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This Week You Need To Know

An EIR Special Report

This week's Special Report in [EIW InDepth](#) is an eight-part feature which presents some of the most damning evidence against Vice President Dick Cheney—evidence that should lead to his impeachment from office, or his voluntary or involuntary retirement.

The momentum for a full investigation of the pre-war Iraq fakery reached new heights by Feb. 1, with even President Bush, under massive national pressure, reported to be moving to create an "Independent Commission" in an effort to control the damage. As Lyndon LaRouche stated in his Jan. 30 Philippines radio interview, "I'm the one that uncorked on Cheney and got this thing to the point that other people are jumping on the case now." LaRouche's intervention has defined the Democratic Primary election campaigns ([see LYM Digest](#)).

Here is *EIR's* news account which details how, while Cheney's attempted "charm offensive" took him on European tour, he became **the** target back in the U.S.

Cheney's Crimes: Case for Impeachment Builds Momentum

by an EIR Investigative Team, with Lyndon LaRouche

Dick Cheney's days as Vice President appear to be numbered, even as, on his tour of Western Europe, he tried to "soften his image" as the Bush Administration's leading war hawk, and the architect of the Big Lie campaign that led to the disastrous and needless Iraq invasion. An entire brigade of American soldiers have already been killed or wounded in Iraq, in a war fought over non-existent weapons of mass destruction, and fabricated links between Saddam Hussein and al-Qaeda. Cheney, beyond all other Administration officials, was the Joseph Goebbels of the Iraq war. As recently as his media interviews in Switzerland and Italy in late January, he continued to lie about Iraq's weapons, claiming that several trailers seized by American inspectors, following the March 2003 invasion, were mobile bio-weapons labs.

David Kay, the CIA's chief weapons inspector in Iraq, until his hasty mid-January resignation, made clear in interviews and in testimony at the Senate Armed Services Committee on Jan. 28, that these trailers had nothing to do with WMD. Former CIA chief of counterterrorism Vincent Cannistraro told *Salon* magazine on Jan. 29, "It's disgusting. I just can't find words to describe how horrible it is.... It just illustrates the peculiar worldview Cheney has and how distorted it is. And it shows there's a real contempt for the professional intelligence community." And Cheney is coming under mounting fire for his recent interview with the *Rocky Mountain News* in Colorado, in which he violated a Bush Administration Executive Order on classified material, by confirming that a Pentagon memo, leaked illegally to *The Weekly Standard*, was the "best source" of proof of Saddam Hussein's ties to al-Qaeda before the 9/11 attacks.

Just moments after Air Force Two had landed back in Washington, returning Cheney from his failed European "charm offensive," the Vice President made a bee-line for Capitol Hill, where he launched a one-man damage-control offensive

against the Kay revelations, and growing Congressional demands for an independent commission to probe the Cheney-led disinformation campaign which led to the Iraq invasion. According to Capitol Hill sources, Cheney arm-twisted House Select Committee on Intelligence chairman Porter Goss (R-Fla), and Senate panel chair Pat Roberts (R-Kan), to ram through plans to close out their investigations of the pre-war intelligence lapses, without any probe of White House manipulation and abuse of the intelligence process. Cheney's instructions: Blame the CIA and close the books on the probe.

What is new in this latest flurry of Cheney displays of beast-man arrogance, is that the Vice President is no longer being given a free ride.

Exit Scenarios

In the reports that follow, you will be presented with some of the most damning evidence against the Vice President—evidence that should lead to his impeachment from office, or his voluntary or involuntary retirement. It was all the way back in September 2002, six months prior to the Iraq invasion, that Democratic Presidential candidate Lyndon LaRouche demanded Cheney's ouster from the Bush Administration. The evidence for Cheney's removal from office has grown by leaps and bounds since then. And now, as the result of the persistence of LaRouche and his associates, a growing chorus of Democrats, and even some Republicans, are demanding Cheney's departure.

There are a number of scenarios in play, any one of which could lead to Cheney's resignation or, at minimum, his early removal from President George W. Bush's re-election ticket. LaRouche summed up President Bush and Karl Rove's dilemma in a recent discussion: If George Bush dumps Dick Cheney from the ticket, he loses. If he keeps Cheney on the ticket, he loses.

According to sources close to the Bush campaign, polls show that Vice President Cheney is increasingly becoming a drag on the re-election effort, with many moderate Republicans preparing to jump ship, if the Administration continues to buy into the paranoid wanna-be imperial policies associated with the Vice President and his neo-conservative allies. Leading Republicans, like former Secretary of State James Baker III and even former President George H.W. Bush, had quietly been assuring Establishment colleagues—both Republican and Democrat—that G.W.'s State of the Union address would signal a clear return to the non-abrasive, "coalition-building" politics of "Bush 41." When the President, instead, delivered a no-holds-barred defense of the Cheney doctrine of unilateralism and preventive war, Baker et al. came away with egg on their faces.

The same sources report that the just-published memoir by former Treasury Secretary Paul O'Neill and Ron Suskind, which exposed Cheney's role as the driver of the Iraq war and the agenda of massive tax cuts for the rich, was no mere "kiss and tell" gripe-fest. O'Neill's criticisms reflect the growing disgust, among "Main Street" Republicans, with Cheney in particular, and the Bush Administration in general.

If this were the only consideration, it is likely that Dick Cheney would have already been removed from the 2004 ticket, and, perhaps, he would have even stepped down as Vice President. But campaign Svengali Karl Rove is also painfully aware that the Republican Party's strange-bedfellow election coalition includes at least a 5-10% factor of crazies—neo-cons, Bible Belt Christian Zionists, and other radical rightists—who would possibly sit home on election day, were Cheney to be off the ticket.

As one Washington insider put it, for a sitting Republican President, running unopposed for his party's nomination, to be running neck-and-neck with an as-yet-unchosen Democratic rival, is unprecedented. Another former Cabinet-level official, familiar with the Veep's hooligan style, warned that a desperate Dick Cheney could resort to desperate measures to keep his job. He made explicit reference to another 9/11.

No Free Ride in November

What makes Rove's position so damning is the dramatic transformation of the Democratic Party, in the immediate aftermath of the Iowa caucuses, President Bush's disastrous Jan. 20 State of the Union address, and the Jan. 27 New Hampshire Democratic primary vote. Suddenly, leading Democratic Party "institutional" players—from Senators Edward Kennedy (Mass), John D. Rockefeller (WVa), Carl Levin (Mich), Tom Daschle (SD), and Representatives Henry Waxman (Calif), John Conyers (Mich.), and Nancy Pelosi (Calif), to party operatives like Center for American Progress head John Podesta—have awakened to the reality, long promoted by LaRouche, that Dick Cheney is the Achilles' heel of the Bush re-election effort, and that Bush can and must be defeated in November.

No longer does organized-crime-tainted Democratic National Committee chairman Terry McAuliffe have the political muscle to wreck the party's chances to wage a genuine campaign to take back the White House. As one well-known Democratic campaign strategist put it, "The DNC is irrelevant."

The avalanche of attacks on Cheney constitute a virtual bill of indictment against the Vice President for a string of crimes touching on the national security of the United States, and on issues of corruption that reach the highest echelons of the Administration. Many of these crimes are the subject of ongoing investigations or of calls for new probes:

* As first reported in *EIR* on Jan. 9, 2004, a French criminal probe is underway, into \$180 million in bribes, purportedly paid to Nigerian government officials by a consortium of companies led by Halliburton—during Cheney's tenure as CEO. French Judge Renaud Van Ruymbeke is heading the probe, and told French and American journalists in mid-January, that he is considering "misuse of corporate assets" charges against Cheney personally.

* On Jan. 25, CBS-TV's "Sixty Minutes" broadcast a story charging that Halliburton engaged in "trading with the enemy" while Cheney headed the company. Through a Cayman Islands subsidiary, Halliburton Products and Services, Ltd., the company built up a \$40-million-a-year business in Iran, in what New York City Comptroller William Thompson told CBS was a violation of "the spirit of the law." Thompson charged that Halliburton's offshore dealing "benefits terrorism."

* Cheney is already a prime subject of the Justice Department probe into the leak of the identity of CIA undercover officer Valerie Plame, the wife of former Ambassador Joseph Wilson. On Jan. 26, six leading Congressional Democrats wrote to the Comptroller General, demanding a separate General Accounting Office probe of White House violations of security procedures for preventing national security leaks. The procedures violated by Cheney and others are spelled out in Executive Order 12958, signed by President George W. Bush shortly after he was inaugurated.

In their letter to David Walker, Senators Daschle, Lieberman and Rockefeller, and Representatives Pelosi, Waxman and Conyers concluded: "Protecting our nation's secrets is essential to protecting our nation's security. Safeguarding the identities of covert intelligence officers is especially critical to protecting their lives and the lives of everyone they come in contact with.... The disclosure of Valerie Plame's covert CIA identity calls into doubt the adequacy of the procedures that the White House has followed to safeguard these vital national secrets. GAO's thorough and prompt investigation into this matter is necessary so that the deficiencies in the White House procedures can be identified and corrected. This is an essential step in restoring public confidence in how the White House handles national security secrets."

On Jan. 26, even Gen. Wesley Clark, a faltering candidate for the Democratic Presidential nomination, lambasted Cheney for endorsing a *Weekly Standard* article on Saddam's links to al-Qaeda that was exclusively drawn from a leaked Pentagon document. It is a violation, under E.O. 12958, even to give after-the-fact corroboration of an illegally leaked classified document. Worse, the document in question, prepared by Pentagon neo-con Under Secretary of Defense Doug Feith, was a patchwork of raw intelligence leads and outright lies and distortions, attempting to make a credible case of Saddam ties to the 9/11 attackers, when no such case exists.

* Cheney has come under escalating attack for his role in the disinformation campaign to win Congressional and public support for the Iraq war. In appearances this week, Sens. Levin, Rockefeller, and Daschle all singled out the Vice President for using fake intelligence to launch a predetermined war—and for continuing to use the same now officially disproven lies, to justify the war. The Senators cited Cheney's repeated references, during his European tour, to the discovery of the mobile trailers—the ones Kay had confirmed were not weapons-related—as "bio-weapons labs."

"I find it incredible, utterly incredible," Sen. Rockefeller told reporters, "that the Vice President of the United States could, a few days ago, say that two semi-trailers, which were found, were 'conclusive evidence' that Saddam had programs for weapons of mass destruction when his own intelligence community, according to David Kay, has reached a consensus that they had nothing to do with weapons of mass destruction. There are many other examples of exaggerations that continue to this day, by the Vice President of the United States and others in this Administration, and it is intolerable. It is incredible."

Senator Rockefeller zeroed in on another Cheney crime—the use of unvetted intelligence to make the case for war. Through former Cheney staffer William Luti, the normally nondescript Near East and South Asia (NESA) policy shop at the Pentagon was turned into "Neo-con Central," housing the Office of Special Plans (OSP), a clearinghouse for disinformation and illegal covert operations, which reported directly to Cheney's chief of staff, I. Lewis "Scooter" Libby.

Rockefeller told reporters, "It's now a question, which we are looking at, whether or not there were other sources of intelligence which uniquely went around the intelligence community as a whole, went directly through a particular department of the Defense Department and then directly—often unvetted, often single-sourced, often raw material—directly to the vice president, to policymakers, from which they began to make decisions.

"If that were to be the case," he continued, "it brings into sharp definition the whole question of preemption as a national policy ... Which leads to a further point, that was this a predetermined war or not? And I think that remains an overwhelming question."

Senators Levin, Rockefeller, and Daschle all endorsed a call by a group of ten former CIA officers for an independent bipartisan House probe of the intelligence fakery (See *EIR*, Jan. 30, 2004). The Senators also mooted they may be forced to press for an independent commission, to get to the bottom of White House manipulation of pre-war intelligence. Following David Kay's Jan. 28 testimony at the Senate Armed Services Committee, Sen. John McCain (R-Ariz.) announced he'd be introducing legislation to create an independent commission to probe the pre-war intelligence, bolstering an earlier call by Sen. John Corzine (D-N.J.).

More Public Roasting of Cheney

The *New York Times* on Jan. 27 weighed in with yet another direct hit at the Vice President, in a lead editorial headlined, "Mr. Cheney, Meet Mr. Kay." The editorial, citing recent Cheney statements about Iraq's WMD schemes, declared, "The Vice President's myopia suggests a breathtaking unwillingness to accept a reality that conflicts with the Administration's preconceived notions. This kind of rigid thinking helped propel us into an invasion without broad international support, and, if Mr. Cheney is as influential as many say, could propel us into further misadventures down the road."

Jan. 29, *New York Times* columnist Maureen Dowd summarized the case against Dick Cheney as spinmeister-in-chief of the Bush Administration's war party: "Dick Cheney, who declared that Saddam had a nuclear capability and who visited CIA headquarters in the Summer of 2002 to make sure the raw intelligence was properly interpreted, is sticking to his deluded guns.... The vice president pushed to slough off the allies and the UN and go to war partly because he thought that slapping a weakened bully like Saddam would scare other dictators. He must have reckoned there would be no day of reckoning on weapons once Saddam was gone. So it had to be some new definition of *chutzpah* on Tuesday, when Mr.

Cheney, exuding more infallibility than the Pope, presented him with a crystal dove."

While dumping Cheney from the ticket might not salvage George Bush's re-election, it would, as LaRouche has argued for the past 18 months, partly salvage his Presidential legacy, and offer an opportunity to avert future disasters, which neither the United States nor the rest of the world can afford. The President's men would do well to study the documentation of Dick Cheney's crimes that follows, before making their fateful decision.

Latest from LaRouche

Democratic Presidential pre-candidate Lyndon LaRouche was interviewed by KMOX Radio in St. Louis, on Jan. 27. LaRouche's name appears on ballot in the Democratic primary in Missouri Feb. 3.

KMOX: We're holding the line for Lyndon LaRouche.

Mr. LaRouche, thanks for coming to the phone. This is Kevin Killeen. I'm a reporter in St. Louis. We want to do a brief taped interview with you, so that we can get some sound bites, and give you some news here in St. Louis.

LAROUCHE: Okay, good.

KMOX: Tell us, for the people who know a little about you, they know that you've run for President, how many times? Is this your sixth time?

LAROUCHE: Yes, as a Democrat. Since 1980.

KMOX: Okay, and what are your big issues? I know you've been attacking the Vice President, and you're sort of an old-fashioned Roosevelt Democrat. Tell us just a little bit about you. Give us a thumbnail sketch.

LAROUCHE: Two interrelated issues: the issue of war policy of the United States, including strategic policy and economic policy. They're interrelated. Which means that I'm, of course, against Cheney, against his war policy, which is insane. It's unnecessary, it loses us cooperation we need with our allies and friends abroad.

Secondly, we're in an economic crisis, a breakdown of the present monetary-financial system. There's a lot of denial of it in the United States, but it's coming on fast. It will come on during the course of this campaign. We need to get the party together, the Democratic Party together, around these issues that I'm raising, on economic policy. And I think it will not be too hard to get them together on the question of military policy.

KMOX: Okay, well, let's take those one at a time, real briefly. The Vice President—a lot of people think it's the President who calls the shots, but you're saying that it's the Vice President's war machine.

LAROUCHE: I think that the O'Neill book, which was just published by Paul O'Neill, the former Secretary of Treasury for George W. Bush, is accurate in this: that Cheney is actually the puppet-master who's controlling the President. My concern has been for some time, especially since approximately August-September of 2002, to get the President out from under the control of Cheney. That, even though I don't like the crowd around the old man, old Bush, that they at least would not be insane. And I would hope that they would have been able to manage this situation, so that we'd get through without unnecessary crises.

Now it's becoming extremely dangerous.

KMOX: Again, a last thing on Cheney. Maybe an example that people can remember. How do you think he's the puppet-master, can you give an example of an event?

LAROUCHE: For example, take the case of the yellow-cake issue, the Niger yellow-cake, which was one of the key frauds that he pulled in trying to push through the Iraq war, while we were in the middle of discussions with the UN Security Council. That's typical of him. But, the man is a fanatic, a dangerous fanatic. And people have to get—. I think some people have a smell of him, that he is a dangerous fanatic.

KMOX: You also talked about the impending financial collapse. Now, things are bad, and things are also getting a little better, they tell us. But why do you say we're headed for a collapse?

LAROUCHE: They're not getting better. What's happened is, the American people, over the past 40 years, have been gradually conditioned, at least most of them, to believe that somehow, that the market, the financial market, or gambling casinos, or the gambling casino called the market, are the economy. They've been losing their jobs, they've been losing their homes, they've been losing everything—their pensions, their health care. It's getting worse all the time. Reality says, if you're looking at what you're getting, and what you're about to get, we're in a collapse of the system. But meanwhile, of course, the financial bubble is growing. But when the bubble pops, where are we? We're in something much worse than 1929 to '31, already. That's the issue.

KMOX: Really? And what do you propose to turn that around?

LAROUCHE: Well, we have to go back to the kind of thinking that Franklin Roosevelt epitomizes in the mind of people today. That we have to use similar methods. We may not always do exactly the same thing he did, but similar approaches, that we can solve the problem. The important thing about him, is to use the example of what he did, to prove that, in such times of crisis as these, there are proven methods which exist, which can be used to solve these problems.

KMOX: Why does Lyndon LaRouche want to be President?

LAROUCHE: Because the country needs me.

KMOX: And, what do you mean by that?

LAROUCHE: There are some good people around, but none of them are prepared to bite the bullet, on some of these issues, like the economic issue, the way I am. At this point, my proven competence is absolutely indispensable, because there's no one else around who's capable of doing what I can do. I'm not just Johnny One-Note, but in a sense, I am a Johnny One-Note, in the sense that this is my job, this is what I've got to do.

KMOX: You've raised—I was talking to your friend Angela there—about \$7 million. You've got \$840,000 in Federal matching funds, and you're going to spend \$60,000 to be on television in St. Louis for half an hour. Why is that so important, to spend that money?

LAROUCHE: Oh, it's great fun. Apart from doing it, I've got a lot of good friends out there, you know. But, apart from that, the point is, St. Louis suddenly became very important, when Gephardt decided to drop away. Because it will now be a big bone of contention, in the national campaign, and you're going to find people coming into St. Louis, who had not planned to come into St. Louis, for this election campaign earlier. They thought it was going to be sort of locked up. It's

not.

So, it's going to be very interesting, and I'm simply one of the guys who's alert to what's going on, and I'm saying, "I'm there."

KMOX: Are you on the ballot in Missouri?

LAROUCHE: Yes.

KMOX: Forgive me for not knowing. Good.

Now, let me ask you this. People, I've heard this in some of the different states where they're having the primaries, that they want to vote for somebody they think can beat George Bush. Now, in all honesty, address the people who think that Lyndon LaRouche is just a perennial candidate; he's not really a contender.

LAROUCHE: Well, that's only some mass-media talk. It's not true. It's true that when the people think that somebody is in the running, that is, in terms of the media, they are influenced by that. But when it gets to a real crisis, like we're having now, that goes by the boards, and they're then concerned with survival. And they're willing to do things, which they know are right, but normally they wouldn't do them. Normally, people say they want to do things which they'd be approved of doing. But in a time of crisis, when things are bad, they will look for the outside shot.

KMOX: And, do you think you have an outside shot in Missouri's Feb. 3 primary?

LAROUCHE: On a national level, yes. It depends. It's going to be national. The way the national situation goes, is going to determine the way it goes with me.

KMOX: All right. Last question. Sometimes, even when, and I don't mean to say you might not win, but even when candidates who are long shots don't win, their ideas get in there. Have you seen some of your ideas creeping into the talk of the other candidates?

