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

# **Bonkers in the Bunkers: Bush White House Flight Forward Is a National Security Threat**

April 30—

Executive Intelligence Review and the LaRouche Political Action Committee have been informed by several extremely reliable Washington, D.C. sources that in the past several days, a prominent Republican United States Senator has been confronted by Karl Rove and other White House officials on his alleged "connections with Lyndon LaRouche." The Senator (who is not, in fact, in any way associated with LaRouche) denied the charges, but his denials were not believed by the White House officials. He was pressed by Rove, according to the sources, to issue a public statement denouncing LaRouche, to "prove" his denials. *EIR* has cross-checked the initial incident report with several other well-informed Washington, D.C. sources, and is satisfied that the essential features of the report are accurate and can be further documented.

Upon being informed of the incident today, April 30, Lyndon LaRouche observed that this account of the confrontation with the U.S. Senator, combined with President Bush's public performance on Thursday evening, April 29, makes it clear that the entire White House inner circle has gone stark-raving mad. This insanity and apparent flight-forward reaction to the growing political influence of Lyndon LaRouche and his associates, pose a serious national security threat. At a moment when the United States is facing a global disintegration of the post-Bretton Woods floating-exchange-rate, dollar-based monetary system, and is also facing an imminent loss of the combined physical productive capabilities of the U.S.A. aerospace/airline and auto industries, such insanity at the top of the Executive Branch of the Federal government is a matter of grave concern. Emergency remedial action is going to be forced upon a reluctant Executive Branch and U.S. Congress by the imminent bankruptcies of both General Motors and Ford. Yet the White House leadership is apparently losing all touch with reality.

LaRouche singled out President Bush's performance during his Thursday evening White House press conference. In response to a reporter's question about his Social Security privatization scheme, the President, in effect, announced the sovereign default of the United States government, by declaring that the U.S. Treasury Bonds in the Social Security Trust Fund were worthless IOUs. Yet, just seconds later, the President said that worried investors could place their privatized Social Security accounts in bonds, rather than in risky Wall Street stocks.

The President said, according to the official White House transcript of the April 29, 2005 press conference: "Now, it's very important for our fellow citizens to understand that there is not a bank account here in Washington, D.C., where we take your payroll taxes and hold it for you and then give it back to you when you retire. Our system here is called pay-as-you-go. You pay into the system through your payroll taxes, and the government spends it. It spends the money on the current retirees, and with the money left over, it funds other government programs. And all that's left behind is file cabinets full of IOUs.... I want people to have real assets in the system."

Then, in response to the same question, the President continued: "People say, well I don't want to have—take risks. Well, as I had a line in my opening statement, there are ways where you don't have to take risk. People say, I'm worried about the stock market going down right before I retire. You can manage your assets. You can go from bonds and stocks to only bonds as you get older."

But the President had just described the U.S. Treasury Bonds in the Trust Fund as "file cabinets full of IOUs." This, LaRouche observed, is clinical insanity. How will the governments of Japan, South Korea and China, who all hold vast reserves of U.S. Treasury Bonds respond to the President's declaration that these are not "real assets?" Has the President, by his foolishness, triggered a potential pullout of U.S. Treasuries, thereby triggering a near-term dollar crash? How close are we to such a cataclysmic event, as the result of the President's foolishness?

LaRouche added that the credible report of the Rove incident with the Republican U.S. Senator also indicates that others in the inner circle of President Bush are equally mad, and that this pervasive insanity in and around the Oval Office is a matter of immediate grave concern for all Americans, and for leading officials around the world, whose own security is very much tied to the state of mind of the U.S. Presidency. The collective insanity at the White House, LaRouche concluded, can not go ignored, but at the gravest threat to world stability.

## Latest From LaRouche

### LaRouche on the Jack Stockwell Show:

**- WE HAVE TO USE OUR CONSTITUTIONAL INSTITUTIONS TO MAKE — THE CHANGES IN POLICY ON WHICH OUR SURVIVAL DEPENDS -**

*Lyndon LaRouche was interviewed by Salt Lake City DJ Jack Stockwell on April 22. He was first scheduled for an interview with Stockwell on Sept. 11, 2001—an exchange which became a two-hour, historic analysis of that day's events as they were occurring. Today's interview, originally scheduled for one-hour, consumed the entire final two hours of Stockwell's broadcast.*

JACK STOCKWELL: We're still working on getting my surprise guest on the air... Let me see if my guest on here. Lyn, you there?

LYNDON LAROCHE: I'm here.

STOCKWELL: Ah!! All right! We were able to make the hookup.

Ladies and gentlemen, Lyndon LaRouche—live on my radio program this morning. As he has been a number of times in the past, but this is something that Don Phau and I discussed earlier last week. We haven't done this in a long time.

And, especially where we're at a situation now, where this feeding frenzy among the Republicans is beginning to show up. And they're all desperately standing there on the edge of the abyss, wondering which way the wind is blowing, I thought it would be a perfect time to bring you on, especially in the sense of, here we are sitting on the almost daily-anticipated crash of the world economic system. And the feeding frenzy that's starting in the Republican Party.

So, if we could start with that. I got a bunch of things I want to talk to you about. I don't know how much time we have—

LAROCHE: We'll work it out.

STOCKWELL: All right, we'll work it out.

So, anyway: "Weak sister Republicans," I've never heard a term like that until this week.

LAROCHE: That's not the problem. You know, what's happened is, is people are trying to win a football game, and they're playing golf! [laughing]

STOCKWELL: All right, that's a good analogy.

LAROCHE: Because, what's happening, is, we've come to the end of a system. Now, what happens is, of course, at this point, people try to find ways of being clever about working within the name of the game that they think they're playing. But what is happening, is the game is being switched on them! And therefore, what they're doing is not relevant to any future. So, that's the problem.

Now, not all of them are stupid. We have, in the Democratic Party, an unstable situation, but interesting, which has been going on since I intervened in Nov. 9 of last year, where we got some Democrats to start coming up off the floor, and organizing, and they've done a pretty good job, especially since the time of the inauguration of the President, where Barbara Boxer and others did their job.

So, we've got a pretty good show there going. We've got some problems.

On the Republican side, you're finding more and more, with Cheney and Co. under George Shultz, has actually taken over, and is running the White House like a dictatorship, because the Republican Party is not willing to behave, unless they're really seriously beaten by these guys. I mean, where they take them out and beat them, they may agree for a day or two, but then, something happens and the Republicans think about changing it. You know, you've got this thing with Voinovich from Ohio, who walked in, and found out, from the proceedings of the committee that they'd been lying to him, about what they'd said. And he wasn't too happy about that. So, you had this tie jam-up, which is now on the Bolton nomination, which is the center.

Now, you have Cheney is pushing for the option, the "nuclear option," in the Senate—and the Senate, right now, is where the action is; it's the one place where the action is clear. DeLay—the DeLay crisis on the House side is significant, but the primary action—and Harry Reid, the leader of the Senate [Democratic] faction, is doing a fairly good job, an impressive job in my view so far. He's got a firm hand, and firm view of where he's going. And he does manage to move, when some Democrats tend to vacillate.

So, we're in an interesting situation.

Now, what makes the game change, is this General Motors problem: What people have not caught onto yet—some people have in the unions and some parts of the industry, but not the management; and not in the economy generally, not among the parties generally: They have not caught onto the fact that the collapse of General Motors, is *not* just one more corporation biting the dust, or going into bankruptcy. What's going on with Ford, and General Motors, and others, is, you're having an international collapse of the system, in terms of the industrial section.

What happens is this, and the average guy in the Baby-Boomer generation really doesn't understand that. He's white collar.

He comes from the 1960s, '50s; he comes from the time that he was raised as white collar—you know, the Soccer Moms and the SUV Dads. They don't really understand reality. The fact that they bought an SUV shows they didn't understand reality! It was an overpriced vehicle, which they thought was muscular and made them look good, made them look like a rival for a Soccer Mom.

But, this thing is coming down. Now, what happens if it comes down, is the gut of the U.S. economy, that is, the physical gut of the U.S. economy—now that we've virtually shut down our independent farmers—lies in the automobile industry, in a very particular section of it, the driver: which is the machine-tool sector. We have a similar situation in Germany, the machine-tool sector. Without the machine-tool sector functioning, we lose.

If you bankrupt General Motors, the way that the management of General Motors, the way Wall Street is now moving to do that, you'll be shutting down the machine-tool sector. If you shut down the machine-tool sector, which is largely lodged within the automobile industry, you shut down the U.S. economy. And you shoot it in the head: Because, that's where the head is.

As long as we have the machine-tool sector functioning, as long as those people are in place, they can do many things: They can build nuclear power plants, or they're a key part of it; they can build railroad systems, the locomotives, the other parts of the system; they can build the units which go into repairing our water-management system, such as dams and river projects. They can do a lot of things which are long-overdue for repair.

We can put them to work. And when they go to work, other people go to work. The machine-tool sector is a small part of the industrial labor force, but it's the machine-tool sector and its technology, its adaptability, which is key to the employment of the entire industrial labor force. And when these guys go to work, in putting new technologies into the system, and getting people employed again, then you can manage this economy. But, if you shut these guys down, you shut down the whole labor force, effectively, associated with the industry and other industries; you shut down the options for new projects, such as infrastructure projects, to get the economy moving again. And you've just shot the U.S. economy in the head.

STOCKWELL: Okay, we're going to go to a break here, in just a moment. My guest, Lyndon LaRouche, live from back in Leesburg.

Lyn, when you talk about shutting down the machine-tool industry, it almost sounds like there's some kind of intent going on here. And what I want to do when we get back, is: Are we losing our machine-tool die industry, because no one's paying attention to what's—that these things need constant maintenance, just like you were running a piece of machinery? Or, is there some intentional aspect on the part of the administration, to force General Motors into the position that they're into right now? Although a lot of it is their own management. And, the ridiculous answer, that General Motors has, is "Well, we'll just sell more Cadillacs and more Hummers, to get the money to come back in." When I took that, it took me a half-hour to get back off the floor from laughter.

We'll be right back with my guest, live, Lyndon LaRouche. [commercial break]

Lyn, you were talking about, maybe the awful weight of what has been taking place in the auto industry isn't necessarily the end of the feeding chain, that it might actually be coming all the way down to the machine-tool industry. How did this happen? And what does this mean? I know that you said, you could kiss your infrastructure goodbye; you can kiss the American economy goodbye if General Motors goes under. I mean, as goes General Motors, so goes the nation. Is that still true?

LAROUCHE: Well, in a sense it's true. You know, you got two aspects of General Motors. You have a bunch of lunatics,

who are the upper executives. They're financial sharks. They don't know anything about industry and the decisions they make are pretty stupid. As a matter of fact, the same tendency I saw in the auto industry back in the '50s, when the auto industry at that time, led—Ford and General Motors, in particular—led in causing the 1957 recession. And they did it, by a credit binge, a credit swindle, actually. And, you had all these cars out there which had a usable life of about 20 to 24 months, and they were out on 36-month credit. And the last note of the 36 notes, was a balloon note, which might have been about one-third of the total value of the piece! And then, you had used cars, sitting in the used-car lots, bearing the discounts which they'd given on the new cars, and put them on a charge on the inventory value of the used cars. So the whole thing collapsed!

Now today, you have in GMAC, with not only automobile sales, but other things they've gone into in real estate, which are rather speculative. And you have a situation there, in the industry—internationally as well as in the United States—where the amount of debt outstanding, relative to the fungible value of assets against the debt, is such that the system is bankrupt.

So, the way this happened was, back in the 1950s, some people began to think in the direction of going into a post-industrial economy. The first sign of that, you may recall, was the tendency toward the "white-collar syndrome," as it was called then, or the bureaucratic "organization man" thing.

So, we raised young people in suburbia where their families were not so poor. and these young fellas went to college in the 1960s. By that time, they had been conditioned to a white-collar syndrome ideology. They no longer believed in blue-collar production, agriculture, industry and infrastructure. They wanted a nice, clean, white-collar job, to get *rich*, without actually having to do too much work for it! Except competing and cutting each other's throats, in rivalry.

STOCKWELL: So, these guys are sitting around in their frat meetings, back at the Ivy League college, saying, "Listen, we can go out there, and sling cement with the best of them. Or, boys, I've got another idea: Why don't we play with the value of money itself, and we can sit at our desks on Wall Street in New York, or at home up in Kennebunkport, and play games with currency once we unpin it from gold, rather than going out there and actually having to work up a sweat." I mean, was it that simple?

LAROCHE: Not quite. At the top—it was actually at the top. They were people who, really, they were like the Nazis, or the people behind the Nazis, not the Nazis themselves who were all kinds of things. But, what they did, is, they didn't like the United States. The United States with its great industrial power, was the great threat to the Europe-centered, especially London-centered, financier interests. And we had a pack in this country who had the same mentality.

So, the idea was, they wanted to destroy, in the name of eliminating Franklin Roosevelt and what he represented in terms of the recovery and the power we developed in the war, they wanted to destroy that: In order to have a kind of society, a post-industrial society they liked. It was purely ideological.

It didn't come from just the white-collar crowd. The white-collar people who went into this, who are now running the world, essentially, running the United States—.

STOCKWELL: All right, let's pick it up with that just on the other side of the break, this white-collar crowd. Don't go away. [commercial break]

We're back 30 minutes after the hour of 7 o'clock here in the Inter-Mountain West, on 22nd day of April 2005....

Right now, live from back in Leesburg, Va., Lyndon LaRouche is my guest.

And we were talking about the white-collar crowd. We were talking about this anti-Roosevelt sentiment that was growing in Europe. You ask a lot of people out here in the West about Roosevelt, and they'll shrug back and say, "Oh, Social Security. Social Security." They don't want to talk about how he put America back to work. They don't want to talk about how he saved America from falling into Nazism itself, because of the synarchistic effects that were taking place in this country. They refuse to look at what three administrations of this man did, in order to make us the most productive nation on the face of the planet! They don't ever want to look at that stuff.

But, as you were saying there, Lyn: This became a threat to the financier power that was centered in Europe?

LAROCHE: Yep. And also, of course, extension in New York.

For example: Take the people who, in the early 1930s, were involved in supporting Hitler. Averell Harriman, who is the patron of the Bush family, got the Bush family into politics. The Morgan crowd, du Pont—these guys were, actually, together with the British monarchy, were in on the "Hitler project." They created it. For example, Harriman funded, organized the funding, actually—with Prescott Bush, the grandfather of the present President of the United States—organized the movement of funds into the Nazi accounts to save the Nazi Party in time to make Hitler a dictator!

So, these guys, at a later point, when Hitler began to move west first, instead of east first, then they got frightened, and they wanted to get rid of Hitler. Not because they were opposed to Nazism as such—as a matter of fact, they helped to create it. They were opposed to the idea of Hitler moving west first. Because what they intended to do, is have him go destroy the Soviet Union first, and then they'd fall on the rear end of the German forces and deal with them then.

So, this is the crowd, an international crowd. And they recognized, while they wanted Roosevelt to defeat Hitler in the second phase—and what Roosevelt did was a miracle in the organization, that we had the ability to fight a two-front war, as typified by what we did in the Pacific at Midway, and also in making the Soviet Union capable of resisting Hitler, and organizing the forces from the west against Hitler. So, we created a two-front war, with our tonnage per capita of logistical capability, which came out of the recovery process that Roosevelt organized.

Now, what these guys did, at the end of the war, they said, "Okay, Hitler's gone. But, we liked Nazism. But we wanted *our* Nazism, not German Nazism. We don't want Germany running an empire. We backed Roosevelt, because he saved us from Hitler becoming a world emperor. But, once he's dead, we don't want him coming back, or something like him coming back."

STOCKWELL: You mean Roosevelt: Once Roosevelt's dead, we don't want to take a chance of people continuing to think like Roosevelt, of making the U.S. a strong, productive nation.

LAROCHE: For example, the amendment which outlawed, or attempted to outlaw more than two terms for President. This was part of the process, is to prevent our Presidential system from doing what our Presidential system does very well, from the beginning, once we have the chance to do it, and have the leadership to do it.

So, the point was, is they wanted to create a one-world system, without real nation-states. There was a longer-term objective. It was not, "We're going to do it today." It's a longer-term objective. The first thing was to have a nuclear war with the Soviet Union. Well, that thing blew up when the Soviets developed the first thermonuclear weapon. And so, they went to a thing called "Mutual and Assured Destruction"—MAD. But, it was the idea. When the Soviet system collapsed, they said, "Ah! Now we can set up a one-world system, a globalized system, eliminate the nation-state; no more danger that the United States or some other country will reestablish the authority of national patriotic power."

