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This Week You Need To Know

Felix & Fascism

by Lyndon H. LaRouche, Jr.

April 16, 2006

Frankly, if you do not think of Felix Rohatyn as a fascist, you do him a grave injustice. Both Felix and the wildly libelous attacks on me which have surfaced in the aftermath of the Senate confirmation of the Supreme Court appointment of Justice Samuel Alito, put the essence of filthy Felix on today's global display. By all rational standards, Felix is a fascist who considers me a prominent threat to his currently larcenous schemes.

So, in keeping with Felix's fears on that account, the Alito confirmation has been followed by an accumulation of various lunatic libels recently featured against me in prominent mass media and comparable other locations, not only in a bankers' Boston, Massachusetts, but also in a featured hoax published in the **Neue Zürcher Zeitung**, in prominent Leipzig, Germany pro-fascist and related circles, in a leading France radio station, and other relevant places.

As noted by one person close to me, what is intended by those outlets as attempted defamation of me, relies heavily on the precedent set by the notebooks of E.T.A. Hoffmann and the archives of Charenton.

Felix's credentials as a fascist are clearly established. The best-known career connections of that sort, are traced from his association with the U.S.A. extension of Lazard Frères of the Hitler period's Banque Worms operations. Felix is notable from the history of the 1970s for his role in "Big MAC," but also has a much uglier prominence as a key banker in the operation backed by such as George P. Shultz and Henry Kissinger which brought the neo-Nazi General Augusto Pinochet to power in Chile, and unleashed the neo-Nazi mass-murder campaign in the Americas' Southern Cone during the first half of the 1970s. He is also a key ally of Vice-President Cheney in the scheme for transferring the power of the U.S. military from the control of constitutional government, to a system of private armies, of Cheney's Halliburton, et al., modeled upon Adolf Hitler's program for replacement of the German Wehrmacht by the Nazi SS.

In short, fascist Felix is a Synarchist, by expressed faith and by practice, a specimen cast in the tradition of dictator Mussolini's and Adolf Hitler's bankers of the 1920s and 1930s. He is not merely typical of the traditional practices of that collection of Synarchist scoundrels who brought Mussolini, Hitler, Franco, and their like to power during 1922-1945; he is, as the legacy of Banque Worms attests, fully witting of the evil he does....

...complete article, PDF

Latest From LaRouche

HYPERINFLATION LIKE WEIMAR 1923

World System on Weimar Collapse Curve

by Lyndon H. LaRouche, Jr.

April 20, 2006

The fakery of the outgoing Alan Greenspan administration, in burying the "M3" report, was clearly intended to conceal the fact that the rate of rate of increase of world prices of primary materials has the world as a whole currently on the same kind of "least-action pathway" curve of hyperinflation which gripped Weimar Germany during the second half of the year 1923 ([Figure 1](#)).

Comparing the present rates of rates of increase of primary materials prices with the pattern for Germany 1923, indicates the likelihood that, under present U.S. and European policies, the world system could reach a point of collapse of the monetary system by not much later than September 2006, if not earlier.

Under the present trends in policy-making in the U.S. government, both in the careening economic-financial lunacy of the current Bush Administration, but also the "Alfred E. Newman"-like diffidence of a negligent U.S. Congressional fraction of the Democratic Party, the likelihood is that the world system as a whole will be in a U.S.-dollar-triggered collapse-phase before Autumn.

The point is not to predict what could happen by Autumn; the point is to kick the relevant political circles in the Democratic Party with the proverbial two-by-four prescribed for reluctant donkeys, and to do so hard enough, soon enough, and often enough, to move to the kind of emergency reform of U.S. policy which could stave off an otherwise onrushing general breakdown-crisis of not only the U.S. system, but the world system as well.

There is a relative handful of persons, typified by the Brookings Institution-based Hamilton Project team, who are capable of understanding this, and who already have command of most of the essential facts to be considered. There are professionals in other parts of the world, who could begin to understand this quickly, if they were kicked hard enough to come to the necessary state of wakefulness.

The world is thus, now, in the terminal phase of a hyperinflationary collapse of not only the dollar-system, but the world-system as a whole. To bring this into focus, consider the elementary features of the way in which Federal Reserve Chairman Greenspan's lunacy orchestrated the 1987-2006 phase of the relevant hyperinflationary cycle. Keep three illustrative curves in view: 1.) my "Triple Curve," which, since January 1996, has described the general characteristics of the ongoing collapse-function of the 1995-1996 interval ([Figures 2-3](#)); 2.) The curve of 1923 Weimar, Germany hyperinflation; and, 3.) The current hyperinflationary rate of rate of increase of primary commodity prices, as led by petroleum and metals ([Figures 4-5](#)).

[...complete article, PDF](#)

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[Felix & Fascism](#)

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Frankly, if you do not think of Felix Rohatyn as a fascist, you do him a grave injustice. Both Felix and the wildly libelous attacks on me which have surfaced in the aftermath of the Senate confirmation of the Supreme Court appointment of Justice Samuel Alito, put the essence of filthy Felix on today's global display. By all rational standards, Felix is a fascist who considers me a prominent threat to his currently larcenous schemes.

[Felix Rohatyn's Fascist Legacy](#)

[by EIR Staff](#)

A well-placed Washington intelligence source told EIR on April 19, that Felix Rohatyn is 'really pissed off' at what LaRouche is doing to him. But, the source added, 'the real target of the LaRouche expose's is the larger Synarchist apparatus. Rohatyn has become an important player in the French Synarchist apparatus over the last ten years [since his tour as Ambassador]. By going after Rohatyn, LaRouche has hit on a real Achilles' heel of the entire French Synarchist apparatus: their dependence on public money.'

Economics:

[HYPERINFLATION LIKE WEIMAR 1923](#)

[World System on Weimar Collapse Curve](#)

[by Lyndon H. LaRouche, Jr.](#)

April 20, 2006

Already on Sept. 21, 2005, Lyndon LaRouche issued a warning of the expanding commodities bubble, 'Hyperinflationary Patterns,' published in EIR, Sept. 30, 2005. LaRouche wrote, 'The world is presently gripped by a hyperinflationary wave-front of a Riemannian type,' and provided a graphic depicting the 'hedge fund-driven shock wave' of inflation propagating into the entire economy. He briefed a radio/Internet audience how 'Government Can Control Today's Hyperinflation,' published in the same EIR. His September 2005 warnings can be found on the EIR homepage at www.larouchepub.com.

- [A Flood of Funds, Central Banks Feed It](#)

[by Paul Gallagher](#)

[As LaRouche Warned](#)

[Loudoun County Real Estate Bubble Is Ready to Implode](#)

[by L. Wolfe](#)

Loudoun County, Virginia, one of the nation's fastest-growing counties, and the 'poster child' for the so-called national real estate boom, is in trouble. Economist Lyndon LaRouche had warned last year that this 'white hot' real estate market was 'Ground Zero' for the coming collapse of the Alan Greenspan real estate bubble.

A Surprise Flank Against Delphi-Led Auto Collapse

by Paul Gallagher

Two weeks remain before the potentially industry-destroying bankruptcy plan of Delphi Corporation goes to trial before a New York bankruptcy judge on May 9. But flanks are developing against the attempt of Delphi's pirate CEO Steve Miller, to use bankruptcy to drive outsourcing and globalization to their extreme, and wipe out the irreplaceable U.S. auto/ machine tool sector.

Who's Sabotaging the PBMR?

A Neo-Con, a Prince, And a Speculator

by Dean Andromidas

There is an ongoing international campaign to block South Africa's development of the Pebble Bed Modular Reactor (PBMR), the small high-temperature nuclear reactor that promises to produce cheap and abundant energy for all of Africa. The campaign brings together mega-speculator George Soros, the U.S. neo-cons, the Danish government, and the Prince Consort to the Danish Queen.

LaRouche: Conyers' Health-Care Bill Is a 'Litmus Test' for Congress

by Marcia Merry Baker

Bill H.R. 676, 'U.S. National Health Insurance Act of 2005,' introduced by Rep. John Conyers, Jr. (D-Mich.) et al., in the first session of the current 109th Congress (Feb. 8, 2005), remains on target as the way to deal with the current healthcare crisis in the United States; namely, to put into place coverage and facilities to be sure that all citizens have needed medical treatment and care.

- **LaRouche Endorsement:**
Support Conyers' Health-Care Reform!

Interview: Wilhelm Hankel

Nation-States Must Survive, Not Supranational Currency Unions

Prof. Wilhelm Hankel, economist and former senior government official, is a leading opponent in Germany of the European Monetary Union and its unitary euro currency. He spoke with Lothar Komp and Michael Liebig on March 16 at his home near Bonn. The interview has been translated from German.

Report From Germany

Stop the 'Rohatyn' of Berlin!

by Rainer Apel

Berlin's chief budget-cutter, Senator of Finances Thilo Sarrazin (Social Democrat), is out to privatize large chunks of what remains of the city's public sector, hoping to lock in his policy by June. But he hasn't calculated on the opposition that is being mounted by the LaRouche Movement, whose German party, the Civil Rights Movement Solidarity (Bu"So), is running 20 candidates in the city's municipal elections in September.

