

EIR

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Election Crisis Is Not a Constitutional Crisis
It's Time for Asia To Ditch the IMF
Iran, Japan Prepare for Post-Crash World

LaRouche: Statecraft Is A Form of Classical Art

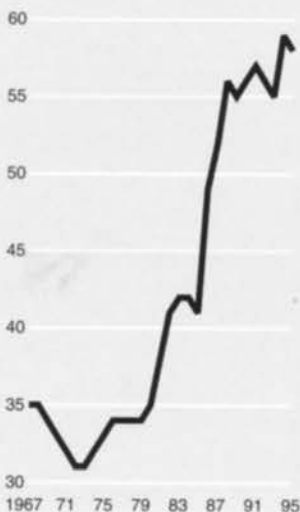


EIR Doesn't Print What's Popular, But Prints The Truth

The Truth About The Real Economy

Number of weekly
paychecks required to
buy new car

includes finance costs



The Truth
About Their
Policies

The
Truth
About
The
Bubble

Stock Market Margin Debt, 1992-2000
(billions \$)



LaRouche: Call Them
'The Baby Doomers'



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*World Wide Web site: <http://www.larouchepub.com>
e-mail: eirns@larouchepub.com*

*European Headquarters: Executive Intelligence Review
Nachrichtenagentur GmbH, Postfach 2308,
D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,
Wiesbaden, Federal Republic of Germany
Tel: 49-611-73650. Homepage: <http://www.eirma.com>
E-mail: eirma@eirma.com Executive Directors: Anno
Hellenbroich, Michael Liebig*

*In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE,
Tel. 35-43 60 40*

*In Mexico: EIR, Río Tiber No. 87, 5o piso, Colonia
Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-
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From the Associate Editor

Crescending waves of laughter are welling up from all around the world, at the spectacle of the two American gladiators flailing about in their self-induced post-election trauma. Every nation that has been brutalized by the sanctimonious U.S. “Project Democracy” crowd, is poking fun at the election travesty (of which the events in Florida are only the tip of the iceberg). “An imploding dunghill” was how one European commentator described the American political scene. “A super-banana-republic,” said another.

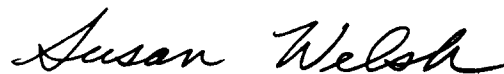
It’s hilarious, but this comic interlude also, most significantly, offers an opportunity to shift the nation from its otherwise tragic course.

For Lyndon H. LaRouche’s incisive comment on the election itself, see our *Editorial*.

In our *Feature*, LaRouche addresses the profound cultural issues that must be understood, if a real, revolutionary transformation of the American political life is to come about. “I do this here,” he writes, “in as popular a form as competent exposition permits. I do this for the benefit of you as a member of an, unfortunately, still largely unwitting population, a population which the aftermath of this election would tend to overwhelm with despair, unless you are informed of those certain means of remedial action which I outline for you here.

“I offer you thus a method for action, which contains the much-needed Classical alternative to today’s real-life tragedy of our nation. I present that to you here, with the intent to afford you a guide to the means by which we may escape from the awful consequences, into which the immediate aftermath of a brutish electoral farce, now threatens to plunge our nation, and also the world at large.”

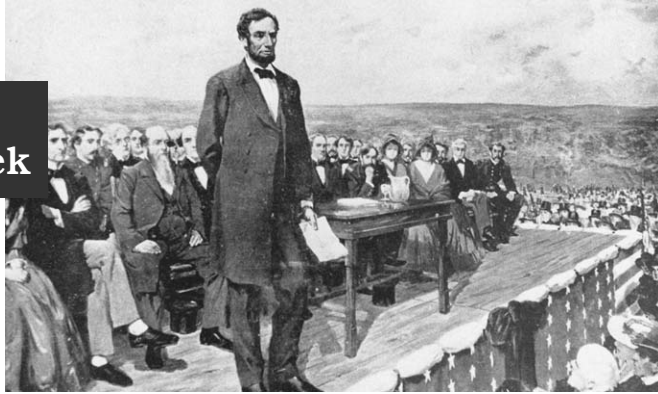
LaRouche will further outline his perspective for the aftermath of the election, as well as the aftermath of the onrushing financial crash, in a seminar in Washington, D.C. on Nov. 14, which will be available in audio on the web at www.larouchepub.com and www.larouchespeaks.com. We will have more to say about that, in next week’s issue.



EIR Contents

Cover This Week

*President Abraham
Lincoln at
Gettysburg.*



20 Politics as Art

By Lyndon H. LaRouche, Jr. “Real politics, as Plato and the recently elevated, great, and martyred English statesman Thomas More rightly understood, is properly practiced as a form of Classical art, practiced according to the same principles which the greatest tragedians, Shakespeare and his successor Schiller, most notably, subsequently expressed as Classical modes of composition and performance of poetry and tragedy.”

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Economics

4 U.S. Natural Gas, Heating Oil Crises Are a Policy Crisis

Natural gas prices were up 5.2% for October, food prices underwent the highest rise in six months, and other prices were rising. Despite notorious fakery in official figures, the impact, along with other aspects of financial and economic breakdown, is hitting hard throughout the economy.

7 The Physical Economy of the Natural Gas Industry

8 The Major Natural Gas Transmission Companies

11 Will Your Aunt Freeze in Her Rocking Chair This Winter?

Documentation: “Emergency Resolution To Reduce Oil Prices,” introduced into the Boston City Council.

14 Why Tony Blair’s Britain Is ‘All Wet’

15 British Rail Disaster Has Come to Germany

17 Argentine Debt Crisis Unnerves Wall Street

18 Business Briefs

International

- 38 Time for Asia To Ditch IMF or Go Down with the Dollar**
The dollar is about to crash, the U.S. Presidential elections have been reduced to a powerless farce, and the European press is speculating that the United States could soon collapse like the Soviet Union. Asia must act if it is to survive.
- 40 LaRouche Warns Leaders at 'ASEAN-Plus-3' Summit**
- 42 Government Crises Across Asia Threaten New Economic Approach**
- 47 Russia, China Relations in 'Best Period Ever'**
- 49 Iran, Japan Prepare for Post-Crash World**
- 51 'FARC International' Deploys Across Ibero-America to Pick Up the Pieces**
- 54 Ivory Coast Riots Stem from IMF Policies**
- 56 International Intelligence**

National

- 70 The Election Crisis Is Not a Constitutional Crisis**
The Framers of the Constitution provided the means to deal with an impasse between leading candidates, or the popular selection of unqualified candidates for the Presidency. So, there is no need for a rush to judgment, to determine a "winner" of the Presidential election.
- 72 D.C. Nurses Settle, But Slave Labor in Health Care Expands**
- 75 Fighting the Takeover of Detroit's Schools**
- 76 The Privatizers Have Looted the Schools**
An interview with Sharon McPhail.
- 77 Rights Are Being Repeatedly Violated**
An interview with Ed Vaughn.
- 79 Congressional Closeup**

Interviews

- 76 Sharon McPhail**
Sharon McPhail, a Detroit attorney and former president of the National Bar Association, is representing plaintiffs in a Federal civil rights suit against last year's takeover of the Detroit public school system by the State of Michigan.
- 77 Ed Vaughn**
Rep. Ed Vaughn (D-Detroit) serves as Minority Vice-Chair of the Constitutional Law and Ethics Committee, and is a member of the Committees on Economic Development, and Regulatory Reform in the Michigan Legislature.

Books

- 58 New Insights Into a 20th-Century Monster**
Bertrand Russell: The Ghost of Madness, 1921-1970, Vol. II, by Ray Monk.
- 64 The Military Genius of Jeanne d'Arc, and the Concept of Victory**
Joan of Arc, A Military Leader, by Kelly DeVries.
- 68 The Historical Jeanne d'Arc**
By Lyndon H. LaRouche, Jr.

Departments

- 45 Australia Dossier**
"The Right to Intervene."
- 80 Editorial**
On the U.S. Elections.

U.S. Natural Gas, Heating Oil Crises Are a Policy Crisis

by Marcia Merry Baker

On Nov. 9, the U.S. Labor Department released the Producer Price Index, showing that natural gas prices were up 5.2% for October, food prices underwent the highest rise in six months, and other prices were rising. Despite notorious fakery in official figures (energy and food are considered “non-core” inflation markers), these latest statistics point to what is plain for all to see: Energy prices are high, and rising. The impact, along with other aspects of financial and economic breakdown, is hitting hard throughout the economy.

Not just gasoline at the pump, but prices for heating oil, natural gas, propane, electricity, and energy in all forms are soaring. With only one month of Winter gone (October is the first of the U.S. Energy Department’s six official months of Winter), there are shortages of fuel oil and propane, and threats of shortages of natural gas deliveries.

In recent issues of *EIR*, we have documented certain must-know factors behind this energy crisis: There is the role of speculation, the “paper oil” traded over and over in London and New York financial markets. There is the inadequacy of U.S. refinery capacity. There is the sweeping policy shift into deregulation and globalization of energy supplies, prices, and production.

To cap it all off, there is the corporate consolidation. The whole process makes for a chokehold over energy, and for making a killing off shortages. One example makes the point: In 1998, British Petroleum and Amoco merged; in April this year, BP Amoco bought Arco. On Nov. 7, BP Amoco announced that its third-quarter profit jumped 94%!

Thus, the question is neither a matter of mythical “supply and demand,” nor is it a matter of depletion of resources. This is a crisis of policy.

LaRouche Forewarning: Commodities Grab

In the mid-1990s, Lyndon LaRouche pointed out the threat and implications of the commodities grab that was already then under way, by “smart money” financial circles, which were exiting paper-asset bubbles, and moving into hard assets. He commissioned that this process be documented, and at an international conference in Virginia in September 1995, he presented charts and documentation. There, he said, “You want to talk about corruption? . . . Then you take metals, petroleum, coal, natural gas, all kinds of raw materials. Precious metals, iron, steel: Who controls these? Well, look at your charts. Again and again, it’s the London-based cartel. So, are the British unimportant? Are the British, which together with the Mobil system in the United States, the Standard Oil system in the United States, which is an extension of the British, the London marketing cartel, what used to be called the Seven Sisters, which controls the bulk of the world’s petroleum, the London Metals Exchange, which controls the bulk of the world’s strategic minerals, unimportant? The London This and the London That, control this and that. So, *the great control of the life and death of the people of this planet, has been locked up in the hands of a few dirty oligarchs.*”

Changing Policy Course

Confronting today’s immediate energy crisis, LaRouche issued a policy memorandum on Sept. 19, entitled “On the Subject of Emergency Action by Governments To Bring the Present Petroleum-Price Inflation Under Control” (see *EIR*, Oct. 13, 2000, and www.LaRouchespeaks.com), outlining the scope of the world financial breakdown crisis, and specifying

FIGURE 1

Major Natural Gas Producing Basins



Source: Energy Information Administration.

in detail, national-interest emergency energy measures. Only this kind of approach is “realistic.”

In December, such an approach is scheduled to be debated before the Boston City Council, where Councilman Chuck Turner has introduced a resolution to that effect. Excerpts of the resolution are printed below, along with a survey article on the energy vulnerabilities of states in New England, the Midwest, and Mid-Atlantic.

Councilman Turner’s initiative stands in contrast to the grandstanding of many Congressmen, and others, who complain of the energy prices, and call for studies, but will not grasp the reality of the epic economic and financial breakdown under way. On Oct. 19, Rep. Dennis Kucinich (D-Ohio) and Rep. Steven LaTourette (R-Ohio) asked for an investigation of natural gas prices in Ohio.