So, what they did, is, they conditioned the people, my generation, who had returned from the war—a lot of them—and especially those that went into suburbia, to take the nice white-collar jobs, the engineering jobs, and so forth; to train their children, who were born in the post-war period and so forth, went to schools in the 1950s, went into secondary and higher education in the 1960s. So, then we had the 1964-68 generation, the so-called "68er generation," typified by the rock-drug-sex counterculture.

This group which began to reshape the cultural policy of the United States, away from agriculture, industry, and infrastructure, into post-industrial ideologies, this group took over. They took over the Democratic Party. They took over, to a large degree, the Republican Party, during the 1970s and 1980s. They consolidated during the process of the 1990s. And this process sort of ended, when the IT revolution collapsed in 1999-2000.

So, what you have, is you have, on the lower level, you have the dummies—the dummies are the white-collar ideologues, who believe in a post-industrial society, believe in globalization, believe in being a "Soccer Mom," believe in being a "SUV Dad," whose SUV is now sitting on the lot trying to be sold because it uses too much gas. But, at the top, the people who really want this, the real ideologues, who are merely reflected by the neo-cons—the neo-cons are not the boss—but people like George Pratt Shultz, for example, who created the Bush Administration, from the top; George Pratt Shultz, who was used to sink the international monetary system, the fixed-exchange-rate system, the Bretton Woods system; George Pratt Shultz and his crowd, who wrecked our agriculture, who wrecked our industry; who are out there with a bunch of thieves stealing everything that's in sight, now trying to speculate and take over the world's raw materials: That crowd. So, these are the guys who are the problem.

Now, what happens is: These guys are stupid—they're clever, but stupid. That is, the long-term prospect, there's no prospect that these guys will ever set up their empire.

STOCKWELL: Yeah, for the simple reason that it can not sustain itself, without production from the inside out.

LAROCHE: Exactly.

STOCKWELL: But, we'll talk more about that. We're going to go to another break here, in a moment. You can get, for free, the latest edition of what Lyn LaRouche is talking about, 1-888-347-3258. Just tell 'em, you heard it on this show. You want greater clarification of what Lyn's talking about. We'll be right back after the break. [commercial]

Twenty minutes to the top of the hour: Happy Earth Day to all of you; Happy Lenin's Birthday to all of you [LaRouche chuckling in the background]. Well, there are those—here in America, we call it Earth Day; everywhere else, I think it's Lenin's birthday. I just had to mention that—there were some off-air calls that wanted your opinion on Earth Day. Maybe we can get around to that in a bit.

But one of the things that I really wanted to develop here, is this—because, you know, they'll say, "the Federal Reserve," and how "the Federal Reserve is our problem," or they're going to say, Bill Clinton's dallying in the Oval Office is our problem, or what he did before—in my opinion, missing a much greater problem. The greater problem is this, before any day, we're not even going to be able to make a *hammer* inside this country, let alone an SUV.

And to me, this is like—you see, I'm a clinician. As a doctor, with my patients in my clinic, I spend an awful lot of my time trying to help them to understand the proper role of nutrition because the metabolic processes inside your body are not going to develop and produce the energy you want, unless you give it the raw materials. And you can draw an analogy from that to what we're doing inside this country, is that we have been "fed" processed food, to the point where we're hooked on what China produces, what the Philippines produce, what Taiwan produces, what Mexico produces—that our bodies are no longer able to assimilate proper nutrition in the sense of a whole national economy. That we've been spoon-

fed the concepts of Alan Greenspan that we shouldn't fall back to the "nostalgic days" when we could actually produce something, but live off the benefits of being a consumer society and just sit there on the edge of your pool, sipping your mint julep and your banana daiquiris, while we enjoy the benefits of worldwide slave labor.

This is, to me, this is where it's really the greatest manifestation as to how sick the body is. Now, hold in just a second, I think this should be traffic. - [break] -

So, back to my analogy there for just a moment: When the body can no longer produce the enzymes that are necessary for basic metabolism to take place, when a nation can *no longer produce* what's necessary just to maintain its own infrastructure (if nothing else), what you have, is a—I don't know what else to call it, but a pre-corps! It's about to be declared dead on arrival!

Your comments?

LAROUCHE: Yeah, well, that's one of the effects.

STOCKWELL: Yeah, that's the effect of this thinking that we shouldn't be producers.

LAROUCHE: Well, here's the point: Is, people think about, as individuals, can you think of practical solutions and so forth? But most people in society, so far, live in what I call "fishbowl ideologies." They run around on the basis of a set of assumptions, which they treat like the axioms, postulates and so forth of an a priori geometry; and they behave on the basis of those assumptions—"what I believe; what I feel"—this sort of thing.

Now, what's happened is, we used to be an agro-industrial nation, of a certain quality. We actually, despite all our shortcomings, we had superior quality to most other nations on this planet, which is part of the legacy of the way we developed. So, somebody develops ideologies which go contrary to that. Now, we begin to behave on the basis of our ideology, not on the basis of physical reality, of cause and effect.

So, now, we begin to destroy ourselves.

People then think that maintaining their way of life, their way of thinking, is what's important. They reinforce that, neighbor to neighbor, and family to family. And they destroy the economy, as we have been destroying the U.S. economy, since the middle of the 1960s. We actually had, despite all the mistakes we made, we had a net growth of some significance into the middle of the 1960s.

It was with Nixon, we really began to go down. It was over the course of the 1970s, that we destroyed the basic structure of the way we think, and therefore the way we behave. And since the beginning of the 1980s, we spent most of the time, nearly a quarter-century, destroying ourselves after having decided to do so!

Now, we come to the point that people are looking for a solution, to the problem we have created, *without changing the way they think*. That's the problem.

What you have, then, you have the lower 80% of the family-income brackets of the United States, they've been cast outside reality. They're out there begging for favors, negotiating for favors. The upper 20% is becoming weaker and weaker. It's collapsing internally. The poorer layers of the upper 20% are now in real trouble. Credit—we don't save money any more. We're not a saving society, we now spend what we don't have to spend. We call it "debt"—we say, "Well, that's fine. We'll get by, that's our system." It won't work.



So, now, you get to the point that the system is collapsing: the physical system is collapsing, agriculture, industry, infrastructure, collapsing. The financial system is about to go pop. At this point, people are trying to find a "isn't there a way we can make this work?" But the ways they come up with, are always in terms of the ideology by which we have been destroying ourselves for about 35 years.

STOCKWELL: Yeah, "We'll just sell 'em Cadillacs and SUVs."

LAROUCHE: Well, that's insanity.

STOCKWELL: Yeah!

LAROUCHE: But, the point is—look, our energy systems, for example, so-called energy systems, power systems, have a physical life of about 30 years. That is, from the time you build the thing, 30 years later, this thing's going to have to be replaced or refurbished in a major capital way. We have now, in our water systems, our power systems, our railway systems—which are almost dead—and other essential infrastructure; I mean, "no child left behind," that means, you should kick the President in his left behind, because that's going to destroy the ability of our young people to think! Through this kind of program.

So, we're destroying all the essential infrastructure which we used to have, which made us powerful.

So, we've come to the point, that people are saying, "We've got to find a way, our way, our way of thinking, our habits of behavior—there has to be a way where we can continue to do what we're doing." When actually, they ran out of that over the past 35 years. And we're now at a point, where we have to repair our water systems—you know, most parts of the country *do not have available, safe drinking water*, and that's going to become big, very soon. We're now buying bottled water, in areas where we used to be able to turn on the tap, and get potable, safe water. Can't do it any more.

Mass transportation: We're crazy. We're not creating mass transportation, we're creating mass traffic jams. Because we have destroyed the structure of the economy, which enabled us to move around within an economy for most of our functions, in fairly short distance and short period of time. We can't do that any more.

STOCKWELL: And this isn't just limited to us. Europe is experiencing the same thing, right now.

LAROUCHE: That's right. So therefore, the question is, how do we get out of this? I know how to get out of it. There are some other people in the world, who have some ideas on how to get out of it: Which means, essentially, go back to the way we used to think, in the early 1940s, and 1940s, and even in the 1950s and 1960s. Go back to that way of thinking. For example: There's going to be a big push for restoring nuclear plants. Nuclear power is essential. It's essential to the future of this nation. We had a program against this, from the beginning of the 1970s, called "Earth Day," a horrible day.

STOCKWELL: Well, Happy Earth Day, to you, Lyn.

LAROUCHE: Earth Day is the day you plan to get buried!

STOCKWELL: Yeah, well, that's kind of what's going on. Listen, we've got to go to another break here in a moment. Soon as we're back from that, I would like, as I'm sure many of my listeners, some answers to all of this. But, I wanted your opinion on Earth Day. You just said it was a terrible day, I agree with you. There's Earth Day celebrations all over the

place today. They're anti-nuclear and *anti-production*. Let's go back to the dirt.

LAROUCHE: They call it Earth Day, because they've got dirty minds. [commercial break]

STOCKWELL: About eight minutes before the top of the hour. Lyn are you going to be able to stay over the hour?

LAROUCHE: Sure.

STOCKWELL: Ah, excellent! Listen, I want to talk more about what you've been discussing, but I finally found somebody out there who's actually older than you are!

LAROUCHE: Really?!

STOCKWELL: Yeah, well, we're going to get her, we're going to get Helen on here with you, in just a moment, right after the traffic.... Lyn, while we're developing these ideas, I just wanted to bring Helen on here for a moment.

CALLER: Mr. LaRouche, I've a lot of respect for you. But I want to say, that you—to me, you are making this group of people leading our society sound like well-intentioned, honest people, with a mistaken or an impractical ideology. Actually, they're nothing but a group of gangsters, who hijacked this society. They sentenced Martha Stewart to jail in place of Dick Cheney! If you look through the whole economic system, it's nothing but a pack of gangsters, stealing this country and leaving nothing but the bones.

STOCKWELL: Ah, it's beautiful, Helen. Did you hear that, Lyn?

LAROUCHE: Yes, I think she's right. That's what's happened.

CALLER: Well, you're supposed to know it, and find out how to get rid of them. That's what our problem is.

LAROUCHE: Well, maybe we can replace them, without having to get rid of them.

STOCKWELL: Yeah, we don't want to throw the baby out with the bath water. We need to preserve the Presidential system—we just need a President.

LAROUCHE: Yeah, we also need a zoo to put these guys in.

CALLER: —in an election, throw out all the incumbents, and give them a shock treatment. That would be a legitimate revolution.

STOCKWELL: Wouldn't that be something, if you threw out all the incumbents, and then, by the time of the 2008 election rolled around, with the 2006 people and the 2008 people, sitting there looking at each other in the houses of Congress, saying, "Well, what do we do now?"

CALLER: Well, I'm sorry. They have to know the people who are still in charge.

STOCKWELL: Helen, thanks for your call, dear.

She seemed to think you were being a little easy on the current administration and saying that there was something much worse to these people than just a bent ideology.

LAROUCHE: Well, that's probably true, but my job is to get the job done, make the changes that have to be made. I'm not out for revenge or anything of that sort. I'm too old for that kind of nonsense. I'm not—

STOCKWELL: Well, between the two of you, we just about go back to the signing of the Constitution, you know.

LAROUCHE: [laughing] I think so!

STOCKWELL: I guess you get to a point, like you said, the revenge and the punishment, let's just get the people in there, who understand what the job is that needs to be done, and let's get it done.

There was an off-air call there during the break, that was really upset about the promotion of nuclear power as an answer to part of our problems, because they buy into this Earth Day nonsense: But, without super-cheap electrical power, that is *extremely safe* and *does not* hurt the environment, like coal-burning, sulfur-content coal-burning plants do, I don't know how we're going to ever be able to turn things around. We need a *massive*—and you've called for this in the past—a massive TVA project coast to coast!

LAROUCHE: Yeah. We do.

There's no alternative. I mean, people just don't understand what an economy is, when they make these—

STOCKWELL: Well, they always fall into the trap, of trying to equate economy, a good economy, with cash in their pocket.

LAROUCHE: Well, that's all—they can get the cash in their pocket, but what can they buy with it? I mean, you have people running around, they've got wonderful, glorious debts, and they're spending their debts, not their income. And with this new bill on bankruptcy coming in—which is going to be very cruel toward senior citizens, this kind of legislation coming in, these guys are going to eat people! Because there's a big debt crisis coming down. For example, take real estate: Around Washington, you've got shacks that are not made with nails, they're made with staples, and they're not always put in right; and the materials are not right; and these things are going for \$600,000 to a million dollars. And what's going to happen, with this congestion here, without infrastructure, jobs are going to be lost—

STOCKWELL: All right, hey—we're coming up to the news. We'll be right back with my guest, Lyndon LaRouche. Don't go away.

[off-air] Lyn? It is two minutes before the hour, on my atomic clock here [LaRouche laughs]. Then we're going to have two minutes of commercials; we have five minutes of national news and then another minute of commercials. So we have eight minutes before you're back on the air, if you need a break.

But, what I'd like to do during the next hour, is solutions. Because, people are calling in and saying, "Well, why doesn't he say something about the Federal Reserve? Why doesn't he say something about the IRS? Why doesn't he say something about this awful Earth Day that's—" And I'm saying, "Listen, these are populist concepts that are all just symptoms of the same underlying disease." And I said, "During the next hour, I'll get him to talk about the cure for all of this." So, that's the direction we need to head.

LAROCHE: Okay. All right.

STOCKWELL: So, you about six-seven minute break—but be ready six minutes after the hour.

LAROCHE: I shall be ready! [laughs] Okay, thank you. - [break] -

STOCKWELL: My guest is Lyndon LaRouche; been here live the last hour, live the next hour. To finish out this week's program. We've been talking about a whole host of things, not the least of which is that we're finishing off there with the need for nuclear power: Nuclear power, of course, gives you electricity, a kilowatt of electricity for about 2 cents. And we'll get into more of that in a moment....

Okay, let's go back here to my guest. Those of you calling in, hold on, and we'll get you on here with Mr. LaRouche before too long: Lyn, one of the questions I was given, off-air during the break, was from a regular listener of the program, who said he agreed with what I had to say, what I've been saying about nuclear power for a long time; what you had to say. He just had one question: How do we deal safely with the removal of the deposit, the storage of nuclear waste if we're going to move in that direction?

LAROCHE: We already have developed the technologies needed for dealing with that quite adequately. The general answer is, reprocessing. What we were developing, before the events of Three Mile Island, we were developing systems—we had on the way, probably not fast enough, but we had on the way the capabilities of dealing with this.

Now, the current generations of nuclear power plants, generally run in the direction of what is, these pebble-bed reactors, that is, the high-temperature gas-cooled reactor. The best ones, for many purposes, are in the 120-200 megawatt range. At that level, they are self-regulating: that is, when the temperature rises inside the reactor, from reaction, it slows down the rate of reaction, so they're self-regulating.

Now, what we need is a completely integrated approach to a power system, which is largely based globally on nuclear power. We have various kinds of systems, which do not produce weapons-grade byproduct. For example, you have a thorium cycle, which is a thorium high-temperature gas-cooled reactor; you have uranium reactors of a special type which are also safe. We have the technologies. We have, in a sense, warehoused a good deal of it, but we have it.

Now, the problem is going to be, to do it fast: Not that we have an absolute shortage of petroleum, but petroleum is not a very efficient fuel. You're carrying a very low-value product around the world, at great expense, relative to the cost of extracting the stuff, and it really is not a very good idea; and the price goes up.

What we need is, hydrogen-based fuels, which will have to be made, as fuels, in local areas. For example: if you have a high-temperature gas-cooled reactor complex, which you use largely for generating power, and for industrial heat and things like that. Now, in that area, that capability can do things like desalination of water, processing of water in various ways, and it can also produce hydrogen-based fuels. So that, instead of hauling petroleum from all over the world into the United States, and drilling it all over the place and making a mess of the landscape—as we used to do, and still do—you now can produce a fuel, whose waste product is water, which is not considered generally a pollutant (except by people who like to have dirty necks).

So, in that case, we can do that, and that's what we have to do. We have to create, now—we have a breakdown of the so-called power system of the United States. We have a water crisis. We have a lot of needs for power. We have to proceed rapidly with a large-scale project, and actually the automobile industry's tool-makers can make these kinds of things that go

into producing these plants on a modular basis; build up a system, and orient, you can convert very quickly to hydrogen-based fuels from gasoline and so forth today. Go ahead and do it! This means, a better economy, a cheaper economy, a safer economy.