International:

Will Cheney's 'Strangelove' Bush Go for Nuclear War Against Iran?

by Nancy Spannaus

If there were any lingering doubt in anyone's mind that the President is clinically insane, it was dispelled, forever, by George 'Strangelove' Bush's performance on April 18 in the Rose Garden. At a press conference, ostensibly called to announce the appointment of Rob Portman as the new head of the Office of Management and Budget (OMB), President Bush had the following exchange with a reporter: 'Q: Sir, when you talk about Iran, and you talk about how you have diplomatic efforts, you also say that all options are on the table. Does that include the possibility of a nuclear strike? Is that something that your administration will plan for?' The President: All options are on the table.'

Bush Loses Ally Berlusconi as Prodi Wins Italian Elections

by Claudio Celani

With the electoral defeat of Italian Prime Minister Silvio Berlusconi on April 10, the Cheney-Bush Presidency lost one of its closest allies. However, there will be no radical change in Italian policy, such as immediate withdrawal of troops from Iraq. The new Prime Minister, Romano Prodi, who is making a comeback after a few years in 'exile' as chairman of the European Union Commission, is expected to freeze the situation, while joining the mainstream line in the EU.

The LaRouche Youth Movement Makes Its First Trip to Moscow

by Sergei Strid

Three members of the LaRouche Youth Movement (LYM) from Berlin, Jessica Tremblay, Daniel Grasenack-Tente, and Sergei Strid, were invited to attend a conference in Moscow on 'Human Being Formation,' organized by the Moscow International Film School (MIFS), a secondary school using alternative methods in education, which was founded in 1991, after the collapse of the Soviet Union. The principals of the school had visited the LaRouche movement's office in Los Angeles earlier this year, where they became inspired by the curriculum, which encompasses physical science and Classical art. The Russians were overwhelmed by the level of concentrated intellectual work, which begins early in the morning, with a study group on geometric curvature, and ends late in the evening, with the rehearsal of a string quartet. Now, they want to bring this process to their school in Moscow.

LaRouche to South African Radio:

'The Universe Does Not Belong to the Devil'

Lyndon LaRouche was interviewed on Radio 786, in Cape Town, South Africa, hosted by Fahri Hassan's program 'Prime Talk' on April 18, 2006. Hassan, the news director, last interviewed LaRouche on Dec. 28, 2004. The Muslim community station was founded in 1995.

Science and Technology:

Nuplex City-Building Will Transform the Third World

Detailed plans to build nuclear-powered agro-industrial complexes date back to the Eisenhower Administration, but were never implemented. It's high time to revive them, as **Marsha Freeman** reports.

Nuclear Desalination: A Proven Technology Whose Time Has Come

by Christine Craig

Early in the 1960s, foreseeing a time when freshwater needs would outstrip available supplies, the United States Department of the Interior's Office of Saline Water (OSW) authorized funding for five research facilities to study and develop various desalination technologies for the country. These facilities were strategically placed ...

From Promethean Fire To Nuclear Energy

by Manuel Romero Lozano

The author is a LaRouche Youth Movement member from Mexico.

There can be no doubt that these are times in which the moral and historic quality of individuals is being put to the test, as modern civilization faces the worst economic, financial, and existential crisis ever. Now, as in other historic periods, civilization needs extraordinary individuals to serve as leadership to guide humanity in a good direction, just as Prometheus did in giving fire to humankind.

What We Really Know About Chernobyl Today

by Marjorie Mazel Hecht

It has been 20 years since the Chernobyl nuclear explosion on April 28, 1986. The accident shocked the entire world and continues to keep most of the population in the area around Chernobyl frightened about what happened and about their future, while worldwide, anti-nuclear organizations and media keep fanning the flames of fear, without regard for science or truth. What do we really know after 20 years about the effects of the radiation released from Chernobyl?

History:

AN UNUSUAL FRIENDSHIP

Otto von Bismarck and John Lothrop Motley

by Michael Liebig

This article first appeared in the German weekly Neue Solidarität. Quotes from Motley are from the original English, while quotes from Bismarck are translated from German, unless otherwise noted.

Otto von Bismarck (1815-98) is seen today as a 'controversial' figure—not just outside, but even within Germany. A typical stereotype of Bismarck presents him as the 'Blood and Iron' Chancellor who created a united, but 'reactionarymilitaristic' Germany. Bismarck's historical image is often blended with that of the pompous Kaiser Wilhelm II, who, in reality, ousted Bismarck as Chancellor in 1890. Bismarck is a contradictory personality, but he was certainly neither 'reactionary,' nor 'militaristic.' He was what nowadays is called an 'authoritarian personality'—a 'natural leader.' His tradition was not democratic-republican, but that of the Prussian constitutional monarchy based on an untainted judicial system and a highly qualified civil service, without corruption.

How Carey and Bismarck Transformed Germany

by Anton Chaitkin

A stunning reversal in strategy in the late 1870s rapidly changed Germany into an industrial giant. Otto von Bismarck's military and political leadership had earlier formed a unified German nation out of smaller princely states, in the 1860s and early 1870s. But under British-directed 'Free Trade,' the country was relatively weak and backward—until Chancellor Bismarck adopted the protectionist outlook of the United States of America.

Books:

Abraham Lincoln's Presidency: Leadership at the Highest Level

by Nancy Spannaus and Stuart Rosenblatt

Team of Rivals: The Political Genius of Abraham Lincoln

by Doris Kearns Goodwin

New York: Simon & Schuster, 2005 915 pages, hardcover, \$35.00

Lincoln's War: The Untold Story of America's Greatest President as Commander-in-Chief

by Geoffrey Perret

New York: Random House, 2004

470 pages, hardcover, \$35.00

Contrary to the pseudo-psychiatric drivel which often passes for Lincoln scholarship these days, these two books make a significant contribution to elaborating the kind of leadership President Abraham Lincoln provided to our nation. We recommend them both to those looking to understand the qualities, and the mission, of our nation's greatest President, and especially to those elected to leadership in the U.S. Congress.

Editorial:

In Memoriam

Rabbi Arthur Hertzberg (1921-2006)

Defender of the Defenseless

Rabbi Arthur Hertzberg, who died April 17, was a rare combination of scholar, historian, teacher, religious leader, and political leader—a bold fighter for truth and humanrights. What made him special in all his endeavors was his mission to 'defend the defenseless,' a mission that he considered to be at the heart of Judaism.

U.S. Economic/Financial News

IMF Worried About U.S. Debt, Deficit, Housing Bubble

The International Monetary Fund, in its World Economic Outlook report released on April 19, admitted, albeit in bankerese idiom, that high oil prices, a downturn in the housing market, and the high U.S. current account deficit are threatening to careen out of control. In the press conference releasing the report, IMF officials pointed to the conundrum: the cycle of plentiful global liquidity "is turning," the director of the IMF's Research Department, Raghuram Rajan, stated, which means higher real interest rates and risk spreads. And this "should be of concern in markets where asset prices are inflated, such as housing in some countries," Rajan warned.

The IMF's report states that the U.S. deficit, which hit 6.4% of GDP last year, "makes the United States vulnerable to a swing in investor sentiment that could put downward pressure on the dollar and see a spike in long-run interest rates."

"Even more importantly, against a background of low household saving and high energy prices, a weaker housing market could trigger a more abrupt withdrawal of consumer demand than anticipated," the IMF added. Because of the use of home equity loans to fuel consumer spending and the rising rate of high risk mortgages, a slump in the real-estate market "could induce a more severe slowdown in consumption and overall GDP growth," the Fund warned, adding also that "inflationary pressures could strengthen more than anticipated, necessitating a stronger-than-expected monetary policy response."

IMF: Protectionism Now a 'Very Real Danger'

Fearing a return to protectionism in defense of national economies, the IMF is frantically calling for some sort of multilateral scheme to control the global "adjustment" they worry is now "inevitable." "Protectionism is a very real danger in the world today," Raghuram Rajan, IMF Research Department Director, fretted in opening the press conference releasing the IMF's World Economic Outlook report April 19 (see above). He continued:

"The tremendous pace of private sector globalization has prompted a public sector reaction. Some governments see their role increasingly as pandering to vociferous interest groups by obstructing change rather than educating citizens to accept it. Economic patriotism is protectionist old wine in a mislabeled new bottle and is all the more dangerous in this interconnected world. The beggar-thy-neighbor policies being contemplated by some countries in the capital account—that is, shielding large portions of their own economy from corporate takeovers while encouraging their own companies to take advantage of the continued openness of others—deserves to be roundly condemned.

"People tend to dismiss these as minor frictions, sand in the gears of the globalization juggernaut. History, however, suggests there is a short distance from economic patriotism to unbridled nationalism," he said.

Rajan gave no specifics on the multilateral scheme the IMF will present to the annual meeting April 22-23, because major players refuse to participate, he made clear.

Foreign Purchases of U.S. Securities Surge in February

Foreign purchases of U.S. securities in February increased by 26% from January 2006—the biggest increase in three months, according to the *Wall Street Journal* April 18. This one-month net inflow of \$86.9 billion includes purchases of U.S. Treasury debt, agency debt like Fannie Mae, U.S. stocks and corporate bonds. All categories rose except stock purchases. These figures, from the Treasury Department's monthly international capital report, are closely watched, because it is these foreign investments which are financing the U.S. trade deficit.

The major surprise was that OPEC was the No. 1 Treasuries buyer—showing that big oil exporters did not diversify away from U.S. assets. OPEC raised its holdings of Treasuries by \$5.9 billion in February, to \$84.9 billion. Japan, China, the United Kingdom, and Taiwan also increased their Treasuries holdings.