Providing genuine national leadership is State Sen. Joe Neal (D-Nev.), whose intervention this Summer effected a stay in implementation of energy deregulation in the state. Neal circulated an *EIR* dossier on the fraud and harmfulness of energy deregulation (“Deregulation Strikes: Buying Energy

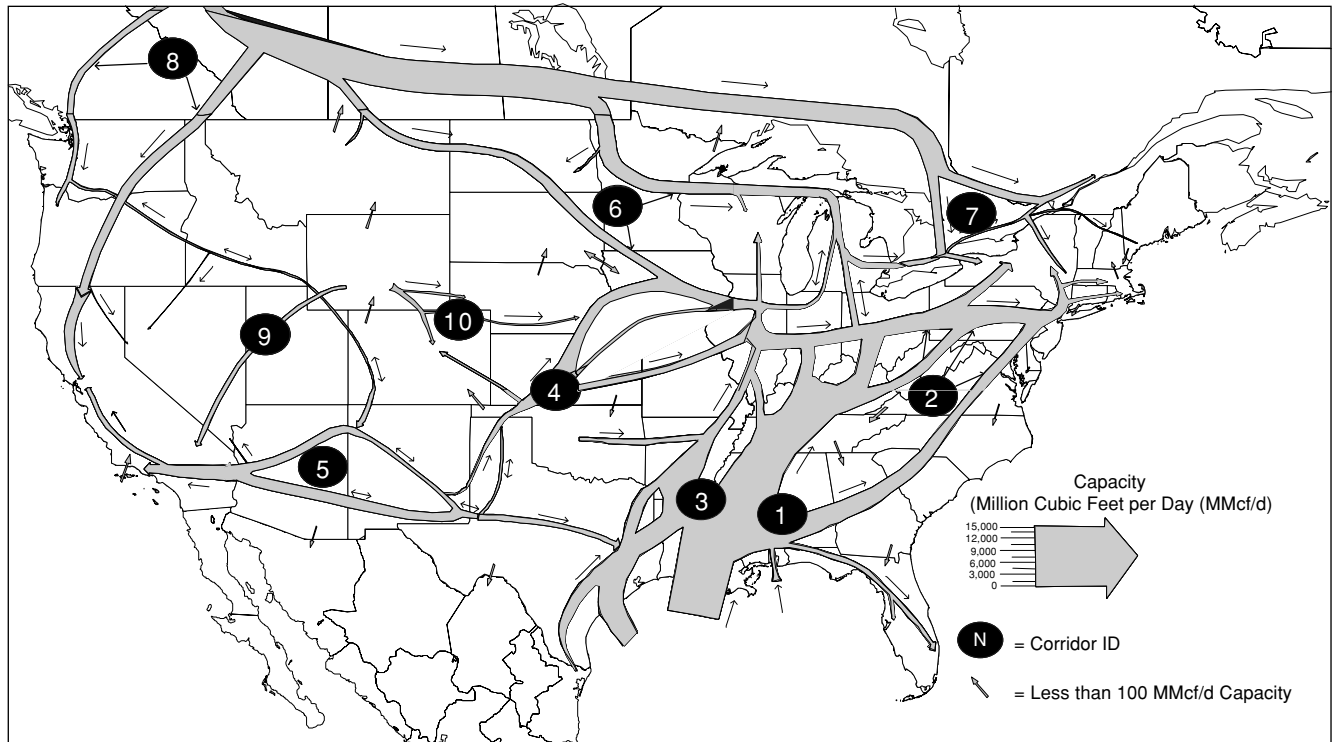
from Bush,” *EIR*, Aug. 18, 2000). In the midst of the policy fight, Neal was re-elected to office in September, and is widely viewed as a champion for the public good.

Since then, on Oct. 17-19, Senator Neal visited Mexico, to encourage the dumping of the deregulated, “free” (rigged) market approach to energy. There, in the northeastern states, regional natural gas prices have soared by 150% in one year, causing mass cutbacks and shutdown of industry. After the North American Free Trade Agreement (NAFTA) came in, the Spain-based conglomerate, Gas Natural, bought out natural gas distribution in Mexico, and now demands high “market” prices. Neal, along with *EIR* Editor Paul Gallagher, presented LaRouche’s Sept. 19 emergency measures perspective, under which the pricing of natural gas should be regulated in the national interest.

During the first week of November, Senator Neal went to Ohio, where energy deregulation started on Nov. 1, and natural gas price deregulation is scheduled to start on Jan. 1, 2001. Neal met with state leaders on the need to roll it all back. He stressed that past mistakes don’t matter. In Nevada, only two

FIGURE 2

Major Natural Gas Transportation Corridors in the United States and Canada, 1997



Note: The 10 transportation corridors are: (1) Southwest-Southeast, (2) Southwest-Northeast, (3) Southwest-Midwest, (4) Southwest Panhandle-Midwest (5) Southwest-Western, (6) Canada-Midwest, (7) Canada-Northeast, (8) Canada-Western, (9) Rocky Mountains-Western, and (10) Rocky Mountains-Midwest. Source: Energy Information Administration, EIA GIS-NG Geographic information System, Natural Gas Pipeline State Border Capacity Database, as of December 1997.

out of 29 legislators voted against deregulation. In Ohio, only seven out of 100 state representatives voted against deregulation. Nevertheless, in Nevada, it was stopped; and it can and must be stopped everywhere.

Neal singled out for condemnation, the Federal legislation proposed this session by Sens. Phil Gramm (R-Tex.) and Charles Schumer (D-N.Y.), that would dictate nationwide energy deregulation, by abolishing the 1935 Public Utility Holding Company Act.

Natural Gas Price Hyperinflates

In fact, over the past 30 years, state and Federal acts have implemented deregulation piecemeal, to the point that we have the energy crisis we face today. In this issue, besides an update on the domestic policy fight, we provide essential background on the natural gas system of the United States. For certain, the hyperinflation of natural gas prices can't be blamed on the Organization of Petroleum Exporting Countries.

Among the milestones of the U.S. deregulation process were the following: In 1978, there was the Natural Gas Policy

Act, which phased out stable prices at the well-head. In 1990 and 1992, there were amendments to the Clean Air Act, that furthered the control over natural gas by a select few. In the survey below, John Hoefle provides corporate profiles of the gas pipeline cartel, including Enron, the largest contributor to George W. Bush's campaigns, and others, behind Al Gore.

What **Figures 1** and **2**, and the accompanying description of the physical economy of the natural gas industry make clear, is that there is no basis for a North American natural gas crisis in terms of natural resources or infrastructure. It is entirely a policy crisis.

Figure 1, from the Energy Information Administration of the U.S. Department of Energy, shows the location of significant natural gas basins in the United States. Mexico has important deposits. Canada, especially the provinces of Alberta, Saskatchewan, and British Columbia, is rich in gas fields. Natural gas resources, either associated with oil or "non-associated," are significant both on the continent of North America, and offshore, not only because of their output potential, but also because they lie within economical piping distance for consumption.

Figure 2 shows the volume of gas moved through the transportation corridors, as of 1997. Important to note is the “political geography” of the flows. In recent years, Canadian natural gas exports to the United States have become sizable—and soon will be significantly increased, with the opening this month of the new “Alliance Pipeline,” a 1,200-mile line from British Columbia to Chicago. Though a welcome addition to infrastructure, the pipeline itself is controlled by the same cartel financial interests usurping natural resources and undercutting the economy. It is significant that no U.S.-Mexico mutual interest infrastructure has been built. In 1982, then-President José López Portillo proposed an oil-for-technology development program between the two nations, but the free-trade circles around then-Vice President George Bush rejected this outright, favoring instead their schemes to deregulate, dominate, and loot—i.e., schemes that went on to become NAFTA.

The Physical Economy of the Natural Gas Industry

by John Hoefle

While the oil and gas industry is dominated by an oligarchic oil cartel and is rife with price-fixing and speculation, beyond these unsavory elements lies a marvel of technology and engineering, able to move large volumes of natural gas from distant fields to the doorsteps of millions of American homes and businesses. Here we take a look at the physical-economic side of this essential infrastructure.

Exploration and Production

The search for natural gas begins with the identification of subterranean rock formations where gas is likely to be found. The gas migrates upward through pores in sedimentary rock; if it reaches the surface, it is dispersed into the atmosphere, but most often the gas is trapped when it hits a layer of impermeable rock. These impermeable layers, usually shaped into domes by folding and faults, are what the geologists look for in their search for oil. The search begins with determining broad areas where traps are likely to be found, then examining potential prospects via seismology. Seismology involves sending energy waves through the Earth, then recording the results when the waves are reflected back to the surface. Because different layers of rock reflect the waves in different manners, geologists can process these reflections through computers to get a fairly good map of the subsurface strata. Another method of mapping underground rock formations

involves using magnetometers to measure small changes in the Earth’s magnetic field at the surface, which can indicate what types of rock lie below. Magnetometers can be placed in helicopters, planes, and even satellites, allowing wide areas to be surveyed.

Still, the only way to determine if a trap-like formation actually contains gas and/or oil, is to drill a well. Most wells today are drilled by rotary rigs, which use hard-drill bits at the end of long chains of rotating pipe. While the basic principle is old, advances in technology have significantly improved the drilling process, including the monitoring of conditions inside the well and advances in horizontal drilling techniques. There have also been the technologies in offshore drilling, allowing for deeper wells and a greater number of wells per drilling platform.

Once a gas-bearing formation is located, it must be tested to see if it is viable for commercial production. How big is the field, and what is the most efficient production rate? Is there oil mixed with the gas, and if so, of what viscosity? Does the gas flow freely out of the well, or must it be pumped out? The answers to these questions help determine whether the field should be put into production.

Processing and Transmission

For gas to have commercial value, it must be transported from the production wellhead to the homes, businesses, and industrial plants where it will be burned. Nearly all of the natural gas produced in North America is transported by pipeline, and the gas must be processed to remove oil and other more valuable hydrocarbons, as well as diluents such as water and helium and contaminants such as hydrogen sulfide. From the wellhead, the gas is piped into a gathering system, which collects gas from many wells in a field and transports it to a central station. A typical large gathering system may involve thousands of miles of gathering lines connecting a hundred or more wells. Total U.S. gathering systems exceed 300,000 miles of pipeline, and there are more than 600 gas-processing plants in operation in the United States.

Once the gas has been gathered and processed, it is ready to be fed into the interstate gas transmission systems operated by the gas transmission companies. These pipelines are generally made of steel, with diameters ranging from 20 inches to 42 inches. The gas is moved through the pipeline at higher pressures, both to reduce the volume of the gas and to provide a pushing force to propel the gas through the pipe. In order to maintain the pressure in the line, compressor stations are inserted into the pipeline every 100 miles or so. As of 1998, there were 85 interstate pipeline companies in the United States, with more than 200,000 miles of pipeline; there were also more than 200 smaller intrastate pipeline systems. Many of the pipelines pass through hubs, the best-known of which is the Henry Hub in Louisiana. During the 1990s, the number of hubs expanded, as the hubs were transformed into “market centers” where gas could be sold, traded, and temporarily

stored. Today, there are 38 such market centers in operation in the United States and Canada.

Storage and Distribution

When natural gas reaches its destination from a pipeline, it is often stored before it is distributed to the end-user. Storage facilities allow the gas utilities to stockpile gas during warmer weather, in preparation for the surge in demand during the Winter. There are more than 400 underground storage sites in the United States and Canada. These storage sites are of three main types: depleted reservoirs in oil and/or gas fields, aquifers, and salt caverns. Each type of site has its own advantages and disadvantages, but all are able to retain injected gas, and allow that gas to be retrieved when needed.

The last phase of the natural gas system is the distribution of the gas to the end-user, be it a residence, a business, or an industrial facility. This gas is also delivered via pipeline networks, which run from the local gas companies to each customer.

In some cases, it is not feasible to move gas by pipeline. The cost of building a pipeline to move gas produced in Indonesia to market in Europe, for example, is prohibitive. In such cases, the gas is liquefied, which reduces its volume to about one-sixth of its gaseous state. This is expensive, since the temperature must be reduced to below the gas's boiling point of -259°F , and maintained at that level during transport, but the cost is more than offset by the lowered volume per unit of gas.

The Major Natural Gas Transmission Companies

In 1997, fourteen companies controlled more than 85% of the interstate natural gas transmission activity, according to the Energy Information Agency of the U.S. Department of Energy. These 14 companies were: Coastal Corp.; Columbia Energy Group; Consolidated Natural Gas; Duke Energy Corp.; El Paso Energy; Enron Corp.; KN Energy Corp.; MDU Resources Group; Northern States Power Co.; PG&E Corp.; Reliant Energy Corp.; Questar Corp.; Sonat Corp.; and the Williams Companies.

Since that time there has been a flurry of merger and acquisition activity in the sector: El Paso Energy bought Sonat, and is in the process of acquiring Coastal Corp.; Dominion Resources bought Consolidated Natural Gas; Duke Energy sold two of its pipeline systems to CMS Energy, which was then bought by NiSource; and Northern States Power and New Century Energy are merging to form Xcel Energy.

Below, we profile the larger of these interstate natural gas transporters.

Duke Energy Charlotte, North Carolina

Duke Energy assumed its current form with the 1997 acquisition by Carolina electric utility Duke Power of Houston-based PanEnergy. Duke Power traces its roots back to the 1899 founding of the Catawba Power Co., which by 1905 had become the Southern Power Co. In 1910, James "Buck" Duke, of the Duke family which formed American Tobacco Co., the W. Duke and Sons tobacco empire and Duke University, became president; in 1913, Duke formed the Southern Public Utility Co. to buy various regional gas, water, and electric utilities. In 1917, Duke established Wateree Electric, which was renamed Duke Power Co. in 1924; by 1935, Duke Power owned all the properties formerly held by Southern. When Buck Duke died in 1925, some 85% of the company's stock was owned by the Duke family, the Doris Duke Trust and Duke Endowment; the family's interest was reduced to 15% after the company was listed on the New York Stock Exchange. In 1997, Duke Power acquired PanEnergy of Houston, and changed its name to Duke Energy.