LAROUCHE: Well, yes, of course. You see it now in terms of the attack on Cheney. There was a decision made to go after Cheney. The Democratic Party, heretofore, has been blocking that. I think there may be a shift in the way the Democratic National Committee, or others around it, are going to start treating my campaign now. I think I'm probably going to appear in some public discussions fairly soon.

KMOX: All right, but you're not included in the debates, are you?

LAROUCHE: No, and I don't think—

KMOX: Now, why? Now, let me give you a chance to complain about that? Why don't they include you? You've been around all this time, you've raised this money. What are they using as an excuse to keep you out of the debate?

LAROUCHE: It's actually a Justice Department operation, a dirty part of the Justice Department, tied to the Keeney faction in the Justice Department. It's a little complicated, that's why I don't explain it too much, because you have to explain too many things. But they have a section of the Democratic leadership, typified by some of the Gore supporters, and especially by Lieberman—these guys really hate my guts. And they have put the pressure on, and the other boys are going along, to

get along. I don't know how much longer they're going to do that.

KMOX: All right, well, you're well-spoken. Is there anything I didn't ask you, Mr. LaRouche, you want to underline for the Missouri listeners?

LAROUCHE: Well, I think that—. I'm going to get something out, not through the campaign, but I did something on Martin Luther King—and I was invited to give the keynote on that subject at Talladega, Alabama. That's going to get out soon. And I think people, when they see that, will see a lot of what my campaign *is*, by looking at that thing. It might be interesting to them.

KMOX: Well, all right. Well, listen, welcome to St. Louis. And you're actually coming in for the Thursday show, huh?

LAROUCHE: That's what I intend to.

WMOX: You ought to, when you do that show, wander up the steps here. At KMOX, we've got a lot of talk shows that are always going on, see if you can—maybe take some calls from listeners, it might be fun.

LAROUCHE: Fun. Absolutely.

WMOX: Thank you, Mr. LaRouche, bye, bye.

LaRouche was interviewed on WJBR Radio, Wilmington, Del., Jan. 30. Delaware's Presidential primary takes place Feb. 3, and LaRouche in on the ballot.

WJBR: For the record now, identify yourself, full name and title.

LAROUCHE: I am Lyndon LaRouche, the candidate for the Presidential nomination of the Democratic Party for the year 2004.

WJBR: Okay, in just a few words, though, what type of message would you like to get out to Delawareans, as we head to the primary on Tuesday?

LAROUCHE: Well, this is a very interesting period, in which Kerry and I will be the most significant candidates over the months to come. What is important about this campaign, is less the actual votes collected, because that can change—delegates can change their opinion, particularly when it comes to the convention, after the first vote. What is important, is the dialogue, in effect, between Kerry and me, and whoever else is involved, which will mean that the discussion of the issues of the campaign, and the Presidency, will be much more serious than anything that we've seen on the mass media heretofore.

So, this is a very important and interesting period.

WJBR: What do you see as the major issues?

LAROUCHE: The major issues are the economy, and the war issue. The war issue is typified by the role of Cheney, in unlawfully, by fraud, leading us into a war which was unnecessary.

The economic question: The fact is, the financial system is collapsing. Forty-eight of the 50 states are virtually bankrupt. The time has come for using the attitude of Franklin Roosevelt in 1933, to get us out of this mess. The problem is, to get the war pushed aside, and to get at the really serious issue, which is the economic question.

WJBR: What are some of your solutions for these problems?

LAROUCHE: Well, first of all, we have to go back to Roosevelt's policy on economy. Not exactly copying exactly what he did, but using that attitude as a guide to how we must approach this.

Secondly, on an international scale, with a collapsing financial-monetary system, we must return to the Bretton Woods policies, of the immediate post-war period, that is, the fixed-exchange-rate policies, with a gold-reserve system, if we're going to manage to get our way out of a bankrupt world.

WJBR: Why do you think we're seeing some the policies that we're seeing coming out of Washington?

LAROUCHE: Well, I think it's influenced very strongly by the actual compulsive insanity shown by the Bush Administration, and the failure, up until a recent time, when Kerry broke the ice, in particular, at which the real issues were never put on the table. Now the issues *are* being put on the table from the Democratic side, especially by me and by Kerry.

WJBR: Why do you think it took so long, for people to come out and start speaking up, when they saw some of these things going on in Washington?

LAROUCHE: People just get habits. You know, we're in a—. People look at politics as a kind of entertainment. They may have passions about it, but it's the kind of passions they bring to spectator sports. They're not really emotionally involved in actually thinking through the result. They're now going through a period in which they're beginning to think about the result. The war issues have become real, rather than something on a screen. The economic issues were about to become very real.

WJBR: A lot of people have problems with, for example, NAFTA, but many of the candidates, especially when they debated last night in South Carolina, admitted, we have some problems with NAFTA, but it's unlikely that too much is going to change, or you're all of a sudden going to see these manufacturing jobs, and things coming back to America. What do you think about that?

LAROUCHE: Well, that's part of the blindness and stupidity among the candidates. NAFTA has been a catastrophe for the United States, internally as well as externally. We reduce people in other countries to virtual slave labor, to take our jobs, and produce them at slave labor wages. We destroy our communities, especially the small industries, the small farms and small industries, which are put out of business, by this kind of cut-throat competition. It's *insanity*. It never should have happened. The time has come to face the fact that it was a terrible mistake.

WJBR: Okay. Is there anything else you'd like to add?

LAROUCHE: Well, you got enough?

WJBR: I've got plenty. Thank you.

LaRouche to West Coast Cadre School

Only Man Can Discover Universal Principles

Here are Lyndon LaRouche's opening remarks to a LaRouche Youth Movement cadre school on Jan. 24, and a selection of questions and answers from the two-hour discussion that followed. (Subheads have been added.)

My subject today is an interesting one—it's one I'll be addressing in other written forms—but it involves some nice paradoxes for you—to chew upon, shall we say.

We're now at the point, that the United States is leading a process of a general collapse of the world's monetary-financial system—that is, specifically, the existing floating-exchange-rate world financial-monetary system. The collapse is now at a terminal phase; that is, we're actually in the phase where the collapse is inevitable; it is not reversible, within the framework of the existing system. Only the replacement of the existing system, by a new system, and, specifically, of course, what I've proposed is a return to something modelled on the success of the earlier Bretton Woods system—the fixed-exchange-rate system. That would work. It would work with the U.S. government's leadership; it would work if I were President, because other countries would now join with me, and those countries that would join with me, would create enough impetus so the solution would be global—which it has to be. I mean, we have to have a reform of our monetary system, but, obviously, since we are dealing with the question of long-term agreements, of 25 to 50 years, in terms of long-term treaty agreements, therefore, we have to have a partnership in the world, which is large enough to sustain a world system. Otherwise, our recovery—it wouldn't work without that.

Now, there are certain problems that come up in this. The great problem is, you're running into—directly—into the effects of the Baby Boomer generation. Now, we've talked about Baby Boomers before; we've made jokes about them, but unfortunately, they're not just a joke. You make jokes about them, because that way you can sort of put up with them. If you don't make jokes with them, you just get so angry with them that you don't function at all, but it's out of your own anger. But, the Baby Boomer generation is one which was so frightened by a succession of Truman's launching of the nuclear-warfare age, along the lines prescribed by Bertrand Russell; the fact of the right-wing turn which Truman led in the United States, which scared the pants off even most returning veterans, but became known as "McCarthyism" for awhile—where J. Edgar Hoover was the nightmare in everyone's bedroom. Then we had, in the beginning of the 1960s, the Missile Crisis—which really terrified people; the Kennedy assassination, which, because it was not investigated properly, terrified everyone; and then, the launching of the Indo-China War.

So, these things produced a change in a generation, a generation which was largely unwitting of what had happened to it. Because the children who were born in the 1940s did not understand, or recognize, what had happened to their parents' generation, and did not understand what they had been subjected to, as a result of being raised by those parents, in that generation, under those conditions. So, actually, the Baby Boomer generation *of the world*, was, in a sense, morally defective in its development, relative to the older generation; because the culture itself had taken a downturn, because of the nuclear-weapons age, and the right-wing turn in the United States and elsewhere, and the threat of a general nuclear war, then *thermonuclear* war, which had produced a *state of mind* in the young people who came into maturity as young post-adolescents in the 1960s. *They really never understood what a real culture was.* Maybe there are one, or two, or three people here and there, who *did*, but the majority of the Baby Boomer generation was *culturally defective*, in its moral outlook, from about its birth. So that, when they were hit by the succession of the Missile Crisis, the Kennedy assassination, the Indo-China War, and so forth, *this produced a defect which is called a cultural paradigm shift.*

The Cultural Paradigm Shift

Now, the leading edge of the cultural paradigm shift, came first among university students, who went into a rock-drug-sex counterculture—fleeing into LSD, a form of which is actually called psychomimetic drugs: that is, induced psychosis;

induced total flight from reality, from which some travellers never returned. This produced the model around which the entire generation in the United States, *and* in Europe, and in most of the Americas, was developed—that whole generation. People now in their fifties, or very early sixties, are generally participants in a group-think tendency; an induced cultural shift, which nearly *all of them* participate in. There are no exceptions; the fact that you didn't roll in the dirt and take LSD in the 1960s, does not mean that you are not a Baby Boomer today.

Now, what happened is this. The other side of this was a denial of the reality of *man*, as distinct from the beasts. What happened to the American, was a mimicry of what happened in ancient Rome, under the Caesars, under which Rome ceased to be a producing nation—that is, Italy—ceased to be a producing nation. The class of *farmers*, which were the most productive part of Italian society under Rome—and it was Italian; there was no such thing as a Latin culture; it was an *Italian* culture, with a Latin frosting on it. But the people spoke Italian; they thought Italian, and so forth. The languages of France, the languages of Spain, and Portugal, are actually *Italian* languages—they're dialects of *Italian*, not Latin, but mixed with a lot of Latin loan words, because the Romans dominated the process, with their Latin language.

But, this culture went through a transition, from being a *producer*-oriented society, into a society which was dominated by the increasing resort to *slavery*—and slavery like that used against the *maquiladoras* in Northern Mexico, and Mexicans who come in here as illegals—that form of slavery is what the Romans went through. So therefore, our people *lost* productive employment. They went into a highly inflationary society, in which virtual slave labor, from the poorer parts of the world—under globalization; under NAFTA—replaced our own productive capacity. Our infrastructure was shut down, especially since the time of Brzezinski's role as National Security Advisor to Carter. It was shut down. So, we were destroyed as a nation.

The people who were the Baby Boomers—they don't believe in man, as something different than an animal. Not really. Their religious beliefs are more insane than the atheists. The atheists are saner than the so-called "religious believers," because the religious believers do not *believe* in the conception of man as made in the image of a Creator. They think of themselves not as having a future; they think of themselves as being animals, *which die when they die*. And, they think about having pleasure, in the sense of warmth and cuddliness all the way through, to the end of the journey. They are a no-future generation in their thinking.

What the no-future generation of people now in their fifties and sixties has created is a *no-future culture*, a no-future society, in the United States especially, but also to a large degree in Europe, and elsewhere. That is our problem.

Real Economy

Now this comes up, expressed most clearly in the notion of economics. Economy is based on what these people deny: that is, real economy, successful economy. It's based on what? If man were a higher ape, as most of these Baby Boomers look like higher apes, a little less hair than most higher apes, and they're losing a lot at the top, actually—the men are, especially—but they actually are pretty much like apes, aren't they? And they sometimes seem to behave like apes.

But anyway, if we were apes, there would never have been more than a few million of this type living on this planet, at any one time. We now have over 6 billion reported as living on this planet. So, they're not monkeys. They did something. And what they did, was essentially, by making discoveries, which correspond to what we call universal physical principles, or Classical forms of artistic discoveries—not hip-hop, but Classical forms of discoveries—mankind has been able to increase our species' *power to exist*, in and over the universe, so that we now are able to support over 6 billion on this planet. And we could support a lot more, at a much higher standard of living, than we have now, even with existing technology.

How did we get there? We got there through man's ability to make discoveries of universal physical principles.

But we're in a society which says there's nothing but statistics! And a society which depends upon statistical projections, does not believe, effectively, in the discovery of universal physical principles.

So, therefore, the society, especially the free-trade society, a society that believes in free trade, a society that believes in entertainment, rather than production, a society that does not believe in investment in infrastructure, a society that would allow a baboon, like Schwarzenegger, to become the governor of California—that society is not going to live for much longer. It's doomed.

Now the problem that you and I have is that, if we know anything, we know that there is a recovery possible, but the recovery depends upon going back to a science-driver oriented form of society, a Classical form of society, not a society based on mass-entertainment culture, but a productive society. The Baby Boomers, the ones in their late fifties and sixties, resist that, and it is that, more than any other factor, which threatens the extinction of civilization, especially civilized life in the United States today.

So therefore, you're coming up against *that*. So, what people do is, they get frightened, and they say, Isn't there some way we can appeal to the Baby Boomers, in terms they will accept? Aren't we making a mistake by not going along with the mass media? Aren't we making a mistake by not going along with the standards of culture and entertainment, recreation, today?

That's not a mistake. The mistake is in the culture, not in us. Our job is to crack it. And we will not crack it by adapting to it. You don't cease to become a worm by being one.

So that's where we are. And that's what I'm running about. Because the question of economy is the question of role of creativity, of discovery of universal physical principles, of discovery of the significance of Classical artistic principles of composition, in organizing society, so that it will continue to develop, and man's power in universe will continue to progress, and we can work our way out of this mess.

So, we're at the point, where the young fellows, the ones 18 to 25, represent a generation on which the future of humanity depends. That is, if the ideas and cultural habits of those in the late fifties and early sixties in the United States today, and in Europe, were to continue, civilization as we've known it, is doomed. *Gone*. The population of the planet would probably drop to much less than 1 billion people, and that fairly rapidly. We would go into a long period of barbarism, as a result of this kind of collapse. A dark age beyond anything that we know about in any accounts of history. We only know about it from certain geological, archaeological results.

That's what we're faced with. If we can not turn this generation of Baby Boomers around, *this society and its future is lost*. And you have to accept that reality. Because when you accept the problem, then you're able to define the solution.

And our young people are doing a pretty good job. There's just not enough of them in it. And you see, among the older generation, even our own members who are in their late fifties, early sixties—they have problems. They have conceptual problems. They tend to be drawn, and driven, with a sense of insecurity about not acting like Baby Boomers. They resent the Baby Boomers, and yet they have inside them—there is the Baby Boomer, screaming and yelling inside them, and disrupting their effectiveness when they try to operate. They go into quasi-psychotic fits, because of the inner Baby Boomer, inside them, which is an echo of the society around them. And therefore, we need more young people, who understand the problem, and can take a Baby Boomer out of the gutter, where they like to roll—that is, the gutter of their own cultural tradition—and get them out of the gutter, and get them to clean themselves up, and rejoin the human race.

That's our chance. That's where we stand.

So, I'm writing something now, which will be out soon, which refers to this. So, be prepared for it.

Okay, now I'll turn it back to you. We've got a short day, so we'll see what you have to say.

Dialogue with LaRouche

Question: Good morning, Lyn. I have a question, well, I was having a discussion about this idea of the divine spark of reason. And I guess we were talking about how this actually came into being, inside a human being. Was this an evolutionary process, this attainment of cognition? And I guess, that led us to another question, which is, where does the mind actually exist? In individuals, like you have a mind, I have a mind, we each have our own minds, but how does this actually exist? What space does it actually occupy?

LaRouche: This is now getting to be fun. Okay. First of all, what do we discover when we discover universal physical principles? Think about where that comes about.

We know something about this process in a concrete way, from ancient astronomy. For example, we have, through sources, such as those of Central Asia, and some of these Vedic hymns, and things related to that, which show that mankind understood long-term cycles, like equinoctial cycles, like a quarter of a 100,000 years cycle. And there were actually people who understood, in terms of what their calendars, what we recognize as the magnetic pole cycle, that is, the magnetic pole migrates, and it has a cyclical migration, and the fact that somebody had a calendar with that cycle built into it, indicates a fairly sophisticated job way back there by some ancient peoples. And also, who would discover the magnetic pole? That would only be discovered by a seafaring people, who were using compasses for navigation. And they would have to realize that the compass point, reference point, of the North magnetic pole, was moving around a bit. And they'd have to keep track of that, and come up with a cycle on that. Otherwise they couldn't do it.

We're talking about 2,000-year range, 1,000-2,000-year cycles, and there are a lot of them floating around. There are 25,000 approximately years cycle, of the equinoctial cycle. And these things are recorded in ancient calendars, and these are the kind of things that are actually transmitted through some poetry, and things of that sort.

All right. Then you have, more concretely, in modern European history, you have a reference point in the shadows of the Great Pyramids. These pyramids in Egypt are actually great astronomical instruments, with a certain unique kind of precision which tell us what they knew about astronomy. And there are some things that go with that, which give us more knowledge, insight into astronomy by these ancient Egyptians. And we're talking about nearly 5,000 years ago, in that alone.

So, anyway, this is the source of it.

Now, our culture, that is, our European civilization, comes out of what is now called ancient Greece. They didn't call themselves Greeks then, but we call them Greeks today. Now this culture, which was a Mediterranean, largely a seagoing peoples' culture, it was called a "peoples of the sea" culture, and you had places like Cyrenaica, which is on the northern coast of Africa, now part of Libya, next to Egypt, which was an integral part of the Egyptian culture, particularly the seafaring part. The Greeks were, to a large degree, actually a seafaring people, and they settled along coastlines in ancient times. And they had their fortifications toward the inland, against wild people, or something like that sort, who were the threat to the small cities, or communities, which the seafaring people built along certain coastal port areas.

So, this Greek people, as we can call them today, the ancient Greeks, typified by the case of Thales, who was Ionian, or the

case of the Pythagoreans, developed a science based on Egypt, which is called spherics. Now spherics essentially is looking up to the heavens, at night—or, they actually did it in the daytime—you'd build a deep pit, a deep well, and if the well is narrowly fixed, you can actually see stars during the daytime, and particularly in areas which are fairly arid. And that's when a lot of astronomy was done that way. They had the nighttime sky which they were able to survey this way, and also the daytime sky. Motions of the planets and so forth, they could see, in the dusk or whatnot.

So, this became known as spherics.

Now, people didn't know how far distant these things they were observing were. All they could measure was the angular motion, or the apparent angular motion, in observing these. So this became known as spherics. So, you didn't have any assumption about the nature of geometry. You assumed that all you knew about geometry was angular motion. And the sky, the universe that enclosed the Earth, was the universe.

So, spherics meant this particular approach. This is the approach of the Pythagoreans. There was no Euclidean geometry then. Fortunately. I say fortunately. Euclidean is part of the decadence of European civilization. It took us until Riemann in the 19th Century, to finally officially begin to get free of Euclidean geometry, the work of Riemann, on a generalized Riemannian geometry, in which there are no axiomatic assumptions. There are no definitions, axioms, and postulates, as such. Only universal physical principles can be used in the place of axioms.

All right. So this knowledge is there. Mankind is able thus, in astronomy and elsewhere, to look up at the heavens, not knowing exactly what they're seeing in sense perception, but by studying the angular periodicity, the periodicity of angular motions, and the aperiodicity of angular motions, observed in the domain of spherics, we come up with conceptions which we call *universal physical principles*.

Universal refers to universe: the ultimate domain of spherics. And therefore, we're looking for principles which exist in that universe, at all times. So, we're not talking about evolution of the universe, in that sense. We're talking about a universe, and therefore we don't start with yesterday and today. We start with discovering something which is presumably universal, and which we're able to prove is valid, as a universal idea.

Universal Principles

Now, then, coming back to Earth, having defined this notion of universal principles, you then find that there are three different kinds of experimental areas, experimental subject areas, three different qualities which exist. One: You have processes which do not correspond to living processes, or products of living processes. They are abiotic.