It also means a lot of jobs. It means generating more high technology, by employing people in high technology, which means that you're upgrading the productive powers of labor. And one of our big problems in the country now, is, we have lost skilled labor. We have to upgrade a population, which is largely, essentially, *unskilled*, or even less than unskilled, and put them back to work in ways in which they're producing valuable product. And this kind of program, of refurbished nuclear power, on a crash program basis, with only the technology we already have. This will do it. This will start the process.

We have other things—we've got to build water systems, all these other things which we need right now, we can get above breakeven in the operation of our economy on an annual basis, very quickly.

STOCKWELL: And with the development, then, of this nuclear power, that just might spin off some other side benefits, like returning the educational processes of our youth, back to a Classical form of education, where they actually are inspired to get into science, get into engineering, get into research and development; rather than spending most of their time learning how to download pirated music and movies off of the internet.

LAROUCHE: Well, with the Youth Movement, particularly the West Coast section of it, we have demonstrated that people of the university-eligible age-group have, in the recent years, shown their ability to master branches of science which are not mastered at the same level of knowledge, of most people with advanced degrees from universities. Now, this can be done. But we have to junk all this "left behind" nonsense, and go into a Classical education mode.

We have, actually, a terrible shortage, of people at the university level and so forth, who are *capable* of teaching Classics! Whether in science or anything else! We're running a Wal-Mart approach to education, as opposed to the kind of education we used to think was valuable. There are a few places that are trying to do that, but if you look at the census of educational capabilities in this country: Class size is too large. Class size should not exceed 15-25 students. Teachers should not be worked to death, they should have preparation hours. They should have also sabbaticals to improve their knowledge and skill.

You have to have a different kind of educational approach: Go back to the best of what we used to have, as a standard. It's going to cost some money, but the payoff is tremendous. If you go to higher levels of education and the right kind of employment, you have higher levels of productivity. And that's the way to work our way out of the mess we've created.

STOCKWELL: In talking about working our way out of this mess that we've created, we're sitting on the abyss of abysses as far as the financial system is concerned. There were a couple of off-air questions wanting you to address the Federal Reserve. Some of Greenspan's comments, later, that we're worrying over nothing; we just need to get down and get the job done (whatever that means).

Perhaps we can turn this discussion in a direction, now: How do we do this, and not absolutely go totally back to the 14th Century?

LAROUCHE: All right. We're looking at a debt structure in the world, which is running into hundreds of quadrillions of dollars, potentially. It's in that area, because we don't know how big it is. Credit derivatives, financial derivatives, hedge funds and so forth, especially the ones that are off the balance-sheets, these things are enormous: We can never pay the debt that the world has today—never.

You have a world which is running on about a \$50 trillion range of actual product, and our debts are way beyond that: We're going to have to put the world through bankruptcy reorganization. Now, what that means is this: We're going to have to go to the American tradition of national banking. Sometimes in our history, that has meant a National Bank, as under Alexander Hamilton, or in the Second National Bank. In other cases, the Federal government has worked with groups of banks, to create, in effect, a national banking system. In other words, instead of having the country *owned* by bankers, private bankers—including international bankers—we own our own country. We have private interests and others who work with that, but we control our own country. We create credit. We manage the credit so it's fungible, that is, so that we're not just spending credit with no ability to pay in the future.

That's the way we have to go. We're going to have to put the thing through bankruptcy.

Now, our Constitution is particularly well-adapted to this, particularly the Preamble. The Preamble of the Constitution which is based on the three principles of modern society, and there's no other nation in the world, which has a Constitution which is as efficient as ours for providing a great economy!

So, what we do, is we put the thing into bankruptcy, we take the thing into receivership. Now, the first thing, is to balance putting a bankrupt financial system into receivership—that means all our leading banks are bankrupt. We're not going to shut their doors down. We going to put them through reorganization.

Now, we have to then manage credit, such that we keep the level of employment, especially essential categories of employment, at present levels. And then *raise* the level of actual productive employment. Work our way out of the mess. That's the basic approach. To do that, we have to realize that you don't find "ingenious" ways of making money. What you do, is you find ways of increasing the productive powers of labor, the physical productive powers of labor: greater skills, new technologies, reliance on infrastructure. Infrastructure may not produce a product in the area, but it enables everybody who's producing, to produce more effectively.

So, these kinds of things, that we know from the past and we know from the present, we're going to do it. It's going to have to be a reconstruction/reorganization policy. It means going back to the Bretton Woods system, that is, a fixed-exchange-rate system by agreement among governments—and I think I'm in a position now, where we're talking with a lot of different people in government, we could pull it off.

Under Bush, we have to put Bush under control. But otherwise, around the world, we have people who are moving in the direction, who recognize we need a new, international financial architecture, like the original Bretton Woods system. We're going to have to create it fast. We're going to have to have programs among nations, which get production going. We can actually work our way out of this mess, without really losing a step. But the question is: Are we prepared to make the decisions which that requires?

STOCKWELL: All right, we've got to go to another break here in just a moment. When we get back, I'd like to develop this idea a little bit more, and maybe talk about what stands in the way of a New Bretton Woods kind of relationship? Just how powerful is the Fed, right now, to stand against this? And what is there about the Constitution, especially in the Executive branch, that could make such a move possible, were the President to come to his senses long enough to do it?

We'll be right back, with my guest, Lyndon LaRouche, live from Leesburg.... [commercial]

One of the answers that you might look for, ladies and gentlemen, is in his latest book *Earth's Next Fifty Years*. You can get a copy of that by calling 888-347-3258. That is a toll free number.... Tell 'em you heard him on my show this morning, you're interested in *Earth's Next Fifty Years*.... [traffic break]

Okay, my guest Lyndon LaRouche live this morning.... So, Lyn, back to this concept of how we're working our way out of this. You talk about putting the entire banking system into bankruptcy—some people hear that, run in the other direction—"He wants to close the banks! He wants to close the banks!"—but that's not what you're talking about?

LAROUCHE: No, you have to put them through bankruptcy to save them; that's what bankruptcy's supposed to do.

When you've got something that's going to collapse, and you decide that that thing is viable or can be made viable, and you need to keep it—for example, take local banks. Most people know about local banks. They depend upon them. Businessmen depend upon them. All kinds of things depend upon them, otherwise it shuts down. So, you need a facility, which is the bank, which knows the community, is part of the community, and you want to keep that thing functioning, if it's at all viable, if it can be saved at all. And you'll do that. You'll do what's necessary.

Well, the only agency of last resort that can do that, for a national system, when the whole system is going bankrupt, is, in our country, the Federal government. So, the Federal government has to use the Constitution—its authority, which is a national banking authority—to create, in effect, a national banking system by putting the major banks and others into bankruptcy reorganization. Which means a *way of keeping them open*, under management, but limiting them, but keeping them open.

And then, using the same banking system, by creating new credit, on long term, to get things going which will expand the economy, with the idea of working our way out of the mess. The same thing you do—I mean, a family goes bankrupt, what're you going to do with the family? You going to shoot them?

STOCKWELL: How do you propose to protect that credit?

LAROUCHE: By having some decent judgment as to what you invest in. For example: If I'm putting up, investing in what we'll have to invest in, things that are going to involve 25- to 30-year or longer-term credit. For example: A power station is essentially a 30-year physical cycle. So, now you're going to pay out the capital costs of that power station in less than 30 years, because you give yourself a margin. Therefore, you now are putting people to work on the basis of a 30-year investment, building it, which means that you're creating more work, than you're essentially consuming.

STOCKWELL: As opposed to the latest contract, that you're out there in line with 50 other people, trying to compete with, with some RDA government-appropriated money to build a new Wal-Mart, and that job's going to be over with in six months.

LAROUCHE: Exactly. See, for example, we need a national railway system. We need it, not because we need to have this "thing," like a Christmas toy under the tree. We need it, because it makes life more efficient.

STOCKWELL: Well, it's a cheap way to move produce.

LAROUCHE: And people.

STOCKWELL: Well, of course, people.

LAROUCHE: For example, we have now the developed capability of magnetic levitation suspension. We can move people, safely and at high speeds, and at much more economy. For example, a magnetic levitation system is much more efficient, or *can be* much more efficient for freight, than a friction rail system. Because, you can, in the process of moving

the freight, you can actually do the classification process. Therefore, you can speed up the efficiency and delivery of freight around the country.

You can, also, stop the traffic jams! Do you know how much we lose every day, every week, in terms of the cost of traffic jams caused by traffic congestion? Where people are having to travel distances they shouldn't have to travel?

STOCKWELL: Yeah, an hour to get to work, an hour to go home at night, what kind of productivity time is that? We'll be right back.... [commercial]

We have a few minutes left with my guest, Mr. Lyndon LaRouche. So, anyway, we were talking about how we're going to get ourselves out of this mess. The question I wanted to know, is, what continues to stand in the way of coming to, not just the realization on the part of Congressional leaders, as to what needs to be done? But what stands in the way of actually allowing it to happen?

LAROCHE: The major problem, as I indicated earlier, is ideology: That people have beliefs, which they have accumulated over the experience, and education, and propaganda, of the last 45 years or longer. And these beliefs are the ones that cause us, as a nation, to behave in a way in which we're destroying ourselves.

Now, we're not really rational: What you need is a sense of crisis. We got people to accept the fact there is a crisis, and accept something else: Accept the fact that perhaps *they* made the mistake, or they contributed to making the mistake. And perhaps we can do just fine. Because human beings in general are capable of doing things that can solve problems. We're a remarkable species. No other species can do that.

We just have to be rational with one another. So, what we have to do, is, essentially, use the fact of the crisis to try to get people to think. I find, right now, internationally, I find more people becoming rational, on this problem, than I've seen in decades.

STOCKWELL: For example—

LAROCHE: For example, trade unionists. When I go to a, say, trade unionist, and I talk to the, say, the auto industry, I'm particularly interest in those who are—. Some of these guys are really top, you know, technicians, particularly in the machine-tool sector. They can, in six months or a year, they can create an entirely new product, tool the whole thing, design the tool system, get the product under production.

STOCKWELL: They just need to be told from management they can do it—

LAROCHE: Exactly.

STOCKWELL: Or at least have management stop suppressing it.

LAROCHE: No, actually, these guys can do better than that. See, the tool-makers, people who are in the tool-making business, who make the machines that make the machines that make machines, these guys come up with designs. They're half-scientists and they work closely with scientists. We can do things quickly—within a matter of weeks, we can start to do it—which nobody ever dreamed of before. *These* are the guys, in this part of industry, who are the key to doing that.

Now, these guys may represent 5% or 10% of a labor force, in say an auto industry, the people involved in this kind of



thing. But, *they make possible, the employment and the productive efficiency of the whole 90-95% rest*. So therefore, if you are injecting high technology of this type, into things that are needed, you are going to put people to work, who otherwise would not have a chance of working useful work.

You can take this country, which is now a country of waste—we are a nation of white-collar and made-jobs waste; people are not producing. We have to shift population from non-production, wasteful, ideological fluff, into real jobs. We have to put them to work—for example: Take the case of Utah. Look at the states around there. If you look over the recent years, you will see that the United States has been moving its population *out of* the great northwest and northern parts of the country, into concentration—over-concentration—around useless kinds of employment around major centers, just as around Washington, D.C. for example.

So, therefore, we have destroyed the ability to produce *physically*, in agriculture, industry, and infrastructure, per capita and per square kilometer of the country. So we have to change that. We have to go back to being a productive country. We have to utilize land area which we've let to go fallow, for various things, like industries. We have to set up more production; decentralized production, to get more of the country involved in this; we have to develop the machine-tool capabilities—get these out there, moving out there, into these areas. And we'll do fine.

STOCKWELL: How would we—if we were to do that, go back to a system of national credit, national banking to finance this? How would we protect American labor?

LAROCHE: Simply. I can get—I could do it personally, actually, if I have the authority to do so; I could negotiate contracts with Europe, with parts of Asia, the United States, the Americas and so forth. I could negotiate agreements which would be 30- to 50-year agreements, long-term trade agreements, based on a division of labor. So, instead of trying to cut each other's throat by undercutting each other on price, what we're doing, then is specializing, and we're cooperating. We're shifting from end-product production as the national goal, to intermediate production: That is, if one guy produces something in a certain of the world, it's good, we use that. Something else. We put these things together to get the final products we need.

For example, we have a global raw-materials management problem. We're at the end of the possibility of simply raping the land to get raw materials. We now have to reprocess, and process raw materials, in a way which ensures that the whole planet *has* the raw materials it needs, within a technologically progressive economy into the future.

This requires international cooperation: People know we need that. So therefore, it's not difficult to negotiate with China, with India, with Southeast Asia, with Russia, with Western Europe, with countries of South America. For example, you have the agreement—an unusual agreement—which was stimulated by the present Prime Minister of Spain, among the President of Colombia, Chávez of Venezuela, Lula of Brazil. Other countries of South and Central America would come in to such an agreement. This would mean a *revival* of production and trade, *within the Americas themselves*, which would be largely based on infrastructure investment, is what these guys have agreed to, in Colombia, Venezuela, Brazil and so forth. Which means, that we create a *boom condition*, in terms of investment and employment in these areas.

And every part of the world knows we need that. All these countries *know* we need that. There's no reason we can't do it, because human beings can do it! We simply have to come to that kind of agreement.

We, in the United States, if we look into our soul, will find in ourselves, in our history, a capability for organizing this kind of cooperation which does not exist in the same degree in any part of the planet. My view, is to get the United States to do that again.

STOCKWELL: Okay. We're going to go to a break. And then we'll come back with the last few minutes with our guest.

Don't go away.... [commercial] My guest, Lyndon LaRouche, live from back in Virginia.

Lyn, let me ask you this: How many politically or economically influential people in America understand what you're talking about?

LAROUCHE: I think you've got a few thousand who really understand it. And we find, in outreach, when we get into—as I mentioned, for example, say these UAW guys, who are sometimes presidents of local unions, but who are also involved in the machine-tool sector. So, when you talk to them, you're not just talking about what people think trade unionists talk about; you're talking about how to run an industry.

If I were going to reorganize General Motors, I would clean out the entire management, top management, because they don't know anything about production. They only knowing about playing financial games, head-games. Where these guys, and other people like them, are the people who can *actually make product*. They know *everything* about making product. The management doesn't know anything about product, and they usually make a mess of it, the present management.

So, there are people out there, if you touch them, who have a piece of the action—that is, they have a piece of the skill needed to make a national economy work. And I find that when you take that approach, there are a limited number of people who can see the overall picture; but there are many people out there—a small percentage, perhaps, of the total population, but they're the natural leaders of the process—there're people out there, who *can* take a piece of the action, innovate, and make the suggestion and make the proposal which makes the whole thing work.

So, there are a lot of people of that type. There are leaders, intellectual leaders, at all levels of society—

STOCKWELL: Okay, now, you contradistinguish between the management, who just wants the money in GM to come in, so they can go invest in hedge funds or whatever else, rather than improving production or new kinds of technological development, as opposed from the workers who actually know how to put a car together. Now, let's take that same description there, and go to Congress: How many people in Congress, both the Senate and the House, how many of them understand that there's a serious ideological problem here; that there are some intellects inside of Congress today, who could actually move forward and pass legislation that would sustain what you're talking about? As opposed to those who are just waiting for the next opportunity to smart-bomb a new country?

LAROUCHE: Well, one of the ways to get that, for people themselves to get it, if they have a chance just to watch C-SPAN: There are certain things, events in Congress which will bore the devil out of you. But there are also committee meetings, or things like that, hearings. Some of them are boring. But, you get a sense of what the skill level is.

Now, obviously, you have a higher skill level in the Senate, than you do in the House, for obvious reasons. Because the House is sort of the junior part of the Congress. But, you also have in the Congress, in the House, you have standing committees; these standing committees have professionals in there, who have been in there longer than the Congressmen, in many cases. These people are experts. You have those kinds of people are there. You have a very large reservoir of people, who *know how to make things work*. You have also the fluff, a lot of it.

But there is a core, in our system of government, in the standing committees of the Congress, in certain of the bureaucratic divisions of the government, among the ranks of Senators, in particular: *They know things*. They know important things. They can make things happen. I had a lot of criticism of them—but I know that they are the kind of people, you know, like the employer hiring anybody off the street: You hire people not because they agree with you, or because you think they're perfect, but because you think they have the skill to do the job, if you can build the team which includes them.