PanEnergy began in 1929 as Interstate Pipeline Co., which was renamed Panhandle Eastern Pipeline Co. in 1930; in 1931, it completed its first pipeline, which by 1939 ran from the Texas Panhandle to eastern Illinois. In 1951, the company began its second major pipeline system, the Trunkline Gas Co., linking the Gulf Coast to the company's eastern Illinois system. In 1959, Panhandle Eastern bought Anadarko Production Co., an oil and gas exploration firm, and by the end of 1969 the combined Panhandle-Trunkline system supplied natural gas to 12 states and Canada. The company changed its name to Panhandle Eastern Corp. in 1981, and spun off Anadarko in 1986. In 1989, the company bought another Houston-based pipeline company, Texas Eastern Corp., for \$3.2 billion. Texas Eastern was founded in 1947 to operate a pipeline from the Gulf Coast to the Eastern Seaboard.

Duke Energy's board includes, among others: chairman, president, and CEO Richard Priory; First Union director Robert J. Brown; Sprint Corp. chairman William T. Esrey, who is also a director of Exxon Mobil; retired American General insurance chairman Harold Hook, who is also a director of Chase Manhattan Corp.; and Duke Endowment trustee Russell M. Robinson, II.

El Paso Energy Houston, Texas

El Paso traces its roots to 1928, when Houston attorney Paul Kayser started the company as El Paso Natural Gas and obtained the rights to sell gas to El Paso, Texas. The company built a pipeline from gas fields in New Mexico to El Paso, then expanded those pipelines westward to Arizona and eventually

California. In 1983, El Paso Natural gas was bought by Burlington Northern, which spun it off into an independent company in 1992. In 1996, El Paso joined the ranks of the major natural gas transmission companies with the \$4 billion purchase of Houston-based Tenneco Energy, giving it the only coast-to-coast natural gas pipeline. In 1998, the company changed its name to El Paso Energy and moved its headquarters from El Paso to Houston. In 1999, El Paso bought Sonat Inc., the parent of Southern Natural Gas, creating, with 40,600 miles of pipeline, the largest natural gas pipeline system in North America. In January 2000, El Paso reached an agreement to buy Coastal Corp. for \$16 billion, giving it another 17,300 miles of pipeline. After the merger, El Paso Energy will transport more natural gas than any other company in the United States, will be the second-largest gatherer of natural gas in the country, and will be the third-largest U.S. producer of natural gas, after BP Amoco and Exxon Mobil. El Paso also has a merchant energy business, selling deregulated gas and electricity and energy derivatives.

Tenneco was founded as Tennessee Natural Gas in 1940, and grew into a conglomerate involved in auto parts, shipbuilding, farm machinery, packaging, life insurance, chemicals, minerals, real estate, and banking, in addition to petrochemicals. It was a significant member of the Houston establishment, by the mid-1980s sharing directors with the King Ranch, George Bush's Zapata Corp., investment bank Smith Barney Harris Upham, and with an international advisory board including Crédit Suisse chairman Ranier Gut, Volvo's Pehr Gyllenhammer, and Commander of the British Empire David W. Livingstone.

El Paso's board of directors includes, among others: William A. Wise, its president and chief executive officer, who also sits of the board of Battle Mountain Gold, a spin-off of the Bush-linked Pennzoil; former Sonat chairman Ronald L. Kuehn, Jr.; former U.S. Senator Malcolm Wallop (R-Wyo.); Vanderbilt University chancellor Joe B. Wyatt; retired Texas Commerce Bancshares chairman Ben Love, a director of Burlington Northern Santa Fe Corp.; Juan Carlos Braniff, the deputy chief executive officer of service banking at the Mexico City-based bank, Bancomer; and former University of Texas president and Tenneco director Peter Flawn. After the acquisition of Coastal is completed, the El Paso board will change, to consist of seven directors from El Paso and five from Coastal.

Coastal Corp. Houston, Texas

Coastal was formed as a small natural-gas gathering business in 1951 in Corpus Christi, Texas, by Oscar Wyatt, gathering and distributing gas from South Texas fields. In 1962, it bought Sinclair Oil's Corpus Christi refinery and pipeline

network, and provided gas to Texas cities and industries through its Lo-Vaca Gathering subsidiaries. During the rigged energy crisis of the early 1970s, Lo-Vaca was found to have hoarded gas and price-gouged its customers, and in 1977, regulators ordered it to refund \$1.6 billion to its customers. To finance the refund, Coastal spun off Lo-Vaca as Valero Energy. During the late 1960s and 1970s, Coastal made a series of small acquisitions, and in the mid-1980s launched a successful hostile takeover for American Natural Resources, whose ANR pipeline is the largest portion of Coastal's network today. In 1987, Coastal gave Libya an interest in its Hamburg, Germany refinery in exchange for a discount on Libyan oil, but in 1991 the U.S. government forbade American citizens from working for the venture. Wyatt also made a deal with Iraq, which was subsequently hurt by the sanctions against Iraq after its invasion of Kuwait. In 1993, Coastal completed the construction of the 156-mile Empire State Pipeline, which runs from Niagara Falls to Syracuse, New York, in which Coastal holds a 50% interest. Wyatt retired in 1997, turning the chairmanship over to David Arledge, the same year that a New York grand jury indicted a Coastal subsidiary and two employees on charges of overbilling the city by about \$1 million for heating oil. In 1997, Coastal also bought an 11% interest in the Alliance pipeline project, built to transport natural gas from western Canada to eastern Canada and the U.S. Midwest.

Coastal currently handles about 13% of all natural gas consumed in the United States, and owns the nation's second-largest natural gas storage capacity. It also sells gas on the unregulated market, mines coal in the eastern United States, and operates power plants in the United States, Bangladesh, China, the Dominican Republic, El Salvador, Nicaragua, Pakistan, and Panama.

Coastal's board includes: Oscar Wyatt; David Arledge; former Shearson Lehman Brothers director Jerome Katzin; Houston City Attorney Anthony Hall; Houston attorney Thomas R. McDade; and a number of company employees, including James Cordes, a director of bank holding company Comerica.

Enron Corp. Houston, Texas

Enron is best-known these days as the world's largest energy trader and a leader in the energy derivatives market, but it started life as a natural gas company. The modern Enron arose from the 1985 acquisition of Houston Natural Gas by InterNorth of Omaha. InterNorth began in 1930 as Northern Natural Gas, a Nebraska-based pipeline company. By 1950, it had doubled in size, and in 1960 it began processing and transporting natural gas liquids. In 1980, it changed its name to InterNorth, and three years later bought Belco Petroleum.

With four partners, it built the Northern Border Pipeline to connect Canadian gas fields with U.S. markets. Houston Natural Gas (HNG) began in 1925 as a South Texas gas distributor, and started developing oil and gas properties in the 1950s. In 1956, it bought the Houston Pipeline Co., and in 1963, bought Valley Gas production. HNG sold its original distribution properties to Entex in 1976. In 1984, in the process of fighting off a hostile takeover bid by Coastal, HNG brought in former Exxon executive Kenneth Lay as CEO; Lay refocused HNG on natural gas and acquired Transwestern Pipeline and Florida Gas Transmission.

In 1985, InterNorth bought Houston Natural Gas for \$2.4 billion, creating the then-largest gas pipeline network in the United States. Lay became the CEO of the company, which was renamed Enron, and soon thereafter the company relocated its headquarters from Omaha to Houston. In the early 1990s, Enron began its electricity-marketing business, and in 1997 bought its own electric utility, Portland General Electric of Oregon. In 1998, it bought interests in power plants near New York City from Cogen Technologies, and entered the international water business in 1998 with the purchase of Britain's Wessex Water; Wessex was folded into a new Enron subsidiary, Azurix, which the company took public in 1999. While the company is rapidly turning itself into a speculator in the energy business, it still owns 32,000 miles of natural gas pipelines.

Politically, Enron is closely connected to former President George H.W. Bush, and is the biggest contributor to Texas Governor and Republican Presidential candidate George W. Bush, having donated more than \$555,000 to his political career, and to the Morgan and Harriman interests which helped launch Bush's political career. Its board includes former British Secretary of State for Energy Lord Wakeham. The company also has ties to the oligarchic Schlumberger interests, which appear to play a key role in both the steering of energy deregulation in the United States and in the oligarchy's escalating physical-asset grab. The company has used its connections to the former Bush Administration in an unseemly manner to gain business worldwide, including a trip by former President Bush to Kuwait in 1993, accompanied by his sons Neil and Marvin, former White House Chief of Staff and Secretary of State James Baker III, and Gen. Thomas Kelley. Having kicked Iraq out of Kuwait, some have suggested, Bush arrived to collect his reward. Both Baker and Kelley, along with Bush Administration Secretary of Commerce Robert Mosbacher, took "consulting" jobs with Enron shortly after leaving office. Texan Mosbacher had been general counsel to the Bush/Quayle campaign in 1992, and later was the finance chairman of the Republican National Committee.

Baker was a power in his own right. His family law firm, Baker & Botts, had long been one of the most powerful institutional forces in Texas, representing the Harriman and Morgan interests, both of which were fronts for the British royal family and British financial interests.

Among today's Enron directors is John H. Duncan, a former director of the King Ranch, which had its own close ties to the British royal family, and which played a role in the political career of President Bush. John Duncan's brother Charles was Secretary of Energy in the Carter Administration. Charles Duncan was a liaison between Dominique Schlumberger de Menil and President Carter, who jointly formed the Carter-Menil Foundation and Center.

Enron's rise to power was also helped by Bush alumna and former Commodity Futures Trading Commission Chairman Wendy Gramm. Gramm, the wife of rabid de-regulator Sen. Phil Gramm (R-Tex.), paved the way for today's derivatives market during her stint at the CFTC, by administratively exempting many futures transactions from the legal requirement that they be traded only on organized exchanges. The ruling opened the door for the rapid spread of the over-the-counter (OTC) derivatives market. Wendy Gramm is now a director of Enron.

Williams Companies Tulsa, Oklahoma

Williams traces its beginnings to 1908, when brothers Miller and David Williams got into the construction business in Fort Smith, Arkansas; within a few years, the brothers were building cross-country oil and gas pipelines. In 1919, the company moved its headquarters to Tulsa, a regional oil center. In the 1970s, the company changed its name from Williams Brothers to the Williams Companies. In 1966, Williams bought the Great Lakes Pipeline Co., the nation's largest petroleum pipeline, for \$287 million, in the largest cash transaction to that date. In 1982, Williams purchased Northwest Energy Co. In 1992, the company built the Kern River Gas Transmission pipeline as a joint venture with Texaco, and in 1995 it purchased Transco Energy Co., acquiring Transcontinental Gas Pipeline and Texas Gas Transmission, making Williams the then-leading transporter of natural gas in the United States. Williams also got into the telecommunications business; in 1986, it began laying fiber-optic cables in decommissioned pipelines, laying the groundwork for Williams Telecommunications (WilTel), which became the nation's fourth-largest long-distance network. WilTel sold its fiber-optic network in 1995 to LDDS, which later changed its name to WorldCom. Williams also bought an interest in the Alliance pipeline. In 1998, Williams nearly doubled its size with the purchase of MAPCO, a diversified energy company.

The Williams board includes: chairman and CEO Keith E. Bailey; former J.C. Penney chairman William R. Howell, who is also a director of Exxon Mobil and Halliburton, and formerly Bankers Trust; retired Halliburton chairman Thomas Cruikshank, a director of Lehman Brothers; and former Newmont Mining chairman Gordon Parker.

Will Your Aunt Freeze in Her Rocking Chair This Winter?

by Mary Jane Freeman

As the United States enters the Winter months, government and energy officials still don't have a clue whether the necessary fuel supplies will be available to keep homes warm, industries running, or schools, hospitals, and basic public services operating. Whether your state primarily relies on oil, natural gas, or propane, doesn't matter, as the watchword is, "supplies are low." Various state and local initiatives have been launched in an effort to do something about this crisis, but all fall woefully short of what is required. The one exception to such piecemeal efforts is Boston City Councilman Chuck Turner's Resolution on Emergency Governmental Action To Reduce Oil and Natural Gas Prices, introduced into the Boston City Council on Nov. 1 (see *Documentation*).

Turner's action is the first to take up what *EIR* Founder Lyndon LaRouche called for on Sept. 19: emergency government-to-government action to bring oil-price inflation under control. It is only such a top-down approach which has a snowball's chance in Hell of securing adequate fuel for Americans this Winter.

Councilman Turner, in motivating his resolution, noted that these emergency actions were proposed by LaRouche, whom he characterized as being "very controversial" in the media. But, he said, the Council must look beyond the controversy to the content of the proposal. He said that LaRouche's proposal addresses why the price of oil and gas are up, despite the fact that the Organization of Petroleum Exporting Countries have increased production four times since April. Production exceeds consumption, he said, but the price continues to increase. He cited three reasons (all from LaRouche's analysis) for these increases: 1) the major oil company mergers, the costs of which have been passed on to the consumer; 2) the lack of refining capacity; and 3) speculation in the oil futures market, which he identified as a major factor. Finally, Turner stressed that people can't afford these increases.