Then you have processes such as fossils, the fossils of this planet. Water is a fossil. The atmosphere is a fossil. The waters of the oceans and so forth were created by living processes' actions, and they left water behind as a fossil. The atmosphere was created by living processes, which left the atmosphere as a fossil. Most of the surface of the Earth, is covered by fossils, the bodies of dead plants and animals, piled one on top of the other, and this goes down a great distance. More distant than you'd want to go. Like the depths of the ocean, for example.

Then you find a third one. That mankind is able to change the universe, or change the Earth, in particular, in a way that living processes otherwise can not do. Therefore, you have three areas, as known to the ancient Greeks: the abiotic, the non-living, universal; you have the living processes, again relatively universal; you have the powers of the human mind, which are able to change the universe, as nothing else is. Again, universal. These we call phase-spaces in modern language.

So now, therefore, what have you got? You've got a universal principle called reason, noesis, or *nous*, from the ancient

Greek. You've got the universal principle. Did that exist at the same time that the abiotic universe existed? Did that exist at the same time that living processes existed in the universe? Did not these three principles of abiotic, living, and noetic exist at all times, at the same time, as universal principles?

Okay, then what is man? Man is a product of the impact of a universal principle, which we can call cognition or noesis, as manifested upon a form of life which we call man. That form of life called man, is appropriate for the reflection of this universal principle, which we call noesis, or creativity. So, therefore, it does not come from inside biology. It does not exist in any other living processes, but it always existed. Because the laws on which the mind operates, are universal and have always existed, in the universe. We did not create those laws of the universe—they existed. The difference is that man, by discovering these laws of the universe, and by applying them as products of the human will, is able to change the universe, not by introducing a new principle into the universe, but by introducing a new application of a previously existing principle.

And that's what the problem is for many people, when they're trying to deal with this question of evolution. They're always looking for some way in which you start with two balls bouncing against each other, and end up with living processes, number one; and then number two, you end up with a human being, who has evolved from the ape into a thinking human being. Not so.

There is something outside living processes, expressed within man, which is the creative power of man.

This is the ancient notion of the soul in ancient Greece, and in Christianity.

That sort of gets into it, and covers the other point as well.

The Historical Method

Question: My question was, as I read your papers, it seems I always get a new idea every time I read it. And lately I've been completely amazed on the way that you actually compose your paper.

LaRouche: Which one is that? Which paper?

Question: I read the "Tariffs" paper,¹ and you had it incomplete. So, the question that was running through my mind—.

LaRouche: Oh, you mean, the one that's not completed yet.

Question: Exactly, and that's what actually sprung the question: How do you actually compose these? I begin to wonder, okay, what principle do you use? How do you actually go about composing it? Were you inspired by Classical music to do it? What specific pieces? Obviously, the late string quartets [of Beethoven], because you always bring it up, right? Maybe I'm wrong.

But I'd like you to discuss it.

LaRouche: It's sometimes called the historical method. You have to live in history. You have to have a sense of immortality. You live in history. I live in a lot of history. I live in pre-historical history; I live in ancient times. I live in the sense of the historical specificity, of various places and times in history. I look at the reflection of ancient historical developments in us today.

I've often referred, for educational purposes, to the fact that I had a great-great-grandfather, Daniel Wood, who was born about the beginning of the 19th Century, about the same age as Abraham Lincoln, who had been involved in the Carolinas in struggling against slavery. He was a Quaker minister of some sort, and he was involved in this effort. And he had to scamper out of the Carolinas, because they were about to kill him. South Carolina was not a pleasant place.

So, he went up to Ohio, and he became one of the founders of the Underground Railroad movement in the United States. So, he was the oldest figure who had appeared at the family dinner table, in my family. And therefore, since he was a celebrated figure, I knew the place he'd lived, I'd been there, at his farm which had been one of the Underground Railroad stations north of Columbus, and in fact, the whole family, extended family, was living there. People around there all knew of him, knew him personally, and he figured at the family dinner table, as a constant topic of what he said, what this happened, how he did this, how he did that. So he was sort of the earliest figure who came to life at the dinner table.

Then I had other members of the family, of different backgrounds, and so forth, and so I got a sense, from childhood, from this kind of family relations, of how culture is transmitted from one generation to another. And how we find *inside ourselves*, the residues of cultural changes, which had come earlier in society. And I realized that there is no such thing as a flat land on which ideas are spontaneously developed in our contemporary society. Rather, we are the embodiment of an accumulation of discoveries and experiences which are transmitted and incorporated in us.

I always think that way: When I try to teach, I try to get people to locate themselves, historically. Because that's the way you have a sense of immortality. You locate yourself historically. People came before you. You are an expression, an outcome, of their having lived. You are a living continuation of what they produced, that's embodied in you, or embodied in your circumstances. You think about the future society, and what you're going to embody in the future of humanity. Which is to me, the way to educate. That all good education, is essentially an extended form of the practice and teaching of history. And that's the way I write. Always try to situate people; try to make a connection to ancient people; get these connections made in people's minds, so they're not just floating around in empty space, but have a sense of where they are in the universe.

What Is Christianity?

Question: In regards to religion, mostly Christianity, in the process of finding oneself spiritually, there seems to be a lot of people who have the belief that, if I just believe in this so much, just believe in it hard enough, it'll be true. Then you have the Christian fundamentalist line of, "Well, man's nature is to sin, and the reason we're at war is because it's built in. The idea of evil and of conflict is built in." And so, from within this context, what are the bounds of the Bible, being such an old document, and you have a lot of people who say it holds no ground? Is that true or untrue, and from this standpoint, where do you come in with this concept of what you addressed in Alabama, regarding religion and Dr. King?

LaRouche: Aha. Well, first of all, I don't have much truck with the Old Testament, because I know that the thing was manipulated at several points. Primarily, first, by the Babylonians, who in the 7th Century B.C., who tucked into what is called the Old Testament, a lot of Babylonian pagan myths which are not anything to do with Moses. And, when the Persians took over—remember, first of all, they depopulated what had been called Judea, both times. It had been depopulated earlier, with the hauling off of most of the population of what had been the northern part of Israel, they'd been hauled off, away. Then, the second time, when the Persians took over, they hauled off the Jews, again the leaders, and took them to Mesopotamia, and they had them rewrite the sacred books again. So what you had was, a rewriting by conquerors, of the religious doctrines of the Hebrews and Jews, successively. This is a mess.

However, from the standpoint of Christianity, in my experience, we have no such a problem with the New Testament. There are problems in terms of certain of the ways it's been handled in translation and transcription, but essentially, in the essential features—. Remember, the New Testament was in large part written in Classical Greek. The Gospel of John or the

Epistles of Paul are written in Classical Greek. The method of argument used in these Gospels and these Epistles was Classical Greek, that is, Platonic Classical Greek, which was the leading culture of that part of the world in that period. Hebrew was no longer spoken in the area of the Middle East. It was a dead language. A written form of Hebrew existed, but not a spoken one. The spoken one was either Aramaic, which is a form of Arabic, or it was either Classical Greek, as by the leading Apostles, and also by Judaeus of Alexandria, or it was the vulgar, kind of waterfront Greek, which the ordinary Jew would generally speak if travelling. And the books are written in a rather vulgar kind of Greek in the written form.

So, therefore, the problem, in the case of Christianity, as I've said, with the New Testament and so forth, this is very clear. We know it very well. These were contemporary people. Christ was murdered on order of the Emperor Tiberius, who was then sitting at the Isle of Capri, and his legal son-in-law Pontius Pilate ordered the execution. This is not some mysterious thing that is known to us only through distant books. This is an integral part of history. Christianity was an integral part of history from that point on. And therefore, we can know it very well. So, that's what I stick to: what we know. I'd say, okay, the rest of it's fine. Look at it, study it, see what you think about it. But for Christians, Christianity, the New Testament is that.

Now, you had the crazy doctrines coming in, which were largely the result of heathen influence, which said that man is naturally guilty of primal sin, he's naturally evil. This came into the United States, in particular, with the campaign of the swine who was the grandfather of Aaron Burr—Jonathan Edwards. He ran up and down the Connecticut River Valley, telling people, "You're filthy pigs. You're worthless. God hates you and despises you. But I'm here tonight, and if you will join me tonight, God will bless you, even the filthy swine that you are, and give you all kinds of good benefits." That was the general foundation of fundamentalism in the United States, or what became the United States, by the grandfather of a traitor, who also was the head of what is now called Princeton University at the time, where Aaron Burr studied. So, not a very nice picture.

Mankind is not a worthless swine. Mankind is not a worm. Mankind is the best part of creation, and God does not have bad taste. He does not go out trying to collect bad, disgusting objects, but only the best. And we are the best. The problem is, is that we sometimes behave badly, because we allow ourselves to become corrupted. We no longer think of ourselves as having divinity. We no longer think of ourselves as having a certain kind of immortality of the spirit, a certain dedication, proper dedication to a *mission* in life. We are here to perform a job. We have to discover what the job is. It's for the good of humanity. Do it! That's the point, and that's where the problem comes in. When people say, "you are a worm, you are a disgusting filthy creature. You are worthless. God despises you, that's why he collects you." I mean that's not good theology! It's actually not even polite. So, that's where the problem lies.

I say, no. Man is the best of all creation. God does not have bad taste. That's why he loves us.

The Future Prime Minister of Japan

Question: Hello, Mr. LaRouche. I'm from Japan. I'd like to be the Prime Minister of Japan in the future. I'm very worried about my country, so I want to find solutions to problems in my country, but I don't have an idea yet, so give me some advice.

LaRouche: Well, what we've got in Japan is simple. Look what we've got. We have Asian culture. Now, most people from Europe or the United States don't really understand Asian culture. They really don't understand. But I've got some encounter with it. I do have some understanding. You have different cultures, and different cultural trends. I mean, when you get Koreans and Japanese in the same room, you've got a problem already, as we know. You've got China. You've got Southeast Asia. You've got the Philippines, which is a completely different kind of situation. You've got an Indonesian mentality, which is also different. India.

What we're going to be doing is, obviously, developing, because of the great population of China, India, Southeast Asia and so forth, we're going to be developing the area, extensively, in order to accommodate these large populations. China is already moving to the largest scale of infrastructure development on the planet, right now. Russia, together with Kazakhstan, is very much oriented toward this strategic triangle of Russia, China, India. That cooperation is ongoing.

Japan is financially bankrupt, but Japan has another aspect to it. It has a legacy as a high-technology agro-industrial culture, especially industrial. Japan's tendency will be, given the characteristic of the islands, which are mostly mountainous and not particularly favorable to concentrated habitation, Japan's destiny is to assume its role as an advanced industrial-technology island, or set of islands, and to participate in long-term agreements for the development of Eurasia. That is Japan's primary mission. It was sometimes called the "Go South" mission in Japan, to go in the direction of development of areas that need development, which include opportunities in China.

So, my particular intention is, as a prospective President, is to take a section of the area, which includes north China, it includes Korea, it includes a part of Siberia, and Japan—it's the North Asian area, which is an area of great potential development, even within that area. You have the Bohai area in China, which is the great bay area. You have the area to the north of it, which is adjunct to both North Korea and Russia, and also, across the water to Japan. It's a natural area for a great degree of development, particularly if we're doing this kind of trans-Siberian kind of development, this area becomes an area of industrial development comparable to the concentration in the Bohai area nearby, south, in China.

This is the kind of destiny we have, and my view is that I want that thing to work. I want that cooperation to occur. It is the future of that whole section of Asia, and it's also an integral part of the future for Eurasia as a whole. And Japan has, I think, a very clear mission to pick up and adopt and carry out in that context.

Absolute Chaos!

Question: Hello, Mr. LaRouche, My question is: What would happen in an economic collapse?

LaRouche: What would happen in an economic collapse? Absolute chaos! We're on the verge of it right now. You see the pattern of the collapse of industries and farms. For example, let's take California: You've got this Schwarzenegger. You've got a \$15 billion estimated deficit in this year's budget. You have at least a \$15 billion deficit or more in next year's budget. How is California going to deal with that? If you have Schwarzenegger, what are you going to get? You're going to get a more than \$15 billion, actually \$30 billion cut in expenditure of the state of California for essential services. What does that mean? What's the effect on the population? What's the total population of California? What is the effect on that population of a \$30 billion cut, this year, in the budget of the state?

Now, look at other states of the United States, which are more or less in similar conditions, if not quite the same. Some worse, some better. What does it mean? What does it mean, if this happens in Europe, as it threatens to happen in Europe right now? They're all bankrupt over there, you know. Only a revival program, a recovery program, will save them. What about South America? What about Mexico? Mexico is totally bankrupt, hopelessly bankrupt. What about the entirety of South America? See what we've got? We are on the edge of a plunge into a new dark age. And look at the damn fools in the so-called Presidential debates, and see what they're talking about. They're not in the real universe.

So, therefore, what happens is, suddenly, these talking fools, as they drop by the wayside—Howard Dean probably jumps off a cliff someplace and tries to float up to heaven, or something—what do they do when reality hits, when the public has been saying, "Which of these candidates are we going to choose?" Or not choose. What happens at that time? You have a plunge into a new dark age of humanity, spreading throughout the planet.

So therefore, we have to win, because otherwise, look at 'em. Look at the candidates, look at the discussion, look at the opinions reflected by the mass media. Talk to people in the streets. What's on their minds? What would be the reaction to the equivalent of something worse than a \$30 billion cut in the state budget of California, which is coming up now? You're looking at chaos.

Now, I as President can deal with that problem. I know how to deal with it. It's manageable, but it means overturning what most of these guys believe. That's the issue.

A New Nation

Question: What are some of the challenges people will be facing once the current economic system is replaced?

LaRouche: In a sense, when you go into a new society—it would be like being an immigrant into a new nation, because the nation is going to have to change. And therefore, a sudden, rather rapid change, into *being* a new nation, is somewhat like *entering* a new nation. That is, you're in the same physical surroundings, but suddenly the rules are different. The perspectives are different. The ideas are different. That's the point. That's the shock effect.

The key thing is, I'm relying largely upon the effect of a youth movement of the type we have, to spread that as a pattern, because what you need is the same thing you guys who are doing that, are doing. That is, to get into groups, where you thrash out issues and discussions of principle, you learn to cooperate in new ways, through that kind of discussion, and to extend that method of operation to include more people, because we're going to go through some very rapid changes. And therefore, what is needed is a sense of how to make these kinds of changes. And the best way to do it—it has to be voluntary, as you know. That's why I've meddled as little as possible in the youth movement, because it has to be voluntary. You guys have to do it. You have to develop your techniques, you have to decide on it. I can give you some guidance, give you some stimulation, and direction. But the change that's going to be made, you're going to make, not me. And therefore, what *you* learn, from this experience, and what *you* do, will be valuable for other people, on a larger scale, once we start the change.

1. Lyndon H. LaRouche, Jr. "On Tariffs and Trade," *EIR*, Feb. 13, 2004.

LaRouche Speaks to the Philippines

MANILA, Jan. 30 (EIRNS)—Lyndon LaRouche gave a half-hour radio interview and cadre school combined in the Philippines today, hosted by the Philippines LaRouche Society and the Philippines LaRouche Youth Movement and broadcast on the nightly radio talk show hosted by LaRouche Society leader Antonio "Butch" Valdes on DZAR-1026 Angel Radio Manila. For this special occasion, Butch Valdes arranged for 16 LYM members to be with him in the studio, led by his son Anton, and a group of friends from the media and the business community to be wired in from a hotel meeting room in Manila, hosted by his other son Itos. After introductions by Mike Billington of *Executive Intelligence Review* and Butch Valdes, LaRouche spoke for about 10 minutes, and took questions from both locations—the first cadre school in Asia outside of Australia!

The transcript follows; subheads have been added.

Butch Valdes: Tell us a little bit more about the efforts of the LaRouche Youth Movement, Anton.

Anton Valdes: The Lyndon LaRouche Youth Movement, basically, what we do is, we are here under Lyndon LaRouche's

direction to rebuild the future. We are calling on the youth as the future leaders of this country, of the world, to take the responsibility to rebuild the future, their own future.

Butch Valdes: The LaRouche Youth Movement is an organization here as well as in the rest of the world. What parts of the world is the LYM in?

Anton Valdes: Right now, the LYM is exploding in the United States, Europe, Australia, and in South East Asia, it is basically what we have here, and otherwise pretty much around the world.

Butch Valdes: We have our caller on the line, Mike Billington, calling from the United States. Good evening, Mike.

Mike Billington: Good to talk to you.

Valdes: We have here, awaiting your call, and Mr. Lyndon LaRouche's call, here in the booth we have about 16 members of the LYM and quite a number of others, and also with Itos Valdes in a conference room in the nearby Shangri-La Hotel, with quite a number of people there, too.

Billington: Good to have you all there.

Valdes: Go ahead, Mike, what do you have for us?

Billington: Let me say, first, that we have some good news and some bad news about this broadcast. Mr. LaRouche, as a result of the phase shift that is going on in American politics, is being inundated with requests from all levels across the country, to appear, to speak, and so forth, so there is a very exciting shift, and I will discuss this in a moment. But also, unfortunately, the schedule has given him a bit of a cold, and he is having some trouble with his voice today. He has requested that we keep this down to about 15 minutes rather than the hour we had hoped for.... [H]e has got to try to preserve his voice for this electoral campaign. But he is very, very glad to have the chance to speak to the Philippines again.

Let me just say that the phase shift over these last two weeks has been *very* dramatic. LaRouche went into this campaign with two fundamental policies which he knew had to be implemented now, not after the election, not campaign promises, but with an urgency upon which the fate of our country, and, really, of the world depended. One was that Dick Cheney and what he represents within the Bush Administration had to be removed *now*, that the threat that the failed and illegal war in Iraq would be responded to by this circle, this neo-conservative circle, whom we have been exposing for the last year and a half, that their response to that failure would be to expand into new wars, in Syria, in Iran, in North Korea, and others—that that threat is extremely grave, and has to be met by identifying his crimes and removing him from office now.

Secondly, LaRouche warned that we were now in an irreversible global collapse, as evidenced by the collapse of the dollar—and the collapse of all currencies, really, around the world, only the dollar is collapsing faster—as a result of the breakdown of the global productive system, and that unless this nation and, especially, the candidates in this election, take seriously this collapse, and propose or act upon the need for a new world economic order, of the sort that LaRouche has proposed for a New Bretton Woods system, like that of Franklin D. Roosevelt after the Second World War, then we were heading for an irreversible breakdown of civilization itself, and these two issues had to be met.

I can say with a great deal of joy and excitement that what has emerged over the last week is that there is now a dramatic shift on the issue of Dick Cheney and his role in history, his criminal, illegal, "Beast-Man" role in history. The focus of this, as you may know, after months of our inundating the country with our pamphlet called "The Children of Satan," we released a second version, "The Children of Satan II," on Cheney and the Beast-Men, George Soros and others, which has

already saturated Washington and is being distributed in all of the states where primaries will be taking place. Then, this was met both by the release of former Treasury Secretary Paul O'Neill's book, which directly identified Cheney as the controller of the Bush Administration, precisely as LaRouche has warned all along, that a weak President is being run by this evil character and the people around him.

Secondly, the report by weapons inspector David Kay, which, in fact, pulled the final prop out from under those who were trying to say that there was any justification for the war in Iraq, it is now known that there was none, and that this criminal war has to be dealt with as an illegal, criminal war.

So, the result is that LaRouche's fight to forge this election campaign has reached a point where even the candidates themselves—and John Kerry took the lead on this, by publicly identifying Cheney as the problem last week. The test will be whether any of these candidates, as it narrows down to, basically, a campaign between LaRouche and Kerry, whether they have the courage to take on the global financial collapse and deal with the urgency of the proposals that LaRouche has made for saving the country and saving the world economy.