And that's my view of our government. We *do* have enough people—for example, if I were President, if I had been elected President, I would have pulled in about 1500 people, whom I know directly or indirectly, who are professionals of this type. And they would be the real core of my government. Because, without such a group of people, a President of the United States is just a babblers. He can give orders, he can say things, he can have opinions, but nothing is going to happen. If you get 1500 people like this, working for me as President, as an example, you have a government *that can do, and will do*—and that's what we need.

STOCKWELL: In looking at the Bush Administration, in the light of what you just said, I see great weaknesses; I see imminent collapse. I don't see the ability to get anything done any more.

LAROCHE: No, you don't. That's what you're seeing. You're seeing the fact that you have a worse than incompetent President, a virtual sociopath as the Vice President—a bully, not very intelligent, really, in the true sense of intelligence; you see his whole crowd is run, in the large degree, as a team created by George Pratt Shultz! The guy who sank the Bretton Woods system, under Nixon, and who's done a lot of other dirty things in the meantime.

So, you have a machine there, which is controlling the position of the Presidency. Which is intimidating the Congress—I mean, what they did to Bill Frist—you can *see* what they did to some of these key Congressmen, Republicans and others! They get them crawling around the floor, you know, beaten—maybe Condoleezza with whips, beating on them in some kind of sado-masochistic ritual.

So, you have a government, which is intrinsically incompetent. *But:* We've come to the point that this is perceived. It's perceived clearly in the Congress, in the Senate. It's perceived elsewhere, in the institutions. *We know, we have to put this bunch of lunatics under control.*

We see that there's nothing the President can do, that's right. He's not in the real world. What he says is not real. He doesn't know what the real world looks like. He's disintegrating before our eyes. You have Cheney in there, with his whips, trying to beat people into submission on this thing.

So, you have a government that doesn't work. But, we have a system! We have a Constitutional system. And the Constitutional system does not consist *merely* of the President; or the President of Vice, Cheney. There are other institutions, particularly in the Senate. And if the Senate decides, with the support of institutions, that this mess is going to be put in order, it *can* be put in order: *And it might go into order about the time the Senate comes back into session, a couple of weeks from now.*

STOCKWELL: Go into order, about the time, when?

LAROCHE: The Senate goes back into session.

STOCKWELL: Yes.

LAROCHE: They're going to have to make a decision. For example: The Bolton issue—and people could look at this, maybe there's still the C-SPAN recording of that session of the committee—and any American that watches that session which was captured on C-SPAN and broadcast a couple of times on C-SPAN; *see that!* And, you see exactly, the *temperament*, the character of the situation in the Senate, and how it reflects what's going on in the Presidency.

We're at a point, when looking at the world situation—you've got GM going into bankruptcy; Ford is junk stock, now. There are similar things in the auto industry around the world. Whole countries are about to go into the bucket. We have

crises beyond belief. *We can not continue to go this way.* This is not a matter of a crisis, where it's an unpopular situation, and popular opinion is going to demand this: *We are at a point, that the survival depends upon fundamental changes of direction in policy.* And what we have to use, is the institutions we have—our Constitutional institutions—to make the changes in policy which must be made. They may not be perfect, but at least a change in the right direction will get us moving in the right direction, and that will give us the ability to maneuver and solve the problems.

I think, the thing to look at right now, is look at the Senate. And what I see, in terms of Reid, the Democratic leader of the Senate, and what he's pulling around him: He's a tough guy, he's a senior guy—he's doing an excellent job.

STOCKWELL: All right. We've got to go to break. We've got to go to the Wall Street Journal, another break, and then we'll be back for a couple of minutes to wrap this up.... [commercial] We've got a little less than three minutes to wrap this up, but let me give out this number so you can get a copy of Lyn's book *Earth's Next Fifty Years*....

So, a couple of minutes to wrap this up, Lyn. Put the icing on the cake.

LAROCHE: Good. Well, we're now at a point, as I said, we're going to see in the next weeks, what's going to happen. We will not know the answers in these several weeks, but we're going to see a change. And the change is going to come on fast, and people are going to start thinking differently, because—

STOCKWELL: When the Senate sits again.

LAROCHE: Yeah, well, that's going to be the key thing. The Bolton issue is now a bellwether. The DeLay issue is also of some significance. These are things that people can latch onto fairly quickly.

But, there are other things which are also crucial, and they're international, like this thing that happened in South America, with Colombia, Brazil, and Venezuela, coming to the agreement among people, people *never* would have thought they would have come to that kind of agreement. And that's going to happen.

This is all over the world. *Things are breaking loose*, and it's going to be interesting. And this is going to get some people who *do* think, and who are people of action, moving. You're going to see the tendency toward a coalition of sane Republicans and Democrats, which will tend, we hope, to become the majority influence in the Congress. That can happen. It *should* happen. In the next weeks, we may see it happening.

STOCKWELL: Thank you so much for being part of the show. I've always had the greatest respect for you and your organization. And you're welcome back any time we can get you on here.

LAROCHE: Thank you.

STOCKWELL: Thank you Lyndon. Bye-bye.

LAROCHE: Bye.

# InDepth Coverage

Links to articles from

[Executive Intelligence Review](#), Vol. 32, No. 18

[\\*Requires Adobe Reader®.](#)

## Feature:

### Attack on Judiciary Takes Aim at U.S. Constitution

by Edward Spannaus

Listening to House Majority Leader Rep. Tom DeLay (R-Tex.) and his 'faithbased fascist' friends, one would think that the Federal courts are on a crusade to persecute Christians and 'people of faith,' and that only by banishing the filibuster from the U.S. Senate can true Christian government be restored in the United States. The prohibition of the 'filibuster' (the Senate's tradition of extended debate) for judicial nominees, is generally referred to as the 'nuclear option,' although its proponents piously prefer to call it the 'constitutional option.'

- Which Constitution Are They Defending?

When the 'Constitution in Exile' grouping complains that the U.S. Supreme Court, from its 1937 ratification of FDR's New Deal measures forward, is trashing the 'real' Constitution, whose paramount purpose was to protect property rights, they inadvertently raise the question: Which Constitution are they talking about? The only Constitution which did what they claim, is the 1861 Constitution of the Confederate States of America (C.S.A.).

- Why They Hate 1937

by Edward Spannaus

*'It should be remembered that of the three fundamental principles which underlie government, and for which government exists, the protection of life, liberty, and property, the chief of these is property.'*

—Judge Josiah A. Van Orsdel, of the U.S. Circuit Court of Appeals for the D.C. Circuit, in invalidating the 1918 Minimum Wage Act for the District of Columbia

Whether this was intentionally written as a perverse parody of I Corinthians 13:13, we do not know. But that it is a repudiation of our Declaration of Independence's commitment to 'Life, Liberty, and the pursuit of Happiness,' in favor of the evil John Locke's substitution of 'property' for the Leibitzian commitment to Happiness, we can be certain.

- Documentation

U.S. Senators Speak Out Against Nuclear Option

## National:

### More GOP Fractures Emerge As Dems Batter Bush Policy

by Jeffrey Steinberg and Paul Gallagher

After a series of stunning political setbacks in both Houses of Congress, the Bush Administration has launched a no-holdsbarred campaign of intimidation against Republican lawmakers, and against a highly mobilized Democratic Party, in what is increasingly evolving into a desperate effort to prevent George W. Bush from becoming the earliest 'lame duck' second-term President in U.S. history.

### LPAC Testimony to Senate Hearings

Congress Needs To Fix The U.S. Economy, Not Social Security

This testimony was delivered to the U.S. Senate Committee on Finances, Hearing on Social Security Solvency on April 26, on behalf of the Lyndon LaRouche Political Action Committee; [www.larouchepac.com](http://www.larouchepac.com).

## **Bolton Nomination: More Than Meets the Eye**

**by Ray McGovern**

Ray McGovern spent 27 years as a CIA analyst, during which time he worked on National Intelligence Estimates, and was involved in preparing materials for, and briefing senior White House officials as part of the President's Daily Brief. He is a founding member of Veteran Intelligence Professionals for Sanity and now works at Tell the Word, the publishing arm of the ecumenical Church of the Saviour in Washington, D.C. This article appeared first on TomPaine.com.

## **Waxman: Bush's Stand Is Morally Wrong**

Rep. Henry Waxman (D-Calif.), the ranking member of the House Committee on Government Reform, sent an open letter to President Bush on April 28, slamming him for saying that 'there is no trust fund' for Social Security.'

The implication of your statements is breathtaking,' Waxman writes. 'In effect, you are saying that your Administration does not intend to repay the trillions of dollars being borrowed from the Social Security trust funds. Your position is wrong morally and legally, and it breaks a 70-year commitment that the payments Americans make into the Social Security system will be held in trust for Social Security beneficiaries, not diverted to tax cuts for the super rich or to other government expenditures.'

# **Economics:**

## **Kirchner Assumes Leadership As Global Crisis Worsens**

**by Cynthia R. Rush**

Argentine President Néstor Kirchner is demonstrating a new quality of leadership and combativeness in response to the accelerating disintegration of the global financial system. The Argentine leader has consistently attacked the International Monetary Fund (IMF) and the speculative vulture funds for which it speaks, for looting and plunging Argentina into economic devastation and indebtedness in the 1990s. And he has refused their demands to reopen the bond swap to restructure \$82 billion in defaulted debt, even though legal action taken by two vulture funds, *NMLCapital* and *EM, Ltd.*, now threatens to disrupt the restructuring process altogether.

## **Economic Mission for Congress:**

### **To Save Auto, Build Rail**

**by Richard Freeman**

'Every GM plant in the United States is capable of retooling for whatever is needed to be produced,' said a United Auto Workers (UAW) official at General Motors' Mansfield, Ohio plant, discussing Lyndon LaRouche's call for emergency government action to re-tool the American auto sector—which is being dismantled at break-neck speed. Discussion with half a dozen skilled auto workers and engineers during the past month indicates that they understand the necessity of preserving the auto sector's advanced machine-tool capability, and provide an unique insight into how the retooling process actually functions. They also reflected the spirit of progress and willingness to fight, essential to save the auto sector.

## **Mexican Right Readies Its Own Funeral**

**by Rubén Cota Meza**

President Vicente Fox's crude, even childish, attempt to eliminate Mexico City Mayor Andrés Manuel López Obrador—the current front-runner in all the polls—as a contender for the 2006 Presidential elections, through an absurd legal technicality, has triggered a political upheaval not seen in Mexico for years. What seemed to be a heady victory for Fox, when a majority of the Mexican Chamber of Deputies (360 to 126) voted on April 7 to strip López Obrador of his immunity from prosecution as an elected official, and to dismiss him from his post, proved to be a political disaster for Fox by April 24, when between 750,000 and 1.2 million Mexicans joined a 'silent march' to Mexico City's central plaza, to protest the attack on López Obrador.

## **Interview:**

### **Lord Dick Taverne**

**by Gregory B. Murphy**

Ex-Greenpeace Activist Backs Nuclear Power Dick Taverne is a member of the House of Lords in Great Britain. A former member of Greenpeace and Friends of the Earth, he realized that the attitudes of his past associates in the environmental movement are geared toward anti-science. He then wrote a book about environmentalism titled *March of Unreason: Science, Democracy, and the New Fundamentalism*, published by Oxford University Press in March 2005. He is not the only leading environmentalist to change his mind recently.

## **Debate Government's Role in Saving Rail**

Faced with the Bush Administration's determination to shut down the U.S. national passenger rail system, AMTRAK, U.S. Congressmen and Senators on both sides of the aisle, have plunged into an intensive debate over the role of government in relation to rail infrastructure. Hearings held April 21 in the Surface Transportation Subcommittee of the Senate Commerce Committee featured a surprising convergence of views between Committee Chairman and conservative Mississippi Republican Trent Lott, and FDR Democratic Senator from New Jersey, Frank Lautenberg. Both agreed that necessary infrastructure, such as passenger rail, cannot be expected to pay for itself, and must be supported as an essential service by the Federal government.

# **International:**

## **Germans Debate FDR Model, Defense of Social State**

**by Rainer Apel**

Something highly interesting is happening in Germany: Coming as a big surprise to most, Franz Müntefering, the chairman of the Social Democratic Party (SPD), hinted that his party is considering dropping the 'Third Way' neo-liberal 'new economy' policies named after Britain's Prime Minister Tony Blair, and addressing instead the growing unemployment crisis and the bankruptcy of the real economy. In a speech in Berlin, April 13, Müntefering presented the ongoing work of the new party programmatic platform, attacking the neo-liberal ideology in words not heard from SPD officials in years...

## **Anti-Colonial 'Spirit Of Bandung' Revived**

**by Mike Billington**

Fifty years ago, 29 nations of Asia and Africa met in Bandung, Indonesia, for an Asian-African Summit, described by its host, Indonesian President Sukarno, as the first meeting of former colonial peoples without the presence of representatives from the colonial powers. From this meeting, in 1955, emerged the 'Spirit of Bandung,' which contributed to the rapid conclusion of the decolonization of Africa and Asia, and the founding a few years later of the Non-Aligned Movement (NAM). From April 22-24, 2005, representatives from over 100 nations, including over 50 heads of state, met in Jakarta, and in Bandung, for the first major meeting of Asian and African nations since that famous 1955 Conference.

## **Up From Another Kind of Slavery**

**by Mike Billington**

***Life After Life: A Story of Rage and Redemption* by Evans D. Hopkins New York: Free Press, 2005 287 pages, hardbound, \$25**

Early in 1994, about four years into the ten-year stretch I served as a political prisoner in Federal and Virginia detention facilities, I met a young man named Evans Derrell Hopkins, known as 'Hop' to all his fellow inmates. Hop was serving a life sentence for an armed robbery, in which no one was hurt. He believed he'd been given the draconian sentence because he had shown contempt for the all-white jury 'of his peers,' who viewed this former member of the Black Panther Party as an enemy of society....

## **Neo-Cons Throw New Provocations at Iran**

**by Muriel Mirak-Weissbach**

Sensitive talks are going on between Iran and the European Union troika—the 'EU-3' of Great Britain, France, and Germany—regarding Iran's nuclear energy program. Iranian negotiator Hassan Rowhani, head of the Supreme National Security Council and a Presidential candidate in the upcoming elections, said on April 21, that the Geneva talks were proceeding well, and Iran was confident that an agreement could be reached over the crucial issue of Iran's uranium enrichment program. Iran, which insists its program is designed solely for civilian energy production, demands that it be allowed to maintain the technological capabilities to enrich uranium, in accordance with the Non-Proliferation Treaty, and the additional protocols it signed with the International Atomic Energy Agency.

## **Japan-China Relations Need 'New Westphalia'**

**by Kathy Wolfe**

Saner heads in Japan and China acted to cool tensions April 22-24 during the Bandung Asian-African Summit in Jakarta, with an eye to the goal of Eurasian-wide economic development. Chinese President Hu Jintao held his first head of state meeting with Japanese Prime Minister Junichiro Koizumi. Koizumi, after a drubbing by pro-Asian diplomats in Tokyo, issued an apology for World War II in his conference speech. 'In the past, Japan, through its colonial rule and aggression, caused tremendous damage and suffering to the people of many countries,' Koizumi said. 'With deep remorse and heartfelt apology always engraved in mind, Japan . . . again states its resolve to contribute to world peace and prosperity in future.'

**Hanan Ashrawi:**

## **Palestinian Social and Political Expectations**

Dr. Ashrawi, a prominent spokesman for the Palestinian cause, is an elected member of the Palestinian Legislative Council (PLC). She was the Palestinian Minister of Education and Research (1996-98), and founded the Palestinian Initiative for the Promotion of Global Dialogue and Democracy (MIFTAH), as well as the Palestinian Independent Commission for Citizens' Rights. A Christian, she holds a doctorate in Comparative literature from the University of Virginia. The speech excerpted here was given on April 11 at the Palestine Center in Washington, D.C. Subheads have been added, and some of the questions have been abridged.

# **History:**

## **THE ARMENIAN GENOCIDE**

## **True Justice Requires The End of Geopolitics**

**by Muriel Mirak-Weissbach**

*Was there an Armenian genocide?*

On April 24, this became again a burning political question, as Armenians worldwide commemorated the 90th anniversary of the tragic events. Wherever there are large Armenian communities, such as in the United States and France, as well as, of course, in Armenia, calls were raised for governments to officially recognize the genocide. For its part, Turkey will continue to deny that genocide occurred, and will exert political pressure on governments to prevent any official recognition.