Some Vulnerabilities

"Will your aunt freeze this Winter?" is not a far-fetched question, when you consider the following vulnerabilities the United States faces. Prices for home heating oil nation-

ally, are expected to be 30-60¢ per gallon higher this Winter than last, pushing the average price per gallon up to \$1.31. The Coalition of Northeastern Governors reports that the U.S. Department of Energy's (DOE) Energy Information Administration projects that a typical "Northeast residential heating oil customer will pay \$901 for fuel this Winter," an increase of almost \$135 over last Winter. Likewise, natural gas prices hit \$5 per gallon by early September—before Winter demands kicked in. Prices for propane (also known as liquefied petroleum gas, or LP) are rising. Propane, while used for only 3-4% of the country's energy needs (affecting 60 million people), has seen prices spike, as of September, by 58.31¢ per gallon on the spot market. In addition, propane inventories at the end of July 2000 were about 54.2 million barrels, "near the lower limit of the normal range," and "in the Midwest—where propane is used extensively to dry crops in the Fall and Winter—inventories lagged significantly below normal," the American Petroleum Institute (API) reports.

In the Northeast, as of mid-October, reserves of No. 2 heating oil stood at 3.1 million barrels, or less than 40% of the ten-year average of 8 million reserve barrels for the area at this time of year. Indeed, compared to last year's reserve (14 million barrels), which officials procured in the face of alleged Y2K shutdown scenarios, this year's level is a disaster waiting to happen. Factor in that the last four Winters have been warmer than normal, and energy officials expect this Winter to be at least 10°F colder than last, and the reserves are clearly insufficient. Seventy-five percent of the nation's heating oil is consumed by the states in the Northeast, and 90% of it comes directly from refineries, not inventory reserves. So this, too, increases the risk to supply delivery.

The primary reason for the reduction in reserve barrels is that "heating fuels markets have become commodity markets, with all the volatility (and risks) associated with them," according to the Coalition of Northeastern Governors' Regional Fuels Task Force's report, "Winter Fuels in the Northeast—Managing an Energy Market in Transition." What that really means is that "just-in-time" inventories, adopted to "reduce carrying costs and exposure to market price volatil-

ity,” guarantee that market players make the big bucks while the general welfare be damned (see *EIR*, Oct. 13, 2000, p. 8). One Northeast state energy official said that “unconfirmed rumors are flying” that, to make a killing this Winter, the major investment houses, such as Morgan Stanley Dean Witter, are booking barges so as to have absolute control over distribution, and/or are engaged in demurrage of tankers, i.e., filling them but keeping them at sea, or holding them empty.

Another serious vulnerability is the fact that the last new major refinery built in the United States was in 1976, and there are only 149 refineries, with a capacity of about 16 million barrels a day. This year, U.S. refineries have been running at about 96% capacity, turning out record amounts of gasoline and distillate fuels, according to the API. Normally, refineries reduce operations in September and October to conduct scheduled maintenance at a time that, typically, minimizes impact on supply. But this year, they have run at full tilt all year, increasing the likelihood of breakdown, or what is called an “unscheduled outage.”

With low inventories, high prices, and marketeers unwilling to bring in reserves, Americans are left very vulnerable this Winter. Add to that the near-term blowout of the financial markets and crash of the dollar, and a possible Middle East war, and it should be clear that the disruption of supplies will most likely occur. Any honest official, as Councilman Turner has, would see the urgent need for LaRouche’s top-down approach, which asserts the role of government to protect the general welfare as the only sane solution to this mess.

The ‘It’s Out of Our Control’ Syndrome

Most state energy officials in New England, having experienced significant price spikes and supply interruptions last Winter, and seeing little or no abatement in the price of oil, against which all other fuels are pegged, know that they have a ticking time bomb on their hands. Some have launched initiatives to manage the impossible, but even these efforts start from the premise that the free market is inviolable. As the Governors’ Winter Fuels report asserts, “The forces driving these dynamic markets are beyond the ability of any single entity to control. . . . While the Governors cannot directly influence global and national economic forces,” they will try to “mitigate the impact of heating fuel price and supply swings on consumers.” Or, as one New York State energy official told this researcher, “other than emergency measures, the state is not able to dictate to private providers requirements vis-à-vis obtaining and maintaining fuel oil supplies.”

Two examples of such initiatives illustrate the point. In February-March 2000, in reaction to the combined increase in demand in January, coupled with the New York spot market prices starting to soar, the Northeast Governors and President Clinton worked to create a Northeast distillate reserve. In July, the DOE submitted a plan to Congress for this reserve, and it was adopted. As of August, a 2 million-barrel Regional

Heating Oil Reserve was set up in the Northeast, providing a 7-10 day supply. The reserves will be stored by three suppliers, in the New York harbor and the New Haven, Connecticut area. But, as another Northeastern state energy official stated, not only is the location problematic for his state, but the release of these reserves will occur only “under fairly extreme” conditions.

Massachusetts energy officials have initiated what they call an “unprecedented” temporary emergency legislative action, because they expect a “most difficult Winter,” largely due to “the extraordinarily low inventories, higher prices, volatility of fuel prices, world events, and the weather.” If passed by the legislature, it would create a \$5 million program to increase the amount of heating oil store, which would offer incentives to wholesale and retail oil distributors who store 10,000 or more barrels of No. 2 heating oil in the state. The legislation is pending in the Ways and Means committees of the two chambers.

The gist of the program is that the state would cover 50% of the “carrying costs” of distributors who have won a bid to be in the program, for oil stored between Dec. 1 and Jan. 15 which they were unable to sell. (There is a complex formula still being worked out.) In the event the distributors sell that stored oil at a considerable profit during that time period, then the state is awarded some percentage of the profits. Bids will be taken from distributors in four regions across the state, so as to ensure statewide distribution based on population needs. Massachusetts Division of Energy Resources Commissioner David O’Connor said that this “unprecedented” action is required because the state faces “unprecedented conditions.” He was quick to add that, by this legislation, “the state is not dictating to the market, but rather creating an incentive which will let the market work, but at the same time protect our citizens.” The legislation also provides incentives for refurbishing home heating systems, sets up a state reserve for government use, and provides additional subsidies for low-income families to cover their energy bills.

Around the Nation

Every state energy official interviewed recognizes that if the unexpected happens, “We’re going to have problems.” Here’s the picture around the nation.

- In New Hampshire, the state ran a very successful Summer “pre-buy” program for consumers, to lock in a lower oil price than those expected this Winter. A spokesman was asked, Do your wholesalers have the inventory? The answer was, “We are advised that business practices are that no one goes out and buys wet barrels, but rather they operate on a just-in-time inventory. This is in part due to the futures markets which are in ‘backwardation’ [prices are lower on the futures market] instead of in ‘contango’ [prices are higher on futures market].”

- In Maine, home heating oil is already 50¢ higher from one year ago. Officials there say, as one put it, that “there is

not a supply crisis, but rather a serious issue of how households can pay.”

- In Connecticut, expected price spikes due to the “very volatile spot market” are the main concern. Asked if there are adequate inventories of No. 2 heating oil in the state, the reply was, “I doubt it, but there is nothing we can do about that. Because of the backwardation in the market pricing, suppliers are holding off getting the inventory. So, we do have a hand-to-mouth situation, as we have had for the last few Winters.”

- In New Jersey, a 16% price increase for natural gas compared to last Winter has necessitated the public utilities board to approve rate increases for four natural gas companies which service the state. As of Dec. 1, the companies will be allowed to adjust their customer billings “upwards or downwards by 2% each month to reflect market conditions.” Some 40% of the state uses natural gas. Asked about the remaining 60%, most of whom use oil, an energy official said, “It’s strictly up to the free market.”

- In Washington, D.C., Maryland, and Northern Virginia, the largest natural gas provider, Washington Gas, says that customers should expect a 27% increase in their November-April bills.

- In Virginia, Quarles Co., a Fredericksburg-based liquid propane supplier, is informing some customers that they will not be sold gas this Winter, at any price! Clients who have customarily used little during Winter months (for example, a household which uses LP as backup for electrical heating), are being told that they cannot have any this year. (Nor can such a customer go to another supplier, because the latter will not fill a Quarles tank.) Quarles is also refusing to resupply any household with an unpaid balance from last year, when the price went up. Many households where retirees live on a fixed income now face Winter with *no heat*.

- In Michigan, residential heating oil is already at \$1.32 per gallon, up from last Winter’s high of \$1.21. Propane users—6% of residential users (207,000 homes), 32% industrial, and 10% commercial—can expect big increases. Residential propane is at \$1.18 per gallon, up from 88¢ in October 1999, and supplies are low.

- In Iowa, the Des Moines school district was notified by its natural gas supplier to expect a 48% price increase this Winter. The state’s plan for affording to heat the schools is to cut out new book purchases, training programs, field trips, and band equipment. The hospitals have no statewide purchase program, and so, one by one, they negotiate the best price possible. Many locked in as of July (already at a higher price) for this Winter’s fuel. Otherwise, state officials hope to handle increased energy costs by relying on the added sales tax revenue which will result from higher fuel bills.

The unexpected *will* happen. Therefore, taking up the Franklin Roosevelt-type approach LaRouche has proposed is the only survival kit to ensure our country does not shut down this Winter.

Documentation

Emergency Resolution To Reduce Oil Prices

The following “Resolution on Emergency Governmental Action to Reduce Oil and Natural Gas Prices,” was offered by Boston City Councillor Chuck Turner on Nov. 1.

Whereas: The price of oil has more than tripled since January of 1999, to over \$35 per barrel, and threatens to go even higher over the coming weeks and months; and

Whereas: Worldwide oil prices continue to rise despite increased production by OPEC [Organization of Petroleum Exporting Countries] nations, and release of the U.S. Strategic Petroleum Reserve; and

Whereas: The citizens of Boston, Massachusetts, and the New England states in particular, will face danger from increased fire hazards, as well as severe and potentially deadly economic hardship this winter, due to increases in prices for home heating fuels; and

Whereas: The petroleum price crisis is presently but one leading economic consequence of a general hyperinflation in financial asset-prices, now being expressed at increasing rates as a hyperinflation in commodity prices, following a trend similar to that suffered by Weimar Germany during 1923; and

Whereas: The increasingly desperate effort to secure inflows of financial assets into the U.S. dollar sector, by means of various forms of speculative activity, seizes upon several combined factors, to increase asset-price accumulations from hyperinflationary trends in the delivery prices of petroleum products; and

Whereas: These factors include recent increased concentration of ownership of major oil companies through mergers and acquisitions, the increased role of the spot market in petroleum deliveries, the significance of denomination of delivery in U.S. dollars, most especially the intensity of speculative dealings in the form of financial derivatives in this area, which threaten to bring the per-barrel price of petroleum to between \$40 and \$50 soon, and not much later, much higher; and

Whereas: Only drastic measures taken in concert between sovereign national governments can bring the petroleum-price crisis under control; and

Whereas: Appropriate action led by the U.S. government must aim at immediate emergency cooperation among the governments of principal petroleum-exporting and principal petroleum-consuming nations; and

Whereas: The actions of legislative groupings, i.e., town and city councils, state legislatures, and Federal elected repre-

sentatives must uphold the oath of office to defend and secure the General Welfare of all citizens; and

Whereas: The following actions proposed by economist Lyndon LaRouche to deal with that emergency situation contribute an important, and decisive step in the direction of moving the government of these United States to act in concert with other nations to solve the more general problem of the world's financial and monetary systems;

Therefore Be It Resolved: That the City Council of Boston urges the President of the United States, the U.S. Senate, and the House of Representatives to take emergency action to reduce oil and natural gas prices, including the following measures:

A. Declare a general strategic emergency in the matter of stability of flows and prices of essential energy-supplies of national economies;

B. Establish contracts, directly between the U.S. government and the governments of petroleum-exporting nations, of not less than twelve months government-scheduled deliveries of petroleum;

C. Define reasonable prices for these contracts;

D. On the grounds of a global emergency in petroleum prices and supplies, set priorities on processing of such contracted petroleum flows through relevant refiners to priority categories of consumers in the United States, causing other stocks to be shunted to one side in the degree that these priority deliveries must be processed first;

E. Urge governments of other oil-consuming nations to take these same actions, in the context of this global emergency;

F. Investigate petroleum market manipulation, through financial derivatives speculation or other unfair speculative practices, and probe allegations that some portion of the U.S. Strategic Petroleum Reserve recently released for the benefit of citizens of the Northeastern United States, are in fact being exported overseas for profit by U.S. refineries;

Be It Further Resolved: That the City Council of Boston urges the Government of the Commonwealth of Massachusetts, the Massachusetts General Court, and other state and local governments of the United States to support these emergency actions in the vital interest of the General Welfare of its citizens.