In that light, let me just mention that LaRouche's work around the world is the key to this. His addressing people in Russia, in India, in China, and in the Philippines and elsewhere, this is the key to whether we can pull together the New World Economic Order required urgently as this world careens into hell. So, with that I think we are ready to get Mr. LaRouche on, and Butch, can I ask you to introduce—is Mr. LaRouche on?

LaRouche: I think I'm on.

Valdes: Mr. LaRouche, thank you for joining us this evening. We've been informed that you are not feeling too well lately. You have a snowy winter in that part of the world, and a very hectic campaign schedule, which makes us much more appreciative of your kind accommodation to give Filipinos a rare opportunity, indeed, if not the first in our history, to have a chat with a U.S. Presidential candidate. These extremely troubled and chaotic times leave many people all over the world very much disturbed, confused, and in many instances, desperate. Filipinos, like most human beings today, are frantically searching for answers. Over recent years the Philippines LaRouche Society, and especially in the past few months, through this radio program Ang Ating Katipunan, we have continuously insisted that because of your knowledge, your leadership, and your vision for all mankind, you, Mr. Lyndon LaRouche, as the next President of the United States, will show us the way out of the hole that most countries, if not all, have dug themselves into.

Members of the LaRouche Youth Movement are with me here at DZAR-Angel Radio station, while Itos Valdes is over at Edsa Shangri-La Hotel with some known personalities in media and business, all anticipating your presentation and eagerly waiting to chat with you, so without much ado, my fellow Filipinos, it is my privilege to introduce you to a Democratic U.S. Presidential candidate, Mr. Lyndon H. LaRouche. Good evening, sir!

Role of the U.S. Primaries in the World Situation

LaRouche: Thank you very much, and good day to you. We have a very unusual situation in the world today. It is one that most people cannot understand. For example, even though I have been getting a limited number of votes in the two [primary] elections that have occurred so far (one we don't know because there was a real jam-up because of a computer voting problem—the other one we don't know completely what it was). But the point is that we have effected a phase shift in politics, that is, we put the issues on Cheney and on the economic crisis and related things, and this has caused a phase shift in U.S. politics, as typified by what happened this last week in connection with the New Hampshire campaign. At this point there has been a much more significant turn, despite the opposition from the Democratic National Committee, among other Democrats to collaborate with me in one way or another.

This is going to take off. There is no established trend in the election campaign so far except for the dropping out of many of the Democrats, who either have dropped out or will drop out soon. Dean is doomed and Gen. Clark is doomed. Edwards will last a little bit longer, but I don't know how much longer. He'll probably last through the Carolina event, but beyond that I don't know.

Dennis Kucinich will go into a side niche in the campaign. The others are essentially irrelevant, and will become more so as the time passes, so it essentially is as Mike indicated, that it is me and Kerry.

Now what we are going to get is this: As the process develops, since I'm the one that uncorked on Cheney and got this thing to the point that other people are jumping on the case now, there will tend to be more and more discussion in a peculiar way between me, Kerry, and others, implicitly. This will be around the country. This is already significant in the so-called African-American community, a very significant response and exchange of views and interaction, especially since the Martin Luther King Memorial event, which I did in Talladega, Alabama. So this is the way it is going to go.

The crisis will come as Mike has said. When the international financial crisis hits with greater force, at that point there will be a change in the American voters. So far the behavior of the voters has been largely one of, shall we say, one of a Hollywood reaction. People are reacting to a news media event as an election. They are voting as if they were polled on a news media event.

Real issues, except for a growing issue on the war and on Cheney, do not exist in the mind of the voters generally. When the financial crisis hits with greater force, this will hit them and it will bring them into reality with a shock. This is a period which, therefore, will have a revolutionary character not only in the United States, but internationally.

You have coming up the Russian Presidential elections, which are coming up in this next month, March. This will be a phase change in world politics.

You have developments in Japan. How much longer can Japan continue to bail out the U.S. dollar? There are doubts about how far this can go.

There are changes in Europe, for example, Gerhard Schroeder, the Chancellor of Germany, announced a cap—an end to any more cuts in social services and in the welfare of the population.

These are phase changes, and there will be more of them, so you cannot draw a statistical trend line on the election. You are looking at breaking points. We have hit one already. It hit during the week just before the New Hampshire primary. You'll have another one hit strongly at the time that the financial crisis hits. You'll have an intermediate crisis as the Democrats now for the first time begin to go after Cheney. That will be a change in U.S. politics and a fierce change in U.S. foreign policy.

That's where we are, so I am extremely optimistic. I am not, shall we say, assured of anything in terms of who's going to win what, but I am extremely optimistic that what we tried to do, to bring about a phase change in U.S. and international politics, that *has* been accomplished.

We will now go through a series of phase changes, and, hopefully, the financial crisis will become apparent to people soon enough that they will react to determine how this election campaign in the United States goes. Obviously, the results in the primary campaign on the Democratic Party side, in particular, in the United States are going to have a determining effect on world politics, and that's the way I am watching it.

The Financial Crisis

Valdes: Thank you, Mr. LaRouche for your initial presentation. I would now refer to Itos Valdes and the group that we have at Shangri-La Hotel to field the first question. Itos, are you there?

Itos Valdes: Yes, Ka Butch, we have a question from Joey Bernales, to whom I will yield the floor, Joey.

Joey: Mr. LaRouche, good evening, sir.

LaRouche: Good evening.

Joey: You were saying the U.S. voters will change once the financial crisis hits. What will be the catalyst of the financial crisis? Will it be a rate hike by the Federal Reserve?

LaRouche: No, it could be, but not necessarily. It could be almost anything. The United States, at present, is actually bankrupt. The current account deficit is only typical of that. The collapse of the value of the dollar relative to the euro is again symptomatic. You have all kinds of bubbles in the United States at a time that the banking system of the United States, that is the private banking system, is essentially bankrupt, as a whole.

Now the key thing here, of course, is the international financial derivatives matter. In financial derivatives, we are talking about hundreds of trillions of dollars against a world economy estimated at \$41 trillion. Obviously this is total bankruptcy, so that anything, *anything* can set it off. Also, political factors can set it off, because the idea that the U.S. is in any way growing, is a complete fake.

What you have is the following: The United States economy is collapsing, it has been collapsing, there is no question of it. But why do people think, and actually believe the nonsense that the U.S. economy is in an upsurge, in a growth pattern?

What they are looking at is *gambling*, and Wall Street is gambling. It is *not* the economy. It's gambling on stock values and similar financial values, so that is what the problem is.

Once it is apparent that these values are going to collapse, then the entire bubble, in the mind of the citizen, collapses. At that point, the citizen says, "Wait a minute!"; this is not a popularity contest, this is not a Hollywood event, this is *real!* This is me! This is not something I am looking at, this is *me!* I'm not voting on a horse race. I'm not betting on a side bet, on a crap game called Wall Street. This is *me!*

Now when that happens, of course, the chain reaction around the world will be immediate. You will have, for example, the yen will go through a crisis, and you know what the effect of that will be on East and South Asia.

That is what we are looking at, not any one thing. You have a hyperinstability in which many factors could be the trigger factor to set off a general chain-reaction collapse. What that will be, is uncertain. The fact that the Federal Reserve System moves to try to prevent something from blowing up, means that something else will blow up instead.

Joey: Will this crisis happen within the next 10 months?

LaRouche: It will happen soon. It will happen soon. You know, in this case, as long as you have this subjective factor of belief in a financial bubble, you can postpone, politically, you can postpone a crisis for some period of time, even after it is

overripe. That can be weeks. It will *not* be many months.

Valdes: We have a question from the LaRouche Youth Movement, Mr. LaRouche, his name is Paul, go ahead.

Paul: Good day, Mr. LaRouche, my question is: What is our guarantee that the ideas that you represent are the ideas that can save not only the Americans and the Filipinos, but the entirety of humanity as well?

LaRouche: In fact, it goes the other way; they are the only ones that will, because of the nature of the crisis. We have gone through, globally, a cultural paradigm shift in the U.S. economy and politics since the aftermath of the Kennedy assassination and the beginning of the Indochina war. Since that time, what happens in the United States has become an imperial factor determining the way the world goes. This also determines the way the international monetary financial system functions. Whatever happens to the United States, will determine what happens to the world, not in the absolute result, but in terms of what time a crisis breaks, what kind of a crisis, and what will have to be done to solve the crisis.

Now, in the United States presently, any existing ideas from any of my so-called rivals, from leading circles in the United States today, will ensure a collapse of the United States, and a slide of the world into a new dark age. I am the only one who has attacked this problem, and the only one who, as an expert, has had any understanding of it, in what I have said publicly over recent years. So it is down to the fact that I am the only alternative, and, if I fail, then we all fail, but I am determined not to fail.

The Importance of a Eurasian Orientation

Valdes: We've shifted back to Itos at the Shangri-La Hotel.

Itos Valdes: We have Hans Palacio Tondo, who wants to ask a question.

Tondo: Good evening, Mr. LaRouche.

LaRouche: Good evening.

Tondo: My question is, will the coming U.S. elections mean that there will be less attention paid to the events that go on here in the Philippines in the United States, especially, in the light of the fact that we are also going to be having a Presidential election this coming May?

LaRouche: At the present time, on the surface of U.S. politics, yes. In terms of world reality, no, because what we have here is a Eurasian orientation. This is coming up more and more in Europe. France has its own approach to this around President Chirac. Germany has an orientation, largely toward China and somewhat toward India. Russia is key in this because Russia is the pivot for the strategic triangle, that is, Russia, China, India cooperation, which, as you know, is increasing.

Japan has to make a crucial decision, and this is going to be very important for the Philippines. If Japan decides that the recent policy it has followed is insane, and if it decides that the alternative for Japan is to participate in the triangular economic cooperation with Europe and with the strategic triangle of Russia, China, India, and so forth; if Japan makes that decision, then Japan will go to an orientation toward becoming an industrial-goods-exporting nation, which is its self-interested role. At that point, you will have north China and the complex of China, North Asia, and Southeast Asia, will tend to click in, together with the effect of India on this whole process.

Those developments, developments of that kind, will put the Philippines back into focus. The Philippines is now being ignored (except for bad things coming out of Washington, chiefly), because it is considered irrelevant. The Philippines becomes relevant as a part of international culture because it is a European culture, essentially, or a European/Asian culture, in the Far East.

If we have an orientation, a long-term orientation, adopted as policy by Japan and other countries, then the Philippines comes back in as a political factor of significance. At that point, people will become concerned about the health and vitality of the Philippines.

So, I think, it is not just the United States that is going to determine this. It is going to be how Eurasia reacts, including Japan, to what's happening in the U.S., to the collapse of the U.S. dollar. This is going to change the situation, one way or the other, fairly soon.

Valdes: Another LYM member, whose name is Jehan, go ahead.

Jehan: Good evening, Mr. LaRouche. My question, Mr. LaRouche, you know very well the history of "Edsa" [the name applied to two Philippines military coups imposed under the guise of popular uprisings, and a third popular uprising that failed—ed.]—that would be Edsa one, two, and three. These events in Edsa were all different demonstrations. My question is, what is "vox populi," "vox dei," for you? This is in relation to the pursuit of real freedom, and I will be connecting this to what had happened in Edsa on these three occasions.

LaRouche: I gave an address in Talladega, Alabama, on the occasion of the birthday of the Rev. Martin Luther King. That address is now being processed as a DVD, which includes the introduction by Amelia Boynton Robinson, and my address on that occasion. This will now be available internationally.

From that, anyone who knows these factors in history, especially in the history of Christian civilization, will know exactly what I am saying. This kind of message of rising out of issues, shall we say, popular issues, into the deeper issues of the individual relationship to a sense of immortality, is what my politics is. This, to the degree it has any influence, is going to influence politics of this type. Are we relevant to the politics of this type, to whatever degree it influences or not?

Assessing the Democratic Primaries

Itos Valdes: Mr. LaRouche, Tony Gatmaitan would like to ask a question.

Tony Gatmaitan: Good evening, Mr. LaRouche. How are things with you and the campaign for the President, of the Democratic Party?

LaRouche: Good evening. Well, it's coming down essentially to the fact that there are two candidates who are relevant in this race on the Democratic side, Senator John Kerry and me. The other candidates will be increasingly out of the race or irrelevant. That's where we stand. The issue is going to be—Kerry has come around to openly attacking Cheney on the right issues, which is good. He hasn't gone all the way, but he has gone in a good direction.

On the financial issues, I don't think that John Kerry yet grasps the nature of the international financial/economic issue. So the issue is going to be between me and Kerry, or among me, Kerry, and some others, on how we define, not only a more refined and accurate view of the Cheney problem, as I defined it on these issues on Synarchism, but also how we define the way we think about economics—and that especially for a period in which the international financial system is going

through the greatest collapse in modern history right now. That is where the issue stands, and that is where I stand. I am in the middle of that, and things are changing very rapidly on the political scene inside the United States now.

I am in the middle of it. Where it is going to go, I don't know with certainty, but it is moving, and it is going in interesting directions. We will have to see almost week by week.

Butch Valdes: Mr. LaRouche, I know that we are imposing on you. I know you are sick, but I cannot stop all these questions from coming through to you. We have another question from the LYM member, whose name is Ver.

Ver: Hi, Lyn. As you may know we have an ongoing problem in Mindanao, where part of the Muslim population want to secede from the Philippines. How do you propose to resolve this?

LaRouche: From my standpoint, it is obvious that I have been the leading political figure in the United States, and also to some degree internationally, in opposing the attempt to organize a war, a clash-of-civilizations war internationally.

What is happening in the Philippines is in part a reflection of that. Now, there are Filipino factors that we have known for years on this issue in Mindanao. Back in the 1980s, we were talking about this. Back in the 1980s we were trying to prevent this clash in Mindanao from occurring. We were hoping for a positive accommodation among these forces to maintain the unity of the Philippines.

Now it has become much more difficult. However, I think that my specific role in dealing with and against this clash-of-civilizations policy—if I am successful, if I can influence others to join me in this, if there is a U.S. commitment to opposing the clash of civilizations, then my Muslim friends in various parts of the world may be able to have a salutary influence on the situation in Mindanao and the Philippines generally. Obviously, we should, and I am committed to that. All I can indicate is what the resources are that we can use.

Remember that the demoralization of the Philippines by what has happened since the beginning of the 1980s, this demoralization has produced a condition under which communal conflict is more easily fostered. The fact that the Philippines has no clear, assured security for its future. The fact that the economic security is in jeopardy, creates a political vulnerability, which lends itself to these kinds of communal explosions. If people of the Philippines, in general, believe that there is an opportunity for a progressive development in the economy of the nation and its relations to the regions, and if the international Islamic forces which recognize me as being a defender of them against the clash of civilizations, intervened, then I think we have the potential for coming to some kind of accommodation. But these are all conditions. They are not spontaneous, they are not projectable as statistically certain, but they are the opportunities we have, which we must cultivate to try to bring about a solution.

How To Fight Fear

Valdes: We have another question here from the LYM.

Marlou: Hi, Lyn, this is Marlou. Fear is the worst enemy of human civilization, as Amelia Robinson says. Unfortunately, the leaders in the Philippines and definitely the leaders in other countries are afflicted with fear. Now, my question is, how can the members of the Philippines LYM tell our leaders to overcome the fear of making a stand on this world economic crisis?

LaRouche: We are doing a fairly good job. I have to do a better job. My campaign has to create internationally a sense that the alternative that I am proposing is feasible, that is, politically feasible in this period. That is what we have to do. We also

have to give, in that context, give people a vision of a more hopeful world, a better solution.

If people believe that something is coming, or might come, or is about to come, which removes these evils, then the optimism of thinking that there is leadership somewhere in the world, which is going to push things in the direction we need, that will change the situation.

Itos Valdes: Here in the Shangri-La Hotel, this is Rene.

Rene: Good Morning, Mr. LaRouche, thank you for being with us.

LaRouche: Good Morning,

Rene: If Mr. Kerry wins over you, by the slightest margin, would you accept his offer of being his Vice President for the sake of the Democratic Party's unity?

LaRouche: The question is a bit too precise, because the realities of the situation don't correspond to that question. What is happening now, is that the Kerry initiative is impacted by what I'm doing. So what we have is a Democratic Party, in terms of the Democratic National Committee, which does not function. Large sections, however, of the Democratic Party, that is, the officialdom of the Democratic Party, in the large, are moving in the direction of collaboration with me and Kerry simultaneously. There is a movement around, for example, Sen. Kennedy, former President Clinton, and others, in this direction. So what we have now is not "Is Kerry going to win?" That is not certain. Somebody is trying to adduce that Kerry is now winning. That is not true. Kerry is the only one among the other candidates who has any credibility as a Presidential candidate.

I have greater authority as a Presidential candidate, and I am, in a sense, much closer to a Presidential institutional view than Kerry. Kerry is a Congressman. He is a member of the Senate. Very able, in his own way, but he doesn't think exactly the way that is needed to think—maybe he will learn quickly—he has the opportunity to do so.

What you are going to see in this period is not a question of who is going to give way to whom. During this period we are going to be running as rival candidates, all the way up to some point. At the present time, what's important is not our rivalry. What is important now is our indirect collaboration in reshaping the topics of discussion. See, our problem is this: What the voters think is unimportant, right now, because they are going to change what they think. So don't look at what the voters seem to have thought two days ago or five days ago—it's irrelevant.

Forget what the polls said a week ago. It is irrelevant, because there is going to be a sudden change in what the voters think, so therefore, we have to look at leadership not as a trend among the voters, but leadership as a factor in and of itself, which is always the case in a crisis. In a great crisis, the voters as such do not shape the leadership. In a crisis, the leadership changes the phase shifts among the voters.

What is going to happen is that the discussion, in whatever form it takes between me and Kerry, is going to shape the way the voters think. After we have seen how the voters respond to that change, then we will know what is likely to happen in November.

LaRouche and the Moon-Mars Program

Valdes: We have another question here from the LaRouche Youth Movement, from Edgar.

Edgar: My question is, how important to humanity is the latest exploration on Mars?

LaRouche: It is important. Not just the latest exploration. I think that some of the purposes in the operations are credible and useful, but what is important is the fact that the orientation towards space exploration has been reactivated; that is what is significant. I think the present program is a failure insofar as the long-term mission is concerned, even though what is being done now are useful steps that we will not waste.

What is needed is a real Mars exploration program, which includes the Moon, and develop the Moon as a logistical base for developing large-scale systems for exploration. But the key thing here is this, the world has got to learn how to manage what are called "natural resources." These are relevant elements of the periodic table of Mendeleev. We are now using up some of the materials, which are in the planet as raw materials, of that type, more rapidly than they are being replaced. This is not an impossible, catastrophic situation. It is rather a challenge. Now to solve that challenge, what we have to do is we have to look at the solar system and its development, so to speak, its personal history, in new ways.

The only way we can do that is by space exploration. We have to look at the composition of what is on Mars, because we have to see that Mars was created by the Sun, as the Earth and the Moon were, and as the other planets were. We know what this system is that we are looking at, because Kepler solved that problem back at the beginning of the 17th century. We know that the solar system was formed in a very special state of the Sun, when the Sun was much younger. We know something about that. We have a problem on the question of an understanding of certain peculiarities of the Periodic Table, which we don't yet know. We've been working on that for years, off and on; we worked with my late friend, Dr. Robert Moon, formerly of Chicago University. We had something going. We are reactivating that.