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

### **Projected Social Security 'Deficit' Caused by Globalization**

A report issued by the Economic Policy Institute on April 26 echoed the analysis of Social Security's connection to the real economy in *EIR* articles, and in LPAC's Congressional testimony (see InDepth this week). The EPI report shows that stagnating real wages in the U.S. economy, in most of the period of the floating-exchange-rate globalized economy, are responsible for most of the "projected deficit" Social Security is supposed to have over the next 75 years.

In 1983, when the present Social Security payroll tax rates were set, the Social Security Administration began by assuming that real wages would rise by an average of 1.5% per year, over coming decades, based on the U.S. economy's history since World War II. Instead, real wage growth since then has been averaging only 1% annually (based only on comparison with the Consumer Price Index inflation measure, which is vastly understated and does not measure workers' real purchasing power). Such "real wages" now are falling, since 2003.

According to the EPI's analysis of Social Security reports since 1983, the impact of this "real wage" drop on the taxable payroll for Social Security, combined with the related, growing *inequality* of wages and incomes in the United States, account for nearly 70% of the so-called "long-term actuarial deficit" of Social Security as projected today. The impact of lower wages already in the past period, 1983-2005, accounts for 10% of that deficit; the SSA's current, lowered assumption



that real wages will grow no more than 1% in the future, accounts for 25% of the projected deficit; and the loss of taxable payroll because of the growing income disparity between the upper 20% and lower 80% of households, accounts for another 30% of the projected deficit. This last effect is simply because more of the nation's total payroll is concentrated among upper-income people whose incomes go far "above the cap" of \$90,000 a year in income that Social Security taxes. The portion of national wages taxed by Social Security has fallen from 90% in 1985 to 85% in 2004, and is projected to fall to 82% in the next few years.

In direct contradiction to the standard claptrap of the privatizers, EPI found that "demographics changes" have actually *improved* the projected long-term solvency of Social Security since 1983—because of higher-than-expected immigration, and a rebound in birth rates.

## **Pelosi: Privatization Would Hurt Hispanics**

House Minority Leader Nancy Pelosi (D-Calif.) issued a press release April 28 showing that Bush's plan to privatize Social Security would cut benefits to Hispanic families by 40%. Her statement also outlines how Social Security provides retirement and economic security for nearly 2.3 million Hispanics, of whom 75% rely on it for the majority of their retirement income. Her press release also outlines how the Republican cuts in disability benefits to young Hispanics—who are 40% more likely to become disabled—would also be cut by 40%.

## **Durable Goods Orders Tumble**

Order for durable goods fell by 2.8% in March, the largest drop since September 2002, as aircraft orders fell sharply, the Commerce Department said April 27.

## **Housing Bubble Continues To Inflate**

Defying analysts (as well as gravity), who had forecast a decline in home sales, due to rising interest rates, a report from the U.S. Commerce Department says that sales of new homes increased at a "seasonally adjusted annual rate" of 1.43 million units during March, this in addition to a report from the National Association of Realtors, that sales of existing homes, which represents 85% of the market, increased by 1% to an annual rate of 6.89 million homes. The average price of a home also rose, for the third-consecutive month, to \$195,000.

According to *USA Today* April 26, some economists are warning that markets are becoming "seriously out of whack" on the East and West Coasts. Analysts are doubly confounded, since "consumer confidence" levels have begun to slip again, the "expectations index," which measures the populations estimate of the future, sliding to its lowest level since July 2003.

## **20 Million in U.S. Workforce Without Health Insurance**

A study released April 27, commissioned by the Kaiser Commission on Medicaid and the Uninsured, indicates that 20 million working Americans are without health insurance. The study, using data from the U.S. Centers for Disease Prevention and Control, also found that George Bush's Texas has the highest number in the country: 27% of working adults in Texas have no insurance. Texas also has the highest rate of uninsured overall in the U.S. (30.7% of its population). Another finding was that 41% of uninsured adults were unable to see a doctor when needed in the past year, because they couldn't afford it. Nationally, one in five (20%) of the uninsured have poor health, compared to 12% of those with insurance.

## **Public Hospitals Can No Longer Invest in Infrastructure**

The nation's public hospital profit margins are so low, according to a recent survey of the National Association of Public Hospitals and Health Systems (NAPH), that investment in new medical infrastructure is impossible. For fiscal year 2002, margins for public hospitals were at -0.3%, compared to 4.5% of all hospitals nationally. NAPH says this is far below what experts say is necessary to reinvest in infrastructure and technology. The hospitals have capital needs that can no longer be postponed, including safety measures, all of which require significant investment in systems and equipment.

Right now, public hospitals draw over 71% of their revenue from Medicaid, Medicare, and state and local governments, all of which have been shrinking their budgets for years. State Medicaid inpatient hospital payments were cut or frozen in 31 states in 2004; and in 27 states in 2005. This, on top of previous state hospital cost-cutting measures. But, the hospitals are hit again each time states remove people from Medicaid. These uninsured people join 45 million other uninsured, who seek their health-care needs, often at public hospitals, which treat everyone, regardless of their ability to pay, regardless of their medical condition. Public hospitals treat huge numbers of medically vulnerable patients whom no insurer will cover, like the 323,000 people with HIV/AIDS, diabetes, mental illness, and others about to be dropped from TennCare, Tennessee's extended Medicaid program.

## World Economic News

### Nigeria Going for an Argentina-Style Default; Points to Bankers' Arithmetic

"Nigeria is heading towards an Argentinian-style default on its \$33 billion of overseas debt unless western creditors accept a deal to alleviate the country's financial burden, a delegation from West Africa's biggest economy said in London yesterday," wrote the British *Guardian* April 26. Senior Nigerian politicians are visiting four creditor countries, and "warned that unrest was growing over the hardline approach adopted by the West and that time was running out for negotiations," the *Guardian* writes.

"It is unconscionable that Nigeria has paid 3.5 billion pounds in debt service over the past two years but our debt burden has risen by 3.9 billion pounds—without any new borrowing. We cannot continue. We must repudiate this debt," said Farouk Lawan, Chairman of the Finance Committee of the Nigerian House of Representatives.

Britain is Nigeria's largest creditor (21%). British Treasury sources say that the starting point for negotiation is a paper by a Washington think-tank, the Center for Global Development, which calls for a write-down of the debt. British Chancellor of the Exchequer Gordon Brown is supporting a proposal to use Nigeria's windfall from higher oil prices to pay creditors a fraction of what they claim.

Senator Udo Udoma, chief whip of the Senate, said, "We are spending three or four times as much on debt service as we are on education, and 15 times as much as we are spending on health. Time is running out. The level of frustration is very high."

The Nigerian delegation said that their plight was far worse than that of Argentina, according to the *Guardian*.

### German *Mittelstand* Targetted for Takeover

Thousands of German *Mittelstand* (small to mid-sized) firms are becoming targets of unwanted takeovers by hedge funds and private equity investors, stated the British rating agency Fitch, in a report "Who Will Finance the Mittelstand?" The report, covered in the *Financial Times* April 5, noted that German banks are withdrawing from financing the small and medium-sized company sector. This doesn't just mean reluctance to grant new credits. It also means that banks are selling

their existing *Mittelstand* credits to foreign funds. As an example, billions of euros of non-performing loans at Dresdner Bank, HVB, and Commerzbank have already been acquired by specialized funds. In the case of any solvency problems, such funds are eager to convert the debt into equity; that is, they would seize ownership. Therefore, says the report, the business of many German *Mittelstand* companies could soon be controlled by foreign funds. "Mounting evidence of 'capital market'-style developments suggest *Mittelstand* borrowers, once accustomed to patient and flexible House Bank lenders, can quickly find themselves facing a new breed of creditor." The Fitch reports adds: "Hedge funds, in particular, frequently seek near-term realization of investment returns," for example, by "forcing asset sales or wholesale refinancings to improve the price of a loan position in secondary markets."

A key factor for the unpleasant financing situation of the German *Mittelstand*, says the report, is its traditional reluctance to replace bank credit with standard outside equity, because that would dilute family ownership. As in Italy, German firms are now preferring another alternative, that is securitization. Outstanding debt from different companies is being pooled into bonds, which are then being sold to international investors. Thereby, says the report, a new "Parmalat" could easily emerge in Germany, where a rising number of corporate defaults lead to the insolvency of the retail bond issuers, which then causes a series of forced mergers, emergency asset sales, restructurings, or insolvencies.

## United States News Digest

### Bush Stumps for His Energy Bill

Speaking in Washington on April 27 before a conference sponsored by the Small Business Administration, President Bush tried to bully the Congress into passing his energy program, which it has refused to do for the past four years. Locating the problem as the United States' "growing dependence on foreign sources of energy," Bush promoted his stale litany of tens of billions of dollars of incentives for the oil and gas industries, funding for hydrogen and clean coal technologies, and his "nukuler" program. The mention of increased use of nuclear energy drew the loudest applause from the businessmen in the audience.

One of the tell-tale elements within the Bush-Cheney bundle of goodies (remember, this is the one that goes back to 2001), is the final repeal of FDR's landmark PUHCA, the Public Utilities Holding Company Act, which, although eviscerated over years, represents an institutional block to total deregulation/looting.

Reporting that no new oil refineries have been built in the U.S. since 1976, Bush proposed that new ones be built at closed military facilities. He pushed his tax credits for a gas pipeline from Alaska and for oil drilling in Alaska, which have been part of the reason Congress has never passed his energy program. He said that the bill passed by the House on April 21, needs to be passed by the Senate by August.

The bill passed by the House includes Bush's oil and gas pork, and has not only been attacked by Democrats, but was also voted against by the Chairman of the House Science Committee, Sherrod Boehlert (R-N.Y.). But unfortunately, opposition to the Bush plan from Democrats and the GOP alike remains based on the most inane and irrelevant issues, such as not enough funding for conservation, fights about environmental additives for gasoline, and, in Boehlert's case, complaints that it increases the deficit.

While pointing out that France gets 70% of its electricity from nuclear power, Bush has added little or no new funding in next year's budget request for the Nuclear Power 2010 program to build new power plants, the R&D to develop the next-generation nuclear reactors, the program to produce hydrogen fuel using high-temperature reactor technology, or fusion power. He also warned that we must help nations in Asia reduce their demand for energy, which he said he will discuss at the G-8 meeting in July in Great Britain.

## **Rummy's Bunker Busters Would Cause Massive Damage**

A new report issued by the National Research Council states that the nuclear bunker-buster bombs favored by Secretary of Defense Donald Rumsfeld would cause huge death and destruction above ground. This was one of the most striking conclusions from the report's executive summary, the *Washington Post* reported April 28. This conclusion is based on the fact that the design of these bunker busters is most effective when the weapon penetrates only a few meters, and this will produce a large ground-level shockwave. Such a ground-level detonation also has the maximum potential for radioactive fallout from the blast. This condition could produce anywhere from thousands of deaths to 1 million, depending on the yield of the weapon used.

This estimate is for a nuclear bunker buster used in a heavily populated urban area. The report further states that the damage would be the same as an above-ground explosion. The report also estimates how far these bunker busters can go in certain soil types, with the range being from about 100 meters in clay soil to about 12 meters in medium-strength rock.

## **Rumsfeld Responsible for Torture, Say Retired Officers**

In the wake of the March report on prisoner interrogation and detention policies issued by Vice Adm. Albert Church, two retired flag officers, Adm. John Hutson and Gen. James Cullen, issued a statement elaborating the concept of "command responsibility," and declaring that Secretary of Defense Donald Rumsfeld should be held accountable for the abuse and torture of prisoners. Their statement, reported in *Legal Times* April 18, is even more important in the aftermath of the completion of the Army Inspector General's report, which is now being reviewed by Congress.

"It's not sufficient for a leader to claim, 'I did not commit the criminal act,' or 'I did not personally order it.' Command bears distinct responsibilities to make decisions and be held accountable for their consequences," they write. "The military—an organization that relies on discipline in the midst of chaos—cannot function without such accountability for decisions."

They point to the case of Gen. Tomoyuki Yamashita, the Japanese commander of the Philippines, who was tried and executed for war crimes committed by his forces during World War II, even though there was some doubt about his actual control and communication with his forces. The case went all the way to the U.S. Supreme Court, which upheld the conviction in 1946. "Our country argued that Yamashita was responsible for abuses by his forces, and no one can persuasively argue that we should exempt ourselves from the same standard," the two officers write.

Hutson and Cullen document the policies which Rumsfeld put in place, undercutting long-standing prohibitions on the use of torture and other inhuman and degrading treatment, and document how he ignored and failed to act on reports of abuses. They call for the creation of an independent commission to conduct a full investigation, concluding that "The honor of our military is at stake."

## **Weapons Inspectors Find No WMD in Iraq**

Charles Duelfer, head of the Iraq Survey group, issued the final report on the search for weapons of mass destruction in Iraq on April 25, having found none. And, although Syria did ship some military and other products across its borders from Iraq, the investigators "found no senior policy, program, or intelligence officials who admitted any direct knowledge of such movement of WMD." The final report, refuting many of the Administration's principal arguments for going to war in Iraq, can be seen on the Government Printing Office's web site at [www.gpo.gov](http://www.gpo.gov).

## **Conyers Petitions for Civil Rights Intervention in Georgia**

Congressman John Conyers (D-Mich.), the ranking Democrat on the House Judiciary Committee, has initiated a letter to Alexander Acosta, Assistant Attorney General in the Civil Rights Division of the U.S. Department of Justice, demanding preemptive intervention against a law pending in the state of Georgia. The law would require Georgians to present photo identification at the polls before voting. Other states have passed similar laws, but the Georgia measure lacks the additional "authentication options" (i.e., non-photo) written into other statutes. As Conyers makes clear, "The burden of this requirement would fall disproportionately upon racial and ethnic minority voters," exactly what the Voting Rights Act was designed to address.

The bill has been passed by the General Assembly and is set to become law unless it is vetoed by Gov. Sonny Perdue, something he has said he will not do. Along with Conyers, there are 21 cosigners to the letter.

## **U.S. Prison Population Hits 2.4 Million**

The Bureau of Justice Statistics released figures on the U.S. prison population on April 24, showing that, despite lower crime rates, the prison population has increased at a rate of 900 per week between mid-2003 and mid-2004, a 2.3% increase. The U.S. has the highest rate of incarceration in the world, followed by Britain, China, France, Japan, and Nigeria.

One of every 138 U.S. residents is incarcerated, over 2.1 million people. Sixty-one percent are racial or ethnic minorities.

Combine that with the fact that prisons have eliminated Pell Grants for college courses and (in most states) nearly all rehabilitation programs, with parole eliminated in many states, and you see yet another moral atrocity and a ticking timebomb in the American economy.

## **ACLU Documents Show Confusion on Geneva Conventions**

The latest tranche of documents in the ACLU Freedom of Information Act lawsuit against the Department of Defense, shows that soldiers who abused prisoners in Iraq thought they were doing so with the approval of higher levels of command. Several of the documents link the abuses to a command climate that encouraged brutality, something that Army and Pentagon investigators have so far resolutely failed to consider. One soldier with the 4th Infantry Division, accused of having failed to properly supervise an interrogator who assaulted an Iraqi prisoner, replied that statements made by senior leaders that detainees were not enemy prisoners of war under the Geneva conventions "have caused a great deal of confusion as to the status of detainees."

"In hindsight," he wrote, "it seems clear that, considering the seeming approval of these and other tactics by the senior command, it is a short jump of the imagination that allows actions such as those committed by [*name redacted*] to become not only tolerated but encouraged." He also criticized his commanders for soliciting a "wish list" of alternative interrogation techniques and for using phrases such as "the gloves are coming off."

## **Ibero-American News Digest**

### **Rice Tours Americas as Turmoil Explodes**

One, two, many governments are on the edge of toppling, as Condoleezza Rice smiles, and speaks of how "democracy" and free markets will secure "governability," during her ongoing visit to four countries in Ibero-America (Brazil, Colombia, Chile and El Salvador).

In Nicaragua, for the past week, thousands of students and people from the poor neighborhoods, protesting fuel and transport prices, paralyzed the capital, as demonstrators pelted President Enrique Bolanos's house with stones, demanding he resign. The Presidents of neighboring countries—Guatemala, Honduras, and El Salvador—were burning the phone lines on April 27, promising to support Bolanos, and putting themselves "on alert" to ensure constitutional order is maintained.