World Economic News

Japanese Ten-Year Bond Rises as Concerns Mount

The yield on the Japanese ten-year bond rose to its highest point in 18 months, following a statement by Chief Cabinet Secretary Shinzo Abe that government borrowing costs are rising too rapidly. Speaking at a press conference April 20, Abe said that the yields, reaching 25%, marked the highest point since Aug. 26, 1999. Finance Minister Tanigaki and Vice Minister Koichi Hosokawa both expressed concern about the rise. A sustained increase would lift the government's interest payments on public debt, already expected to be 151 percent of the economy by March 2007, the biggest in the industrialized world.

More from IMF: Markets To Decide Who Works, Who Survives

In the April 19 press conference releasing its World Economic Outlook report, the Director of the IMF's Research Department, Raghuram Rajan, insisted that globalization requires fascist labor policies everywhere.

Worldwide, Rajan insisted, "some companies should be allowed to go out of business. The financial sector should be able to do that, and reallocate resources elsewhere. Similarly, labor markets: you should be able to move people from one area to another. So, this globalized competitive economy needs flexibility and it is across the board.... If you have unrealistic wage protections ... the consequences can be very detrimental.... Do not protect the company; do not protect the job." Just protect "the individual," he threw in as a sop.

Under the catchword of "labor flexibilization," Rajan proclaimed that "more insecurity in the workplace may well be the price that has to be paid to obtain more security for the European way of life." More reforms are needed in Germany, to create "an easier sort of ability for firms to adjust their size.... You cannot hire people for life nowadays.... Similarly, ... you cannot have an across-the-board wage bargain, because different firms are in different competitive positions."

Italy, said Rajan, will not leave the euro, but it needs to go on a "war footing" to bring about structural reforms. Pressed, he did allow that "tremendous resistance" against such policies in France suggested more work is needed on how to bring about that "flexibility."

Globalized Agriculture/Disease: New Mad Cow Case in Canada

A new case of "mad cow" disease (bovine spongiform encephalopathy, BSE) has appeared in Canada, the fifth since 2003; and there is a scare in Japan of the youngest BSE case ever, the *Calgary Sun* reported April 18. Implications? Free trade's axiom of "borderless" farming is dangerous to man and beast. Since BSE's first outbreak in the 1980s in Margaret Thatcher's Britain, it has spread worldwide along export routes of animal-feed and livestock. Therefore, prudent sanitation measures today (even though much remains to be known about the nature of BSE) call for thorough surveillance, a total ban on recycling waste animal parts back into the feed chain, and minimizing unchecked, borderless free-trade. However, these principles are at odds with cartelized farm/food practices. The latest concerns:

* A six-year-old dairy cow with BSE in British Columbia got the disease after the feed ban was imposed. Canadian

authorities, who confirmed the new case on April 16, are checking on the source of feed used on the cow's birth farm and since. New, tighter feed regulations are now said to be under consideration. The U.S. Agriculture Department has dispatched an official to British Columbia, to work on the investigation. Cartelized meat and feed operations—led by Tysons, Cargill, Smithfield—have positioned their operations cross-border, and insist that there be no changes.

* A 20-month-old dairy cow in Japan was found negative for BSE, according to the Japanese Agriculture Ministry, April 18, but not before there was a big scare that the young animal was stricken. Vice Agriculture Minister Mamoru Ishihara indicated April 17 that beef imports from the U.S.—which are to be from cows 20 months or younger—would be reconsidered if the disease is manifest in young animals. The conventional thinking is that cows this age should not "have"—that is, manifest—the disease.

China and India Plan Large Increase in Oil Refining Capacity

Petrochina's Vice President Duan Wende told reporters that China plans to spend \$22.5 billion in the oil refining and petrochemical sector in the next five years, according to Bloomberg April 21. During this period, China plans to commission five 10-million-ton oil refining bases; two aromatic hydrocarbon production bases, four chemical fertilizer plants, and six large ethylene production facilities. China plans to increase its oil refining capacity by over 45 million tons to reach 170 million tons capacity by the year 2010.

Simultaneously, two Indian private-sector companies, Reliance Petroleum Limited and the Gulf Oil Corp., have decided to set up refineries in India for both crude and base oil. Gulf Oil plans to set up a 12-million-ton-a-year refinery at the estimated cost of \$1.8-2.5 billion, and a 300,000-ton-a-year base-oil refinery at the cost of about \$250,000.

United States News Digest

Bush and Hu Keep Up Appearances

China's President Hu Jintao and U.S. President George W. Bush held a press availability April 20 which could be described as keeping up the appearance of the great relationship between the two countries. There was no breakthrough on the currency issue, or in getting China to back sanctions on Iran for its nuclear program. The only agreement reached between the two Presidents was on restarting six-party talks with North Korea.

The *Wall Street Journal*, meanwhile, greeted Hu with a front-page article featuring Bush Administration preparations for future military conflict with China. Pentagon circles redeploying U.S. military assets into the Pacific, and pressing Japan to rearm and join the U.S. against China, present this as a "hedging strategy" against a possible coming conflict.

Rep. Miller E-Hearing: Reversing Raid on Student Aid

Rep. George Miller of California, the ranking Democrat on the House Committee on Education and the Workforce, is holding an "e-hearing" on "Reversing the Raid on Student Aid." The e-hearing, launched on the website of the Democratic members of the committee April 17, will run for two weeks. Miller is asking for testimony from students and experts in the education field. Miller and Sen. Richard Durbin (D-Ill) have put forward a bill to halve the interest rates charged for student loans, from 6.8% to 3.4%. Miller's e-hearing has six co-sponsors now. The website is:
<http://edworkforce.house.gov/democrats/>

Murtha Renews Call To Withdraw from Iraq

"You can't win this war.... It's time for us to redeploy," Rep. John Murtha (D-Pa) said in an interview April 19 on the CBS "Early Show."

"I measure success by the economic side of it.... Here's the facts: 60% unemployment, electricity below pre-war levels, water is 30%....

"The military commanders have said for over a year we cannot win this war. Forty-seven percent of the Iraqis say it's all right to kill Americans. Our troops are caught in a civil war...."

In response to the a question on whether Rumsfeld should resign, Murtha replied that the President should have accepted the Defense Secretary's resignation offer at the time of the Abu Ghraib scandal. Asked if the criticism of Rumsfeld is really aimed at the President, he replied, "Well, certainly it's aimed at the President. It's aimed at the war itself."

Justin Frank Cited on Bush's 'Cruel, Sadistic Streak'

Writing for OpEdNews.com April 19, Doug Thompson, who describes himself as a recovering alcoholic (nearly 12 years sober), confirmed the assessment of Dr. Justin Frank, author of *Bush on the Couch: Inside the Mind of the President*, that Bush is an unreconstructed drunk. "Bush demonstrates many of the traits of a drinker who has relapsed: An inability to focus, moments where he goes 'blank' and can't respond, incoherent sentences and flashes of anger when challenged."

From Thompson's article: "The boy who tortured cats, Dr. Frank says, grew up into an alcohol-abusing bully who strikes out at anyone who opposes him.

"All one has to do is confront the President and the bully emerges.

"'To actually directly confront him in a clear way, to bring him out, so you would really see the bully, and you would also see the fear,' he says.

"Dr. Frank also believes Bush, an alcoholic who brags that he gave up booze without help from groups like Alcoholics Anonymous, may be drinking again. 'Is he still drinking?' Frank asks. 'And if not, is he impaired by all the years he did spend drinking?' Both questions need to be addressed in any serious assessment of his psychological state.'

"A drunk: That's the title George W. Bush deserves most. He is a drunk even if he doesn't get blasted on booze. He's drunk with power and that's the most dangerous kind of drunk. When a drunk who gets high on power sits in the White House, the rest of us wake up with the hangover."

Bush Must Seek Congressional Approval for Iran Attack

Rep. Peter DeFazio (D-OR) has sent a letter to President Bush reminding him that he is constitutionally bound to seek Congressional approval for any military action against Iran. DeFazio is also planning to introduce a resolution to this effect and seeking support from among other House members. In addition to citing the Declare War clause (Article I, Section 8) and the Commander-in-Chief clause (Article II, Section 2) of the Constitution, DeFazio argues that neither the Authorization of Force Resolution (Public Law 107-40) to go after those responsible for 9/11, nor the Authorization of Force Resolution (Public LAW 107-253) to go to war with Iraq, extends to military action against Iran over its nuclear program.

Rep. Dennis Kucinich (D-Ohio) has also written a letter to Bush, in which he states: "Any military deployment to Iran would constitute an urgent matter of national significance. I urge you to report immediately to Congress on all activities involving American forces in Iran."

Niger Docs Known To Be Forged Before State of Union

The State Department's Bureau of Intelligence and Research (INR), identified the Niger documents, cited by President Bush in his 2003 State of the Union message, as a "forgery" on Jan. 12—sixteen days before the speech, Truthout.com reported April 17. The forged documents alleged that Iraq was attempting to purchase uranium yellowcake from Niger.