**Check Out
This Website:**

www.larouchespeaks.com

Why Tony Blair's Britain Is 'All Wet'

by Mark Burdman

In our Oct. 13 issue, *EIR* published an article entitled "Britain's Blair Has That Sinking Feeling." The article highlighted the fact, that all the late-September British press were running photos of the beleaguered British Prime Minister Tony Blair soaked in sweat, as he made his keynote address before the annual Labour Party conference. It concluded with the advice, that given the further trouble he was soon to find himself in, Blair "should make a special appointment with his dry cleaners."

This author didn't know how prophetic those words would be. Less than six weeks later, the British print and electronic media of the weekend of Nov. 4-5, were featuring pictures of Blair wading knee-deep through water, visiting areas in Britain that had been hit by the worst floods in decades. The city of York, in northern England, was experiencing its most massive flood in 375 years.

Even though it was certainly the case that Britain, as well as France and other European countries, was hit by terrible storms in early November, the vast flooding in the U.K. only further conveyed to growing numbers of people in Britain, that the current government is itself a disaster. The flooding—which affected more than 20 rivers, caused more than \$2 billion in damages, and produced other terrible consequences—occurred after several other debacles had already hit Britain, including the British railways crisis (as we reported last week) and the September national protests against the high prices of fuel.

Blair and his entourage became so agitated about the situation, that he indefinitely postponed a scheduled Nov. 4-5 trip to Moscow, where he had hoped to wheel and deal with Russian President Vladimir Putin, at a key strategic moment, when the United States was distracted by its bizarre Presidential campaign. Blair was nervous, that if he went to Moscow, he could be caught in the act, being "wet" in a different sense: As one British commentator put it, he couldn't be photographed drinking champagne with Putin, while people back in Britain were slogging through water.

Blair and his team frantically sought to come up with an additional explanation for the horrid flooding—beyond the weather only—claiming that the calamity is proof of the consequences of alleged "global warming," and the "dangerous effects of mankind's influence on the environment." This is part and parcel of Blair's late-October/early-November speeches espousing "green" causes.

The Blairites were abetted in this fraudulent effort by the royal air-head, Prince Charles, who told a British Medical Association conference on Nov. 6, that the flooding revealed “mankind’s arrogant disregard of the delicate balance of nature,” especially as “advances in technology” threatened to “become the agents of our own destruction.” Charles was, the next day, bitterly attacked by leading British scientists, for himself showing “arrogance and ignorance.”

Gigantic Drop in Infrastructure Spending

The Nov. 5 *Sunday Times* let the cat out of the bag, about what is *really* going on in Queen Elizabeth II’s United Kingdom.

The paper wrote that two years ago, i.e., well after Blair had been elected Prime Minister, the British Environment Agency “gave a clear warning to ministers, that lack of spending on infrastructure would mean more flooding. Defenses [against flooding] were underfunded by £40 million a year — a relatively modest sum.” The then-director of water management for the agency, Geoff Mance, warned that “the consequence of this will be progressively increasing the risk of failure of defenses”; his report recommended a national strategy to prevent disaster. But, the *Sunday Times* commented, “nothing happened.”

Much worse, is what has happened to national investment in vital infrastructure as a whole. The *Sunday Times* reported that, in the 1960s, the British government was spending the equivalent of £30 billion a year on “public investment,” but by the late 1980s, after a decade of rule by Margaret Thatcher, spending “had dropped to less than £5 billion annually.” For a while in the 1990s, the figure went back up again, but by 1999, after two years of Blair’s Thatcher-look-alike “New Labour” government, capital spending was back down to the miserable £5 billion level.

Britain Is Like a ‘Banana Republic’

Reflecting a view widespread throughout the United Kingdom, and one endorsed by influential Britons with whom *EIR* has spoken, the Nov. 5 *Sunday Times* lead editorial was entitled, “A State of Utter Chaos.” The paper asserted that “a Third World visitor arriving in Britain this weekend would feel entirely at home.” Putting aside for the moment this somewhat condescending blanket characterization of the developing world, we report the uncontested points that immediately followed:

“The trains are barely running thanks to a chaotic system and years of under-investment, the army is on the streets to fend off natural disasters, motorists fearful of fuel shortages are forming queues outside petrol stations, and the prime minister has postponed an overseas trip while his government is in emergency session. The health minister has admitted that a crisis in hospitals this Winter is inevitable. . . .

“Digby Jones of the Confederation of British Industry says the state of the country resembles a ‘banana republic.’ That may be a little hard on tropical economies, but there is no

doubting that Britain’s reputation has taken a blow in recent months as we have floundered from one catastrophe to another. Public confidence in the government’s ability to manage crises has been eroded.”

In a sign of a changing paradigm among leading circles in Britain, the paper, which more often than not is on the “liberal free market” side of things, argued that the fundamental problem afflicting “Britain’s crumbling infrastructure and poor services,” is not a lack of money as such, but “a chronic aversion to strategic planning.” It blasted the Blair regime, for insisting on progressively privatizing the “essential service” of air traffic control, rather than “expanding our airports to meet the inevitable increase in traffic.” At the same time, it said, the failure to improve “our rail links with France has been a national disgrace.”

British Rail Disaster Has Come to Germany

by Rainer Apel

When, on June 3, 1998, one of Germany’s modern high-speed, Inter-City Express (ICE) trains crashed at Eschede, in an accident unprecedented for the entire century, which killed 101 passengers, people were suddenly raising questions as to the real situation in the nation’s rail sector.

The Eschede disaster occurred, because a broken steel wheel of a rail car got stuck in an outmoded rail switch. The wheel broke because of bad maintenance; the old switch was there because the state-owned Deutsche Bundesbahn (DB) railway company never built the modern track which the ICE requires, for speeds of up to 280 kilometers per hour. Instead, the track at Eschede was used by trains of all categories, old and new. This is the situation in many parts of Germany, and it is so because of disinvestment.

Many experts have known about this disinvestment, but the exact figures were not made available, because the Bundesbahn’s management did not want a public debate on that, as it would have jeopardized plans to privatize the rail company by 2005 at the latest. Instead, DB’s managers have, since the start of the “railway reform” in 1994 that was to prepare the way for privatization, put the emphasis on glamorous aspects of that reform, such as new, futuristic railway central stations, or stylized locomotives and rail cars of the latest ICE. The disaster at Eschede destroyed that glamor, and there would have been a broad public debate, had the government not suppressed it with unkept promises about “improvements,” while it held onto its plan to privatize Deutsche Bundesbahn.

But, two years of suppressed debate came to an abrupt

end on Nov. 5, when railway management made public that, instead of its projected net profit of 1.4 billion deutschemarks (under \$1 billion) for this year, it will report a net loss of DM 1.5 billion. Moreover, chief executive Hartmut Mehdorn announced a budget deficit of up to DM 17 billion over the next four years. He said that the shortfall was due to miscalculation at DB dating from December 1999, before he took over the top management post, and he blamed the government, because it never paid the DM 10 billion annually it had promised the firm in 1994. Therefore, the rail sector is out close to DM 20 billion, over the past six years.

Mehdorn revealed some of the past 30 years' secrets. He may be trying to save his own neck, but the figures, presented for the first time by a railway executive, are sound: Germany's rail grid is basically what it was in 1860, after the completion of the first phase of railroad development. A mere 1,000 km

'Now, Are You Ready To Learn Economics?'

EIR released a new book of economic writings by Lyndon H. LaRouche, Jr. on Nov. 7. The 250-page book, entitled *Now, Are You Ready to Learn Economics?*, is a polemical follow-up to LaRouche's 1984 economics text, *So, You Wish to Learn All About Economics?* As the backflap copy points out, it's obvious that Americans didn't want to learn over the past 16 years. Now that the world financial system and economy are disintegrating, the AIDS pandemic is striking Black Death proportions, and wars are spreading, perhaps people are ready to master LaRouche's method.

The book contains three recent writings by LaRouche, previously published in *EIR*, all of which have direct application to what nations and peoples must do *after* the crash of the financial system. They are: 1) "People First!" (October 1998), 2) "On a Basket of Hard Commodities: Trade Without Currency" (July 2000), and 3) "New Accounting Standards Are Imperative: The Becoming Death of Systems Analysis" (March 2000). Also included is a selection of charts documenting "The Collapse of the U.S. Economy Over the Last 30 Years."

In addition, the book contains a 24-page section of charts, demonstrating the collapse of the physical economy, as well as an appendix on the Ad Hoc Committee for LaRouche's New Bretton Woods, with a sampling of prominent international signatories.

The book may be ordered for \$10, plus shipping and handling, under order number EIRBK 2000-2.

of new track has been added since World War II. Of the 800 railway bridges, more than half are more than 75 years old; of the 700 tunnels, 40% are more than 100 years old. Locomotives have an average age of 25 years; rail cars, 40 years. "Maintenance and repair expenses exceed what we earn from using the old rolling stock and infrastructure," Mehdorn said. "We're repairing ourselves to death."

Mehdorn spoke vaguely of "many more billions" needed to modernize the outmoded German rail system. Independent experts, such as those of "Pro Rail," a private association of rail users, estimate the need for basic rail investments at DM 200 billion.

The figure resembles those being debated in England, where 20-25 years of privatization-linked looting and disinvestment have forced the railway supervisory board to shut down a good deal of Britain's rail system, as safety is no longer guaranteed. Several deadly train accidents in Britain have sparked a broad public debate there, about the need to re-nationalize the rail system; the privatization of the early 1990s split it up into more than a hundred private companies that maintain just their section of public transport. Minimal investment and maintenance standards that are still in force on the European continent, and used to be enforced when it was the state-owned British Rail, have been ignored. Some of the private rail companies, whose shares are the most heavily advertised on the stock exchange and which promise the biggest gains for share-holders, rank worst for quality of service—such as Virgin Trains. In less than ten years of privatization, Britain's rail sector no longer works. All of those facts are evident, not just to Britons, but also to continental Europeans.

More of the Same Poison

It is all the more absurd, that DB's management and the government are stubbornly insisting on their budget-cutting policy: Mehdorn's main recommendation, is that more cuts will have to be imposed—in manpower, services, and purchases of new rolling stock. Mehdorn also called for selling off 25% of Deutsche Bundesbahn to "wealthy foreign railway companies." The American, Canadian, and Japanese rail firms which were mentioned, however, all have big debt problems of their own: East Japan Railway Co. has a debt ratio of 88%; Amtrak and Union Pacific are deeply in the red; and Canada's Rail America recently had to sell parts of its property on an emergency basis, to meet acute payments problems.

The German government, which fortunately seems aware of the problems with the allegedly "wealthy" foreigners, has rejected the sale option, at least for the time being. But it has also made clear that it will not authorize extra funds for the rail sector, which, it says, "has to help itself out of this mess." The government's only concession, is to postpone the planned full privatization of German Rail beyond 2005. Whether Germany's rail sector will survive four more years, however, is more uncertain than ever before.

Argentine Debt Crisis Unnerves Wall Street

by Gonzalo Huertas and Cynthia Rush

During the third week of October, panic erupted on Wall Street, in the City of London, and in various other international financial centers, as word spread that Argentina could default on its \$150 billion in foreign debt. In the midst of a worsening economic recession, an internal political crisis, and ballooning current-account and fiscal deficits, Argentina has virtually been shut out of foreign borrowing markets, yet must somehow raise at least \$19 billion to meet next year's financing needs, not including private-sector debt.

Foreign investors are unloading Argentine debt paper—fast. To sell \$1.1 billion in Treasury notes on the domestic market on Nov. 7, the government had to pay a 16% yield, or double the 8.89% it paid last July. The credit rating agency Standard & Poor's recently announced that it is placing the country's sovereign debt on a "credit watch, with negative implications," for six months.

On Oct. 25, Argentina's debt paper crashed in New York, with sovereign bonds losing 1.3% of their value on a daily basis. Despite a package of economic measures to encourage foreign investment, announced by Finance Minister José Luis Machinea on Oct. 23, the Buenos Aires stock market (Merval) dropped 4.3%, while the most liquid of Argentine stocks fell 7% on the same day. The country's risk assessment shot up immediately.

Rumors were flying that U.S. Treasury Secretary Larry Summers was putting together a bailout package for the country. Summers denied this, and babbled that the decade of free-market "reforms" applied by the previous government of former President Carlos Menem, would stand it in good stead in the current situation. The Alianza government of President Fernando de la Rúa also denied that it was seeking a Treasury bailout, but did admit that it is talking to the International Monetary Fund (IMF) about a \$7.2 billion "contingency credit line" on which it could draw immediately.

In the midst of this upheaval, word began to circulate in Buenos Aires that global speculator George Soros's friend Domingo Cavallo, who as Finance Minister (1991-96) imposed the currency-board system known as "convertibility," might be welcomed into the government to replace Machinea. Cavallo is not only committed to vicious austerity, but would likely opt for total dollarization of the economy.