Well they might be nervous: Unionists in Costa Rica are marching, too, and labor protests in Belize—which exploded into vandalism, looting, and sabotage of electricity and telephone service in that small Central American nation—led Organization of American States (OAS) acting Secretary General Luigi Einaudi to issue a call on April 26 urging "current difficulties" be resolved within the framework of Belize's Constitution. The next day Einaudi was on a plane heading down to Ecuador, where similar "current difficulties" had led to the overthrow of the government less than one week before.

In Ecuador's neighbor, Bolivia, the two-pronged drive to break apart the country is again heating up. Radical Jacobins in the labor movement are organizing for an "indefinite national strike" beginning May 2, and the Mont Pelerinite separatists in the Santa Cruz Civic Committee gave the government until May 2 to secure an adequate supply of diesel fuel for the department and agreed to Aug. 12 as the date for a national referendum on autonomy for the departments—or they, too, would begin mobilizing people to the streets again.

### **Ecuador's President: Last Chance To Avoid National Disintegration**

"My government is the last chance to prevent Ecuador from self-destruction," Ecuadorian President Alfredo Palacio told an Ibero-American daily on April 26. "We're playing one of our last hands. I deeply love my country, but if we don't make necessary changes, the danger of national dissolution will be great." Palacio rejected calls for early elections and promised to finish out the final two years of his ousted predecessor's term in office. He dismissed suggestions from Europe, the U.S., and other nations of Ibero-America, that his Presidency is illegitimate, and said he would leave office anytime the people wanted him to, since the Presidency "is not my life's goal."

Ecuador's new Economics Minister, Rafael Correa, a leading figure in the leftist "Alternative Ecuador Forum," has been an outspoken opponent of dollarization, but upon being sworn in, Correa said that the government does not have the necessary political power to reverse dollarization, even though to attempt to run the economy under dollarization "is like entering the [boxing] ring with only one arm." He announced that the government will, however, immediately move to change the functioning of the oil stabilization fund known as the FEIREP, which has been channelling 70% of Ecuador's increased revenue from the high price of oil into buying back Ecuador's foreign debt before it comes due—an "unethical" scheme which makes our creditors richer, but harms the country, Correa said. He suggested Ecuador needed to renegotiate its foreign debt, along the lines of the Argentine model; called for interest rates to be lowered; and said "more than financial investment, productive investment is needed."

Ecuador needs to create growth and jobs, and foster the well-being of its people. If this "coincides with Wall Street's interests, great; if it doesn't, what a shame. They can get enraged," Correa cheerfully said.

### **LaRouche, Duhalde Target Dollarization**

U.S. statesman Lyndon LaRouche reiterated on April 28, that what brought Ecuador down, is dollarization, and that is what must be faced. LaRouche had warned in 2000, when Ecuador gave up its own currency and adopted the dollar, that the United States was responsible for what would result. Dollarization is "the imposition of slavery.... This is genocide. We've created chaos," and it can "spread in a chain-reaction effect throughout the whole subcontinent," he stated on Jan. 23, 2000.

Former Argentine President Eduardo Duhalde also identified dollarization as the force driving Ecuador's current collapse,

in a column in the Argentine daily *Clarín* on April 25. Duhalde, now president of the Mercosur Representatives Committee, reported that when he visited Ecuador at the end of 2003, it was clear that the initial euphoria over the end of hyperinflation which followed the decision to dollarize in 2000, was long gone. There was no financing available for production, as there was 50% less credit available than in 1998. For every ten barrels of oil which Ecuador sold, six went to pay the debt, he pointed out. This led to cuts in social expenditures, which had fallen to levels below those of the 1980s.

Duhalde wrote: "It was foreseeable that this economic model threatened to bring about an implosion, and that would bring the Ecuadorans to the brink of civil war. The fragility of democracy, the weakening of the institutions, and the discrediting of politics, were similar to the panorama in the collapsed Argentina."

Ecuador needs the help of its neighbors to resolve its conflicts, and find an alternative path in which it can recover peace, institutions, and growth, he wrote.

## **Association with Bush Brings Down Mexico's Fox**

Mexican President Vicente Fox went on national TV April 27 to express his total, utter dedication to democracy and dialogue; to say he understood his job was to promote the unity of the nation, not divide it; and to promise that he, as President, would guarantee that the 2006 Presidential election would be "legitimate," ensuring due respect for every party. Making his backdown complete, Fox announced that he had accepted the resignation of his Attorney General, Gen. Rafael Macedo de la Concha, and ordered an "exhaustive review" of the case which the Attorney General's office had brought against Mexico City Mayor Andres Manuel Lopez Obrador. For background on what led to this spectacle, see "Mexican Right Readies Its Own Funeral," in the InDepth section of this issue.

## **Will Bush and Rumsfeld Be Arrested in Argentina?**

Could George Bush or Donald Rumsfeld be arrested when they attend the Summit of the Americas in Argentina next November? This is reportedly the reason for intensifying U.S. pressures on Argentina's Kirchner government, with the U.S. demanding that Argentina grant immunity to U.S. troops and other government officials operating in the country. On April 18, U.S. Assistant Secretary of State Steven Rademaker met with Argentine legislators at the U.S. embassy in Buenos Aires to repeat this demand, as he has apparently done more than once in the past. Individuals who participated in the meeting, which also included Ambassador Lino Gutierrez, told *Página 12* that the U.S. fears that without the immunity, some Argentine judge might order the arrest of Bush or Rumsfeld when they attend the scheduled Summit of the Americas in Mar del Plata next November. One of the legislators pointedly told Rademaker that the Argentine Congress had no intention of changing its opposition to granting special immunity to foreign troops.

Rademaker, whose area of specialty is arms control, reportedly also made noises about Russian weapons export to "sensitive zones" (i.e., Venezuela).

## **Some Chileans Say 'Go Nuclear!' To Solve Energy Crisis**

Nuclear energy can be a long-term solution to Chile's energy crisis, officials at the Chilean Nuclear Energy Commission (Cchen) propose. Although posing this as something that won't happen for another ten to 15 years, Commission chairman Roberto Hojman said on April 26 that the time has come for government authorities to decide to build a nuclear plant to generate the electricity the country needs.

Two days after a blackout left more than 7 million Chileans without electricity on March 21, another member of the Cchen, Gonzalo Torres, had told the Chilean daily *El Mostrador*: "Chile cannot miss the opportunity of obtaining electricity



through nuclear energy generation." Nuclear energy represents the best option to resolve the country's energy crisis, he said. Chile faces the likelihood of electricity rationing over the next three years, and "the nuclear energy option and [building] a nuclear plant, must be carefully evaluated" by the Chilean government.

Chile is currently dependent on imports of natural gas from Argentina, which the Kirchner government has been forced to curtail in order to meet internal demand. When the blackout occurred on March 21, free-marketeers from the Pinochetista UDI immediately blamed Argentina for failing to supply Chile with enough gas—even after the Lagos government of Chile documented that the one-hour blackout was due to problems on the 500-kW transmission line between Charrua and Ancoa. Almost half the country was affected, including the capital of Santiago, where 70% of the population resides.

Natural gas shortages, inadequate infrastructure, and manipulation by foreign multinationals are fuelling all manner of geopolitical conflicts throughout the Southern Cone. The solution, says Ricardo de Dicco of the Social Sciences Research Institute (Idicso) at Argentina's Salvador University, is for Chile and Argentina to jointly develop nuclear energy. Both nations will run out of oil well before industrialized nations, and won't have money to import energy. De Dicco points out that there are sizable uranium deposits along the Andean *cordillera* that could be exploited to contribute to a joint nuclear energy effort.

## Western European News Digest

### Pope Benedict XVI Explains His Choice of Name

In his first general audience, Pope Benedict XVI on April 27 explained his choice of the name Benedict. Speaking in Italian, he said: "I wanted to be called Benedict XVI to connect ideally to the venerable Pontiff Benedict XV, who guided the Church through the turbulent times of the First World War. He was a bold and authentic prophet of peace, and worked with great courage, first to avoid the tragedy of the war, and afterwards, to limit its murderous consequences. In his footsteps, I desire to put my ministry in the service of reconciliation and harmony among men and peoples, deeply convinced that the great good of peace is first of all a gift of God—unfortunately a fragile and precious one—to invoke, safeguard, and build, day after day with the help of everybody." Furthermore, the Pope said he chose the name because of St. Benedict (480-547), who played a decisive role in the expansion of Christianity in Europe. He mentioned the first rule left by Benedict to his monastic order: "Put nothing before Christ."

Fifteen thousand people attended the audience in St. Peter's Square, including 1,000 people from St. Benedict's hometown of Nursia in the Umbria region of Italy.

### German Trade Unions Rally Around the Constitution

Referring to key points made by the chairman of the German Social Democratic Party (SPD), Franz Muentefering, last week, Franz-Josef Moellenberg, national chairman of the German food industry workers (NGG), issued a statement on the German Constitution in an interview with the *Sueddeutsche Zeitung* April 25.

Asked whether the positions of the SPD imply a new "class struggle," Moellenberg said: "Not at all. What is at stake is the social element in the social market economy. That is not class struggle, but the mandate of our Constitution: The Federal Republic is a social state, property implies an obligation, and the dignity of man is untouchable. Whoever thinks that is too radical, has a problem."

A spokeswoman at NGG's headquarters in Hamburg confirmed that the defense of the German Constitution's Article 14 is what the NGG labor union's 270,000 members view as the most central aspect of the NGG's current mobilization.



## **SPD Chairman Muentefering on the Role of the State**

In an April 27 interview with *Bildzeitung*, SPD chairman Franz Muentefering stated, "What I'm focussed on, is a fundamental question: Must the state really stand by idly, powerlessly watching sound firms being razed to the ground, workers being laid off because of illegal dealings, and profiteers stuffing their pockets?"

"Seriously: The economy is there for the citizens, not the other way around! I have noticed, by the way, that the Union [the Christian Democratic party] stays amazingly silent in this debate. Mrs. [Angela] Merkel and Mr. [Edmund] Stoiber seem to sense what is rolling in their direction. They just do not know yet how to deal with it. Courage and responsibility—that is not what they show.

"One thing is clear: With the slogan 'out with the state,' we cannot go on. Whoever believed the market could do everything better if it were allowed to, must now acknowledge: That is wrong! the state must set limits and it must be able to enforce their functioning. That is why I say: as little state as possible, but as much state as necessary!

"One example: It cannot be that cheap labor from Eastern Europe works for fraudulent entrepreneurs at starvation-level wages in German meat-cutting firms. The state must move against such excesses with all force, and must also apply the criminal code."

## **Former CDU Minister Attacks Neo-Con 'Anarcho-Capitalism'**

In an interview with the April 26 issue of the Austrian magazine *Trend*, Heiner Geissler, a former family and health minister of Germany, said that there are many entrepreneurs of firms operating globally that "act as freely as the mafia, the dope dealers, the terrorists."

Geissler continued, "At this moment, this anarcho-capitalism, this resurrected early capitalism, is the dominant ideology. Since the abolition of the Bretton Woods agreements in the early 1970s, a giant financial industry has emerged."

In the final analysis, the only winning philosophy is one that holds that capital has to serve man, not vice versa, he emphasized. "Today, human lives are being sacrificed for revenue on capital. Modern capitalism is a modern form of totalitarianism. It benefits only a few, who earn more and more, but it is to the disadvantage of more and more human beings."

With the "Hartz IV" austerity reforms and similar policies, Germany's Social Democratic-Green ("red-green") coalition government has missed its opportunity. "You cannot pursue a policy that alienates millions of citizens.... [T]here are no useless citizens in a democracy. Citizens will either use their vote, or will abstain from the next elections, or even vote for a radical party."

## **Tony Blair Under Fire as Elections Approach**

The issue of the Iraq war, and British Prime Minister Tony Blair's manifest lying to get Britain into it, is becoming red hot as the British elections approach. Important defections in the Labour Party are occurring.

The London *Times* reported April 26, that only one out of 12 new Labour candidates for the Parliament supports Blair on Iraq. Blair stated April 25 that, although he respects the critics of the war, he would not apologize, since he believes his

decision was the right one.

A recent issue of the *Independent* has a front-page headline announcing that a leading Labour MP is leaving the party, and joining the Liberal Democrats. Brian Sedgemore, who has been a Labour MP for 27 years, said he will leave, and that there is a group of other MPs ready to bolt after the elections. For him it is not only Iraq, but also the issue of privatization of the health service that he opposes. "I'm renouncing Tony Blair, the Devil, new Labour, and all their works," he announced.

An op-ed in the *Guardian* April 26 by Richard Gott blasted Blair: "The PM is a war criminal," it said. "Like Chamberlain in the '30s, Blair is an appeaser of a dangerous global power"—the United States under Bush-Cheney. "He should be in prison, not standing for election." Blair was accused of appeasing an "unbridled country that presents a global threat similar to Germany in the 1930s."

## **Italian Journalist Giuliana Sgrena Interviewed**

In an April 27 interview, Italian journalist Giuliana Sgrena, who was rescued from being held hostage in Iraq, and whose rescuer, an Italian intelligence agent shot dead by American troops, said there was no roadblock where U.S. troops opened fire on the vehicle in which she riding. Sgrena gave a phone interview to Democracy Now's Amy Goodman (National Public Radio). She complained bitterly that the leaked report that an American investigation had cleared U.S. troops of responsibility for the killing (the report has not been officially released) would mean that the U.S. is trying to cover up the truth. She insisted, as she has consistently, that the U.S. troops that killed Italian intelligence agent Nicolà Calipari, and seriously wounded Sgrena, had opened fire "without notice, without any attempt to stop us before," noting that her story and that of the other survivor were identical.

The two Italian members of the commission have refused to sign the report as it is, and are reported to have left Baghdad. The car in which Sgrena and the others rode is being delivered to Italy, and the Italians believe they can tell from forensics how fast the car was travelling. The U.S. claims they were speeding, which the Italians deny.

## **Europe Commemorates 90th Anniversary of Armenian Genocide**

The Armenian community in France and elsewhere in Europe held solemn masses, marches, and memorials April 24, to commemorate the killings of up to 1.5 million Armenians, under the Young Turk government in Turkey in 1915, during World War I. A requiem mass was offered at Notre Dame Cathedral in Paris, and many other gatherings took place across the city, as well as in other French cities. There are 350,000 ethnic Armenians in France. The mass was followed by a meeting at an Armenian monument where on April 22, French President Jacques Chirac and Armenian President Robert Kocharian placed a wreath.

French Socialist Party leader Francois Hollande told a gathering of 3,000, mostly Armenians, that he would propose a law in parliament to penalize those who deny the genocide. "The Armenian genocide was the first of the 20th Century, but, alas, not the only one."

Many countries have recognized it as genocide, as well as the UN and the European Union. German politicians opposed to Turkey's entry into the EU have been raising the issue, demanding Turkey recognize the events. It was the subject of a debate in the Bundestag, and German media broadcast vast news coverage as well as documentaries.

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

## **Putin Annual Message Attacks Bureaucracy and 'Mass Poverty'**

Russian President Vladimir Putin delivered his annual message to the Federal Assembly on April 25. Interwoven with his report on "the development of Russia as a free and democratic state as our main political and ideological task," Putin raised a number of political, economic and demographic issues that define Russia as being in crisis.

Putin conveyed a sense that Russia is facing problems of existential proportions, when he said at the outset, "Let me remind you again of how modern Russian history began. First of all, it should be acknowledged, and I have spoken about this before, that the collapse of the Soviet Union was one of the greatest geopolitical catastrophes of the century. And for the Russian people, it was a real drama. Tens of millions of our citizens and compatriots found themselves outside the Russian Federation. Moreover, the epidemic of disintegration spread to Russia itself. Citizens' savings were devalued. The old ideals were destroyed. Many institutions were disbanded or simply reformed in haste. The integrity of the country was disturbed by a terrorist intervention and the subsequent capitulation at Khasavyurt [1996 interim settlement in Chechnya]. With unrestricted control over information flows, groups of oligarchs served exclusively their own corporate interests. Mass poverty started to be accepted as the norm. All of this unfolded against a backdrop of severe economic recession, financial instability and paralysis in the social sector." (The passage on the collapse of the USSR was widely misreported as saying "the greatest catastrophe," whereas the Russian superlative means "one of the greatest" or "an extremely great.")