The INR revelation appeared in a just released, de-classified memo on Ambassador Joseph Wilson's Niger trip, that was given to the fanatic neo-con New York Sun under FOIA. But—it has backfired against Bush and Cheney. After writing in the National Intelligence Estimate in October 2002 that INR opposed the credibility of the Niger uranium purchase story, this memo, dated July 7, 2003, from INR head Carl Ford, Jr. to then-Secretary of State Colin Powell, says, "On January 12, 2003, INR 'expressed concerns to the CIA that the documents pertaining to the Iraq-Niger deal were forgeries.'"

Ex-NSC Officials: No Viable Military Option vs. Iran

Two former National Security Council counterterrorism officials, Richard Clarke and Steven Simon, say there is no viable military option against Iran, but the Bush Administration is proceeding with war plans anyway. Their report is in a *New York Times* op-ed April 16. Clarke and Simon recount that the Clinton Administration contemplated military action against Iran after the bombing of the Khobar Towers in Saudi Arabia by Iran-backed terrorists in 1996. After thoroughly reviewing military options and the likely global blowback, "the highest levels of the military could not forecast a way in which things would end favorably for the United States." Instead of a bombing campaign against Iran, the Clinton Administration, they write, "responded with a chilling threat to the Tehran government and conducted a global operation that immobilized Iran's intelligence service. Iranian terrorism against the United States ceased."

They argue that the situation today is identical, and that Iran could retaliate against American air strikes in three ways: attack oil flows from the Persian Gulf, driving prices well over \$80 a barrel; conduct global terrorist attacks against U.S. and allied targets; and launch a major escalation of attacks against American and British forces inside Iraq. They say that an escalating campaign of attacks against Iran "would guarantee the regime decades more of control."

The authors say that Bush Administration actions today go well beyond threats or mere contingency planning, and parallel its behavior before the Iraq invasion. "Congress did not ask the hard questions then," they write. "It must not permit the administration to launch another war whose outcome cannot be known, or worse, known all too well."

Rumsfeld's Errors Fuelled the Iraq Insurgency

New York Times reporter Michael Gordon, co-author with Gen. Bernard Trainor (ret.) of the book *Cobra II*, in a news analysis piece on the generals' revolt against Rumsfeld in the April 16 New York Times, pointed to two disastrous Rumsfeld decisions in 2003, that fueled the Iraqi insurgency. First, according to Gen. Tommy Franks, the CENTCOM commander at the time of the invasion, Rumsfeld cancelled the deployment of the First Cavalry Division into Iraq, immediately after the invasion, thereby leaving American forces undermanned to secure Baghdad. Second, Rumsfeld signed off on the order to dismantle the entire Iraqi Army in May 2003, according to Paul Bremer, the U.S. viceroy in Iraq, who implemented the decision. In a speech at the Council on Foreign Relations in 2004, Gen. Peter Pace (USMC), the current Chairman of the Joint Chiefs of Staff, confirmed that the decision had been made by Rumsfeld without consulting with the Chiefs.

Gordon also reported that "no active-duty military commanders have openly associated themselves with the criticism by the retired generals. But the criticism clearly reflects a current of opinion among serving officers. 'Most people I know think these retired officers are right and wish they had done it while they were in uniform,' said one Army colonel who served in Iraq and who was granted anonymity because he was concerned about hurting his military career."

Ibero-American News Digest

Forum Rallies Continental Forces To Save Social Security

The April 20 Internet forum, "Toward the Revival of Ibero-America's Social Security System," hosted on www.larouchepub.com/spanish, brought together activists from Argentina, Chile, Mexico, and the U.S. to discuss how to defend the general welfare, in the context of the imminent international financial crash. The forum, organized at the initiative of the LaRouche Youth Movement (LYM), attracted participants from institutions that are actively organizing to restore social security systems that were totally or partially privatized during the 1980s and 1990s in Ibero-America. The most dramatic case is, of course, that of Chile, as *EIR* has documented.

Participants in the discussion included Cynthia Rush, *EIR* Ibero-America analyst; Diego Bogomolny of Argentina's LYM chapter; Chilean activist Maria Luz Navarrette of the National Association of Tax Employees and the Institute for Social Security Normalization (INP); Isabel Marquez, also of the INP; Leonardo Fabre, Secretary General of Argentina's National Social Security Employees' Union (APOPS); Mr. Agustin Castillo Lopez, an aide to Mexican Federal Deputy Augustin Rodriguez, who is also the Secretary General of the STUNAM (trade union of employees of the National Autonomous University—UNAM); LYM leader Emiliano Andino joined by guests at the Mexican Congress; and several Argentine representatives of different state agencies involved with social security and social services.

Rush opened the forum with a strategic overview, starting with Lyndon LaRouche's analysis of the impending financial crash, documenting George Bush's insanity, the Iran war threat, and the history of financier Felix Rohatyn's backing for the fascist Pinochet coup, and current deployment in the U.S. Democratic Party against LaRouche's programmatic leadership. The 1981 privatization of Chile's social security system was presented, not as a national issue, but as the reflection of an international model imposed by the same synarchist financiers who today give orders to the George W. Bush Administration.

Participants from Chile followed. Maria Luz Navarrette movingly described her organization's battle against the privatized system under conditions of dictatorship, noting that people had suffered torture and death in the attempt to stop the smashing of the state system by the "Chicago Boys." Isabel Marquez discussed the "historic moment" Chileans face today, with President Michelle Bachelet's proposal to reform the privatized system, and explained that the organizations she works with are in the process of creating a large national movement to demand something more than cosmetic changes. "We must act," she said. "If we don't do this now, it will never get done."

Peronist union leader Leonardo Fabre shaped his presentation in response to several of the points that Rush had made, noting particularly his agreement on the definition of the common international Synarchist enemy to be defeated.

From Mexico, Castillo Lopez of the STUNAM outlined the efforts to smash the country's social security system, and how the union and its allies are responding to that.

The interaction among the activists of these countries remoralized many of those participating. LYM leader Bogomolny summarized the forum's significance: "The LaRouche Youth Movement continues to catalyze the Presidents' Club—the

strategic alliance between Chile and Argentina—and we are inspiring the international community in this fight."

Brazilian President Awards Nation's First Astronaut

President Lula da Silva awarded Brazil's first astronaut, Lt. Col. Marcos Pontes, the National Order of Merit on April 20, at a ceremony in Brasilia attended by Cabinet ministers, top officials of the military and space program, and young people. Pontes just arrived back in Brazil, after readjusting to gravity in Russia, following his eight-day stay on the International Space Station. In his address at the ceremony, the President boldly answered those small-minded critics sniping from the sidelines that it was a waste to spend \$10 million to send one man into space to carry out what they belittle as insignificant scientific experiments.

"Brazil is moving very rapidly to exercise, fully, its sovereignty in all areas which the world demands," Lula stated. Your trip to space has a very important historic significance for Brazil. If some day you read a criticism, don't worry about it. Instead, take the criticism as a stimulus so that others—who knows, here in the midst of these children, we might have our astronauts of 30 years from now, then flying from Brazil itself with technology we have entirely prepared ourselves.

"There are people who think that we should not spend money on this. There are people who think that we shouldn't spend money on our [nuclear] submarine, as there are people who think we shouldn't deal with the uranium issue [the latter referring to Brazil's enrichment program]. We are going to deal with everything Brazil has to deal with, so that its people can be ever prouder of being Brazilian, and so that our people can be ever more sovereign before the world."

If these children, and all Brazilians, felt the same pride I felt when I saw you floating in that spaceship, the President told Pontes, "what we have spent for you to go into space is little, compared to what this means for Brazil, for the Brazilian people, for the children, for science, and for everything which we do from here on out. This trip of yours has been merely a step in our country's quest to conquer space and scientific and technological knowledge."

Referencing his experiments on germination of seeds in space, Pontes answered: "We planted seeds there, but we did not plant seeds only in space. We planted seeds, principally, here."

Chile's Finance Minister Attacks Private Pension Funds

Financial predator interests were rattled by Finance Minister Andres Velasco's April 6 speech at the ProHUMANA Foundation, in which he asserted that owners of private pension funds—the AFPs—have reaped greater profits over the past ten years than owners in any other sector of the financial system. His solution is to make the funds "more competitive" and to "perfect" the private system. But he repeated that the reform President Bachelet envisions is not just a "band-aid," but a "global reform" to ensure that all citizens receive a decent pension. He said that high commissions charged by the AFPs make the system way too expensive for all but the wealthiest, leaving a large percentage of the labor force unprotected.

Chile's major financial daily *Diario Financiero* chastised Velasco on April 17 for daring to publicly attack the AFP system, charging that he was disregarding Bachelet's wishes. But it's clearly the bankers who are upset. Although Velasco is a product of Columbia and Yale and most recently taught economics at Harvard, he doesn't quite fit the mold of past Chilean Finance Ministers. He announced he wants to be more "citizen oriented," and immediately after his March 13 swearing-in, chose the CUT labor federation as the site of his first official visit as Finance Minister—an unprecedented act in Chile. While Velasco professed loyalty to "the market" in his April 6 speech, his statement that Chile's future growth "obviously depends a great deal on what happens in the world economy" couldn't have reassured the local financial community. His reference to the need for some regulatory mechanisms to ensure there is equal opportunity for all, and

announcement that the country's only state bank would be playing a more prominent role in offering credit, no doubt added to banker nervousness.