De la Rúa's government, which took office in December

1999, has been loudly proclaiming that everything is under control. Finance Minister Machinea sent Finance Secretary Daniel Marx, who was attending the G-20 meeting in Montreal, to the United States on Oct. 27 to "reassure" investors that all was well. After groveling before the Inter-American Dialogue, a bankers' think-tank, in Washington, he flew to New York to do the same at the Council of the Americas.

Nothing Left To Loot

The reality is that Argentina, Ibero-America's biggest borrower, is barely holding together. The IMF austerity prescriptions imposed over the last decade have decimated the real economy and living standards, and laid the basis for social upheaval. The financial vultures of Wall Street and London are having nightmares over what an Argentine default would mean for the rest of the continent. The decline of the Brazilian currency, the real, in recent weeks, has been attributed, in part, to Argentina's crisis.

Even so, Wall Street is insanely demanding that the de la Rúa government show its "creditworthiness" by implementing even more ruthlessly the IMF dictates put through by Menem and his sidekick, Cavallo. As a J.P. Morgan analyst put it, Argentina will impose more austerity "no matter who the finance minister is . . . even if it's Elvis Presley." A desperate de la Rúa, who came into office claiming to represent more "human" economic policies, agrees. In a late-September cabinet meeting, de la Rúa announced full backing for the 2001 budget, largely crafted by Machinea, which, aside from other draconian austerity measures, includes specific IMF demands for punctual payment of foreign debt service, and keeping the fiscal deficit to \$4.1 billion, by cutting public expenditures and downsizing the federal government and the Armed Forces.

De la Rúa's backing for the budget—Machinea had just returned from the IMF meeting in Prague where he consulted with Fund officials—predictably unleashed a political crisis. Discovering that his Ministry would disappear next year, Infrastructure Minister Nicolás Gallo resigned, as did the Education Minister and the Chief of Cabinet. De la Rúa then fired the Justice and Labor Ministers.

Most significant was the resignation of Vice President Carlos "Chacho" Alvarez. President of the Frepaso coalition which, together with the Radical Civic Union, makes up the governing Alianza coalition, Alvarez is an agent of Fidel Castro's São Paulo Forum. Unable to stay in the government and maintain his image as a defender of "social justice," Alvarez walked out of the government for one purpose only: to pick up the pieces from the worsening political and economic crisis, and to organize jacobin hordes against the institutions of the nation-state, just as the São Paulo Forum is doing continent-wide. There are plenty of poor Argentines enraged at what the IMF has done to them, ready to be mobilized. Alvarez has already announced he intends to form a new political movement for this purpose.

Business Briefs

The Czech Republic

Havel Vetoes Changes in National Bank Law

Czech President Vaclav Havel vetoed changes in the National Bank law on Oct. 30, at the "request" of the International Monetary Fund. Havel said that the legislation would infringe on the independence of the National Bank. National bank Gov. Michael Tosovski resigned, to work in an investment fund.

The dispute is apparently among free traders on how to go about changing the Czech national bank. The bill proposing the change had been introduced by free-trade proponent, former Prime Minister Vaclav Klaus, who is blaming the National Bank, as the Nov. 1 *Wall Street Journal-Europe* wrote, for "nearly all of the country's economic problems in recent years, including the collapse of the Czech koruna in 1997." The new law was intended to harmonize the Czech National Bank with the Euroland central bank rules, but it placed the bank's budget under the control of Parliament, limited bank salaries, and required greater consultation with the government before making any policy changes.

The resignation of National Bank Governor Tosovski created conditions, together with Havel's veto of Klaus's bill, under which Havel will name the new National Bank governor according to the old law, i.e., without government input. The Parliament is expected to override Havel's veto in the coming months. The new National Bank director, whom Havel will name before Dec. 1, "will be in office for many years," Klaus complained.

Southeast Asia

Harness the Mekong, Says Cambodia's Hun Sen

There must be urgent action to harness the Mekong River and turn its region into an "oasis of prosperity," Cambodian Prime Minister Hun Sen said on Nov. 1, at an international conference on developing the Mekong region organized by the Cambodian Institute

for Cooperation and Peace. "At present, the Mekong River is faced with an impending danger," he warned, the *South China Morning Post* reported. Some 240 million people, in six nations, live along the river.

In July, the Mekong was hit by the worst floods in 70 years, which killed hundreds of people and made millions homeless, and destroyed agriculture, fisheries, and property in Vietnam and Cambodia.

Hun Sen said that the silting up of the river, the weakness of its banks, and changes in the current are key problems. Fisheries have been lost, transportation hindered, inhabitable land has been lost, and flooding increased. "These issues need our urgent attention and require us to put in place immediately a plan to ensure the sustainability of our Mekong," he said. "The management of water and other natural resources of the Mekong, including fisheries, are of high-priority for all countries."

The region has great potential for fisheries, agriculture, forestry, and tourism, the Prime Minister said, but it has been held back by internal conflicts. All the nations along it are fully qualified to turn the greater Mekong region, which is "stricken by internal conflicts and poverty, into an oasis of cooperation and prosperity."

Its backwardness offers "great potential" for economic growth and development, as the gateway linking Southeast Asia to China, Hun Sen said. If the Mekong nations could get adequate capital and make wise investments, it could generate rapid, sustainable growth.

Banking

Germany Should Restore Ties to Industry

Germany should minimize the damage from the coming U.S. "crash landing" by reintroducing its traditional banking system, states the German daily *Financial Times Deutschland*, in its lead financial editorial on Nov. 1. Headlined "Before the Herd Plunges into the Abyss," the editorial is accompanied by a cartoon showing a flock of sheep running toward the edge of a cliff, while leaders of the flock are already falling.

The editorial quotes from a recent study

by U.S. economist Avinash D. Persaud, "Sending the Herd off the Cliff: The Disturbing Interaction Between Herding and Market-Sensitive Risk Management Practices," which argues that the global financial system has somehow become much more vulnerable to major crises, including Mexico 1994-95, Asia 1997-98, Russia 1998, Long Term Capital Management 1998, and Brazil 1998-99, because markets are now behaving like sheep due to increased deregulation, transparency, and liquidity.

The editorial notes that the next major crisis is soon to come, as the "soft landing" of the U.S. economy might end up in a "crash landing." In this situation, it states, Germany should protect its economy from the spill-over effects of a "global financial crisis" by going back to its traditional banking system, based on close ties between industrial producers and their respective partner bank, the so-called "*Hausbank*," even if this seems to contradict the present paradigm of "market efficiency."

The recent warning by the German machine-builders' association, VDMA, on the credit crunch in the industrial *Mittelstand* (small and medium-sized industry) should be taken seriously, it says. "The German government is also well advised to protect its public banking sector, the saving and loans, and the *Landesbanken* against the attacks from [the European Union bureaucracy in] Brussels."

Energy

Nuclear Has a Future in Asia, Says Thai Official

Nuclear power has a future in Asia, said Mannon Aramrattana, Deputy Secretary General of Thailand's Office of Atomic Energy for Peace, at a press conference in Bangkok on Oct. 31. Thailand will host the first forum for nuclear cooperation in Asia in November, titled "The Future of Nuclear Energy and Its Safety in Asia," to promote international cooperation in the development of safe nuclear application, China's Xinhua news agency reported.

"Nuclear power certainly has a future in Asia because Asia is developing and requires enormous amount of energy for develop-

ment," stated Aramrattana. He said that nuclear power is essential not only to Asia, but also to the future development of energy, because production of electricity by using nuclear power is the cleanest process people can find at the moment.

Itthi Bijatendratodhin, Thai Deputy Permanent Secretary of Science, Technology, and Environment, said that international cooperation is the key mechanism for development of safe nuclear application.

The objectives of the Bangkok forum are to promote nuclear cooperative activities among member countries, both power and non-power applications of atomic energy, and to enhance public awareness on the role, contribution, and safety measures of nuclear energy benefiting national development.

The forum will focus on the importance of nuclear energy for solving global issues of economic growth, security of resources, energy, and food, and preservation of the global environment. Ministers of science and technology from Australia, China, Indonesia, Japan, South Korea, Malaysia, the Philippines, and Thailand will attend the meeting. Vietnam was also invited. Only China, Japan, and South Korea have nuclear power plants, but Vietnam is planning to build one.

Education

Nigerian Youth Promote Science, Literacy

"In line with the belief that the emancipation and eventual development of the African continent is hinged on science and technology, the Ibo Youth Movement (IYM) has initiated the IYM Science and Technology Club," the Lagos *Post Express* reported on Oct. 30.

The IYM Science and Technology Club, which has stages of membership, is open to all secondary school students in all the south-east states and the Ibo-speaking parts of Delta and Rivers states. As part of the new club, a prize test will be held in December 2000.

In a statement, a club spokesman said that students will sit for aptitude tests in physics, mathematics, and chemistry, and cash prizes will be awarded the ten best over-

all students in each of the three subjects. The three winners of the test will win scholarships. Seven-time winners, dubbed "Redeemers of Tomorrow," will be induced into the Club's Hall of Fame.

The IYM believes that the improvements won during the 1940s to the 1960s can be replicated within the next 20 years if all well-meaning citizens of the region contribute positively toward reversing not only the falling standard, but also the alarming lack of interest in formal education.

Economic Policy

New Asian Magazine Covers 'New Silk Road'

The first issue of *Heartland*, a new Asian geopolitical magazine, is dedicated to "The New Silk Road," the Italian daily *La Repubblica* reported on Oct. 27. A sister publication to the Italian *Limes*, *Heartland* is published by a joint venture of the Espresso group and the New York-based Cassan group. The magazine was released during the recent visit of European Union Commission President Romano Prodi and of France's President Jacques Chirac to China. It claims to favor "geopolitical dialogue," in contrast with Harvard Prof. Samuel Huntington's "clash of civilizations" thesis.

The first issue contains articles by authors from India, China, Japan, Russia, France, Australia, Singapore, and Italy. It includes an interview with Chinese Prime Minister Zhu Rongji, and an article by Romano Prodi, entitled "The New Silk Road Between Asia and Europe."

Prodi praises the expansion of trade between Asia and Europe, and calls for accepting China's growth toward becoming "a great power," instead of "trying to build a network of global and local alliances around Beijing." However, Prodi does not mention infrastructure once, suggests a larger role for the UN and the World Trade Organization, welcomes the idea that "direct investments" have replaced "traditional trade relations," says that the problems that arose after the Autumn 1997 crisis in the Far East are not of "a structural character," and calls for "the necessity of economic and financial reforms."

JAPAN'S unemployment rate rose to 4.7% in September, up 0.1% from a month earlier. "The situation is still severe, especially among smaller firms," said an official at the Management and Coordination Agency. The agency said that 800,000 individuals had been out of work for more than one year as of August, up 90,000 from a year earlier.

THE ROAD linking Kazakstan and Kyrgyzstan is to be rehabilitated, with aid of a \$70 million loan from the Asian Development Bank, which was approved on Oct. 30. The project will repair 204 kilometers of the road in Kazakstan and 41 km in Kyrgyzstan.

BRITISH 18- to 24-year-olds are the "dumber" generation, the London *Guardian* reported, based on a recent study. Some 93% of those questioned did not know that John Milton wrote *Paradise Lost*, and less than one-third could name Winston Churchill as Britain's war-time leader. Culture Secretary Chris Smith said, "I fear it may represent a slipping of knowledge. . . . The fundamentals of what I would call cultural literacy are sadly missing for too many of them."

AUSTRIA'S Bank Burgenland, the state bank of the state of Burgenland, has been saved from insolvency by a state guarantee and by additional capital put up by Bank Austria, the biggest bank of Austria. Along with Trigon Bank and WPM Bank, it is the third Austrian bank to be in trouble within two months. Until recently, Austria had only two bank insolvencies in 50 years.

MOZAMBIQUE is still suffering from the massive floods, former Mozambican First Lady Grace Machel said on Nov. 3. Many displaced families are without shelter, and many more are living under sheets of plastic. International donors pledged more than \$450 million to rebuild after the floods, but less than one-third of that amount ever made it into the country, she said.

Politics as Art

by Lyndon H. LaRouche, Jr.