Striking his trademark theme of "strengthening Russian sovereignty," Putin discussed three areas: development of the state per se, strengthening law and the political system, and the conditions for individual life in "civil society." He attacked the bureaucracy in a way he hadn't done before, as "a closed and sometimes simply arrogant caste of people who see state service as a kind of business." He said that he intends to "disappoint" officials who have come to see "racketeering by state agencies" as just the way things are.

Concerning recent and pending mergers of Russian provinces, which have become a hot issue in the country, Putin said that such changes must not turn into a political fad, but should must promote the economy. Otherwise, what he said on economic policy stayed mostly in the realm of generalities about "the liberalization of business," "radical expansion of opportunities for free enterprise," and measures to legalize people's de facto ownership of various small real estate holdings. He called to "boost the inflow of capital accumulated by people into our economy," indicating that by this he meant encouraging the "oligarchs" to repatriate funds held offshore. He reiterated his intent to reduce the statute of limitations on privatization deals, from 10 years to three, and warned tax officials that they have "no right to terrorize business." He said that Russia wants a big influx of private investment, including foreign investment.

Most of Putin's discussion of foreign policy dealt with relations with CIS countries and Moscow's desire to uphold the rights of ethnic Russians living there.

The Russian President returned to the theme of his first such message, five years ago: Russia's "acute demographic problems." He mentioned life expectancies for men and women that are 16 and 10 years lower, respectively, than those in Western Europe; the deaths of 100 people per day in auto accidents and 40,000 each year from alcohol poisoning. He complained of a lack of "desire to tackle the problem at the federal level." Putin demanded that public-sector wages be raised by 50 percent in the next three years, but did not take up people's continuing unhappy response to this year's replacement of entitlements to services with tiny cash payments.

Putin concluded with a discussion of the moral standards of Russian culture, and the "enormous, incalculable cost" paid by Russians for their country and the world during the Great Patriotic War, World War II in Russia.

## **Putin Visits Egypt, Proposes Peace Conference**

Arriving April 25 on the first visit to Egypt by a Soviet or Russian head of state in 40 years, Russian President Vladimir Putin announced that he might invite "all parties concerned," including the so-called "quartet" of international mediators (the UN, the EU, Russia and the United States), to attend a conference this autumn in Moscow for the purpose of "advancing the peace process in the Middle East." In the days following Putin's statement, Egyptian officials said the idea would be studied carefully, while the United States termed it premature and a senior Israeli official said he was wary about Putin's proposal, but "not against it in principle."

The last Soviet leader to visit Egypt was Nikita Khrushchov, who inaugurated the first stage of the Aswan Dam in 1964, a project the Soviets helped finance and build. In 1972, President Sadat expelled Soviet military advisers from the country. In recent years, relations have improved, as Egyptian President Mubarak has travelled to Moscow three times since 1997. Putin's visit was played up in the Russian press as a sign that Russia is resuming an important role in the entire region. Putin will be visiting Israel, Jordan, and other countries as well. Joining Putin for his discussions with Mubarak and visit to the headquarters of the Arab League were Foreign Minister Sergei Lavrov and former Prime Minister Yevgeni Primakov, an Arabist and a frequent visitor to the region in his current capacity as head of the Russian Chamber of Commerce and Industry. Putin and Mubarak issued a joint statement on bilateral cooperation, particularly in the areas of trade, economic, scientific, and military-technical work, including high technology projects and the energy sector.

### **Putin Visits Israel and Palestinian National Authority**

Russian President Vladimir Putin completed a historic visit to Israel and the Palestinian National Authority on April 29. No Russian or Soviet head of state had visited Israel since 1948. Despite its historic significance, the visit broke no new ground with Israel, and whatever ground Putin wanted to break with the Palestinians, Israel committed itself to sabotage.

Putin arrived on Wednesday night as the guest of Israeli President Katzav. At the joint press conference with Katzav, Putin handled the Israeli press with some healthy sarcasm. When asked by Radio Israel whether Russia would sell weapons to Israel, he replied, "If you facilitate getting a contract of \$2 billion for a supply of Russian fighter planes to Israel, I will personally see to it that you get Russia's award of valor." Asked about possible Russian nuclear cooperation with Israel, Putin replied, "We are willing to have atomic cooperation for the sake of peace, but it does not seem to me that Israel needs help with its nuclear program." Katzav brought up acts of anti-Semitism in Russia, to which Putin rejoined, "I heard that the tombs of your state leaders have been desecrated," a thinly veiled reference to invective recently written on the tomb of Yitzhak Rabin by right-wing Israelis.

Putin had a slightly over one-hour lunch meeting with Israeli Prime minister Ariel Sharon, where they discussed cooperation against terrorism, but expressed differences on Russia's sale of nuclear reactors to Iran and anti-aircraft missiles to Syria.

On April 29 Putin travelled to the Palestinian National Authority as the guest of Palestinian President Abu Mazen (Mahmoud Abbas). Putin paid his respects at the tomb of Yasser Arafat and then met with Abu Mazen for several hours. He reiterated his offer to give the Palestinians the armored vehicles, as well as two helicopters. He also said Russia would help rebuild the infrastructure in Gaza.

In interviews before his trip, Putin stressed that his interest in Israel is also linked with the large number of emigrés from Russia who live there now. Over 25 percent of the Israeli population is Russian-speaking, Putin said. During his visit, the Russian President met with surviving veterans of World War II, who are now elderly citizens of Israel. (See also Southwest Asia Digest.)

### **Pope Benedict Receives Russian Prelate**

"The Roman Catholic and Russian Orthodox Churches must develop cooperation," Pope Benedict XVI said on April 25 as he met with Metropolitan Kirill of Smolensk and Kaliningrad, who headed the Russian Orthodox Church Moscow Patriarchate delegation to Benedict's inauguration. Itar-TASS reported that the pope "expressed confidence that the two Churches should together defend common Christian values in Europe's life at present."

The Russian wire service further reported, "The importance of settling the problems in relations between the Vatican and the Russian Orthodox Church was emphasized during the meeting. The pope also noted the importance of the theological and liturgical tradition of the Orthodox East and expressed his respect for the mission and pastor service of the Russian Orthodox Church."

## **Yerevan March Honors Victims of 1915 Genocide**

Tens of thousands of Armenians in Yerevan, the Armenian capital, joined many thousands of people throughout Europe, who commemorated the 90th anniversary of the genocide against Armenians in 1915. The memorials paid homage to the victims of killings of up to 1.5 million Armenians at the hands of the "Young Turks" government—a leading project of the Anglo-Venetian oligarchy at the turn of the last century. The Yerevan event brought President Robert Kocharian and other top officials to the towering Genocide Memorial, where a silent procession headed by Kocharian laid flowers at an eternal flame. Armenia's chief clergymen sang a Gregorian Apostolic requiem service.

In the days before the anniversary, Armenia pulled out all the stops in an effort to make Turkey acknowledge the massacres as genocide. Ninety years ago "a crime was committed that had no equals in the history of Armenia or all of humanity; it did not even have a name," Kocharian said. He called on Turkey and the international community to condemn the killings as genocide, adding that the former Soviet republic was ready to build "natural" relations with its larger neighbor, if it faced up to its history. Kocharian made a conciliatory gesture towards Ankara, saying his government would not ask for financial compensation for the killings, if Turkey recognized them as genocidal.

## **Southwest Asia News Digest**

### **EIR InDepth This Week Features Iran and Palestinian National Authority**

While talks between the European Union and Iran continue over the Iranian nuclear energy program, the Dick Cheney war faction targets Iran for internal destabilization, profiled in this week's article, "[\*\*Neo-Cons Throw New Provocations at Iran\*\*](#)." For a first-hand background report on "Palestinian Social and Political Expectations," *EIR Online* presents excerpts from a speech by Palestinian activist and parliamentarian Dr. Hanan Ashrawi in Washington.

### **Iraqi Electricity Grid Operating Below Pre-war Levels**

The Iraqi electricity grid only produced about 4,400 megawatts before the war, while demand ranged from 3,000 MW to 6,500 MW, depending on the weather. Today, after two years and \$1.2 billion spent rebuilding the Iraqi grid, the average daily output is just 4,000-4,200 MW, and is falling, reported the *Washington Post* on May 1. Over the last four months, power is available for less than 10 hours a day, forcing widespread use of generators for those who can afford them; in one cited case, 107 households were hooked up to a single generator. The shortage is a huge source of anger and dissatisfaction among the population, and has punctured the once-widespread belief in American technological superiority. With the U.S. now saying that it is the responsibility of the Iraqi government to rebuild the grid, the situation will not improve soon. The UN and World Bank have estimated that it will cost \$12 billion through 2007 to restore the Iraqi electrical grid.

## **Bush-Abdullah Meeting: A Kiss Doesn't Make An Alliance**

Someone should inform George W. Bush that a kiss doesn't make an alliance. The biggest attention-getter at the Crawford, Texas summit meeting between George W. Bush and Saudi Crown Prince Abdullah, was the pair of big, wet, clumsy kisses that Bush—using the traditional greeting—planted on the cheeks of the Prince as he arrived.

There was "nothing sexual" intended, quipped Adel Al-Jubeir, the spokesman for Prince Abdullah. And, the incident became more joked about than Vice President Al Gore's kissing his wife, Tipper, on the big screen at the Democratic convention of 2000. For the anti-Islam, anti-Arab Administration circles—reflected in the neocon-run *New York Post*—"The Kiss" was given a particularly nasty treatment. The Rupert Murdoch-owned *Post* criticized Bush's welcome with a huge cartoon of a desperate President, holding an empty gasoline can, planting a big kiss on Prince Abdullah's behind.

Prince Abdullah arrived with a serious agenda, seeking primarily a U.S. commitment to a serious step forward in Israeli peace talks with the Palestinians after the promised Gaza disengagement. Bush, however, came off looking foolish: Begging for a 25-30-year commitment for low-priced Saudi oil to be delivered to the U.S., and as well as for billions of dollars of Saudi funds to be committed to Gaza "reconstruction"—because the U.S. will commit no funds for the project.

One thing that international observers of these events have made clear is that the really important meetings with the Saudi Prince were with secretive Vice President Dick Cheney—not with Bush. The contents of those meetings have not been disclosed.

- Bush Is No FDR -

But one of the biggest pieces of fakery in the whole summit show is the White House-dictated lead to the joint communiqué, which proclaims that Bush was superseding what President Franklin D. Roosevelt had accomplished in his wartime meeting with King Saud in the six hours they spent together in 1943. Nothing could be further from the truth, said one Middle East scholar, who has seen the original news footage of the FDR-King Saud meeting; he told *EIR* that the level of respect that King Saud, and every other subsequent King of Saudi Arabia had for FDR cannot be compared with their feelings toward Bush. Unlike Bush and Cheney, FDR had respect for the King, and compassion for, and a desire to help, the developing Saudi nation.

Bush's kiss was no substitute for the alliance that FDR had forged on the basis of that respect and compassion.

As for the lengthy joint communiqué issued April 25, at the end of the Bush-Abdullah meeting, it did not reflect anything of the substance. The fact that the two leaders did not hold a joint press conference was an indication of the unresolved tensions between the two countries.

- Two Key Topics -

Washington-based sources in contact with members of Abdullah's entourage in Crawford told *EIR* that the two most important topics were the oil price crisis and the Israeli-Palestinian talks, i.e., progress on what is called the "Road Map" for peace. On both issues, the Saudis were at odds with the U.S., said the source, but the Bush Administration was described as being desperate in both areas, and made extensive promises to Abdullah about its intentions.

On the Palestinian front, the U.S. wanted money from Saudi Arabia to finance the running of the Gaza Strip when Israel disengages. The Saudis wanted a promise from the U.S. that Bush would force Israeli-Palestinian peace talks to resume,

and that Israel would begin to leave the West Bank. Instead, the Saudis were told that the U.S. *must* make sure that the Gaza withdrawal occurs. Gaza is a *must*, insisted the U.S., and only then could the other Palestinian territories be discussed.

The Bush Administration asked for "patience," and "trust" in U.S. intentions, because there is nothing coming from Israeli Prime Minister Ariel Sharon beyond the Gaza withdrawal now. The Saudis reportedly did promise, in the interests of the Palestinian people, to give the requested post-withdrawal funds.

On the oil issue, what they could not agree upon concerned the Saudis' desire to own two oil refineries in the U.S. It was pointed out by Abdullah's spokesman, Adel al-Jubeir, that the U.S. does not have enough refining capacity to handle the additional oil, should the Saudis begin to send 1-2 million additional barrels per day, as Bush was requesting. The Bush Administration does not want to allow Saudi ownership of the two new refineries, claiming that this would violate national security.

A well-informed Washington source, who has been involved in Saudi relations with the U.S. for more than 25 years, described the Bush Administration as "very concerned" about the oil situation, because they suddenly realize that they have no guarantees of the oil that they need. The Administration is now trying to negotiate a 25- to 30-year deal in which they will have the Saudis increase their output, over present levels, by 7 million barrels of oil per day, which would be the equivalent of *several* countries signing on to oil deals with the U.S. But to increase production to that degree over the next decade would require billions of dollars of investments—as much as \$50 billion; the U.S. is demanding control of that new capacity, said the source. These issues are still being fought out, with the meeting failing to resolve them.

## **Israelis Flip Over Putin's Offer To Aid Palestinian Security Force**

"If we expect Chairman Abbas to fight terrorism effectively, he can't do it with slingshots and stones," Russian President Vladimir Putin said after meeting with Palestinian Authority President and PLO chairman Mahmoud Abbas in Ramallah, reported Aluf Benn and Yossi Melman in the May 2 *Ha'aretz*. Following a trip that took him to Egypt, Israel, and the Palestinian National Authority capital of Ramallah, Putin offered 50 armored personnel carriers, two helicopters, and other military equipment to the new PA government, and also proposed to provide training for their security forces, during talks with Abbas. (For more on Putin's visit to the region, see Russia digest.)

But, immediately the Israeli government condemned Putin's offer. On the website of the Israeli Ministry of Foreign Affairs April 29, an Israeli "government source" was quoted as saying, "First let's see some steps toward peace and then it will be possible to strengthen the Palestinian security forces, which are meanwhile taking part in fighting against us." The Ministry also reported that "Israel has rejected a proposal by the United States to supply the Palestinian police officers in the West Bank with weapons," quoting the Israeli newspaper *Ha'aretz*. But the Ministry website also admits that "American officials have told their Israeli interlocutors over the past few days that the Palestinian security forces need weapons to help maintain order in the territories." Israeli officials replied: "Let them first take the weapons from the terrorists." Israeli Prime Minister Ariel Sharon opposed the aid from Russia and insists that the transfer of all military equipment to the Palestinian Authority be approved and coordinated by Israel.

Tragically, Sharon is digging in his heels, and will allow no further progress in supporting the new government of President Abbas. Putin has proposed an international meeting of the Israelis, Palestinians, leaders of the Quartet that drew up the "Road Map," and neighboring countries, as soon as the Gaza Strip "disengagement" is complete. Sharon has also rejected that meeting, which might afford an opportunity to move peace forward.

## **Asia News Digest**

## **China, India Form 'Strategic Partnership'**

China and Indonesia announced a "strategic partnership" during Chinese President Hu Jintao's visit to Jakarta April 25-26. The dramatic development, which had not been reported ahead of the two-day state visit (following the Asian-Africa Summit), established both an economic and a military agreement. Economic deals aim to increase trade by 40% over three years, to \$20 billion, while \$700 million in concessional loans for infrastructure projects were signed, and as much as \$10 billion in investments over the coming years, are on the table.

The military agreements include arms sales by China, and bilateral military cooperation. Defense Minister Juwono Sudarsono has recently concluded trips to both the U.S. and China. An Indonesian source said that Juwono, although close to the U.S., learned on his trip that Indonesia could not rely on the U.S., both because the U.S. placed conditions on agreements that are unacceptable to Indonesia, and because of negative sentiment within Indonesia against the regime in Washington. China is able and willing to fill some of the gap, with cooperation on friendly terms.

## **Philippines, China Sign Multi-Billion-Dollar Loan Deal**

Immediately following Chinese President Hu Jintao's conclusion of a "strategic partnership" with Indonesia April 26, Hu and Filipino President Gloria Arroyo-Macapagal witnessed the signing in Manila of 14 business agreements in loans and investments, ten of them involving government-to-government deals, among them a \$950-million investment by Jinchuan/Shanghai Baosteel Co. and China Development Bank to re-develop a nickel mining company in the Philippines.