Monetarist: Amnesty for Illegals Will Hurt Mexican Economy

A bizarre spin on the immigration debate was put forward by an economist of Mexico's National Autonomous University (UNAM), Miguel Cervantes Jimenez, who warned reporters on April 13 that remittances sent home by Mexicans working in the U.S. could collapse by as much as 40%, if U.S. immigration reform legislation is passed. His argument against amnesty, is that "mass legalization" of immigrants living in the U.S. would encourage them to bring their families north, rather than send wages south. So Mexico's economic well-being, according to this lunatic argument, is based on keeping Mexican families split apart.

Nearly \$20 billion was sent home by Mexicans living in the U.S. in 2005, constituting the second largest source of foreign exchange for Mexico, after oil earnings. According to a 2006 World Bank study, global remittances in 2004 were double the amount of total international aid granted for development, and, according to the report, could "improve the solvency of a country in seeking foreign lending and...could expand access to capital and lower loan costs."

Second Edition of LYM's *Prometeo* Released

The Ibero-American branch of the LaRouche Youth Movement has put out its second, full-color Internet edition of *Prometeo*, with an editorial statement, entitled, "Understanding Ourselves as Humanity," which declares:

"The intent of this second edition of *Prometeo* is to continue the study of the historic process that we youth must understand and change. Since it has fallen to us to be living during the worst crisis of modern history, reflected today in the collapse of the international financial system, the challenge is to see the future that we can generate, in the same way that a space program or nuclear program is planned: working today for future generations. And so we hope that you will navigate these pages of our weekly, and that in the end, you will find the paradoxes to resolve, in order to improve humanity."

Prometeo is available on the LYM Spanish-language website—<http://www.wlym.com/spanish>.

Western European News Digest

London's Private Water Controller Moves to Expand Control

As "the driest period in nearly a century" continues into its 17th month in southern England, London's private water monopoly is working to quench usage even further.

The Independent informed its readers of this development April 16, under the headline, "Wimbledon and Lords to truck in water to beat drought." Among the powers being sought by Thames Water is the authority "to ban sports grounds, parks, and private clubs from watering their pitches and grounds this summer."

The privatized water operation says that supplies "are close to a crisis point." Government advisors are saying "privately that there is a 'very good chance' of a total ban on 'non-essential' water use across the city."

Thames Water was privatized in 1989. In 1995, it began acquiring water operations outside of England. In 1996, it gained control of the world's largest private water project, in Izmit, Turkey. In 2001, it became the Water Division of RWE. That

same year, it purchased the largest private water company in the U.S., American Water Works. In 2002, it purchased 48% of China Water Company. It now has operations in 46 countries.

RWE, the largest electricity provider in the UK, reports that its "core business is electricity, gas, water, heating, disposal, plant nets, services, solid fuels, and oil." It also trades in energy derivatives and "environmental certificates."

Merkel Increasingly Critical of Bush-Cheney Policies

As the German weekly *Der Spiegel* reveals in its April 18 issue, the image of outspokenly pro-Bush Chancellor Angela Merkel in the media does not correspond to her concrete political activities. For example, in her 35-minute phone conversation with President George W. Bush on April 12, Merkel urged him to enter direct talks with Iran, and to avoid confrontation with Russia—because the Russians were needed for a diplomatic solution with Iran. Furthermore, the upcoming G-8 summit in St. Petersburg and the one-year G-8 presidency of Russia have to be successful, Merkel told Bush.

The Chancellor also disapproves of Bush's recent "nuclear deal" with India, because what one grants the Indians, cannot be denied to the Iranians.

At a recent briefing before the foreign relations committee of the German Parliament, Merkel expressed dissent from the U.S. policy of attacking Russian President Vladimir Putin for his lack of "democratic" commitment: She stressed Putin's success in ending the wild privatizations period, and the restoration Russian statehood. She is reported even to have said that a continuation of privatizations in Russia would have resulted in a "sell-out to American oil interests."

The French Youth Who Forced Burial of the 'Job Contract'

The French daily *Liberation* April 15 had several pages profiling the French youth whose mass demonstrations got rid of the CPE (First Job Contract). Most importantly, the movement is not attached to a particular party, as one youth was quoted saying; they don't want to be boxed in between "a Socialist Party with such a dramatic deficit of ideas that it creates no desire to go there," and an extreme left which is "too dogmatic." The Socialist Party is also accused of being "fatalistic," while the youth believe that "resignation is the absence of politics."

Secondly, while traditionally, such political movements mobilize especially students in the humanities, this time it was all the students in the science and law faculties who were fully mobilized. One model for the mobilization was the University of Poitiers, in the center of France, where as many as 5,000 students crowded into the general assemblies, in which the students decided on their slogans and defined their actions. Participation was so large, that they had to hold their assemblies at a rugby stadium.

Note that the students also decided to have fun, using a lot of humor in their interventions, they organized writing workshops and produced theater pieces which are still being performed. "The neoliberals have never been so aggressive," a student told this newspaper. "They are really unleashed, showing their true ideological face. This is what awoke the flame that was sleeping inside many of the youth."

Liberation also goes into the economic conditions which incited the youth to fight against the CPE for two months. Whereas in 1975, only 20% of female and 35% of male youths over 24 years of age were still living at home, in 2005, that has risen to 50% and 65% respectively. In 1975, a young couple earned 15% less than their parents; today they earn 30% less. While the Baby Boomer generation bought homes downtown, and mountainside and seaside villas, their children, the "baby losers have to sweat it out to buy maids' rooms downtown or end up on the periphery of Paris and even the regional

capitals." This explains why 62% of the youth 18-24 voted against the European constitutional treaty on May 29, 2005.

Germany Proposes Leibniz Correspondence for UNESCO Program

The German Nomination Committee for the UNESCO program has officially adopted the proposal to include the entire scientific and philosophical correspondence of Gottfried Wilhelm Leibniz in UNESCO'S special mankind's cultural heritage program. The program is called "Memory of the World."

The committee sees the Leibniz Correspondence as a "unique document" of the "European republic of thinkers," which, at the end of the 17th Century, aimed at bringing the "intellectual heritage of the civilizations to a higher cultural unity." The Leibniz scientific correspondence, says the committee, would thus document an effort to establish worldwide cooperation "based on knowledge and reason."

The committee points out that the 15,000 letters which Leibniz wrote to about 1,100 correspondents across the globe, are documentation of the unprecedented development of international relations during the late 17th/early 18th Century: "They reflect the integrating of Russia into Europe at the time of Czar Peter I, as well as the cultural exchange with China. The correspondence marks a turning point in the development of technology and of thinking at that time."

Gottfried Wilhelm Leibniz (1646-1716) is indeed one of the most influential universal scientists of Europe, who, at the end of the ruinous Thirty Years War, laid the basis for a scientific and technological renaissance in Europe. One of the vehicles to foster this endeavor was his vast correspondence in which the most important scientists, inventors, military, political, and religious leaders of the time entered into dialogue with him.

Flooding of Danube Continues in SE Europe, Balkans

The emergency situation on the Danube River in Serbia, Bulgaria, and Romania caused by extreme snow melting and heavy rainfall is not over, European media reported April 15-18. Hungary is now also in a state of alarm over the rising Theiss, the Danube's largest tributary, where flooding downstream is threatening Szolnok and Szeged. In Serbia, the water level, at a historic height, has remained constant, but a new flood wave is expected in the next days from Hungary.

In Romania, 3,000 people had to leave a village that was completely surrounded by water, and another 10,000 people might have to be evacuated. Many people are facing the ruin of their means of existence, especially the extremely poor peasants. Dikes have been exploded in a controlled way, letting hundreds of millions of cubic meters of water flood into farmlands, in order to protect villages and cities on the lower reaches of the Danube.

Russia and the CIS News Digest

Russians Protest Jamestown Foundation Confab

The month of April has witnessed a number of frosty official statements by Moscow and Washington, aimed at each other, in addition to Russia's rejection of U.S. demands to clear out of Iran's Bushehr nuclear project. On April 18, U.S. Ambassador William Burns was called in by a Russian deputy foreign minister to receive an official protest against a conference on Chechnya, held by the neo-con think tank the Jamestown Foundation on April 14. Moscow charged that the event, titled, "A. Sadullayev's Caucasus Front and the Prospects for a New Nalchik" (a reference to the October 2005 raid on this city in Kabardino-Balkaria), had "provided a tribune for calls to carry out new terrorist acts on Russian territory." The occurrence of such meetings, said the statement, contradicts the USA's international obligations to fight terrorism, and

undermines the U.S.-Russia partnership in the anti-terrorism effort and in other areas.

From the U.S. side, on April 19, came an announcement by Undersecretary of State Nicholas Burns, that the United States will seek to put on the agenda of the July Group of 8 summit in St. Petersburg, "issues pertaining to conflicts very close to Russia's border," including events in Belarus, Georgia, Moldova and Nagorno-Karabakh (Armenia/Azerbaijan).

George W. Bush's Rose Garden provocation that the use of nuclear weapons to attack Iran is not "off the table," received wide coverage in Russia.

Gazprom Plays Hardball

The April 20 *Financial Times* of London reported that Alexei Miller, CEO of the Russian natural-gas monopoly Gazprom, addressed a meeting of the 25 ambassadors to Moscow from EU member countries, with a warning to them not to try and block Gazprom business initiatives in their region. This admonition followed reports in *Vedomosti* and other Russian press, that the British government is scrambling to change UK regulations so as to block Gazprom subsidiary Gazexport from buying Centrica, a natural gas distributor that handles 15% of industrial and 60% of residential British gas customers.