November 6, 2000

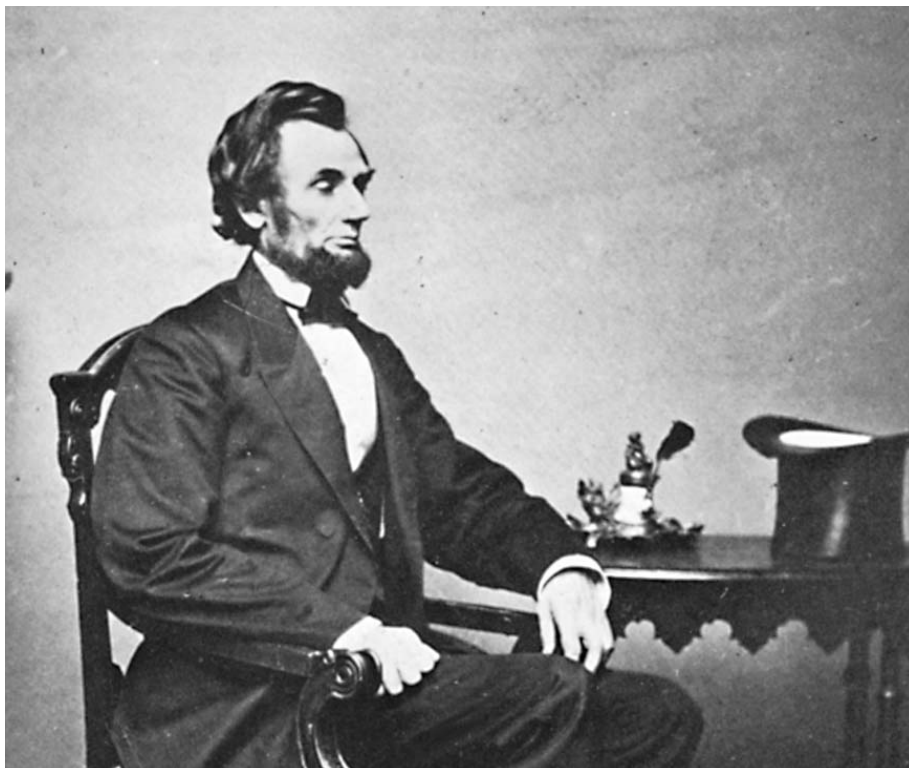
Some winced or giggled, when the amiable and gifted Senator Eugene McCarthy conducted political campaigning as poetry-reading sessions. I laugh happily at what he did. Senator McCarthy's critics did not remember, as I do, that President Lincoln had won a terrible, justified, and absolutely necessary war on behalf of all humanity, by aid of lessons adduced from Shakespeare, which he had taught, as directives, to the members of his Cabinet. No one, friend or foe, laughed at the awesome result of that instruction.

Real politics, as Plato and the recently elevated, great, and martyred English statesman Thomas More rightly understood,¹ is properly practiced as a form of Classical art, practiced according to the same principles which the greatest tragedians, Shakespeare and his successor Schiller, most notably, subsequently expressed as Classical modes of composition and performance of poetry and tragedy. To become efficiently literate in history and politics, you must recognize the tragedies composed by those two latter, greatest masters of that art, as no mere fiction, but, like the greatest operatic staging of the tragedies from Shakespeare² and Schiller, by Giuseppe Verdi, or, earlier, the relevant operas of Wolfgang Mozart, and Beethoven's *Fidelio*,³ the authentic, and inspiring representation of the essence of the

1. "Apostolic Letter of Pope John Paul II, Proclaiming St. Thomas More as Patron of Statesmen and Politicians." This was issued, and presented by the Pope, to the Nov. 4-5, 2000 "Jubilee" Conference of Parliamentarians, which drew 5,000 elected officials from 96 nations to Rome.

2. Shakespeare's Richard III is premised on the in-depth account of that turning-point in English history, supplied by Thomas More's guardian's first-hand and related accounts of the actual history of those events. It was through the work of Sir Thomas More himself that Shakespeare acquired the relevant knowledge of that part of English history.

3. Based on the true-life account of the imprisonment and freeing of that Marquis de Lafayette who had been endungeoned at Olmütz on the orders of British Prime Minister Pitt (Beethoven's "Pizzaro"), by courtesy of the Austro-Hungarian Chancellor, and Mozart adversary, von Kaunitz.



Abraham Lincoln and William Shakespeare (above).
“President Lincoln had won a terrible, justified, and absolutely necessary war on behalf of all humanity, by aid of lessons adduced from Shakespeare, which he had taught, as directives, to the members of his Cabinet.”

specific crises in real history to which those compositions refer.

Tomorrow, U.S. election-day, November 7, 2000, we shall witness an awful real-life tragedy on the world stage, the threat, if not yet the actuality of a new dark age. That threat is today’s outgrowth of a long-standing, widespread violation of those Classical principles of statecraft which every citizen should have been given the right to know, something that citizen should have known by no later than the time he or she had completed a secondary education.

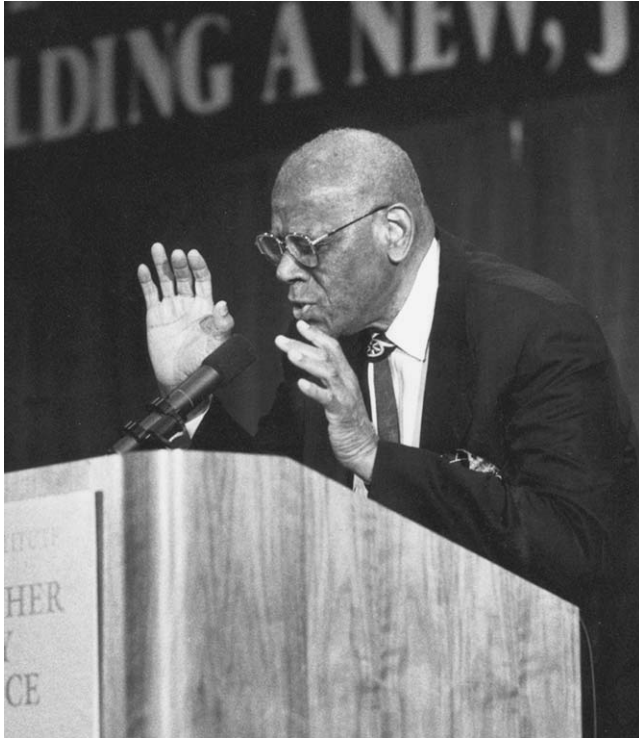
My life’s professional work, during more than fifty years to date, has been focussed on precisely that subject-matter so urgently needed under today’s conditions of global crisis: the interdependency of the history of politics and economics with those Classical methods which underlie competence in both art and science.

Lately, I had been prompted by a number of developments, especially because of the increasingly acute quality of the onrushing world crisis, to place much heavier emphasis on my students’ and co-workers’ rigorous mastery of that function of Classical art. Here, I consolidate and recapitulate what I have said in the content of unpublished manuscripts which were recently written for those collaborators’ private use. I do this here, in as popular a form as competent exposition permits. I do this for the benefit of you as a member of an, unfortunately, still largely unwitting population, a population which the aftermath of this election would tend to overwhelm with despair, unless you are informed of those certain means of remedial action which I outline for you here.

I offer you thus a method for action, which contains the much-needed Classical alternative to today’s real-life tragedy of our nation. I present that to you here, with the intent to afford you a guide to the means by which we may escape from the awful consequences, into which the immediate aftermath of a brutish electoral farce, now threatens to plunge our nation, and also the world at large.

For you, if you are a typical adolescent or adult who has good intentions toward mankind in general, I emphasize, that the beginning of the practice of those kinds of real politics which are consistent with your intentions, is to be found in the proper, truthful, but too rarely used form for conducting ordinary discussion. By ordinary discussion, I mean the practical use of that elementary knowledge of the principles of Classical art, which should inform and guide the way in which two acquaintances might converse about anything but trivial housekeeping subjects, on a street-corner, or under almost any other ordinary, or exceptional auspices.

The model you must come to know, to be able to rise to that higher level of deliberation on the subjects of our nation’s policy-making issues, is the model to be found in re-enacting the Socratic dialogues of Plato, viewing those dialogues for what they are: Classical dramas portraying exchanges among characters typifying notable actual figures from the living history of the Greece of that age. It is by re-enacting those dialogues as dramas, that ordinary people, may be pleasantly surprised to touch something of that quality of mind which makes for genius, as they become, through experience, increasingly efficient, even as ordinary citizens, in use of the



Baritone William Warfield recites a poem at a conference of the Schiller Institute and International Caucus of Labor Committees, Jan. 17, 1998.

most important principles for rational selection of political choices. From that standpoint, you will also come to know, that every form of important Classical artistic composition, functions according to exactly the same principle as Plato's Socratic method.

Classical composition so defined, includes the greatest works in Classical sculpture and Classical Renaissance painting, such as that of Leonardo da Vinci, Raphael Sanzio, and Rembrandt. It includes all of the greatest Classical poetry and drama. It includes all great musical compositions, which are either Classical from the outset, or rendered fully expressive of Classical principles of composition, by aid of the kind of polish supplied to the Negro Spiritual by the collaboration of Antonin Dvořák and Harry Burleigh, and by the continuation of that process of perfection by the great Classical artist Roland Hayes and his collaborators and followers.

That latter choice of example, the case of the Negro Spiritual, has special importance for all among our people, of African descent or not, who are oppressed by the sense that life has reduced the common folk to the treatment intended for under-dogs, or people degraded even to the social status of virtual human cattle.

If you once come to know the way in which the Classical principle of composition is expressed in such an excellent and profound way by those Spirituals, you should recall that these originated as works of art composed by, and shared among

successive generations of cruelly oppressed slaves who were each, at least partially, of African descent. The power of these compositions, which Dvořák, Burleigh, Hayes, and others, have honed to a state of relative perfection, expressed, among those slaves, the same genius inherent in all human beings. Those Spirituals, so honed, have a special power for all, on that account; they should inspire us to recognize, that there is no oppression so efficient, that it can obliterate the fact of the noble quality of humanity, as man and woman made in the image of the Creator, a quality innate to each newborn child.

Typical of the same universal principle, is the celebrated Prisoners' Chorus of Ludwig Beethoven's *Fidelio*, or the chorus of the slaves, *Va Pensiero*, from Giuseppe Verdi's *Nabucco*. The latter chorus became the unofficial national anthem of modern Italy, out of popular recognition of the specific quality of patriotic passion, which that chorus conveys by Classical artistic means. As the case of "Little Boy" illustrates this point best to me, the performances of the repertoire of the Spiritual by Roland Hayes, as by Marion Anderson, set a standard of comparison among those who worked with and followed them, for conveying the Negro Spiritual as a part of the body of mankind's treasure of true Classical art. No respectable musician or Classical actor would disagree.

The underlying principles expressed by the most successful expressions of great Classical artistic composition, are those expressed in the most concentrated form in Plato's dialogues, and in those forms of modern Classical artistic composition which I have broadly identified above.

For reasons which I shall clarify in the pages which follow, the achievements of the Negro Spiritual to such effect, reveal to us today the profound, uniquely human creative power, that power which touches the quality of genius, inhering in each new-born slave of those many generations, who suffered such cruelty at the hands of those who express that same contempt for humanity, which was exhibited by what the followers of Richard M. Nixon launched, in collaboration with the Ku Klux Klan, as that legacy of the old Confederacy called the "Southern Strategy" of 1966-1968. That wicked, inhuman legacy of the Nixon campaign, is the same cultural corruption running rampant in the Congress, in our national electoral processes, and in practiced U.S. foreign policy today. It is the same evil, as revived so today, which the voice of the slave indicts, as if by a voice speaking from across the centuries, through the Classical form of the Negro Spiritual. When we participate in such music, or other Classical art, we are similarly inspired, and strengthened in our commitment to wage the battle for all humanity, as all true followers of Jesus Christ have done.

The successful composition and performance of such Classical artistry, depends upon a certain method, that Socratic method most efficiently illustrated by Plato's dialogues. This is a method for locating, cultivating, and applying that noble authority which is embedded in human nature from birth, our innate authority sometimes identified as creative



Percy Bysshe Shelley: "Poets are the unacknowledged legislators of the universe."

reason. It is when we communicate with one another in this way, on matters which the poet Shelley described as "profound and impassioned conceptions respecting man and nature," that that power of reason born within us, may be willfully aroused, and shared with others. So, were our citizens not so often foolish, we would always rely on that method, for assembling with others to shape the policies and future destiny of our nation, and its relations with other nations.

It is that potential power for Classical artistic communication, which you must summon from within yourself, for your deliberations with your fellow-citizens on those policy-issues. That is the method you should choose, which will presently determine the present moments' choice between recovery, and a living nightmare for not only our nation, but for most of the world.

My central objective in writing his report, is to make that point clear to you in particular. If you understand that point, we shall succeed, together, in bringing the class of those who continue to occupy the role of politicians, up to that higher moral level, too.

1. Why Americans Usually Lie

Begin by asking yourself: What should the word "truth" be understood as signifying? To answer that question, begin

by peeking into typical scenes of relevant misbehavior, those prevalent among both leading political figures and ordinary citizens, as we have seen these echoed, yet once again, during the now concluding national election-campaign.

As all of us who are adults, and who are honest about what we know, recall, that, with the most extremely rare individual exceptions, virtually every American, including those who claim to be devoutly religious, is an impulsive liar. He, or she will lie, almost instinctively, as the typically depraved members of "debaters' clubs" do, and as certain popular political candidates do, "to win the argument," "to get my way." Of these, those hypocrites who call themselves Christians, are not the worst cases, but, all too frequently, only the most disgusting ones.