The largest loan, \$500 million, will be used to extend a rail system to light industrial centers north of Manila.

Hu also signed an agreement to provide \$27 million in equipment to Philippine telecommunications company, Digitel.

China National Offshore Oil Co. signed a framework agreement for as much as \$10 million in prospective investment in oil and gas exploration off the coast of the western Philippine island of Palawan.

Philippine Finance Secretary Cesar Purisima said other investments, such as a pharmaceutical manufacturing concern and a glass factory, to be set up in the northern Philippines light industrial zone, but have not yet been signed.

Purisima said that with expanding relations, Sino-Philippines trade will likely rise to \$30 billion by 2010, from the current level of about \$10 billion a year.

## **India To Set Up Strategic Aerospace Command**

Speaking to the media April 27, India's Air Force chief, Air Marshal S.P. Tyagi, said an Aerospace Command has to be established in order to lay the groundwork for developing capabilities to degrade space weapons. This will be developed with the help of the Indian Space Research Organization (ISRO).

## **Opium Blooms Again in Afghanistan**

Afghanistan's number-one cash crop is now under harvest. In the southern part of Afghanistan, where summer comes early, farmers are busy collecting resin from the poppy pods, despite claims by Afghan President Hamid Karzai (who had earlier declared "jihad" against opium production) that drug cultivation was down sharply.



Besides Karzai, the British and the United Nations chimed in as well, claiming a drop of 30%-40% in cultivation since the mighty harvest of 2004. But the story is not that straight. UN drug experts have told AP that poppy cultivation had been less in traditional areas, but in remote areas, poppies are blooming more vigorously than ever.

Production of opium has boomed since the fall of the Taliban militia in the winter of 2001. Last year, cultivation reached a record of 323,700 acres, yielding nearly 80% of the world's opium and 95% of the heroin consumed in Europe.

The failure of the U.S/British policy to reduce opium production is evident from the fact that the Karzai Administration is openly seeking support of the most powerful opium warlords in Afghanistan, and not a single top-of-the-list warlord has been put behind the bars for producing hundreds of tons of opium.

## **India Asked by South Africa for Help in Joining G-4**

The Group of Four (G-4)—Japan, Brazil, India, and Germany—is now pushing for permanent seats on the UN Security Council, with veto power, although UN Secretary-General Kofi Annan, during his recent visit to India, told New Delhi to rule out the possibility of earning veto power.

Annan did not respond positively to New Delhi's next demand, to abolish the concept of veto at the United Nations Security Council in the present post-Cold War era. Annan advised New Delhi to become a permanent member without veto power during his tenure, and then fight for veto power once in. He indicated that Germany, and possibly Japan, are agreeable to this formulation.

With Japan's Premier Junichiro Koizumi in New Delhi, the UN reform subject is under discussion. Considering it an opportune time, South Africa has approached New Delhi to help Pretoria enter the Group to make it G-5, arguing that South Africa is the best representative of African interests, and pointing out that it is a "former nuclear weapons state." South Africa also indicated that it would be able to garner the support of a vast majority of African nations for UN reform if Pretoria is included in the G-5.

## **Thai Commission Issues Report on Atrocities**

The Thai National Reconciliation Commission (NRC) has issued its initial reports on two of the worst atrocities committed in three southern provinces in the past year, a year in which over 600 people have been killed in those provinces.

The two incidents are the April 2004 military assault against Thai Muslim gunmen who, after a raid on a police station, had taken refuge in the 400-year-old Krue Se Mosque—32 were killed; and the horrific deaths in October of some 78 Thai Muslims who died from suffocation and dehydration in Tak Bai, after they were loaded on top of each other like carcasses in the back of a truck for transport to a distant jail.

The report holds five Army generals responsible for "ignorance and negligence" in allowing troops under their command to load people on the trucks, and for "disproportionate use of force" at the Krue Se Mosque.

## **Africa News Digest**

**WHO on Marburg Fever in Angola: New Failures at Hospital Mean 'Amplification of Transmission Is Highly Likely to Occur'**

"On two occasions earlier this week, doctors at Uige's large provincial hospital were directly exposed to blood from Marburg patients being treated on general wards," reported the World Health Organization's April 29 update on the epidemic of deadly Marburg Fever in Angola.

The WHO update also reported two other recent serious breaches of procedure in the hospital that were capable of promoting transmission.

The WHO update concluded, "Under such conditions, amplification of transmission is highly likely to occur." It noted, "During past outbreaks of viral hemorrhagic fevers, such events have historically resulted in an additional two transmission cycles and a second wave of cases."

WHO has decided to strengthen the presence in Uige of international staff specialized in infection control.

According to Recombinomics.com May 1, "more health care workers [at Uige provincial hospital] have died or have a fever," and "patients have again stopped coming to the hospital."

### **The First Case of Recovery From Marburg in Angola Reported**

A patient infected with Marburg Fever has recovered and been discharged from Uige provincial hospital, Angolan Deputy Health Minister Natalia Espirito-Santo told the press in Luanda April 29. "This patient's case may mean that not all infected will die," she said. The press (and recently the World Health Organization) have represented the mortality rate in this unprecedented outbreak as only 91.7%, or "above 90%," by regarding all cases that had not yet died as survivors. (The correct procedure: Compare the total number of cases on Day X with the number of these cases still alive 10 days later. This procedure had, until now, always yielded a mortality rate of 100%.)

The current statistics were given by Espirito-Santo as 277 cases and 257 dead. The figures are an understatement, not only because not all cases are known, but because the Angolan government has recently "reclassified" many cases to make it appear that there have been no infected individuals outside of Uige province who had not come from there. The reclassification may only mean that health workers outside Uige province are not adequately equipped to prepare a sample and transport it to Luanda for testing, without it becoming a false negative.

There is no contact tracing going on outside Uige province. Meanwhile, there have been four suspected cases in neighboring areas of Democratic Republic of Congo.

### **Bush To Receive Nigerian President Obasanjo May 5**

President Bush will meet Nigerian President and African Union chairman Olusegun Obasanjo at the White House on May 5. White House spokesman Scott McClellan said they will discuss bilateral relations, Nigeria's role in the African Union's efforts in Sudan, and regional stability in West Africa.

### **Nigerian Team Seeking Debt Cancellation Is Also Visiting Washington, Berlin, and Rome**

The Nigerian team seeking cancellation of Nigeria's debts is now visiting Washington, Berlin, and Rome, according to Nigeria's Debt Management Office (DMO), The Lagos-based journal *This Day* reported April 26. (See this week's Economics Digest.) The team of two members from the House of Representatives and two from the Senate, accompanied by Director General of the DMO, Dr. Mansur Muhtar, will take two weeks to complete the tour it began in London.

The legislators are the Chief Whip of the Senate, Udoma Udo Udoma; chairman, Senate Committee on Local and Foreign Debts, Patrick Osakwe; chairman, House Committee on Finance, Farouk Lawan; and chairman, House Committee on Loans, Aid and Debt Management, Sanusi Sadiq.

In Washington, the team was scheduled to meet with the chairman of the House Subcommittee on Africa, Chris Smith; chairman of the House Subcommittee on International Monetary Policy and Trade, Deborah Pryce; Senate Majority Leader Bill Frist; and co-chair of the Nigeria Caucus, Rep. William Jefferson.

In an interview on U.S. National Public Radio April 27, a member of the Nigerian team said, "We contracted for a debt of \$17 billion, we paid \$20 billion, and now we owe \$37 billion." He added that the debt was contracted under a former military regime, that much of the money never reached Nigeria, that the creditor institutions were not honest about the terms and conditions, and that therefore the present government's responsibility to repay is not compelling, especially given the underfunding of education, health care, and other critical programs as a result of the high debt-service payments.

About 80% of Nigeria's foreign debt is owed to Paris Club creditors—banks and finance and investment companies.

### **African Union Okays Much Larger Force in Darfur**

The African Union (AU) Peace and Security Council, meeting April 28 in Addis Abeba, Ethiopia, approved an increase of its Darfur, Sudan observer and civilian police force to 7,500, which it hopes to have in place by August. Its force on the ground in Darfur is currently at 2,200, although the AU had earlier approved 3,320. Once the 7,500 level is achieved, an increase to 12,300 by spring 2006 will be considered. This action came in response to an assessment by AU staff carried out in March.

The Peace and Security Council claims it did not consider expanding the mandate of the troops to use force (beyond the mandate it now has to use force to protect itself). The Sudanese government does not accept a peacekeeping—as opposed to an observer—mandate. The March assessment had suggested an expanded mandate in saying, "Militarily, the force should be in a position to promote a secure environment across Darfur." There is great pressure for the change. The International Crisis Group, in a proposal of April 26, called for it.

UN Secretary General Kofi Annan and UN Special Envoy to Sudan Jan Pronk are supporting it.

At the end of the Addis Abeba meeting, AU Peace and Security Commissioner Said Djinnit told the press that "the force will have an enhanced scope to include protection of civilians and internally displaced people, as well protecting food convoys and stopping looting," according to Reuters April 28. Sudan does not appear to object to this "enhanced scope."

Serious violations of the ceasefire are continuing, most of them committed by the insurgents, Pronk said in Addis Abeba, according to IRIN April 29.

African Union Chairman Olusegun Obasanjo has written to NATO Secretary General Jaap de Hoop Scheffer, proposing that "the AU secretariat and NATO secretariat begin discussions on NATO providing logistical support to the AU in Darfur," a NATO spokesman said April 27. NATO ambassadors have agreed that "exploratory talks" should begin, the spokesman said. Sudan's Foreign Minister Mustafa Othman Isma'il said April 28 in Khartoum that his government welcomes NATO logistical support for the AU forces, but will not accept any NATO troops in Darfur.

### **Zimbabwe Re-Elected to UN Human Rights Commission**

Zimbabwe was re-elected to the UN Human Rights Commission April 27, much to the consternation of U.S. representative William J. Brencick, who said that Zimbabwe had "blatantly disregarded the rights of its own people," and Zimbabwe's re-election was "inappropriate."

Zimbabwe's Ambassador to the UN Boniface Chidyausiku said no nation was beyond reproach in the area of human rights, and added: "Those who live in glass houses should not throw stones."

## **South Africa Asks India To Help It Join the Group of Four**

South Africa has asked India to sponsor its application to join the Group of Four (G-4), comprised of Japan, Brazil, India, and Germany. (For the full story, see this week's [Asia Digest](#).)

## **This Week in History**

### **May 2-8**

## **Lafayette Reaches America's Western Settlements and Survives a Shipwreck on the Ohio River**

As Gilbert de Lafayette continued his daunting 1825 tour through all of the states of America, he and his party survived a rough trip across the Gulf of Mexico from Mobil, and reached New Orleans during the second week of April. The city provided him with a week of lavish spectacles, balls, and banquets, but Lafayette was disturbed at the existence of black slavery in the country whose freedom he had helped to win. Therefore, he went out of his way to greet a delegation of Negroes who had fought under Andrew Jackson at the Battle of New Orleans. He also received a delegation of 100 Choctaws, who had come from their savannahs to greet "the Great Warrior, brother of the Great Father Washington."

On April 15 Lafayette boarded the steamboat Natchez and set off up the Mississippi River, stopping for receptions at Baton Rouge and Natchez. Then, for ten days, the passengers saw only wilderness, broken occasionally by a settler's log cabin. When the steamboat required wood for fuel, the captain would steer to shore and send out a woodcutting party. He would sign a paper which told how many cords he had taken, the name of the boat and the captain's place of residence and affix it to a tree. Then, at some point, the owner of the land could send a bill to the captain. This was how the refueling of all the river steamboats was conducted.

At last, on April 28, the mouth of the Ohio River came into view, and the steamboat anchored at the village of Carondelet. The French settlers on this part of the Mississippi had come from France in the time of Louis XIV, and had become American citizens during the Revolutionary War. The backwoods area was poor, and so the settlers brought tame geese, a young doe, shells and petrified wood as their gifts to Lafayette.

The next day, the governors of Missouri and Illinois came aboard the steamer, and the party proceeded up the Mississippi to St. Louis. Lafayette dined with Auguste Chouteau, the founder of the city, and had the great pleasure of greeting the son of Alexander Hamilton, his old Continental Army comrade. That evening, a ball was held that was called "the most brilliant social event that had ever been seen upon the western shore of the Mississippi." Lafayette's secretary, Auguste Levasseur, wrote in his journal that "the splendid decorations of the room and the beauty of the ladies made us completely forget that we were on the confines of a wilderness which the savages themselves consider as insufficient for the supply of simple wants, since they only frequent it occasionally."

Leaving St. Louis, the steamer dropped down the Mississippi and entered the Ohio, where Lafayette had to transfer to another steamboat. This was the *Mechanic*, a much narrower boat which had been built to navigate the waters of the comparatively shallow Cumberland River. On the Cumberland, progress was slow, as the steamer stopped to allow people who had come down to its banks to board the ship and pay their respects to Lafayette. Finally, the pealing of bells was heard, the signal to Nashville that Lafayette's boat had been sighted.

Lafayette was greeted by General Andrew Jackson, who later conducted him to his home, the Hermitage. There, Lafayette was astounded to find the pistols which he himself had presented to George Washington during the Revolution. It was never explained how Jackson had obtained them, but with his usual courtesy, Lafayette said that he was delighted that they were now in the hands of so worthy a soldier.

When the steamboat *Mechanic* again reached the Ohio River, Lafayette spent a day in Shawneetown, Illinois, a busy river port and commercial center that had only been laid out in 1808. It contained the first bank founded in Illinois, and that bank's directors were busy planning for the construction of the City of Chicago far to the north on Lake Michigan. Here, Lafayette also received more mail—bringing his total to around 500 letters—from Americans congratulating him and inviting him to visit their towns. During the day of May 8, he and Levasseur tried desperately to answer some of the correspondence.

Then, that night, after Lafayette had gone to bed, disaster struck.

At midnight the steamboat jolted violently as it hit a snag of submerged branches in the river. A large hole in the hull was filling with water, and the boat started tipping to the side. Levasseur and Lafayette's son George grabbed Lafayette's arms and dragged him from the cabin. Lafayette insisted on going back for a snuffbox, which was ornamented with a picture of George Washington, and Levasseur retrieved it. The captain's lifeboat had been held for Lafayette and he was lowered into it. Later, Levasseur recalled that the people on deck were crying out for Lafayette as if they could not think of saving themselves until the Revolutionary War veteran was safely off the boat.

Fortunately, the boat rolled on its side but did not sink, and all aboard were saved. However, Lafayette's dog, a present given to him in Washington, D.C., went down to the cabin to find his master and was drowned. The passengers, marooned on the Kentucky side of the river with no habitations in sight, made the best of it by lighting large bonfires and eating food saved from the wreck. The next day, two steamboats were spotted on the river. By luck, the owner of one of the boats was one of the shipwrecked passengers. He signaled his boat, the *Paragon*, and ordered it to abandon its trip to New Orleans in order to carry Lafayette and the other passengers eastward.

By this time, Lafayette began to worry that he would not make the June 17 dedication of the Bunker Hill Monument in Boston, so he cut back the number of days he spent in any one city. He shortened the celebrations in Louisville, Lexington, Cincinnati, and Pittsburgh, but there was one town in upstate New York where he could not ignore the entreaties of its citizens.

Lafayette had visited Erie, Pennsylvania, and had dined outdoors under the sails captured from British frigates on the Great Lakes during the War of 1812. He set out that night for Dunkirk, where a Lake Erie steamboat was waiting to take him to Buffalo. He and his party fell asleep in the speeding carriage, but at two in the morning they were suddenly awakened by artillery fire. Looking out, they saw thousands of small lights suspended from the surrounding houses and trees. It was Fredonia, New York, and its residents had been standing outside in the chilly air since early evening waiting for him to come.

Opening the carriage door, Lafayette saw the young mothers holding their sleeping babies, and the entire population

forming a double line for him to walk between. He couldn't resist such a scene, so he shook hands with everyone down the long lines and only demurred when they led him to a large platform, lighted by barrels of burning rosin, where yet another orator was to extol his virtues. Saying that the ceremonies should be abridged because of the coolness of the evening and the necessity to get the children to bed, Lafayette reentered his coach and set off again, still trying to keep his schedule for the dedication at Bunker Hill.

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