Gazprom followed up with a statement, criticizing "attempts to limit Gazprom's activities in the European market and politicize questions of gas supply." Gazprom added, "It should not be forgotten that we are actively familiarizing ourselves with new markets, such as North America and China. Gas producers in Central Asia are also paying attention to the Chinese market." Indeed, Turkmenistan's President S. Niyazov was in China earlier this month, negotiating gas sales and a possible pipeline that would be his country's first export outlet to the East. On April 17, Gazprom, in turn, had a delegation in Ashgabat, to nail down commitments for Turkmenistan's natural gas for sales to Europe to continue to go through Gazprom's hands for the next three years. Turkmenistan gas was involved, for example, in settling the Russia-Ukraine dispute at this past New Year.

Russia Tycoons Invest in Raw Materials Operations Abroad

Top Russian businessmen, the so-called oligarchs, have large cash revenues as a result of the hyperinflated prices on the commodities they export. (So does the Russian government, leading to the recent, unfortunate announcement that Moscow will invest its \$60 billion Stabilization Fund in Western stock markets and foreign government bonds.) *Vedomosti* newspaper reported April 11 on two new overseas natural resource ventures by Russian magnates:

Oleg Deripaska's Russian Aluminum company (Rusal) secured a decree from Gen. Lansana Conte, President of Guinea, to sell 100% of the state-owned bauxite and alumina producer Friguia SA. Rusal will also acquire the remaining state-owned 15% stake in the Alumina Company of Guinea (Rusal already owns the rest). The new purchase is estimated at \$300 million. The companies will feed Rusal's Bratsk and Krasnoyarsk aluminum smelters, and there is talk of building a new smelter, in Nigeria.

Vedomosti reports that Russia's largest oil company, Lukoil, is bidding for the right to form a partnership with Colombia's state-owned Ecopetrol SA, in a \$1.6 billion oil exploration and development project in that country. Lukoil teamed with Ecopetrol in 2002 to explore the Condor oil field, which is now 70% owned by Lukoil. A spokesman for Vagit Alekperov's Lukoil said the company intends to sell the oil in the United States, where it acquired a chain of gas stations a few years ago.

Russian Poultry Devastated by Bird Flu Culls

Speaking April 14, at a meeting of Central Federal District officials, Russian public-health chief Gennadi Onishchenko said that Russia has already lost nearly half of its farm poultry because of the avian flu epidemic. Most of the losses are in southern Russia. He warned that migrating birds will spread the disease to the Ural area and Siberia in late April. The Central District is relatively less threatened, but Onishchenko warned that most of its poultry farms are unprepared to bring their flocks indoors. "This unpreparedness may completely strip Russia of poultry farms," he said. The spring hunting season has been banned and 150 million doses of bird flu vaccine are being brought into the area.

Orange Coalition Doesn't Coalesce in Ukraine

On April 18, ex-Orange Revolution leader and former Prime Minister Yulia Tymoshenko accused President Victor Yushchenko's Our Ukraine party of negotiating, behind her back, with the Party of Regions to form a grand coalition government. Supposedly, Tymoshenko's bloc, Our Ukraine, and the Socialist Party have agreed that the new government should be all-Orange—but, the other partners did not acquiesce to Tymoshenko's demand that she be the Prime Minister.

The election results have still not been officially published. The Central Election Commission was barred from doing so by court action the week of April 10, in response to a lawsuit by Natalia Vitrenko's People's Opposition bloc, which missed the threshold to enter Parliament by 7/100ths of a percentage point. Vitrenko has challenged the CEC decision on the many thousands of "invalid" ballots, from which the specific votes were not counted, but they were counted as "votes cast." If these ballots were thrown out altogether, the total votes cast would be lower and everybody's percentages higher—and Vitrenko's bloc would enter the Supreme Rada.

Southwest Asia News Digest

Russia Committed To Deliver Air Defense to Iran

Following his meeting in Moscow with NATO Supreme Allied Commander in Europe Gen. James Jones, Russian Army General Yury Baluyevsky told reporters Russia would honor its commitment to supply military equipment to Iran, RIA Novosti reported April 21. "We discussed supplies of military equipment to Iran, including the Tor M1, in the framework of bilateral cooperation, but it does not fall in the category of strategic weapons," Baluyevsky noted. The Tor M1 is a fifth-generation integrated mobile air defense system designed for operation at medium, low, and very low altitudes against fixed/rotary wing aircraft; drones; and guided missiles and other high-precision weapons.

Russian Defense Minister Sergei Ivanov told the press during a visit to Minsk the week of April 17 that Russia sees an attack on Iran as endangering its own security.

Retired Colonel: Decision To Attack Iran Already Made

"I think the decision to attack Iran has already been made and military operations are under way," retired U.S. Air Force Col. Sam Gardner said in an appearance on CNN April 14. "The Iranians have been saying American military troops are in there, ... for almost a year. I was in Berlin two weeks ago, sat next to the Iranian Ambassador to the IAEA. And I said, 'Hey, I hear you're accusing Americans of being in there operating with some of the units that have shot up Revolutionary Guard units.'

"He said, quite frankly, 'Yes, we know they are. We've captured some of the units, and they've confessed to working with the Americans.'

"The evidence is mounting that that decision has already been made, and I don't know ... that there has been any Congressional approval. My view of the plan is, there is this period in which some kinds of ground troops will operate inside Iran, and then what we're talking about is the second part, which is this air strike."

Asked about the plan's chance of success, Gardiner replied: "The chance of getting [attacking] the facilities and setting back the [nuclear] program, I think the chances go from maybe [a setback of] two years to actually accelerating the program—we could cause them to redouble their efforts. The other side is horizontal escalation by the Iranians. My assessment is ... that if we strike, they're likely to want to blame Israel ... because that sells well at home. Blaming Israel means that there's a chance that we could see Hezbollah, Hamas targetting Israel. We could very easily see this thing escalate into a broader Middle East war, particularly when you add Muslim rage."

Analyst Details Planning for Attacks on Iran

William Arkin, a military analyst who writes the Early Warning blog for the *Washington Post*, detailed the Pentagon's war planning against Iran in the *Post* April 16. The U.S. Army is already working out details for a full-scale war against Iran, in a plan called Theater Iran Near Term (TIRANNT), and has been doing so since early 2002, according to Arkin. The U.S. and UK have conducted a Caspian Sea wargame, and the U.S. Marine Corps has devised an invasion plan. Rumsfeld ordered Strategic Command in June 2004 to reach a readiness level for launching a global strike within 12 hours of a Presidential order. Arkin writes, "The new task force, sources have told me, mostly worries that if it were called upon to deliver 'prompt' global strikes against certain targets in Iran under some emergency circumstances, the President might have to be told that the only option is a nuclear one." (For more on the Iran crisis, see "Will Cheney's 'Strangelove' Bush Go for Nuclear War Against Iran?" by Nancy Spannaus, in this week's InDepth.)

Iraq Descending into Civil War

Sa'id Isma'il Haqqi, the President of Iraq's Red Crescent—the Islamic counterpart of the Red Cross—said that in the three weeks from March 22 to April 15, the number of people displaced from Baghdad had tripled from 23,000 to 69,000. By April 19, the number was above 80,000, and camps have been set up in 14 provinces. Threats of death and torture from gangs and militias are forcing large numbers to flee. The gangs and militias "are highly organized," said Haqqi. Reuters reported that "the first example of large scale open sectarian street fighting," with over 50 men shooting, occurred in the Adhamiya district of Baghdad April 19. The district was cordoned off by American troops, who apparently just watched.

Private Security Force in Iraq Out of Control

Facilities Protection Services (FPS), which began in 2003 as a small, private group of security personnel, and was originally hired to protect public buildings and facilities, has grown to a staggering 146,000 men. Its members are uniformed and armed with AK-47s. FPS has become a "large, amorphous force that seems to lack any centralized control," according to *Newsweek* April 24. Ostensibly under the Interior Ministry, sections of the force have "become beholden" to different facilities, with different controllers.

Rogue FPS units are now suspected in some of the worst incidents of sectarian violence in Baghdad. "The FPS has the same uniforms, weapons, and vehicles as the regular police," says one government official, leading Iraqis to lose trust in any uniformed officials, according to *Newsweek*.

Iran Seeks Talks with U.S. on Iraq

Iran will have talks with the U.S. on Iraq, said Iranian Foreign Ministry spokesman Hamid Reza Asefi on April 18. "The

Iranian authorities have decided to establish a dialogue with the United States taking into account all possible negative consequences," he said, "aimed at ensuring security in Iraq and withdrawing the force of occupation from that country." An Iranian source confirmed that Dr. Mohammad Nahavandian, economic aide to Ali Larijani, the head of Iran's Supreme National Security Council, is in Washington for "unofficial" contacts with Congressmen.

At White House, Lebanese PM Stresses Good Relations with Syria

In an April 18 meeting with Lebanese Prime Minister Fouad Siniora at the White House, President Bush recited the usual litany of support for Lebanon's "Cedar Revolution," and for bringing the assassins of former Prime Minister Rafik Hariri to justice. Siniora, however, while thanking the President for his support, stressed that he gives priority to good relations with Syria.