We have something going in Russia, among the followers of the school of Vernadski, some very sophisticated work, and I am involved in some of this as a matter of discussion. We have to explore the physical experience of the solar system, comparing what Mars is, what we find on Mars and beyond, with what we know of the physical chemistry of the Earth. Therefore, we can focus then, with new approaches, to discovering how to manage the Periodic Table of Elements on the Earth for our needs here. So this is crucial.

Finally, the exploration of Mars is a normal course for a generalized science-driver program for humanity. If you wanted to pick a research program which would cover almost everything you wanted to know about anything right now, you would say, "Let's start with a space exploration program," because the idea of putting a human being into space, with all the biological problems that implies, and all the other problems, means that every aspect of scientific inquiry suddenly comes into focus when you say, let's go with a grand-scale, generalized mission-oriented Mars exploration program. That will be the science-driver for the future of the human race on Earth.

Valdes: Thank you very much, Mr. LaRouche, and we hope you get well soon for the sake of everybody in the world.

LaRouche: Also, I hope to be in better condition to talk to you guys!

Valdes: We look forward to that, sir. *LaRouche:* Thank you, thank you very much. Bless you all.

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During the past three years, the U.S. economy has apparently been prevented from sinking into unfathomable collapse, by incurring immense volumes of new debt. The Bush-Cheney Administration is wholly dependent on the debt-generation process, like an addict upon his cocaine; the debt bubble is the principal force holding up the American economy from far greater destruction.

U.S. States Have No Way Out But 'Super TVA'

by Paul Gallagher

The non-partisan Congressional Budget Office's Jan. 26 report of a \$477 billion 'unified' Federal budget deficit in the now-ongoing Fiscal Year 2004—while only part of the terrible story—is in itself a \$100 billion jump in the deficit over that of FY 2003.

Dollar Collapse Begins A Drama for Eurasia

by Paul Gallagher

At one of his final town meetings in New Hampshire's Presidential primary, Sen. John Kerry gave a smile of acknowledgement when LaRouche Youth Movement leader Mike Reeves told him that the collapse of the U.S. dollar will bring down the world financial system and 'cut out the baby talk in this campaign.' Reeves was citing the repeated public alarms to this effect by former Treasury Secretary Robert Rubin in mid-January.

Israeli-Palestinian Team Releases 'Economic Road Map'

by Dean Andromidas

... there are people on both sides who can negotiate positive agreements. But peace is being blocked by the hardline policies of Israeli Prime Minister Ariel Sharon and his backers in Washington, the neo-conservatives led by Vice President Dick Cheney.

Building Bridges Across The Mediterranean

by Gail G. Billington

Five Muslim and five European nations, representing a combined population of 238 million people, held a first-of-its-kind summit in Tunisia in the first week of December 2003, to map out a strategy for overcoming differences in political and economic areas with the intent of turning the Mediterranean into 'a sea of peace.' The summit, hosted by Tunisian President Zine El Abidine Ben Ali, may be the first of its kind, but it has been in the making for over 20 years.

Synarchists Explode Bolivian Powderkeg

by Cynthia R. Rush

When Bolivia plunged into violent chaos last September and October, setting off a process that led to the ouster of oligarchical President Gonzalo Sa´nchez de Lozada, international media attributed the upheaval to popular anger over a government proposal to export the country's natural gas abroad through Chilean ports. The plan hit a raw nerve over Bolivia's loss of its Pacific coast to Chile in the 1879-81 War of the Pacific, the media asserted, and sparked the nationwide violence which ousted 'Goni,' as Sa´nchez de Lozada is known, sending him fleeing to Miami.

- **Documentation:** "Misery 'Has Reached Intolerable Limits.' " (see bottom of pdf file, p.15.)

International:

Iran's Election Crisis Flanks the One in Iraq

by Muriel Mirak-Weissbach

Each Iranian election brings the simmering institutional conflict between the conservative Guardian Council (GC), and the reformist wing in Parliament with its supporters in the population, to the boiling point. With elections for the Majlis (Parliament) scheduled for Feb. 20, the crisis has assumed unprecedented contours, and could lead to significant changes in Iran's political landscape.

Blair Won't Escape Nemesis on Iraq, Economy

by Mark and Mary Burdman

The last week of January was one of the most politically fraught and dramatic weeks in modern British political history, and a decisive one for British Prime Minister Tony Blair. On Jan. 27, his government barely squeaked through a House of Commons vote on his pet project of having universities impose 'top-up fees'—added tuition fees—on students. The next day, Law Lord Hutton gave his long-awaited report on the death, on

July 17, 2003, of top British weapons scientist Dr. David Kelly. Hutton exonerated Blair's government of all blame for the circumstances leading to Kelly's death.

Indonesia Rejects CNN 'Islamic Terror' Lies

by Mike Billington

U.S. media networks commonly portray nations in the Islamic world as breeding grounds for terrorism, asserting the most blatant lies without bothering to attempt proof or qualified sourcing. It was thus refreshing to see Indonesia respond to a recent CNN feature broadcast, 'Seeds of Terror,' narrated by Indonesia bureau chief Maria Ressa, under the direction of CNN documentation series host and news anchor, Aaron Brown.

Cheney's N. Korea Nuke Scandal Unravels

by Kathy Wolfe

Senator Richard Lugar's Foreign Affairs Committee on Jan. 20-21 heard testimony from Dr. Siegfried Hecker, former chief of Los Alamos nuclear laboratory—on his trip to North Korea Jan. 7-10—which questions Bush Administration assertions that North Korea has a clandestine uranium weapons program.

Mussolini To Lead New Fascist Alliance

by Claudio Celani

In the context of the current international regrouping of synarchist parties, four Italian neo-fascist groups have formed a new alliance for the upcoming European Parliament elections. The recognized leader of the new coalition is the granddaughter of Benito Mussolini ('Il Duce'), Alessandra Mussolini...

National:

LaRouche Turns Democrats' Sights on Cheney

by Nancy Spannaus

Perhaps the sharpest image of the phase-shift which has occurred in the Democratic Party since the California Recall election of October 2003, is the implosion of the Howard Dean campaign. A close second, is the manner in which all the 'major' candidates—John Kerry and Dean included—and Democratic Senators have now begun to train their sights on Vice President Dick Cheney.

What Leadership for A Time of Crisis?

Here is the keynote of Lyndon LaRouche's Presidential web- cast campaign event in Manchester, New Hampshire, Jan. 25, 2004.

Campaign 2004: Where They Stand

Part 5 in a series on the Democratic Presidential contenders, **"How To Reverse the Infrastructure Breakdown, and Restore the Economy."**

U.S. Economic/Financial News

U.S. Budget Deficit Projected To Hit \$631 Billion

The Congressional Budget Office released a report in January revealing that the *official* fiscal year 2003 budget deficit reached \$375 billion. Further, the CBO projects the *official* FY 2004 (Oct. 1, 2003-Sept. 30, 2004) budget deficit will zoom to \$477 billion, a record. (It should be noted, that the CBO makes projections, but the U.S. Treasury Department releases

the final budget deficit figures).

But as bad as that is, it doesn't begin to tell the real story: The *official* budget deficit that the Treasury Department reports on, which is called the "unified budget," is a sham agglomeration, which illegally mixes the actual budget, which is called the U.S. General Revenue Budget, with the off-budget surplus of the Social Security Trust Fund. But the Trust Fund has its own dedicated tax-revenue stream, and should not be mixed in. If one correctly refuses to count the surplus of the Social Security Trust Fund, the U.S. government's General Revenue budget (the real budget) deficit reached approximately \$536 billion in fiscal year 2003, and is projected to reach approximately \$631 billion in fiscal year 2004.

The CBO also reported that its *official* 10-year budget projection of cumulative U.S. budget deficits, from fiscal year 2005 through fiscal year 2014, is \$1.89 trillion. However, *EIR* determines that if one correctly refuses to count the surplus of the Social Security Trust Fund, the U.S. government's cumulative budget deficit, from fiscal year 2005 through fiscal year 2014, would be approximately \$4.29 trillion.

Though increased defense spending (mostly the spending for personnel and retirement accounts), and legislated tax cuts, each played a role in the growing budget deficits, the prime driving force of the deficits is the collapse of revenues, relative to where they should be, particularly the collapse in personal and corporate income taxes.

Greenspan: Factory Jobs Gone For Good, But: No Problem

The U.S. economy "has always been able to generate enough jobs in cutting-edge industries to replace jobs lost in industries facing the highest competition from low-wage labor," pronounced Federal Reserve guru Alan Greenspan, speaking to a conference in London, by phone. Of course, "cutting-edge" used to mean something better than Wal-Mart, which Greenspan failed to mention.

Derivatives saved us when telecom blew out, he said, adding, "Unlike in previous periods of large financial distress, no major financial institution defaulted and the world economy was not threatened."

'Self-Employed': Euphemism for 'Unemployed'?

The number of self-employed workers has grown during the past two years, rising from 8.9 million Americans in November 2001, to 9.6 million Americans in December 2003, the Bureau of Labor Statistics reports. The self-employed worker includes a wide range—from real estate agents, consultants, computer programmers/software designers to graphic artists. This often includes workers once gainfully employed. Take the case of telephone repairmen: Over the past five years, their jobs have disappeared in large numbers. They now "work for themselves," but often less regularly, having to pay out of their own pocket for their health benefits, etc. In some cases, "self-employment" is just a form of disguised unemployment.

The *Washington Post* Jan. 27, claims that the loss of jobs in the U.S. economy—which *EIR* has determined to be 7 million jobs since July, 2000, including 2.8 million manufacturing jobs—can be explained by the increase in self-employed: "It may be that the economy has already turned around and that [self-employment] will help define this expansion: an era when the creation of permanent full-time jobs will be tamped down by the global availability of work-for-hire independent contractors."

Two Million Jobless Exhaust Benefits in January

At least 2 million more jobless workers will exhaust state unemployment benefits—without further aid or a paycheck—in

the first half of this year, according to the Center on Budget and Policy Priorities Jan. 29. The CBPP found that about 375,000 unemployed workers will have used up their state-funded jobless benefits in January, without having found a job—and will receive no further government assistance. This is the largest number of jobless workers who will go without further assistance, for any January on record, CBPP said, even after adjusting for growth in the workforce. Indeed, this month, 2 1/2 times as many unemployed workers will exhaust their regular benefits without qualifying for additional aid, as the average level in January from 1973-2003 (based on Labor Department data).

Congress has refused, so far, to approve another extension of the 13-week Federal unemployment benefits program for jobless workers whose state benefits run out—the "forgotten man."

Moreover, during January-June 2004, CBPP estimates that 1.97 million unemployed workers are expected to be in this situation; this will lead, of course, to an explosion in bankruptcy filings. "In no other January-June period on record," CBPP said, "have so many unemployed workers exhausted their regular benefits without qualifying for additional weeks of unemployment assistance."

Yet, the crisis is much worse than CBPP says; CBPP assumes, contrary to reality, that the economy will improve slightly in the coming months, making it modestly easier to find a job.

Greenspan Calls for More Poison; Bows Before 'The Market'

In an apparent response to Democratic Presidential candidate LaRouche's Jan. 25 webcast in Manchester, N.H, in which he called for an FDR-style economic recovery program, discredited Federal Reserve chairman Alan Greenspan denounced government intervention in the economy, and instead touted policies to increase economic "flexibility," i.e., more of the same poison—deregulation and globalization—that has led the U.S., and the world, to the edge of the greatest financial collapse in modern history.

"Disoriented by the quickened pace of today's competition, some in the United States," he said, "look back with nostalgia to the seemingly more tranquil years of the early post-World War II period, when tariff walls were perceived as providing job security from imports." Were the U.S. to follow a pro-tariff policy, and return to its tradition as a producer society, Greenspan lied, "our overall standards of living would fall." "In today's flexible markets, our large, but finite, capital and labor resources are generally employed most effectively," he babbled. "Any diversion of resources from the market-guided activities would, of necessity, engender a less-productive mix." He urged the Administration, and other nations, to "shun the path" of protectionism, warning of "unexpectedly destabilizing" consequences.

Greenspan was speaking, via satellite, to the U.K. Treasury Enterprise Conference, in London.

Judge Denies Suit vs. Wal-Mart: Too Many Violations

A Florida judge denied a class-action lawsuit against Wal-Mart for unpaid work—because violation are too widespread! Circuit Judge Glenn Hess in Panama City, Fla., wrote in his ruling that if plaintiffs were able to prove Wal-Mart failed to pay low-level employees for extra work, then determining the amount owed to each worker, would overwhelm the court system. The court would face up to 2,300 trials to determine the damages, he said, if even 1% of the 230,000 Wal-Mart employees in Florida since 1997 joined the lawsuit.

A former night-shift manager in the Panama City Beach Wal-Mart Supercenter, and several former employees of Chipley Wal-Mart, sued the company in 2001, saying they were forced to work through breaks, skip meals, and return to unfinished tasks after they had clocked out.

A lawyer for the plaintiffs, said he would file a Federal class-action suit under the Fair Labor Standards Act.

World Economic News

Parmalat's Brazil Subsidiaries File for Bankruptcy

Two of the three Parmalat corporate entities operating in Brazil—the holding controlled by the Italian parent company, Parmalat Participacoes do Brasil, Ltda., and its actual productive arm, Parmalat Brasil, S.A. Industria de Alimentos—filed for court protection from their creditors on Jan. 28. If their request is granted, the companies would have two years to restructure their debts with suppliers and the banks. The president of Parmalat Brasil said that the company was forced to act, to head off the mounting number of suits filed by creditors and suppliers, seeking payments, or, in the case of five companies, requesting the company be placed in involuntary bankruptcy.

There are two ramifications of the move.

From the standpoint of the Brazilian physical economy, at least 20,000 milk producers in 14 states who supply Parmalat are affected. According to a survey carried out by the National Agricultural Confederation (CNA), Parmalat Brasil owes R\$14 million (approximately US\$5 million) to milk producers, on contracts going back to the end of November, a debt which will double by Feb. 16, if payments aren't made. As one representative of the milk producers put it: "This is a social problem, not only an economic one." Entire communities will be wiped out, should these producers not be protected. The move apparently caught the government by surprise, and an emergency meeting was called in Brasilia of representatives of the Agriculture, Treasury, and Justice Ministries, the Central Bank, the Banco do Brasil, and a special commission responsible for the milk industry. The government's concern, according to Agriculture Minister Roberto Rodrigues, is to keep the producers afloat, and to ensure no reduction in the national milk supply occurs, which could lead to scarcity.

The other aspect, of course, are the ramifications for the global debt bubble. Parmalat's operations in Brazil account for 10% of the company's global revenue, and employ a sixth of the overall company's 30,000 global workforce. Parmalat Brasil's bank debt is estimated at only between US\$110-160 million. The holding company, Parmalat Participacoes, is where things could become financially dicey. Participacoes's total debt is estimated variously at US\$1.4 or 1.8 billion, owed to approximately 12 banks. It is backed, by and large, only by the guarantee of the parent company—which is bankrupt, so the bank creditors of the Brazilian holding company are trying to join the creditors' committee of the industrial company, to get their hands on its revenue. *O Globo* comments Jan. 29 that specialists consider Participacoes dealings to be "a bit nebulous." According to the daily, the Brazilian holding company is responsible not only for Italian company's investments in Brazil and all of Ibero-America, but also for those in countries from other regions, such as China. If the creditor banks of Parmalat Participacoes succeed in unifying the handling of the two companies, things really get complicated, one source told *O Globo*, as the company "has more creditors than the little saints distributed in San Marcos Plaza, in Venice."

Argentine Leader: IMF's Krueger Thinks Like the Vultures

Anne Krueger, the Deputy Managing Director of the IMF, told Argentina it should be more "constructive" in dealing with foreign creditors, and speed up negotiations to restructure \$99 billion in defaulted debt, Infobae reported Jan. 26.

Argentina *is* negotiating, said Chief of Cabinet Alberto Fernandez, and it's a process that will take some time. "Any urgency is Anne Krueger's, not ours," he added. "I don't know whether she's defending the vulture funds, but what I do have clear is that she's a person whose position is very much in accordance with those of Argentina's creditors who are strongly speculative, and want a fast negotiation." It is the vulture funds that are lobbying the IMF to pressure Argentina to make concessions on the restructuring, Fernandez said.

Russian-Brazilian High-Tech Cooperation Strengthened

Cooperation between Russia and Brazil on energy, space exploration, and biotechnology, was discussed during a Jan. 23 meeting of the Russian-Brazilian Commission for Trade and Economic Cooperation in Moscow, Itar-Tass reported Jan. 23. Technological cooperation in aviation and the military sphere is another area under consideration, also, Russian Deputy Prime Minister Boris Alyoshin announced in advance of the meeting, adding that Russia may sell licenses for the production of medicines in Brazil as well.

Contracts for machine-building for hydroelectric plants are under discussion, and Russia and Brazil might also build an oil refinery together. Russia and India are both interested in working on hydropower plants in Brazil, while cooperation on pipelines is another likely option.

An agreement for cooperation in space exploration between Russia and Brazil is expected to be signed by the fall of 2004. The agreement envisages a \$500-700 million program through 2008, and would include development of a Brazilian launch site and launch of Brazilian satellites.

United States News Digest

Arkin Warns: Stratcom Turning into Global Strike Command

The U.S. Strategic Command (Stratcom) is turning into a global strike command, according to nuclear expert William Arkin, who spoke Jan. 25, during a three-day conference in Washington of the Nuclear Policy Research Institute. Arkin noted that when Stratcom was first created in the early 1990s, in the aftermath of the fall of the Soviet Union, it was the custodian of nuclear forces that would be segregated from conventional military forces.

However, since 2001, with the merging of Stratcom and U.S. Space Command, the codification of the January 2002 Nuclear Posture Review, and last year's National Strategy to Combat Weapons of Mass Destruction, Stratcom has been transformed into what Arkin described as a "super global strike command."

The new responsibilities include space operations; missile defense; nodal analysis on a global scale including effects-based operations; cyber warfare and strategic deception; directed-energy weapons used on a strategic level; global conventional precision and earth-penetrating capabilities; and even special operations. In other words, Stratcom has been transformed from a custodian and advocate for strategic nuclear forces into a global warfighting organization that includes nuclear weapons as a component of its capabilities.

Arkin warned that, even with the smaller number of nuclear warheads contemplated by the Nuclear Posture Review, this leads to "a greater level of confidence that the U.S. could disable Russian or Chinese forces and absorb any retaliation with missile defenses."

Speaking on the following panel, retired Gen. Charles Horner declared that, from a military standpoint, nuclear weapons have no military utility, plus "the horrible political cost for the decision to use them." He reported that during the 1991 Gulf War, for which he was the air commander, the U.S. official policy towards Iraqi use of chemical or biological weapons was one of "ambiguity," but that, in reality, "I knew we had no such plans" to use nuclear weapons against Iraq.

Horner warned that because of the reorganization of Stratcom, and the re-engineering of existing nuclear weapons to deal with hardened and deeply buried targets, "We may develop young people in the military who'll believe that nuclear

weapons are acceptable," and not see that the costs associated with using such weapons is far greater than any victory we might achieve.

Soros Wants 'To Stick it Out' in Iraq

The London *Guardian* published an excerpt from George Soros's new book, entitled *The Bubble of American Supremacy*, as an op-ed on Jan. 26. In it, Soros hits the Cheney doctrine of preemption (called by Soros the "Bush doctrine of preemption"). Being stronger than others, we assume we know best, says Soros: "That is where religious fundamentalism comes together with market fundamentalism to form the ideology of American supremacy."

Fine—but then Soros shows his imperial hand. We messed up in Iraq, he says—"Yet there are more places where we need to project our power than ever," naming North Korea, Iran, and Afghanistan, as better locations for U.S. military force. And, as far as Iraq is concerned, having carefully left out the name of Dick Cheney, he concludes: "We have no alternative to sticking it out and paying the price for our mistake."

