, the largest of which, the Main Building, covered 21 acres of ground. The seven major buildings offered exhibits on Mining and Metallurgy, Manufacturing, Education and Science, Art, Machinery, Agriculture and Horticulture. Thirty-one foreign nations sent exhibits, and by closing day on Nov. 10, almost 10 million people had walked through the automatic, self-registering turnstyles which had been set up at 106 different gates.

The Centennial's Bureau of Transportation had anticipated the problems that might stem from transporting such large numbers of people to and from, as well as within, the exhibition. They coordinated many modes of travel to the fair, including discounted railway excursions, steamboats, carriages, and horse-drawn streetcars. Within the park, there was a narrow-gauge steam railway that ran on five-and-a-half miles of track, and an elevated monorail, carrying up to 60 people, which shuttled across the Belmont Ravine. At the Belmont Hill Tower, visitors could travel vertically by using an elevator which carried 40 people at a time up to a bird's-eye view of the exhibition.

On opening day, more than 100,000 people stood in front of Memorial Hall to hear a 1,000-person chorus sing John Greenleaf Whittier's "Centennial Hymn," followed by a welcoming speech by President Grant. The President and Dom Pedro then walked to Machinery Hall, where George Corliss, an inventor and industrialist from Rhode Island, showed them his personal gift to the exhibition, the Corliss Double Walking-Beam Steam Engine, whose 30-foot flywheel, weighing 56 tons, was designed to supply the power for all the machinery in the hall. When Grant and Dom Pedro each turned a wheel, energy was routed through 75 miles of belts and shafts, driving 8,000 different machines. The watching crowd broke into spontaneous and delighted applause.

Three-fourths of those machines had been produced in America. They included a 7,000-pound pendulum clock by Seth Thomas that acted as the control for 26 other clocks that were located throughout Machinery Hall. There were many models of the sewing machine, which Americans by this time considered an "older" invention, but also a large display of locomotives and equipment included George Westinghouse's new air brake, just introduced on the Pennsylvania Railroad. Massive rotary presses of the Bullock and Hoe companies turned out thousands of copies of the *New York Herald* and *Philadelphia Times* for the exhibition visitors. On a smaller, but very important scale, the new "type-writer" machine of Christopher Sholes, manufactured by the Remington Arms Company, was demonstrating how printing could be brought to offices and homes.

Probably the most important displays in Machinery Hall, upon which most of the others depended, were the products of William Sellers of Philadelphia and Pratt & Whitney of Hartford, Connecticut. These were America's foremost manufacturers of machine tools, the machines that produce other machines. These iron machines could shape metal in many ways, making possible high-speed mass production with interchangeable parts. In the United States Government Building nearby, workers and machines from the Springfield Arsenal demonstrated the system by assembling rifles from identical parts machined to a thousandth of an inch tolerance.

Another display demonstrated steel's use as a structural material, and showed how the steel arches of Captain James Eads's bridge across the Mississippi at St. Louis had been formed and joined. In the same hall was a section of wire cable for John Roebling's famous Niagara suspension bridge, then the largest in the world, but about to be surpassed by the cable for the new Brooklyn Bridge. Another group of machines, using Charles Goodyear's new invention, turned out rubber boots and shoes for visitors. And there was a strange, eight-foot-long machine, which looked like the inside of a huge piano, which was George Grant's "Calculating Machine," an American version of Englishman Charles Babbage's calculator. And from Langen and Otto in Germany came an internal combustion engine, which Americans also were struggling to perfect.

Agriculture Hall displayed models of Cyrus McCormick's Reaper-Binder, the Adams Power Corn Sheller, the Buckeye Mower and Reaper, and the Sweepstakes Thresher. There, too, were breakthroughs in food production and distribution, such as packaged dry yeast and canned goods. A leading example was provided by frontier surveyor Gail Borden's condensed milk, which had been such a boon to the troops during the Civil War.

The exposition's directors at first hoped to keep the exhibits open on weekday evenings, but the fear of possible fire from gas lighting caused them to declare a 6:00 p.m. closing time. Thomas Edison's "multiplex" telegraph, capable of sending several messages at once over the same wire, was exhibited at Philadelphia, but it would take another three years for the development of his first commercially practical incandescent lamp. Just before the Centennial Exhibition opened, Edison had built and opened his research facility at Menlo Park, New Jersey, and by 1881, when he designed New York's Pearl Street Plant, the first central electric light power plant in the world, he had developed a complete system of electricity distribution, including generators, motors, light sockets, junction boxes, safety fuses, and underground conductors.

When the exhibition opened in May, Alexander Graham Bell was nowhere to be seen, nor had the invention he was working on been entered in the electrical section. Although he had patented the telephone in March, he was working on improvements through the spring, and on May 10 was presenting a lecture and demonstration at the Boston Athenaeum for the American Academy of Arts and Sciences. He gave his first public demonstration at the Massachusetts Institute of Technology (MIT) on May 24, with a clock-spring transmitter telephone in the auditorium which communicated with one in a nearby house. On June 14, Emperor Dom Pedro visited Bell at the Boston School for the Deaf to observe his "Visible Speech" method for teaching the deaf to speak, but Bell never mentioned the telephone.

Finally, when scientists from all over the world were arriving in Philadelphia to judge the exhibits, Bell's father-in-law arranged to have the telephone displayed in the Massachusetts Education and Science exhibit. Bell called his telephone the "Centennial iron-box receiver," and when he withdrew 100 yards away and sang into his transmitter, one of the judges, British scientist Sir William Thomson, later Lord Kelvin, could hear him clearly. At this point, according to Bell's account, Sir William shouted, "Where is Mr. Bell? I must see Mr. Bell!" Thomson rushed to the gallery where Bell was still speaking lines from Shakespeare's plays into the transmitter, and Dom Pedro took his place, repeating Hamlet's "To be or not to be" soliloquy as it came over the wires. Dom Pedro, too, then led half the spectators at a very rapid pace toward Bell's position, as scientist Elisha Gray took over the receiver and repeated, "Aye, there's the rub," as the crowd cheered.

In his closing speech at the Centennial Exposition, General Joseph Hawley stated that "The world knows a great deal more about us now than it ever did before." More appropriate for our era would be a phrase from President Grant's speech at the opening ceremonies: "Whilst proud of what we have done, we regret that we have not done more."

All rights reserved © 2004 EIRNS

[top of page](#)

[home page](#)