Hamas Promised Millions in Aid

Several countries have promised the Hamas-led Palestinian National Authority (PNA) \$200 million in aid, according to the *Jerusalem Post* April 19. Palestinian Foreign Minister Mahmoud Zahar, who met with Saudi Foreign Minister Saud al-Faisal, was promised \$92 million from Saudi Arabia. Qatar and Iran have promised \$50 million each. Palestinian Finance Minister Amar Abad al-Razek met with Russian Foreign Ministry officials and was promised \$10 million.

French President Jacques Chirac, on his seventh official trip to Egypt, discussed Iran and Hamas with Egyptian President Hosni Mubarak, and said, "We must find a way for aid to be distributed to all the Palestinian population under terms agreed upon with the PNA."

Egyptian Gov't Daily Does Not Denounce Suicide Bombing

An Egyptian government-controlled daily, *Al Gomhuria*, refused to denounce a Palestinian suicide bombing April 17 that killed nine Israelis at the central bus station in Tel Aviv. This step is unprecedented. *Al Gomhuria* called it a "sacrificial and martyrdom attack" April 18, and wrote that such attacks should be expected if Israel and the international community punish the entire Palestinian people for voting for Hamas in a free election. Islamic Jihad took responsibility for the attack, warning that others would follow. The Hamas government did not denounce the attack, but Palestinian President Abu Mazen and Palestine Liberation Organization representatives did.

Asia News Digest

Sino-Indian Trade To Surpass \$20 Billion in 2006

The chairman of the China Council for the Promotion of International Trade, Wan Jifel, said Sino-Indian bilateral trade is expected to exceed \$20 billion this year and may even reach \$100 billion in six years, Rediff.com reported April 17. Striking a highly optimistic tone, he said, "Last year, bilateral two-way trade rose to \$18.7 billion, up 37.5% over 2004. If this trend continues, according to our estimate, in 2006, the two-way trade will surpass that in 2005 to \$20 billion." President of the Federations of Indian Chambers of Commerce and Industry Saroj K. Poddar said he remained bullish about the prospect of a bilateral trade. "India-China collaboration will be at the heart of this rise in Asia," he said, noting that the synergy between the two nations, comprising one-third of humanity, will provide a new direction to the world at large.

By contrast, India-Russia trade has remained stagnant, at about \$2 billion annually.

U.S.-India Nuclear Deal About To Collapse

New Delhi told Washington on April 17 that it would make no explicit commitment to the United States that it would not conduct fresh nuclear tests as part of a landmark civilian atomic cooperation agreement. According to New Delhi, "in preliminary discussions on these elements, India has already conveyed to the U.S. that such a provision has no place in the proposed bilateral agreement." And, yet, the draft of the deal framed since President Bush visited India suggested that the pact would be discontinued if India tested a nuclear device, the Indian Foreign Ministry said.

At this time, it is difficult to fathom who is lying, and who is not. But the fact remains that New Delhi had told India's political opposition that the deal would not prevent modernization of India's nuclear weapons. It is on the basis of such an assurance that Prime Minister Manmohan Singh's government got support from the opposition, led by former Prime Minister Atal Behari Vajpayee. But now it has become evident to all and sundry in New Delhi that the deal has footnotes and clauses which, if accepted, would spell electoral death. The Manmohan Singh government would also try to extricate itself by blaming Washington. Whether it would succeed, or not, is another story.

Indian Gamesmanship in Dealing with Nepal

The arrival of Karan Singh, India's special envoy to Nepal, on April 19 in Kathmandu coincided with Chinese President Hu Jintao's arrival in Washington. The Nepal crisis, which has been brewing since February 2005, reached a crescendo during the first three weeks of April. New Delhi was under intense domestic pressure to act, but the Indian government waited for President Hu to reach Washington before acting. In the case of Nepal, India, China, and the United States are the three major nations who have the greatest influence. India and the United States had made clear to the Nepali King Gyanendra that they want democracy restored. (On Friday, April 21, the King made a televised address to the nation, in which he promised to restore democracy, and hand over executive power to a Prime Minister.)

The sending of Karan Singh, the scion of the now-defunct princely state of Kashmir's royal household, is also significant. Karan Singh was once India's Foreign Minister and later, Indian Ambassador to the United States. Moreover, because of the incestuous nature of royalties, he has blood relations with the Nepali royal household. Moreover, Nepal is the only Hindu country in the world, and Karan Singh was once the head of the Vishwa Hindu Mahasabha, the World Hindu Institute.

Was India Lured by a 'Bait and Switch' Operation?

Now that the U.S.-India nuclear deal has hit a formidable roadblock, some in New Delhi believe that India was suckered into a clever "bait and switch" operation, whereby the United States will move in to make \$15-17 billion in arms sales under the lure of the nuclear deal. The deal, if it ever goes through, will recognize India as a nuclear-weapons state. But sources told *EIR* April 20 that keeping the deal hanging would help the Pentagon to sell arms to India.

These sources pointed out that at least six American arms delegations are now sitting in Delhi making presentations of their wares. Lockheed Martin has already become the frontrunner in the scramble for \$1 billion in sales of naval planes that the Indian Navy plans to buy. A Boeing team is working hard to get Indians to place orders for the P-8A Maritime Multimission Aircraft (MMA), a futuristic reconnaissance and oceanic warfare jet to be rolled out by 2013 for the U.S. Navy. Boeing is offering New Delhi technical partnership for the P-8A project—an unprecedented proposal that would have remained a pipedream for the Indian Navy, sources claim.

Turkey Eyes Its First Nuclear Power Plant

Turkey's Energy and Natural Resources Minister Hilmi Guler told reporters on April 18 that the country must look to nuclear power to meet its growing energy demand, and is eyeing the Black Sea city of Sinop to build its first nuclear-power plant, the UPI Energy Watch reported April 20. "The nuclear energy issue is not only a preference, it is a must," said Guler, after his meeting on nuclear power with 150 scientists from Turkish Atomic Energy Agency (TAEK).

"We have made a preliminary study in Sinop. We haven't yet decided on the exact place where the nuclear power plant will be built. The Inceburun region of Sinop is appropriate in geotechnical aspects," said Okay Cakiroglu, chairman of the TAEK. "We will make our decision within a year."

Earlier, Turkey had decided to build a nuclear power plant at Akkuyu, but abandoned the location in 2000 because of its heavy tourist activity.

U.S. Ambassador Slams KBR's Tsunami Repairs

The U.S. Ambassador to Indonesia, Lynn Pascoe, blasted Halliburton's KBR for disgracing the U.S. in its contracted work on tsunami repairs, the *Washington Post* reported April 17. Pascoe wrote a letter to Rear Adm. Gary Engle, head of the Naval Facilities Engineering Command for the Pacific, denouncing KBR for its shoddy work on a project rebuilding schools and bridges in Nais (the island off Sumatra which was destroyed by the tsunami and a subsequent earthquake). "KBR sold itself as having the ability to work in austere environments providing materials and sub-contract support. Time and again however ... KBR clearly showed a lack of this ability." He said, "KBR caused considerable embarrassment to [the U.S. government] and left negative impressions on" the Indonesian military and public. He called for a re-bidding of any other contracts with KBR in Indonesia.

Philippines President Commutes All Death Sentences

In commemoration of Easter, Philippines President Gloria Macapagal-Arroyo announced that all death-row convicts would be spared and the maximum penalty commuted to life imprisonment, the *Philippines Inquirer* reported April 16. "Anyone who falls and makes mistakes has a chance to stand up and correct the wrong he has committed," she said. The new policy will benefit roughly 1,000 death row inmates.

The Catholic Bishops Conference of the Philippines has repeatedly called on the government to repeal the death penalty, claiming that capital punishment had not been an effective deterrent to crime. Arroyo can only commute sentences; the abolition of the death penalty requires an act of Congress.

China and Russia To Construct Floating Nuclear Plants

According to Vitaly Ryabov, a department head at Russia's Federal Agency for Nuclear Power, *Alexander's Oil and Gas* reported April 21. China has conveyed to Russia that it is ready to join efforts to construct floating nuclear-power plants.

The official's comments echo a source in a Russian delegation that visited Beijing in the fall of 2005 who said that China was considering extending a loan for the construction of one such unit in northern Russia.

With China set to up its nuclear energy generation capacity dramatically by 2020, Russia's nuclear agency is showcasing the country's achievements in this field at the Nuclear Industry China 2006 exhibition, which brings together producers and suppliers of equipment and technology for nuclear-power plants. Ryabov said Russia considers China a promising partner in the sphere of peaceful use of nuclear energy, and that the two countries were conducting joint research on fast breeder reactors.

This Week in American History

April 25 — May 1, 1894

Coxey's Army Marches on Washington To Obtain Jobs for the Unemployed

The terrible worldwide depression of 1893-1897 was agonizingly similar to the subsequent Great Depression of the 1930s. The first warnings were seen a decade before, when a severe agricultural crisis hit the South and Great Plains. Speculation and manipulation of the international money markets then led to an actual Wall Street crash in 1893. As happened during 1929, very little was done to restart the American economy, and the result was that a quarter of the nation's railroads went bankrupt, and in some cities unemployment among industrial workers reached 25%.

This depression hit only 28 after the triumphant end of the Civil War, and many veterans of that war were in a state of shock. Some unemployed veterans carried placards with the message that slavery had been defeated in 1863, and now, in 1893, a new kind of slavery had descended upon the country.