Robert McNamara: Iraq War Is 'Just Wrong'

Former Secretary of Defense Robert McNamara, known as "Body-Count Bob" for his conduct of the Vietnam War, called the current Iraq war "just wrong, morally wrong, politically wrong, economically wrong." McNamara's 1995 *mea culpa* on the Vietnam War (he wrote, after 20 years, "we were wrong, terribly wrong" about that war) listed "11 lessons" which he hoped America had learned from Vietnam, and would never repeat.

But, he tells Canada's *Globe and Mail* Jan. 26, we've done it again in Iraq. "The new circumstances and new technology didn't help us in Iraq." As in Vietnam, we have gone in against the will of our major allies, he says, and trying to "democratize" the Middle East is the same blunder as thinking we could roll back communism in Indo-China.

Corrupt Ashcroft Rails Against Corruption

It must have been quite a sight. U.S. Attorney General John Ashcroft took his righteousness on the road to Davos, Switzerland, to evangelize the world's elite on the need to smite corruption. Speaking on Jan. 22, Ashcroft said corruption is "one of the most pressing threats to opportunity and human achievement today," jeopardizing basic ideals and the rule of law.

"Free markets are the greatest force man has ever known for overcoming the scourge of poverty," but when "the invisible hand that guides the market is replaced by a greased palm" and "violate[s] the integrity of the marketplace," the rights of the people are denied. "The goal of law enforcement, then, is clear: Equal opportunity in the marketplace must be defended. Trust must not be abused." To bolster his sermon, Rev. Ashcroft explicitly invoked Freidrich von Hayek and his *Road to Serfdom*, and painted corruption as a form of terrorism.

In a delicious bit of irony that only the chosen few could fail to see, Ashcroft also praised the Foreign Corrupt Practices Act, a law he is conspicuously failing to enforce against his good friends at Halliburton.

'Rodent-Like Wolfowitz' Violates Corrupt Practices Law

By promising prime contracts for countries that send troops to Iraq, Deputy Secretary of Defense Paul Wolfowitz is in violation of the 1977 Foreign Corrupt Practices Act, which expressly prohibits Americans from attempting to bribe or otherwise illegally influence foreign officials in order to seek favorable treatment on the awarding of contracts, wrote

investigative journalist Wayne Madsen on Jan. 26 in the UN *Observer*. The "rodent-like" Wolfowitz is using "blatant extortion," and the Justice Department of the "ethically tainted" John Ashcroft should open up a criminal investigation, he added.

Moonie *Times* Attacks Democrat Simmons for Recall

In a bizarre lead editorial, even for the Republican Party-linked, Moonie-owned *Washington Times*, the Jan. 27 issue attacked the recall drive against Washington, D.C. Mayor Anthony Williams, and particularly targetted Democratic National Committee member Barbara Lett Simmons for "refusing to vote for the Gore-Lieberman ticket" at the 2000 Democratic convention. (This is something that Simmons had proudly announced at a Lyndon LaRouche webcast in Washington after the 2000 elections.)

"D.C. Democrats need to nip this latest disruptive effort in the bud," the right-wing *Times* railed, complaining that "national committeewoman" Simmons, who is African American, is launching a recall against the titular head of the D.C. Democratic Party.

GOP Aide Sidelined in Probe of Watergate-Style Theft

Manuel Miranda, an aide to Senate Majority Leader Bill Frist (R-Tenn), has been put on leave while the Senate Judiciary Committee investigates the theft of a confidential Democratic Senate memo, reported *Associated Press* Jan. 28.

The Democrats' internal memo concerning the Bush Administration's judicial nominations was made "available" to the Republicans, and then showed up in the pages of publications like the *Wall Street Journal*. Miranda, who worked for Judiciary Committee chairman Orin Hatch (R-Utah) before joining Frist's staff, had been named as a suspect. A complaint to the Congressional Sergeant-at-Arms in November 2003, by Judiciary Committee member Sen. Richard Durbin (D-Ill), forced Hatch to open an investigation into actual theft.

Davis Pledges GOP Will Investigate White House Leak

Don't hold your breath, but Rep. Tom Davis (R-Va), the head of the House Government Reform Committee, says he'll investigate who disclosed the identity of Valerie Plame *only if* the Justice Department fails in its investigation. Plame, the wife of former Ambassador Joseph Wilson, was outed as a CIA undercover operative last summer by columnist Robert Novak.

"If they don't find it, we will," Davis said. "It will be looked at and second-guessed. It's a troubling and serious violation." Davis was quoted in *The Hill* newspaper, Jan. 28, after the ranking Democrat on the committee, Henry Waxman (D-Calif), charged that the Republican-led Congress has failed in its responsibility to carry out oversight of the Bush Administration, explaining that "there is not a scandal too big to ignore."

Perle Speaks at Terrorist Fundraiser

Straussian neo-con Richard Perle addressed a fundraiser run by the terrorist Mujahedin-e Khalq (MEK) at the Washington Convention Center on Jan. 27. The MEK, a group of exiled Iranians based in northern Iraq, has been on the State Department's list of foreign terrorist organizations since 1997, but Perle's crowd has been wooing them as an asset in their hoped-for invasion of Iran. The event was billed on its website as a charity fundraiser for Iranian earthquake victims, and "a referendum for regime change in Iran."

"All of the proceeds will go to the Red Cross," Perle claimed. But the Red Cross, which had been informed earlier of the possible terrorist connections, announced before the event that it would refuse any monies.

Perle was paid an undisclosed amount for the speech, and, of course, has known of the connections since the MEK controversy was at the center of a State Department/Pentagon fight following the invasion of Iraq. In recent weeks, both *Time* magazine and *The Hill* newspaper reported on the fundraiser's terrorist connections. On Jan. 26, the Treasury Department froze the assets of the event's prime organizer, the Iranian-American Community of Northern Virginia.

House Maneuvers To Force Senate Hand on Bankruptcy Reform

House GOP leaders, to jolt the Senate, took action Jan. 28 to attach stalled bankruptcy-reform legislation to a non-controversial bill extending the Chapter 12 provision of the bankruptcy law to family farms. The Chapter 12 provision expired Dec. 31, 2003.

Democrats blasted the attachment as nothing more than an attempt to placate credit-card companies on the backs of family farmers. Representative Mel Watt (D-NC) told the House that "the primary reason we are having an increase in the number of bankruptcies in this country is job loss and economics which is being driven by this Administration." He added that "this is an effort to find someone to blame for the failure to pass the bankruptcy reform legislation."

The original "reform"—making it more difficult to declare personal bankruptcy—passed the House on March 19, 2003, by an overwhelming 315 to 113, but stalled in the Senate over a provision to prohibit abortion protestors from discharging judgments against them in bankruptcy court. Judiciary Committee chairman James Sensenbrenner (R-Wisc) complained that while the Senate "is often described as the saucer in which the coffee cools," the bankruptcy bill "has become nearly frozen in that proverbial saucer."

Proponents of bankruptcy reform continued to place the blame for skyrocketing bankruptcy filings, reaching a record 1.7 million in 2003, on abuse of the system, rather than on economic realities. Sensenbrenner stated that the present system "allows, if not encourages, dishonest debtors to file abusive bankruptcies that overburden the system."

Ibero-American News Digest

48-Hour Strike in Dominican Republic vs. IMF

Trade unions and popular front groups in the Dominican Republic called a 48-hour strike against the Hipolito Mejia government on Jan. 28; the strike received the backing of the Roman Catholic Bishops Council and the National Private Enterprise Council, each of which issued statements supporting the strike as an understandable reaction to a government which has turned its back on the nation's problems.

This is the second national strike in less than three months protesting the Mejia government's refusal to break with IMF dictates, which have led to an annual inflation rate of 42%, official unemployment of 16%, a doubling in price of most food and fuel basics over the past year, and a foreign debt which has doubled to \$7.6 billion during Mejia's term in office. Conditions on the island have so devolved, that desperate people are taking to the seas, to try to escape. More than 1,000 Dominican boat people have been intercepted by the U.S. Coast Guard in January alone, as compared to 190 just one year ago.

There was near total adherence to the strike, with streets empty, and businesses and schools shut down. All branches of the military were out in force, patrolling the main cities with heavy weaponry.

Living Standards, Employment Fall Under Lula Government

Brazilian President Lula da Silva is being held up by financiers internationally, as the exemplar of an economically "responsible" government which refused to implement "populist" policies, and instead concentrated on "stabilizing" its debt. But look at what that program did to Brazil's people, during Lula's first year in office:

According to the official statistical agency, IBGE, unemployment averaged 12.3% in 2003, in the country's six major metropolitan areas, up from the 11.5% it had reached in the last year of Fernando Henrique Cardoso's government. In absolute numbers, the number of unemployed rose from 2.1 million at the end of in December 2002, to 2.3 million unemployed at the end of 2003. Furthermore, the average real income of Brazilian workers in December 2003, was 12.5% less than in December 2002. In the six regions surveyed, average income was only R\$830.10 in December—or approximately \$285. The collapse in income for self-employed persons was even more dramatic, falling by 19%.

The rise in unemployment and the fall in income were worse in the industrial heartland of Brazil: metropolitan Sao Paulo. According to the IBGE, average income in Sao Paulo was 15.3% less in December 2003 than the year before. The yearly survey of the private Seade/Dieese Foundation, however, reports even worse unemployment in metropolitan Sao Paulo than the IBGE does, putting it at 19.7% at the end of 2003, up from 19% the year before. This is the highest level since 1985, when the foundation began its statistical series. Fifty-five thousand manufacturing jobs were lost in 2003 in Sao Paulo.

Brazil and India Consolidate 'Exceptional Partnership'

If we coordinate between us, this century will belong to the developing countries—to India, China, Mexico, Russia, South Africa, and Brazil—Brazilian President Lula da Silva told a conference of Indian industry leaders in New Delhi on Jan. 27, during his five-day (Jan. 25-29) state visit to India. The Brazilian President was invited to be the guest of honor at India's 55th Republic Day.

Lula stressed on every occasion that he had learned as a trade unionist that "no one that you speak with will respect you if you are submissive.... India and Brazil together can build a strong political force... so that the trade geography of the world can change for the better."

A framework accord for negotiating a free-trade zone between India and the Mercosur common market was signed on the first day of his visit, with ministers of Argentina, Uruguay, and Paraguay joining the Indians and Brazilians for the signing.

"I am returning to Brazil, convinced that we have consolidated an exceptional partnership" with India, Lula told a press conference at Brazil's embassy Jan. 27. Our countries have taken "a long time" to discover each other, but "we will not miss this chance—neither Brazil nor India." Trade between the two reached \$1.2 billion in 2003, but this is not even 10% of what can be done, said Lula, who also invited Indian businesses to explore the possibilities for investing in Brazilian infrastructure—the Indians are reportedly particularly interested in helping build Brazilian railroads—and proposed an air-link connecting Sao Paulo, Johannesburg, South Africa, and Mumbai, India.

Among the accords signed during his visit, was a framework agreement for cooperation on joint research in space and atmospheric sciences.

Prime Minister Vajpayee was invited to pay a state visit to Brazil in June 2004.

New York Times Takes Aim at Brazil's Space Program

The *New York Times* has declared war against Brazil's space program, with a piece of yellow journalism penned by its lead hack for Ibero-America, Larry Rohter, on Jan. 23. The article follows the IAEA and neo-conservative assault on Brazil's nuclear-enrichment program, and neo-con hysteria over Brazil's strengthening ties to Russia, China, India, and South Africa.

Rohter knows more about bars than he does rocket science, but he presented his findings as the results of "a four-month investigation" into what caused the explosion of Brazil's VLS rocket in August 2003, in which 21 top scientists and technicians were killed. His article was quickly picked up by the Brazilian media.

Rohter claims his interviews with former Brazilian government officials, scientists, and relatives of those who died, "taken as a whole, portrayed a dangerously underfunded program that forced researchers to rely on substandard parts and questionable procedures, and had little public accountability under an unclear and divided chain of command." The Brazilian rocket program is failing because it still operates under military control—making international control difficult, he asserts. He particularly targets Brazil's cooperation with Russia, which got around U.S. efforts to keep any country from selling certain technologies to Brazil.

Neo-Fascist Networks Spread Tentacles into El Salvador

Venezuelan opposition leader Alejandro Pena Esclusa, who argues that a military coup is the only solution for Venezuela, visited El Salvador in the week of Jan. 26 to organize against what he paints as a China-backed, Cuba-backed continentwide "communist threat."

Pena's intervention came just weeks before El Salvador's Presidential elections in March, and will only help turn that Central American nation once more into a battleground between the left- and right-wing synarchists who submerged the country in civil war throughout the 1980s. The election pits Farabundo Marti Liberation Front (FMLN) leader Schafik Handal, for decades a hardline Castroite leader of the continental Sao Paulo Forum narcoterrorist swamp, against a government-backed right-wing candidate, who promises to continue the free trade, neo-liberal economic policies which have destroyed living standards, and eliminated the nation's currency.

In a public address hosted by the anti-Castro "Liberty Foundation" on Jan. 26, attended by some 300 people, Pena, who is an asset of the new fascist international being formed by Spain's pro-Franco Blas Pinar (see InDepth: #33 in 2003, and #1 & #3, 2004), argued that the Sao Paulo Forum is consolidating its political position to take power in the greatest number of Ibero-American countries possible, and Salvadorans had better act before they find themselves ruled by an Hugo Chavez ally. Otherwise, as he told *El Diario de Hoy*, "El Salvador would suffer a new civil war in the short-term."

Soros Denies Funding Campaign of Castaneda

Former Mexican Foreign Minister Jorge Castaneda is criss-crossing Mexico to build his Presidential campaign. Although the elections are not until July 2006, the race is already the central subject of gossip nationally. Castaneda is on the hustings, promoting Wall Street's line that Mexico's institutions must be ripped apart, before "reform" can be put through, and he's the man to do the job. Pollsters and press have begun to puff his candidacy, which the LaRouche Youth Movement (LYM) began so effectively to disrupt a few months back.

Since he resigned as Foreign Minister in January 2003, Castaneda has made 42 campaign trips, and participated in 220 events and conferences with businessmen, youth, and social organizations, CNI news service reported on Jan. 13. On a recent visit to Guanajuato, Leon, he took out TV spots, with the message that he was the architect of President Vicente Fox's defeat of the PRI Party in July 2000—which brought the synarchist PAN Party to power.

The LYM's exposé of Castaneda's ties to the speculator and drug legalizer George Soros, clearly have become a problem. The Mexican daily *Milenio* reported Jan. 26 that Soros, from Geneva where he was attending the Davos World Economic Forum, went out of his way to deny that he is financing Castaneda's Presidential bid. "It is not true, absolutely not true, that I am financially supporting Castaneda's political career," Soros insisted to the media. "I greatly respect Mr. Castaneda. When I was thinking about creating my foundation [in Mexico], I thought of him.... We had some talks," but after his decision to run for President, "we ended our talks."

Argentina Rolls Back Another Privatization

On the grounds that it had failed to comply with the terms of its contract, on Jan. 25 the Argentine government revoked the privatization contract for regulation of broadband frequencies which had been granted to the French defense group, Thales-Spectrum, in 1997, *Clarín* reported Jan. 26. Cabinet Chief of Staff Alberto Fernandez further announced that a decision has been made to return this function to the state, rather than reprivatize it. In a joint press conference Jan. 26 with Infrastructure Minister Julio De Vido, Fernandez warned that the state will demand full compliance with the terms of every privatization contract.

This is the second annulment of a privatization contract that has occurred under the Kirchner Administration. A few months ago, the government revoked the privatization of the Post Office, which had been bought up by the Macri Group. Currently, the Post Office is in state hands, but the intention is to privatize it once again. Fernandez emphasized, however, that broadband frequency regulation is not a service that can readily be delegated to private interests, and reported that the state had lost 300 million pesos (\$100 million) as a result of Thales' non-compliance with the original contract. It has also been suggested that bribery may have been involved in the granting of the contract originally, which occurred under the notoriously corrupt Menem government.

The government's action has provoked panic among other privatized firms, whose owners are largely foreign. Kirchner acted on the eve of his trip to Spain, where he intends to announce that "every single" privatization contract granted during the 1990s, especially to utility companies, will be reviewed, and revoked, should any irregularities or non-compliance with contracts be discovered.

Western European News Digest

Hutton Report: 'Beyond a Whitewash'

"It is outrageous, I can barely contain my anger," commented one of Britain's leading experts on Iraq, speaking about the findings of Lord Brian Hutton, as outlined in his final report, which was released Jan. 28. The source added, it is "beyond a whitewash."

While British Prime Minister Tony Blair and the No. 10 Downing Street apparatus is clucking with glee over the findings, there is an immediate massive backlash, apparent from the coverage in the British press Jan. 29. The London *Independent's* front page is two-thirds white; in the middle of this white, in red ink, appear the words, "Whitewash: The Hutton Report." The pro-Labour Party *Daily Mirror's* front page has, along the top, the words "UNFOUNDED ... the charge they 'sexed up' dossier," with photos of Blair, his erstwhile spin doctor Alastair Campbell, and Defence Secretary Geoff Hoon, and then underneath: "UNFOUNDED ... the WMD they took us to war over." The paper's top story demands that Blair "must tell the truth" about Iraqi WMDs.

The London *Guardian* is filled with commentaries castigating the report. Seamus Milne writes that "Hutton's report could

scarcely have been more favorable if it had been drafted, or even sexed up, by Tony Blair's former spinmeister Alastair Campbell himself.... Hutton's unqualified endorsement of the government's behavior is bound, in the current climate, to be widely regarded in the country as a cover-up. It will have no credibility for millions who opposed the war on Iraq.... There is no way in which the Iraq war can somehow be put behind us."

With the Iraq war, warns Milne, "the precedent of preemptive war" has been created, and there is "poison released in the British political system by a war launched on a false prospectus.... The priority must now be to bring the Iraqi opposition to an end, and for those who launched the war to be held to account." What is required is not only an "independent inquiry" into how and why the war was launched, but bringing Tony Blair to account.

Of Hutton himself, Milne writes that he is a "scion of the Northern Irish Protestant ascendancy who himself represented British soldiers" at the notorious Lord Widgery 1972 inquiry into that year's "Bloody Sunday" massacre, the which inquiry ended up clearing British soldiers of any blame. Widgery's findings were a "flagrant establishment whitewash," and now, charges the author, Hutton "has, if anything, outdone Widgery in his service to the powers that be."

European Press React to Hutton Report

A survey of continental European press conclude:

**Die Presse*, Austria's leading daily, noted Jan. 29 that the Hutton Report will not relieve Blair from the broad public's belief that he cheated them on the Iraq war, nor relieve him from the deep discontent reflected in two recent opinion polls: the MORI poll gave Blair 32% support vs. 59% rejection; a *Daily Telegraph* poll gave Blair's Labour Party only 35% support to the Tories' 40%, were parliamentary elections held now.

Die Presse reports the social, economic disaster underlying the deep discontent: per-capita debt of Britons is the highest in all of Europe; an increase of interest rates by the Bank of England would blow the housing bubble apart; 1 million Britons must endure long waits for surgery or other "special" treatment; the railway sector has not improved at all; the London metro is a disaster as is much of the social situation of London in general.

*Germany's *Tageszeitung* daily wrote that the thin majority in the Parliament shows that Blair is "no longer architect of his victories," but dependent on a Labour Party "which now can withdraw support for him at any given moment, ... more and more sections of the party consider their chairman the problem, rather than the solution.

"The next palace revolt and the next scandal—no matter which issue is involved—is but a question of time. Blair is a pending Prime Minister: his time is running out. Maybe he is the last to notice that."

Exploring Mars Has the Beauty of a Beethoven Quartet

This is the culturally optimistic theme which was featured in, of all places, the British press on Jan. 23, in its coverage of the discovery by the European Space Agency, of water on the planet Mars. All the papers carried the story on the front pages, with color photos, of the ESA's Mars Express. Typical of the coverage was a London *Independent* banner headline, "Is This Evidence of Life on Mars?"

There is much excited commentary accompanying this reportage, with Dr. John Murray, of London's Open University, and a member of the Mars Express team, telling the *Times* and *Guardian*: "There are times when science is more like hearing a Beethoven quartet than poring over reams of numbers. Yesterday was one of those occasions. To look at the pictures from Mars Express's high resolution stereo camera was to see something so supremely beautiful that I had to remind myself it

was science, not art.... It's just so beautiful, as well as awe-inspiring. It's just art and science and beauty and exploration all mixed up together."

German Transport Minister Supports Land-Bridge, Maglev

German Transport Minister Manfred Stolpe declared himself in favor of the Eurasian Land-Bridge, in response to a question from LaRouche representative Frank Hahn during a panel discussion held at Deutsche Bank in Berlin Jan. 23, on the subject "Can We Still Rescue the East?" Stolpe also expressed his support for a French-German-Polish maglev line.

"It is true that there is a strong connection between infrastructure development and job creation," Stolpe responded when asked about the necessity of great projects like the New Silk Road. "We calculated that 1 billion euros of infrastructure investment will create 22,000 new jobs, and we will spend this year eu11 billion. But this is not enough, at all!"

Stolpe continued: "We need new sources of financing.... Nonetheless, we are very happy that we are encouraged to do something by the Presidents of Poland and France, who asked the German government to build a Transrapid [maglev] line from Paris via Berlin to Warsaw! I am pushing, beyond this, for a quick modernization of the East Asian railroads, so that the freight transport between Asia and Europe can be reduced by 21 days. But I need allies and supporters for this idea."

Stolpe said Russia's Transport Minister had told him that 100 years ago, the Germans were able to finance and build the Trans-Siberian Railroad. So, why should they not be able to do the same today?

On the same panel, the Mayor of the eastern German city of Erfurt demanded the construction of a high-speed railway connection to Erfurt to bring investment into Thuringia. Stolpe reassured him, by reporting that a decision will soon be made on the high-speed line from Stockholm to Naples, which route will integrate Thuringia.

Chinese President Visits France, Meets Chirac

Chinese President Hu Jintao made a four-day state visit to France beginning Jan. 26, which visit included the traditional Chinese New Year celebration, with all the bells, whistles, and dragon dances, involving an estimated 200,000 celebrants along the Champs Elysée. The visit marks the 40th anniversary of diplomatic relations between the two countries, in honor of which the Eiffel Tower will be bathed in red lights for the entirety of the state visit.

China's President held a 90-minute meeting with President Jacques Chirac at the Elysée Palace, and French Foreign Minister de Villepin welcomed President Hu, stating that China is "a privileged partner of the European Union's and has a major and responsible position in the international system," adding that the two nations share a commitment to "multi-polarity" in world affairs.

On Jan. 27, President Hu Jintao became the first Asian head of state to address France's National Assembly.

German Chancellor Calls Off New Austerity Measures

Faced with a drastic increase of popular discontent, German Chancellor Gerhardt Schroeder pulled the emergency brake on new austerity measures. In an unannounced press conference in Berlin Jan. 28, Schroeder declared that the planned "share-of-burden" in funding the special-care insurance has been called off, and that for the time being, no new austerity projects will be undertaken. "We have reached the limit of tolerance," he said; "the population cannot bear any more."

Overwhelming majorities in strike votes in the metal and newspaper sectors indicate that a big strike wave is possible this

spring. Metalworkers began warning strikes in Berlin and several other big cities Jan. 29.

The latest FORSA opinion poll gives Schroeder a rating of less than 20%, and his SPD party 24%; with the Greens getting 9%, the red-green alliance would receive only 33% of the vote, were elections to be held now. The opposition has a solid majority: The CDU-CSU would get 50%, and the FDP 8%. Even the post-communist PDS, which mostly is based in eastern Germany, would get 5% and seats in the Parliament.

Londoner: 'Cheney Is a Very Dangerous Man'

Dick Cheney is vulnerable to attack, and it is nearly certain that attacks on him will mount, both in the U.S. and in Britain, said a senior London Atlanticist who is close to "centrist," anti-neo-con strategic groups on both sides of the Atlantic.

He emphasized that Cheney is "soft-spoken, but ominously self-assured, as I have witnessed from a personal encounter with him. He's a very dangerous man, it's dangerous to get on the wrong side of him, unless you have enough on him to put him on the defensive. But the time is coming, when he will be in lots of trouble."

Blair Is 'Dead Man Walking'

"Tony Blair is a dead man walking. He's in office, but he's not in power," a London insider told *EIR* Jan. 28, commenting on the "victory" of Blair the previous day on the Parliamentary vote on Blair's scheme to charge 3,000 pounds-sterling per year to students and their families for college and university. Blair's "Higher Education Bill" passed by only five votes, even though Blair's Labour Party has a majority of 161 in the House of Commons. In the end, it only passed because of massive pressure and desperate concessions from 10 Downing Street, and because Chancellor of the Exchequer Gordon Brown mobilized supporters of his to drop their opposition to the bill. Brown, not Blair, emerges looking like the center of power in the government.

The insider stressed: "The situation has become much too irksome for Blair, I think he will psychologically crack, and it is likely he will be out by Easter. I sense that his office is already preparing people for his departure, since, for the first time since he came to office, we are seeing photographs of him looking not at all well, his hair graying, his face drawn."

Call for Independent Inquiry on Blair's 'Unnecessary War'

Charles Kennedy, Britain's opposition Liberal Democrat leader, has called for an independent inquiry into how Britain was lured into the Iraq war by Prime Minister Tony Blair. In the *Independent* Jan. 28, he writes: "I believe the Prime Minister made a disastrous error of judgment over Iraq.... Mr. Blair took us to war on a false premise.... Mr. Blair drove us into an unnecessary war." He relied on one source for the notorious "45 minutes" claim, and chose to "suppress" other advice from the intelligence community, which called into question going to war against Iraq. Now "he's starting to look silly," as the "Iraqi WMD" hype unravels by the day.

An independent inquiry is required, says Kennedy, as "Lord Hutton's report should be the opening curtain, and not the last word." Blair is always saying that "history will be his judge," and he shouldn't "deny history the opportunity of getting the whole truth."

Kennedy noted a recent poll in Britain showing that 48% of British voters believe that Blair lied in getting Britain into the Iraq war, a figure that is "enormously damaging" to trust in the Prime Minister.

Russia and the CIS News Digest

Russia Plans Strategic Forces Exercise for February

General Colonel Nikolai Solovtsov, commander of Russia's Strategic Missile Forces, was quoted by Interfax-Military News Agency Jan. 29 on maneuvers planned for February, which will involve several launches of ICBMs in various regions of Russia. According to *Kommersant*, they will be the largest such exercise since 1982. Almost the entire fleet of Tu-160 strategic bombers will test-fire cruise missiles in the North Atlantic, while other strategic bombers conduct flights over Russia's Arctic regions and test-fire missiles at a southern range near the Caspian Sea. In addition, military satellites will be launched from the Baikonur cosmodrome in Kazakhstan and Plesetsk launch pad in Russia.

Moscow informed the United States that the purpose of the exercise is to fend off terror attacks.

Powell Talks in Moscow Were Chilly

U.S. Secretary of State Colin Powell's visit to Moscow, including seven hours of meetings with President Vladimir Putin on Jan. 26, was dominated by conflicting interests in and around Georgia, and considerable Russian bristling at persistent U.S. lecturing about Russia's need to meet U.S.-defined standards of democracy. The latter was a main topic of Powell's guest commentary, published in *Izvestia*, though he denied any intention to "interfere in internal dynamics of Russian political life." That disclaimer notwithstanding, Powell wrote that Russia has not achieved "essential balance" between executive power and other branches of government, and that in Russia, "political power is not yet fully tethered to law. Key aspects of civil society—free media and political party development, for example—have not yet sustained an independent presence."

Putin took note of the friction, as he greeted Powell, saying, "The fundamentals of Russian-U.S. relations are firm, and despite the disagreements in international affairs and on the way of upholding our national interests, their base is solid enough to let us settle the current differences."

Powell attempted to reassure the Russians about the continuing U.S. military presence in Georgia and plans to relocate military bases from Germany to new NATO members Poland, Romania, and Bulgaria. "These might be small places where we could go and train for a brief period of time, or use air bases as access to dangerous places, crisis places," he said, though other sources have indicated that the facility in Poland will be quite large. About Georgia, Powell said that the fewer than 200 U.S. military training personnel there were "a very modest presence," and their mission would be "completed in the next several months." But Russian concerns remain, as Russian Ambassador to the UN Sergei Lavrov said that same day, regarding Georgia: "We are not saying that the United States has no part to play in this region. We do say, however, that this is a region just next to Russian borders. And this is a region, a situation that directly affects our physical stability and security.... Any substantial military presence, not observers, but real military presence by a third country, would not be considered as helpful to the stability of the region."

Typical of Russian press coverage of the visit, *Nezavisimaya Gazeta* headlined "A Cold Draft from Powell: Washington claims Georgia for its own zone of influence, while accusing Moscow of being undemocratic." Despite "placatory noises," the commentary said, "Powell still reiterated an opinion already expressed by the U.S. Administration: The nature of future dialogue and cooperation between our countries will directly depend on the state of democracy in Russia." Washington-based analyst Nikolai Zlobin of the Center for Defense Information said in a Jan. 22 commentary for *Washington ProFile*, "There's a rethinking of American policy toward Russia. Increasingly, Russia is being judged by what's going on inside the country. In this setting, the idea of strategic partnership, only recently espoused by both countries, has evaporated." Russian media took notice of the absence of any mention of Russia in President George W. Bush's State of the Union message.

Foreign Ministry Official Stresses Strategic Triangle

In New Delhi Jan. 28, Russian Deputy Foreign Minister Yuri Fedotov continued the emphasis that Defense Minister Sergei Ivanov had put on cooperation among Russia, China, and India, when he was in India 10 days earlier. Fedotov said that Russia stands for further development of cooperation with India and China. "Russia has good and friendly relations with India. Russia is developing friendly relations with China. Thus, we have all the preconditions to cooperate more intensely," he said. He said that trilateral meetings among the three nations' foreign ministers had become "a common practice" in the framework of UN General Assembly sessions.

Russian Foreign Minister Igor Ivanov said at a Jan. 29 press conference in Moscow, that the Foreign Ministers of Russia, India, and China will meet in Moscow for trilateral discussions soon. "We are now discussing the dates for such a meeting to take place in Moscow in the near future," Ivanov said. This will be the third Foreign Minister-level meeting since 2002. Novosti reported from diplomatic sources that the meeting would likely take place this summer, after the Presidential elections in Russia (March) and national Parliamentary elections in India.

Russian Nuclear Export Plans Include Floating Plants

At a briefing for reporters Jan. 29 in Moscow, Russia's Minister for Atomic Energy, Alexander Rumyantsev, reported that for 2003, Russian nuclear exports increased by \$400 million, to \$3 billion. Rumyantsev also reported that the Ministry will file applications to participate in all tenders offered by China for the construction of its new nuclear plants. Russia has a plant under construction there now, which will be put into operation this year.

The Minister said that tests done on the nuclear reactor from the Kursk submarine, which sank in 2000, showed that it could have been started and operated, indicating the promise of developing floating nuclear power plants. He said that "the search is underway for investment to construct the first such floating, small-capacity nuclear power station," and that potential investors include China, India, and Indonesia.

Rumyantsev expressed regret that no contracts had been concluded for importing, storing, or reprocessing spent nuclear fuel in Russia, from foreign countries. In an interview with *EIR*, a counselor at the Russian Embassy in Washington explained that this is because the fuel from plants in South Korea and Taiwan is "American obligated," because it was supplied by the U.S. For the spent fuel to be sent to Russia, the U.S. would have to give permission, which it has not, due to its opposition to Russia's construction of the Bushehr nuclear plant in Iran.

Academician Velikhov Seeks Compromise Fusion Site

Offers by France and Japan have been under consideration to host the International Thermonuclear Experimental Reactor, or ITER, fusion tokamak project. A decision was supposed to be made in December on the site for the multi-billion dollar project, but the parties were evenly split, with Europe, Russia, and China supporting the French site, and the U.S., Japan, and South Korea voting for the Japanese site. In early January, U.S. Energy Secretary Spencer Abraham, in a highly unusual move, taken as an expression of American hostility toward France over its stand on the Iraq war, publicly supported the site in Japan. Since then, the Japanese Minister for science and technology has been on a whirlwind series of trips to Russia, South Korea, and China, to try to convince them to change their votes. The French, meanwhile, have announced that Europe would be willing to "go it alone." and build the fusion experiment without the other partners.

Russian Academician E.P. Velikhov, who initiated and designed the ITER program in the 1980s, stepped into the fray Jan.

28, saying that he would fly to Japan for meetings. "Russia gives preference to the European site," he said, "but it can also agree to a compromise, under which the reactor is to be built in France, while Japan will host the control and data processing center," he told Itar-Tass. He explained that the new "round-the-world computer ring" used for the massive project, will be a global computer network, which has "nothing to do with the Internet, but is built specifically for the fast transmission of large volumes of scientific information."

Velikhov expressed the hope that, at the meeting next month in Vienna to decide on the ITER site, "the political ambitions of some of the member countries will be put on the back burner." Itar-Tass points out that ITER will be the world's second-largest research program, after the International Space Station.

Turmoil Around Rodina Bloc

Differences within the Rodina political bloc, rumored all month, broke into the open Jan. 30, with a turn of events that was headline news in Russia, though their cause and implications are not fully known. Sergei Glazyev held a meeting to found Rodina as a public organization—the Rodina electoral bloc having existed only for the Dec. 7 Duma elections, and then as a group within the State Duma. Glazyev was elected sole chairman of the "National Patriotic Alliance Rodina." Other Rodina bloc leaders, including co-chairman Dmitri Rogozin and Victor Gerashchenko, were named to a political council of the new organization, though they were not present at the meeting.

Statements posted on Rodina's electoral web site said the Glazyev meeting was not legitimate. The Vesti national news program aired a phone interview with Rogozin, who was in Strasbourg as Russia's representative at a PACE session, in which he said the meeting had no legal force, and was merely a rally for Glazyev's Presidential campaign. He accused Glazyev of deliberately staging the event at a time when he, Rogozin, would be out of town. One of the statements on the Rodina site said that decisions on turning Rodina into a party (which Glazyev's meeting did not pretend to do) can only be taken at conventions of member parties, which will occur over the next month.

The Russian press is full of speculation about Glazyev's intentions to strike up different alliances for his Presidential campaign, with a wing of the Communist Party, among others. Those reports are not confirmed. On Jan. 28, Glazyev was the last of five individuals to file over 2 million signatures for ballot status (the others being President Putin, neo-liberal Irina Khakamada, former Duma Speaker Ivan Rybkin, and Federation Council leader Sergei Mironov). Validity checks by the Central Electoral Commission are under way. The candidacy of Gerashchenko of Rodina was rejected by the CEC on grounds of his not being nominated by Rodina as a whole, and the Supreme Court will rule Feb. 2 on his appeal.

Georgian Government To Be on Soros Payroll

Just before his inauguration on Jan. 25, incoming President of Georgia Michael Saakashvili attended the Davos World Economic Forum. There he announced that George Soros and the United Nations Development Program were creating a special fund from which to pay the salaries of Georgian government and law enforcement officials, in order to provide them financial security and remove the temptation to take bribes! "This will help in our struggle against corruption, as the officials will have a stimulus not to steal," Saakashvili explained. "This is the first part of reforms in Georgia, and the West supports it."

Declared mega-speculator Soros at his own press conference, "I am staging an experiment in Georgia." And, he added, "I don't regard this as an intervention in Georgia's domestic affairs." Soros also said, "I am proud of the revolution which has taken place in Georgia." He should be: He paid for it.

Mideast News Digest

U.S. Opposes Int'l Court Hearing on Sharon's Apartheid Wall

The hearing on Israel's new "Berlin Wall" of the Middle East before the International Court of Justice (ICJ) is now in danger because of the opposition of the United States, the European Union, and 30 other countries, reported *Ha'aretz* on Jan. 31. The paper adds that "officials" of the United Nations say they cannot ignore this level of opposition.

The decision to bring the issue before the ICJ was the result of a resolution voted up by the UN General Assembly. Israel has been mobilizing, particularly in Washington, against this move. Now the U.S., Great Britain, Russia, and the EU claim the hearing would "politicize" the ICJ.

While the juridical question of whether it is right or wrong to bring this before the international body is open to debate, with very good arguments on both sides, this does not appear to be the main issue behind the U.S. opposition, rallied at the request of Sharon.

It is important to note that the ICJ is not to be confused with the International Criminal Court, which is a supranational body that can issue arrest warrants, conduct independent investigations, and infringe on the sovereignty of nations. Whereas, a decision by the ICJ, is only a judgment on standing in international law. The ICJ would making a finding as to whether the wall—which all parties agree has taken Palestinian farmland, schools, and homes and made them inaccessible to citizens of the Palestinian Authority—violates international law. The ICJ cannot not call for any sort of enforcement.

Since there are treaties between Israel and the Palestinian National Authority, there is a legal basis to bring this case before the ICJ for a judgment. Such international conflicts between two treaty partners have been brought before the court in the past. The major difference in this case, is that Israel refused to allow the wall question to be brought before the court, so the Palestinians went to the UN General Assembly for a mandate.

There have been precedents, such as the case of apartheid in South Africa, which was brought before the international court in the 1970s. Although that judgment was later used to justify sanctions against South Africa, the sanctions only went through after a vote of the UN Security Council.

The actual effect of the U.S. preventing this issue from being heard in the ICJ is that the current stalemate will continue, with the Palestinians losing more access to their territory and economic means of survival.

So, at the end of the day, the Israel-Palestinian conflict will remain as it is, with Washington refusing even to enforce the terms of its own "Road Map," thus, giving Sharon free rein to carry out his genocidal measures.

Former UN Weapons Inspector Ritter Interviewed by EIR

Former UN Chief Weapons Inspector Scott Ritter exposes the lies about Iraq's alleged weapons of mass destruction, in an interview with *EIR*, featured in this week's InDepth. Among the highlights, Ritter reveals that charges that Syria is hiding Iraqi weapons is pure "fabrication."

Syria Responds to U.S. Charge of Receiving Iraqi WMD

Syrian Information Minister Ahmad al-Hassan told reporters that U.S. Senate Intelligence Committee chairman Sen. Pat Roberts' (R-Okla) suggestion, that Syria had some of Iraq's missing weapons of mass destruction, was simply an attempt "to cover their own failure" to find weapons in Iraq, Reuters reported Jan. 25. "This [allegation] is meant to mislead [public

opinion]," al-Hassan said. "So long as there were no weapons of mass destruction [found] in Iraq itself, how can they be in Syria?" He also called for a quick end to the occupation of Iraq.

Cheney, Sharon, Rumsfeld Want Syria War To Save Themselves

As reported in *EIW* last week, *Jane's Intelligence Digest*, the British military publication, reported Jan. 23, that U.S. Secretary of Defense Donald Rumsfeld "is considering plans to expand the global war on terrorism with multi-pronged attacks against suspected militant bases in countries such as Lebanon and Somalia." *Jane's* noted that an attack in Somalia would have little consequence, but attacks on Hezbollah bases in Lebanon is a more serious provocation, that "would almost certainly involve a confrontation with Syrian troops," and "would also fuel Muslim and Arab hostility toward the U.S., at a time when U.S.-led occupation forces are fighting the ongoing insurgency in Iraq."