An ironic spectacle was provided by the 1893 Columbian Exposition that opened in Chicago in May, which was visited by 27 million people and featured the latest in American technology. Yet by the time it closed, Chicago had been overwhelmed by another large group of visitors who had come by the trainload from the West, desperate to find work in the industrial center of the Midwest. Many were well-dressed, yet they wound up crowding into police-station hallways, and even the unoccupied cells, at night to escape the cold. Every evening, a thousand men and boys filled the corridors and stairwells of Chicago's City Hall.

On Oct. 28, two days before the Columbian Exposition was to close with a gala celebration, Chicago's Mayor Carter Harrison, who had tried to mitigate the suffering of the unemployed, was shot to death in his home by a man described as a disappointed office seeker. The great "White City" was demolished a few days later, and the wood of many of its buildings was distributed to provide fuel for the increasingly desperate unemployed population.

While the Columbian Exposition was going on, another kind of meeting took place in Chicago. Six hundred delegates, mostly from the West, had attended the Bimetallic League convention in August, formulating plans for the free and unlimited coinage of silver. At the conference, Jacob Coxey, an Ohio delegate, met Carl Browne of California, and Browne later visited Coxey in Ohio to discuss Coxey's plans for public works, which he had been developing since 1891.

Jacob Coxey was born in Pennsylvania in 1854, and had worked in iron-rolling mills, operated a stationary engine, and then moved to Massillon, Ohio where he bought a sandstone quarry in 1881. The quarry yielded very finely ground silica which was used in the production of both steel and glass, and the business prospered enough to allow Coxey to buy three ranches in various parts of the country. But when the depression hit, and he was forced to lay off 40 of his workers, Coxey determined to do something about the economy and the problem of unemployment.

Coxey had been a Greenback Democrat and then became a member of the Greenback Party. He had been an unsuccessful candidate for the Ohio Senate in 1885, and by the 1890s his sympathies were with the Populist Party. He merged many of the ideas circulating among those circles and developed a program which he believed would aid the unemployed, and, at the same time, prevent future depressions.

Coxey's Good Roads Bill, which he sent to a Populist Party Congressman, called for the issuance of \$500 million to

construct a national network of rural roads. Wages for the unemployed who would be hired to build the roads would be \$1.50 for an eight-hour day. Coxe's second bill was the Non-Interest-Bearing Bond Bill, which allowed state and local governments to obtain funds for public works from the Federal government, putting up as security their own state or municipal bonds which would be non-interest-bearing. These projects would also hire the unemployed at a minimum of \$1.50 a day.

Carl Browne's suggestion for publicizing this legislation was a march on Washington by the unemployed, ending in a speech by Coxe from the steps of the Capitol. Up until this time, there had been no large protest marches to the Capitol, and there was an 1882 law, not changed until 1972 by judicial action, which prohibited the carrying of banners and the making of any oration or harangue on the Capitol grounds. The law had originally been introduced by Sen. Justin Morrill to counter vandalism and limit the hawking of souvenirs, but it now threatened to stifle any action by the unemployed.

Coxe and Browne sent out announcements of the march, setting May 1 as the day they would reach the Capitol. About 100 unemployed men assembled in Massillon, and this small "Commonweal," as Coxe called it, was dubbed an "army" by the 40 reporters who faithfully followed it all the way to Washington. Many newspapers portrayed "Coxe's Army" as a bunch of tramps, implying that violence would result. Further west, in Los Angeles, San Francisco, Seattle, Tacoma, Montana, and Chicago, larger groups of the unemployed were forming in response to Coxe's call. They called themselves an "industrial army," and were determined to meet Coxe's deadline for reaching Washington.

In the nation's capital, President Grover Cleveland's administration was fearful of violent protests by the unemployed, and planned for Coxe's arrival by beefing up security at the White House and the Capitol, and by sending agents to infiltrate the march. Cleveland himself was scornful of taking any action to help the unemployed beyond the ministrations of private charity. In his Inaugural Address, he had explained that, "The lessons of paternalism ought to be unlearned and the better lesson taught that while the people should patriotically and cheerfully support their government, its functions do not include the support of the people."

With the exception of a few members, Congress, too, sought to discredit the march. Sen. Edward Wolcott of Colorado asked his fellow Senators to have "the courage to stand together against socialism and populism and paternalism run riot, which is agitating and fermenting this country." Congressmen also claimed that Coxe's group was not representative of "the great voice of the American people," and Sen. Joseph Hawley of Connecticut claimed that it was the Senators who knew the "will of the people."

Coxe's small group of marchers set off from Massillon on Easter Sunday, supported by the Populist Party and by organized labor, who activated their networks to provide food and, sometimes, campsites. Samuel Gompers, the head of the new American Federation of Labor, had himself proposed a temporary Federal works program to improve the roads when he spoke at a 25,000-person rally in Chicago in August of 1893.

The marchers were feared by those who had not felt the hardest blows of the depression, but nevertheless, they often received gifts of food and blankets from people who either felt pity, or wanted to hurry them on their way. In the larger cities they passed through, they were often confronted by the local constabulary, were sometimes briefly arrested as vagrants, but were allowed to continue their slow, foot-sore march across the Alleghenies. When they reached Cumberland, Md., they boarded canal boats and sailed on the Chesapeake and Ohio Canal most of the way to Washington.

By the time the group camped on the outskirts of Washington, it had grown to 500 unemployed. On May 1, a huge crowd of 30,000 people was waiting to see the march up Pennsylvania Ave., larger than most inaugural crowds had been. The marchers halted a safe distance away from the Capitol, but Coxe and Browne advanced. Browne created a diversion by running across the grass, and he and some spectators were beaten by the police. Coxe slipped unseen up the Capitol steps, but was stopped before he could begin speaking. Coxe and Browne were convicted of taking banners (the small insignias

they wore) onto the Capitol grounds, and spent 20 days in jail.

Meanwhile, the western part of Coxey's Army had added a new dimension. Charles T. Kelley, a typographer for the *San Francisco Chronicle* and a member of the International Typographical Union, had been persuaded to lead 1,500 of the San Francisco unemployed to Washington. He proposed that the Federal government put the western unemployed to work building the vast irrigation systems needed to bring water to arid lands. "When the ditches are dug and the lands reclaimed we can register homestead claims and be self-supporting ever after." This became the proposal of all units of the western "industrial army."

Gen. Grenville Dodge, who had built the Union Pacific line west from Omaha, endorsed the program of the western contingents. "The fertile and tillable lands are pretty well taken up," said Dodge, "and there is no doubt but that there is a vast area in the West that might be made into valuable farms by the construction of irrigation ditches."

The western units suffered incredible hardships, because almost all the western railroads were adamantly opposed to their reaching Washington. At one point, the governor of Texas had to face down a railroad that had deliberately stranded a large group of unemployed at a desert siding for five days, with no supplies of food or water. At another, Kelley's group was stranded in Iowa because the four railroads that led to Chicago had agreed that they would refuse to carry his group no matter what price was paid. When Kelley and his men managed to build 120 small boats to float down the Des Moines River, the railroad goons harassed them all the way to the Mississippi, refusing to let them come to shore when supporters brought food for them.

Portions of the western units that had survived the cross-continent journey straggled into Washington after Coxey had been arrested, and set up camps in Maryland and Virginia. Like the Veterans Bonus Marchers of President Hoover's administration, they waited for Coxey's public works bill to be acted on by Congress. But the bill died in committee, and eventually the governors of the two states broke up the encampments and provided railroad transportation as far as the Mississippi River.

Jacob Coxey went back to Ohio and ran for many political offices, but did not succeed until 1931, when he was elected Mayor of Massillon. The following year, he received 75,000 votes in the Republican Presidential primaries, but Herbert Hoover was renominated. In Massillon, Coxey's program of building a municipal water system did not endear him to Hoover's Republican Party, and he was not renominated for the position.

In 1932, Coxey travelled to Washington to encourage the Veterans Bonus Marchers, and in the following years he had the pleasure of seeing many of his proposals become reality through President Franklin Roosevelt's New Deal legislation. Then, on May 1, 1944, at the age of 90, Jacob Coxey finally delivered his long-delayed 1894 speech on the steps of the U.S. Capitol.

His address began: "The Constitution of the United States guarantees to all citizens the right to peaceably assemble and petition for redress of grievances, and furthermore declares that the right of free speech shall not be abridged.

"We stand here today to test these guarantees of our Constitution. We choose this place of assemblage because it is the property of the people. Here, rather than at any other spot upon the continent, it is fitting that we should come to mourn over our dead liberties and by our protest arouse the imperiled nation to such action as shall rescue the Constitution and resurrect our liberties.

"Up these steps the lobbyists of trusts and corporations have passed unchallenged on their way to committee rooms, access to which we, the representatives of the toiling wealth-producers, have been denied.

We stand here today in behalf of millions of toilers whose petitions have been buried in committee rooms, whose prayers have been unresponded to, and whose opportunities for honest, remunerative productive labor have been taken from them by unjust legislation, which protects idlers, speculators, and gamblers: We come to remind the Congress here assembled of the declaration of a United States Senator, 'that for a quarter of a century the rich have been growing richer, the poor poorer, and that by the close of the present century the middle class will have disappeared as the struggle for existence becomes fierce and relentless.'"

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