But, despite the risk, the confrontation with Syria, writes *Jane's*, might occur because the Administration "considers Damascus a prime candidate for regime change," and is still committed to "preemptive war."

While a number of American and British specialists disputed the *Jane's* report, arguing that Bush election guru Karl Rove has let it be known there will be no new wars between now and election day, the report cannot be dismissed out of hand for three reasons: Don Rumsfeld, Vice President Cheney, and Israeli Prime Minister Sharon.

All three are in deep political trouble, and in their desperation, could launch war as a way of changing the subject. (See this week's InDepth for the multiple investigations of Dick Cheney.)

Hamas Is Proposes 10-Year Truce—if Israel Will Withdraw

Well-placed Washington diplomatic sources confirmed reports that the Palestinian Islamist organization Hamas has proposed a "10-year truce," or ceasefire, with Israel. Hamas spokesman Abdel Aziz Rantisi told Reuters on Jan. 26 that Hamas had come to the conclusion that it was "difficult to liberate all our land at this stage, so we accept a phased liberation. We accept a state in the West Bank including Jerusalem, and the Gaza Strip. We propose a 10-year truce in return for Israeli withdrawal and the establishment of a state."

Middle East sources have told *EIR's* sources report that Egyptian and Saudi leading circles made clear to Hamas that there is no other course to take.

However, on Jan. 27, the worst terrorist bombing inside Israel in months took place on a bus in Jerusalem, killing more than 10 Israelis, and injuring more than 50 people. It was claimed by Islamic Jihad.

NATO Role Being Discussed for Iraq

Trans-Atlantic talks are taking place concerning NATO peace-keeping in Iraq, and the Franco-German military role in Afghanistan. The upcoming Feb. 27, meeting at the White House between German Chancellor Gerhard Schroeder and President George W. Bush, their first in two years, and the meeting of the new NATO General-Secretary Jaap de Hoop Scheffer, with Bush in Washington on Jan. 30, have to be seen in the context of ongoing American efforts to transform the occupation of Iraq into a (European) NATO mandate, there. The U.S. visit of French Defense Minister Michele Alliot-Marie, two weeks ago also fits this pattern.

De Hoop Scheffer said, after his meeting with Bush, that NATO might take a greater role in Iraq, only after a sovereign government takes office in Baghdad, and asks NATO to do so.

An article by Lothar Ruehl, former German Assistant Defense Minister, in the *Neue Zuercher Zeitung* Jan. 30, discusses this NATO issue, as well as Afghanistan.

Ruehl reports that the U.S., with great urgency, is asking NATO to move into Iraq, while at the same time, emphasizing that the American position has become much more "flexible," regarding the role of the Europeans.

Ruehl says there are talks about merging the two Iraqi zones occupied by Poland and the United Kingdom, into one, which would be run by a doubled European NATO military presence of 50,000 soldiers. Ruehl adds that a kind of division of labor would go along with that, which would not involve Germany in Iraq, but give it an increased role in Afghanistan, instead. There, the Germans would take over command and control, and work with and through the Franco-German EuroCorps beginning Aug. 1, according to these deliberations.

Cheney's Dream of Privatizing Iraqi Oil Industry on Hold

The U.S. may be rethinking its plan to privatize Iraq's oil industry, due to Iraqi opposition to the scheme, and the Oil Ministry's reputed "success" in increasing production of crude to more than 2.3 million barrels a day, Associated Press reported Jan. 29.

The new line is that, after the transfer of sovereignty to the Iraqis, they can decide what to do with the industry, according to Robert McKee, the U.S.-appointed senior adviser to the Oil Ministry. McKee said, "I think they'll have to begin with a state-controlled industry. That makes the most sense," he said.

Privatization was one of the main objectives of the American neo-cons, and the occupation under Paul Bremer, but the Iraqi resistance has changed that. "Even the U.S. has lost interest, mainly because the Iraqis themselves are so 'anti.' It's a nationalistic thing," Leo Drollas, chief economist at the Center for Global Energy Studies, said, from the Center's London office. According to Thamer al-Ghadban, a senior adviser at the Oil Ministry, the Iraqis are against it. "There is no policy to privatize the Iraqi industry," al-Ghadban said.

Plans to increase production and export have been dampened by the security situation. "We could do more ... if we had access through Turkey, but because of the security issues we now have unused production capacity in the North of about 400,000 barrels per day," al-Ghadban said. The Iraqi Oil Ministry, supported by the U.S. Army Corps of Engineers and a private British firm, Erinys International Ltd., is training guards to protect its pipelines.

Iraqi Scientists Say 'Liar' Blair Should Resign

Leading Iraqi scientists living in exile, who were involved in the country's weapons programs in the 1980s, have come out saying bluntly that Blair is a liar, and should go, reported the London *Telegraph*, Jan. 30.

Dr. Emad Shansaldi, a nuclear physicist who is leading the calls against Blair, said: "There is only one thing for Tony Blair to do, and that is resign."

"We had no weapons of mass destruction when Britain and America invaded my country," said Dr Shamsaldi. "I should know because I spent much of the 1980s involved in Iraq's nuclear programme." The nuclear program ended with the first war against Iraq, he said. "The country has not been capable of building WMD for more than a decade," another scientist said.

"When we showed the UN inspectors our ruined country [after Gulf War I, in 1991], they agreed with our assessment," Dr Shamsaldi said. "We could not believe it when Blair and [U.S. President George] Bush said Iraq did [have WMD]. Sadly the British and American people believed it." One engineer who helped build Saddam's long-range missiles, said: "I made weapons because I wanted Iraq to be a powerful and prosperous nation. Every true Iraqi would do this."

Dr Fardel Abbas, a chemist, said: "Our work was not wrong—but Saddam was a bad leader." He went on: "In that we share the British experience of being misled and betrayed by our leaders."

Asia News Digest

A New Outbreak of Violence in Afghanistan

One Canadian peacekeeper was killed and three injured on Jan. 27 in Kabul when a suicide bomber attacked a vehicle from the NATO-led, 5,700-strong International Security Assistance Force (ISAF) on a routine patrol. The bomb also killed an Afghan civilian and injured eight others.

A day later, a bomb went off near a British military base near Kabul. The attack was launched on a vehicle carrying British troops and caused injury to four soldiers. The British soldiers were leaving the memorial service held for the dead Canadian trooper.

Although no group has been named as the culprit, there were tell-tale signs which suggest involvement of Gulbuddin Hekmatyar, a former mujahideen and Prime Minister of Afghanistan. Hekmatyar's group, Hezbe Islami, has entered the Greater Kabul area and has virtually joined hands with the Taliban militia to drive out the Americans from Afghanistan. Hizbe Islami is particularly strong in the eastern Afghan provinces bordering Pakistan.

Three-Day India-Pakistan Talks To Begin

Taking forward the joint statement issued in Islamabad in early January, during the South Asian Association of Regional Countries (SAARC) summit, the Pakistani and Indian foreign offices simultaneously issued a statement on Jan. 27, saying the first round of talks, a three-day affair, would begin in Islamabad, on Feb. 16.

The talks will be held first at the level of the Joint Secretaries (one step below the Secretary level, which is the highest level in both the Indian and Pakistani bureaucratic set up) on Feb 16-17. The two-days' talks will be followed by a one-day discussion between the Foreign Secretaries of the two countries on Feb. 18. The Secretary reports directly to the Minister, who is an elected parliamentarian.

In announcing the dates, both the Indian and Pakistani foreign offices said the talks will "commence the process" for a "composite dialogue" suggested by the two heads of states in Islamabad. The "composite dialogue" suggests discussions on all thorny subjects, including the thorniest of them all—the issue of the disputed territory of the state of Jammu and Kashmir, that has affected normalization of relations between these two major South Asian countries.

Malaysia Rejects *New York Times* Charge

Malaysia has rejected a charge made by the *New York Times* that it supplied nuclear-related material to Libya. *Times* correspondent David Sangar had alleged, in the Jan. 25 issue, that nuclear investigators in Libya had found "a remarkably sophisticated network of nuclear suppliers, spanning from Malaysia to Dubai." Malaysia's recently appointed Deputy Prime

Minister, Datuk Seri Najib Razak, on Jan. 27, refuted the charge as a "lie," while warning that David Kay's report on the hunt for WMD in Iraq confirmed that the U.S. already went to war against Iraq based on such faulty intelligence once before.

Najib noted that the U.S. Undersecretary of State John Bolton had just visited Malaysia and did not bring up the accusation. Najib pointed out that Bolton, in fact, even sought Malaysian assistance to "discourage nuclear proliferation in other countries."

On Iraq, Najib said: "We have said from day one that there must be irrefutable evidence of WMD. It has been speculative allegation, and after such a long time, they still cannot show evidence that Iraq has developed and stockpiled WMD. So, our stand is right."

Chinese, French Presidents Support 'Dialogue of Civilizations'

At a joint press conference of the Chinese and French Presidents Jan. 27, Chinese President Hu Jintao said that they had agreed on the great potential and broad prospects of cooperation. Hu said that the two leaders had agreed that in "such a complicated international situation," China and France should intensify coordination and cooperation.

The two sides also confirmed that they support the diversity of world cultures and promotion of a dialogue among civilizations. They also expressed their "delight" about China's first successful attendance of meetings of the G-8 summit in Evian, France in June 2003, and want to increase the dialogue begun there. Leading Asian and African nations attended meetings of the G-8 at the invitation of France.

French-Chinese Business Deals Signed

Chinese President Hu Jintao signed nine business cooperation deals with France Jan. 28, the final day of his visit to France. The deals included electronics, nuclear power, automobile and other industries: a US\$758 million investment accord between car maker PSA Peugeot Citroen and its Chinese partner Dongfeng to double production at their plant in Wuhan, as well as glass and electronics accords for joint ventures.

French Junior Minister for Trade Francois Loos said that Hu Jintao called for bringing smaller enterprises with them to China, stressing agriculture, food, environmental protection, and all industries linked to infrastructure, with energy, transportation, and telecoms being priorities."

China and France also signed important research deals. The Chinese Foreign Ministry today announced it will support France as the site for the International Thermonuclear Experimental Reactor (ITER) project, the world's largest-yet nuclear fusion power plant, which should be completed in 2050 to become the world's first commercially viable fusion reactor. Accords were also signed for research with French jet engine maker Snecma and for joint work on epidemic diseases with the Paris Pasteur Institute.

Japan Prepares Deployment to Iraq Despite Mass Protests

Japanese Prime Minister Junichiro Koizumi has secured the backing from its junior coalition partner, the New Komei Party, to proceed with Japan's first combat zone military deployment since World War II. The deployment, consisting of a 600-strong contingent, to be sent to the town of Samawa in Iraq, will principally be deployed on providing water and medical supplies. However, their rules of engagement will allow them to defend themselves if attacked.

Despite the caveats stated for their deployment, some 6,000 Japanese staged a rally against the deployment in Tokyo on Jan. 25. An advance team of 80 non-combat troops are expected to leave for Iraq around Feb. 3, to set up camp, while a 104-person unit of Japanese Air Force personnel has already flown to Kuwait to support humanitarian-aid missions in southern Iraq. The entire 600-person contingent should be in place by the end of March.

Pakistani Nuclear Scientists' Bank Accounts Raise Questions

Foreign bank accounts of two senior Pakistani nuclear scientists have been traced to a Dubai-based account, says *The News* of Islamabad. Iranian authorities have already confirmed that the foreign bank accounts were being controlled by Pakistani nuclear scientists, adding that the IAEA and the U.S. government had full details of the financial transactions that took place between the Pakistani scientists and the Iranians.

It has also been said that one of the Dubai-based undercover companies used by Pakistan's premier nuclear installation, the Khan Research Laboratories, to procure equipment worth hundreds of millions of U.S dollars was being operated by a close relative of a top Pakistani nuclear scientist. The two nuclear scientists named are: Dr. Abdul Qadir Khan and Dr. M. Farooqi.

The news about the nuclear scientists' accounts broke while Pakistani President Pervez Musharraf was in Davos, Switzerland. Musharraf, who returned to Islamabad on Jan. 25, is now faced with a very dicey situation. The pressure to unearth the proliferation channel and to punish the proliferators is mounting, and it is evident that the United States and the IAEA are leading the charge. The problem is that the issue involves those who are not only considered the "pride of Pakistan," but also those who are close to the Pakistani military, which has always been in charge of Pakistan's nuclear program.

Philippines High Court Nixes Automatic Voting Machines

The Philippines Supreme Court nullified an election commission contract for automated voting machines, on grounds of national interest, the *Star* reported Jan. 23. The Commission on Elections (Comelec) contracted last year with Mega Pacific Consortium (a group which includes the Britain-based elections.com, Ltd.) for nearly 2,000 automated vote-counting machines, paying about \$17 million for them. However, the Court ruled on Jan. 13 that the testing conducted on the machines had proven that the machines were unreliable, contrary to contract requirements—and that the danger to the republic of a fraudulent election was too great. The Court's decision addressed the fundamental issue at stake in the computerized voting question internationally: "What will happen to our country in case of failure of the automation?" No measures for backup in case of failure were provided by Comelec, said the Court. "Considering that the nation's future is at stake, it should have done no less."

The Court wrote that "We are thus confronted with the grim prospect of election fraud on a massive scale by means of just a few keystrokes: the marvels and the woes of the electronic age." The Court ordered that the May elections proceed with manual voting and counting methods, used historically in the Philippines. There are calls for the resignation of the entire Comelec Board.

Is America watching?

Chirac Warns Taiwan on Referendum

At the state dinner honoring the visiting Chinese President Hu Jintao Jan. 26, France's President Jacques Chirac issued a strong warning to Taiwan on President Chen Shui-Bian's plan for a referendum against Beijing. Chirac said: "Breaking the

status quo with a unilateral destabilizing initiative, whatever it is, including a referendum, would favor division over unity. It would be a grave error. It would carry a heavy responsibility."

This Week in History

February 2 - February 8, 1779

George Rogers Clark Captures Vincennes

"I know the case is desperate, but Sir, we must either quit the country or attack Mr. Hamilton. Great things have been effected by a few men well conducted. Perhaps we may be fortunate." So wrote George Rogers Clark from the Illinois Country to Gov. Patrick Henry of Virginia. Two days later, on Feb. 6, 1779, Clark led a small force of 170 men, half of them French, toward British Lt. Gov. Henry Hamilton's fort at Vincennes on the Wabash River.

Hamilton was known as the "Hair Buyer," due to his zealous enforcement of the British policy of paying bounties to the Indians for the delivery of American scalps or prisoners to Detroit. The main targets of these British-allied Indians were the Kentucky "stations," where small numbers of pioneers had placed themselves between the western British outposts and the vulnerable American frontiers further east. As long as the Kentuckians held out, the Ohio Valley Indians refused to attack across the mountains, for if they left their villages unprotected, the Kentuckians could destroy their corn crops. Knowing this, Hamilton had sent out 15 war parties from Detroit by July 1777, all of them headed for the 121 fighting men left in Kentucky.

George Rogers Clark, born in Virginia in 1752, had settled in Kentucky as a young man, and was determined to act "for the good of the country." First, he succeeded in having Kentucky given legal status as a new county of Virginia. Then, he proposed a secret plan to Gov. Henry, Thomas Jefferson, George Mason, and George Wythe. As the American Revolution raged in the East, Clark would recruit a small force and capture the British-controlled French towns in the Illinois Country, ceded to Britain after the French defeat in the French and Indian War. This would put the Americans on the Mississippi River, flanking the British headquarters at Detroit from the West.

On June 24, 1778, Clark and 170 men pushed off from their training base on Corn Island in the Ohio River, shot the rapids at the Falls of the Ohio (now Louisville), and double-manned the oars, day and night, until they reached the Tennessee River. From there, they marched overland into the Illinois Country, in order to avoid the British patrols which had been watching the confluence of the Ohio and the Mississippi Rivers. In short order, Clark's men captured the French villages of Kaskaskia, Cahokia, Prairie du Rocher, and Saint Phillips, and a delegation was sent eastward to secure Vincennes. Clark brought with him the news that the Americans were now allied with France, and many of the French inhabitants rallied to his cause. Clark also embarked on a series of diplomatic meetings with representatives of the Midwest Indian tribes, whom he asked to remain neutral in the conflict between America and Britain.

When Colonel Hamilton heard the news of the American successes, he quickly gathered a force in Detroit and marched for Vincennes. He was unhappy, however, that a part of his force consisted of French militia and volunteers. He complained that they were "ignorant Bigots and busy rebels," and declared that, "To enumerate the Vices of the Inhabitants would be to give a long catalogue, but to assert that they are not in possession of a single virtue, is no more than truth and justice require." He was more sure of his Indian allies, and many joined him, making a total force of around 600 men. Hamilton's army easily overwhelmed the token American force left in Vincennes, and the British Governor settled down to wait for spring, since the Wabash and Embarrass Rivers had flooded for miles around, making Vincennes virtually an island.

But Hamilton remained alert, and sent a party of Indians with a British officer to keep watch on the Ohio River. Other scouting parties were detached in an attempt to sever Clark's lines of communication with Kentucky and Virginia. Planning for his spring campaign, Hamilton suggested an early meeting with John Stuart, the British Indian agent in the South, at which they would coordinate their efforts to squeeze the Kentuckians in a vise. This done, Hamilton allowed much of his force to go home for the winter, leaving him with barely 100 men.

When news came of the fall of Vincennes, Clark met with his officers, and they agreed that their position would be critical by spring, when Colonel Hamilton would have such a force "that nothing in this quarter could withstand his arms; that Kentucky must immediately fall, and well if the desolation would end there." They resolved "to attack the enemy in their quarters," counting on the value of surprise, for Hamilton would not expect a winter attack across 180 miles of flooded country. But the Americans and French did cross the Wabash on Feb. 21, after having marched through miles of water-covered land, some of it up to their shoulders.

Camping secretly out of sight of the town, Clark sent a message in to the French inhabitants, telling them to stay indoors because he would attack Hamilton that night. Then he marched his men in and out of the hillocks on the edge of town, flying every flag and banner they had brought, so that his force looked much bigger than it actually was. None of the French warned the British of his presence, and when Clark's men slipped into town after dark, some of the French gave them gunpowder which they had buried when the British recaptured the town. After brisk fighting around the fort, Hamilton consulted his officers as to whether they should accept Clark's demand for surrender. According to him, the English "to a man" were for continuing the fight, but the French militia and volunteers, whom he so abhorred, were reluctant to fight friends and relatives who had joined the Americans. On Feb. 25, Hamilton surrendered the fort to Clark.

Clark and his men still intended to capture the British post at Detroit, but the lack of men who could be spared from the fighting in the East, meant that the campaign had to be postponed again and again. Finally, the treaty signed at the end of the American Revolution ceded Detroit to the Americans, but the British refused to give it up. They explained that no Americans had arrived to accept the surrender of the post, but at the same time they deployed their Indian allies around all approaches to Detroit, so that any American expeditions were repulsed. The British held Detroit through the Confederation period and well into George Washington's Presidency. Finally, Gen. Anthony Wayne and his American Legion defeated Britain's Indian allies at Fallen Timbers, and without their defensive screen, the British were forced to withdraw in 1795.

George Rogers Clark lived not only to see Detroit pass into American hands, but, in 1806, he received two very welcome visitors. His younger brother, William Clark, and Meriwether Lewis came to his home in Indiana on the way back from their expedition to the Pacific Coast. It was an expedition which, many years previously, Thomas Jefferson had requested that he himself undertake.

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