In families in which households still exist these perilous days, children continue to witness their parents politely lying to the guests, the guests lying similarly in return, and both parents and guests hailing each other at the close of the visit, "We must do this soon again!" Then, according to popular custom, follows the epilogue, in which the children may overhear their parents' ridicule and even calumnies, directed against the guests they had just, a moment before, escorted so amiably to the door.

Similarly, as we nearly all recall, children learn to lie to each other as they lie to their teachers, by conditioning themselves to tell teachers, what they guess that teachers wish to hear. Pupils, thus, set as goals of their own present and future education and careers, being careful to say what is likely to be accepted and rewarded, to speak as free from the encumbrance of truthfulness, as such ambitions might appear to demand of them. So, above the doorway to the room where the students' qualifying examinations are held, there often might be emblazoned the motto: "Abandon truth, all ye who enter here!"

In keeping with that motto, teachers, like others, lie in the course of their preying upon those over whom they exert reign. Such teachers would defend their actions by statements of the genre "I was just doing my job," or "Sorry, but that is policy," "That is what is in the textbook," "That is what you have to learn, if you are to pass the examination," "When you finish school, you can make up your own mind, but, for now . . ." or, simply, "That is the way we teach it here." I recall it all, from all those years, with a certain embittering, and knowledgeable recollection of the fact of fraudulent stuff thrown at me in most of that experience—but, for some rare, blessed exceptions which I cherish to the present day.

Probably, many of you who are adolescents or adults, could report a similar kind of experience, if you were not one of the Americans who usually lie about such matters.

Many common social practices are a reflection of popular acknowledgment of the commonplace fact of such popular habits of customary lying.

For example, few employers assess a job-applicant's resume for the quality of truthfulness, but rather for the desirable



Francisco Goya, Los Caprichos: “*Might not the pupil know more?*”

or undesirable amount of cleverness to which it attests, and the wish that the applicant, if hired, were likely to be as corrupt in serving the employer’s indicated interest, as he or she had been in composing the fiction which the resume contains. “Yes,” the hiring officer might confide, “the degree from that university is real, but the education it represents is nearly worthless. Still, the fact that he actually has those degrees covers our backs with the stockholders, in case the fellow turns out to be the bum we suspect he might be. We could say, ‘He had the qualifications, but he just didn’t work out.’”

Similarly, when an executive is being maneuvered out of the firm, he will be damned with such expressions of faint praise as, “John is to be praised for having done an excellent job, which now prepares the way for obvious improvements.”

Similarly, many of the laws which you believe were enacted by our Congress, are lies, in effect. For example, are you so credulous as to believe, that the passage of a law necessarily represents the “intent of Congress”? Do you not know the frequency with which the essential motive for the passing of

a particular law was, predominantly, the Congress’s intent to recess?

That is not the end of that fraud in law-making practice. Since the so-called “democratic reform” of the Committee structures of the U.S. Congress during the 1970s, there was a directly resulting increase of technical incompetence in the kinds of pieces of legislation emitted from the committees. The conflicts in interpretation of outstanding statute and related policy so clumsily generated, relinquished the responsibility for sorting out those legal conflicts to committees in the Executive Branch’s bureaucracy, with the effect that the enforced intent of the legislation, was transformed into what the latter bureaucrats had concocted. So, with the complicity of the courts, intentions which were contrary to the conscious intent of the relevant legislators, became enforced, by authority of the compliant Federal Court, as the official version of “the intent of Congress.”

You should be even more shocked by the related kinds of recent trends in decisions respecting the intent of the U.S. Constitution itself, by majorities of the U.S. Supreme Court. Any literate adult who reads the constitutional law upon which our Federal Republic’s legal existence depends, the 1776 Declaration of Independence and the 1789 Preamble of the Federal Constitution, can know with certainty that the current, Rehnquist-Scalia majority of the Supreme Court has plainly and solemnly lied, repeatedly and outrageously, against the most crucial point of law in both the Declaration of Independence and the Constitution.

Up to now, I had not mentioned the worst habitual liars of all, the popular mass news media.

“I know that the Moon is made of green cheese.”

“That’s not true!”

“Are you questioning my sincerity?!”

In everyday life, it is often worse than that.

For example, credulous or simply illiterate citizens attribute great authority to so-called “eyewitness testimony.”

Often, good study of circumstantial evidence proves that the eyewitness has either lied, or was simply incompetent to state, as eyewitness, evidence which was, in reality, the kind of conclusion which he, or she had asserted to be the sworn truth of the matter. Or, often, the witness has lied outrightly, but the onlookers declare, still today, that that testimony must be respected, because the witness claimed to have observed with his or her senses, and because foolish onlookers, still today, choose to believe that the witness appears to be, or was described by the judge as sincere. After all, why should typical jurors not tend to sympathize with the species of such liars; are they not often brought up, at home, in schools, and elsewhere, to be the same kinds of liars themselves?

For example, “Experience teaches us!” were, in effect, often the last words of the legendary lemming who then plunged to his death off the cliff.

In each general election, majorities of voters display impassioned confidence in the clown they will come to despise



“Popular entertainment” in the United States today.

by the time the next election comes around. The lout they choose next, to replace the one they have come to despise, is often as bad or worse than the donkey they are about to kick out of office. Worse, often, especially of late, the effect of the citizens’ voting, is to chuck out a decent political figure, in momentary preference for someone whom they will have good reason to hate soon enough. Indeed, these days, the majority among those who choose to vote, must be seen, on performance, as never to have learned much worth knowing from their own past experience in voting.

To sum up these points of illustration, add the following.

The typical American will swallow one kind of poison, or another, compulsively, daily, if he, or she believes that experience has taught confidence in that particular brand-name. Indeed, today, we have entered a schizophrenic age of popular illiteracy, in which people wear brand names, in that very large print best suited to the needs of illiterates, on their backs and shirt-fronts, and they mouth brand-names and slogans as if their attention were focussed upon the sensation of fondling those mere phrases with their wet mouths.

In point of fact, in these lunatic times of such mean-spirited pranks as rampant mergers and acquisitions, privatization, and out-sourcing, today’s product bearing yesterday’s name, may turn out to be, not a horse of a different color, but perhaps an object better suited for use by some yet unknown species, a product selected not for what it is, but for the way the mere brand-name it bears, tastes in the sucker’s mouth.

That brings us directly into the provinces of Classical artistic composition. Given the evidence of how widespread the popular forms of lying have become, how do we know

what the truth is, and where the evidence may be found on which truthful knowledge depends? Knowledge of how to vote, for example.

Having thus illustrated a point, let me present you now with a generalization whose accuracy I shall unveil to you, step by step, as we proceed together with the following sections of this present report.

Unmaking the World’s Worst Mistakes

The principle underlying all competent composition and performance of what is known as Classical tragedy, is based upon the historical evidence it reflects. That principle is, that, in real life off stage, entire cultures, excepting those destroyed by natural causes beyond man’s present ability to control, have been usually destroyed by the fatal defects inhering within that prevailing popular culture itself, as the U.S., as a nation, is being destroyed, like the ancient pagan Rome of the popular arena games, by no single factor as weighty as the effect of what is called “popular entertainment” today.

One of the most important lessons of the history of European civilization, is that, throughout that history, the entertainment associated with the theater, has been among the most influential forces, for good, or for evil, in shaping the evolution and consequent fate of that culture as a whole. In this report, I show why that is the case.

In all great Classical tragedy, for example, from Aeschylus and Sophocles, through Shakespeare and Schiller, the tragic failure of the relevant leading figure, such as Shakespeare’s Hamlet, or the notorious Oedipus, has been his or her failure to change, willfully and radically, that destiny of

“Now turn directly, to view the famous Act Three soliloquy of the character Hamlet from the standpoint of negation.”

Hamlet: To be, or not to be,—that is the question:
Whether 'tis nobler in the mind to suffer
The slings and arrows of outrageous fortune,
Or, to take arms against a sea of troubles,
And by opposing end them? To die;—to sleep;
No more; and by a sleep, to say we end
The heartaches and the thousand natural shocks
That flesh is heir to: 'tis a consummation
Devoutly to be wished. To die;—to sleep;
To sleep! Perchance to dream! Ay, there's the rub;
For in that sleep of death, what dreams may come,
When we have shuffled off this mortal coil,
Must give us pause. There's the respect
That makes calamity of so long life;
For who would bear the whips and scorns of time,
The oppressor's wrong, the proud man's contumely,
The pangs of despised love, the law's delay,
The insolence of office, and the spurns
That patient merit of the unworthy takes,
When he himself might his quietus make
With a bare bodkin? Who would fardels bear,
To grunt and sweat under a weary life,
But that the dread of something after death,—
The undiscover'd country, from whose bourn
No traveller returns,—puzzles the will,
And makes us rather bear those ills we have
Than fly to others that we know not of?
Thus conscience does make cowards of us all,
And thus the native hue of resolution
Is sicklied o'er with the pale cast of thought,
And enterprises of great pith and moment,
With this regard, their currents turn awry,

And lose the name of action.—Soft you now!
The fair Ophelia! Nymph, in thy orisons
Be all my sins remembered.

“Turn to the closing scene of that entire play, and contrast the lines spoken by Fortinbras to the alternative, the proposed prompt reenactment of the tragedy before taking further action, posed in the same location.”

Horatio: Give order that these bodies
High on a stage be placed to the view;
And let me speak to the yet unknowing world
How these things came about: so shall you hear
Of carnal, bloody, and unnatural acts;
Of accidental judgments, casual slaughters;
Of deaths put on by cunning and forc'd cause;
And in this upshot, purposes mistook
Fall'n on the inventors' heads: all this can I
Truly deliver.

Fortinbras: Let us haste to hear it,
And call the noblest to the audience.
For me, with sorrow I embrace my fortune:
I have some rights of memory in this kingdom
Which now to claim my vantage doth invite me.

Horatio: Of that I shall have also cause to speak,
And from his mouth, whose voice will draw on more:
But let this same be presently performed,
Even while men's minds are wild, lest more mischance
On plots and errors happen.

Fortinbras: Let four captains
Bear Hamlet like a soldier to the stage. . . .
The soldier's music and the rites of war
Speak loudly for him. . . .

a people which custom and related existing institutions of popular influence have brought upon it. So speaks the voice of Shakespeare, through one of his surviving characters, in the closing moments of Hamlet (see box).

The greatest crimes of political leaders, and comparable figures, are usually not their violation of custom, but their failure to violate custom in the manner specifically needed to prevent a people from plunging themselves, and their posterity alike, into some terrible calamity. Thus, the chief cause of the tragedy of nations and cultures, is not that they violated custom or popular opinion, but that they continued to bow to the authority of these precedents and other habits much too long.

So, the United States today, is being destroyed politically from within, chiefly by a trend in custom and popular opinion

which has been induced by the impact of the combined introduction of the Nixon “Southern Strategy,” and Nixon's embrace of the dogma of simple-minded Professor Milton Friedman, about three and a half decades ago.

All great Classical tragedy is based on a case either from actual history, or from popular mythology, in which the destruction of a nation or culture has been brought about by its own accustomed ways.⁴ To address this danger from within, the European civilization which emerged in Greece about 2,500 or more years ago, adopted the theatrical performances of the Classical form of tragedy, as an indispensable instru-

4. In other words, that dangerous, confessed lunatic, irrational custom, called in German by such Kantian and Hegelian names as *Weltgeist*, *Zeitgeist*, and *Volksgeist*.



“The European civilization which emerged in Greece about 2,500 or more years ago, adopted the theatrical performances of the Classical form of tragedy, as an indispensable instrument for examining the dangers inhering in currently accepted customs.” Here: a Greek amphitheater.

ment for examining the dangers inhering in currently accepted customs. Thus, the Homeric epics supplied themes for what emerged as the Classical Greek tragedy of such as Aeschylus and Sophocles. The Classical Greek theater emerged as a more effective way of uplifting the conscience of the citizenry of Athens for this purpose.

The modern Classical tragedy, as it evolved upwards through the efficiently connected work of Marlowe, Shakespeare, Lessing, and Schiller, was a higher form than modern Europe found in those precedents, as from ancient Athens, upon whose foundation the modern form was built.

The method, developed for that purpose, as expressed, and required by the composition and performance of Classical tragedy, is a very definite, readily described, and fairly readily demonstrated one. If the principle could not be demonstrated so, then the theater-goer would never have been moved by well-performed Classical tragedy, as Schiller, for example, the central intellectual figure of the Prussian reformers' national liberation insurgency, moved the German people of his time in a more powerful and revolutionary way than any nation's audiences then or later, through, chiefly, his poetry and plays. Every successful performance of a great Classical tragedy, moves an audience, not because that audience has been deceived, as by a tempting illusion, but, rather, precisely because the audience is led to recognize the efficient principle by means of which they are moved.

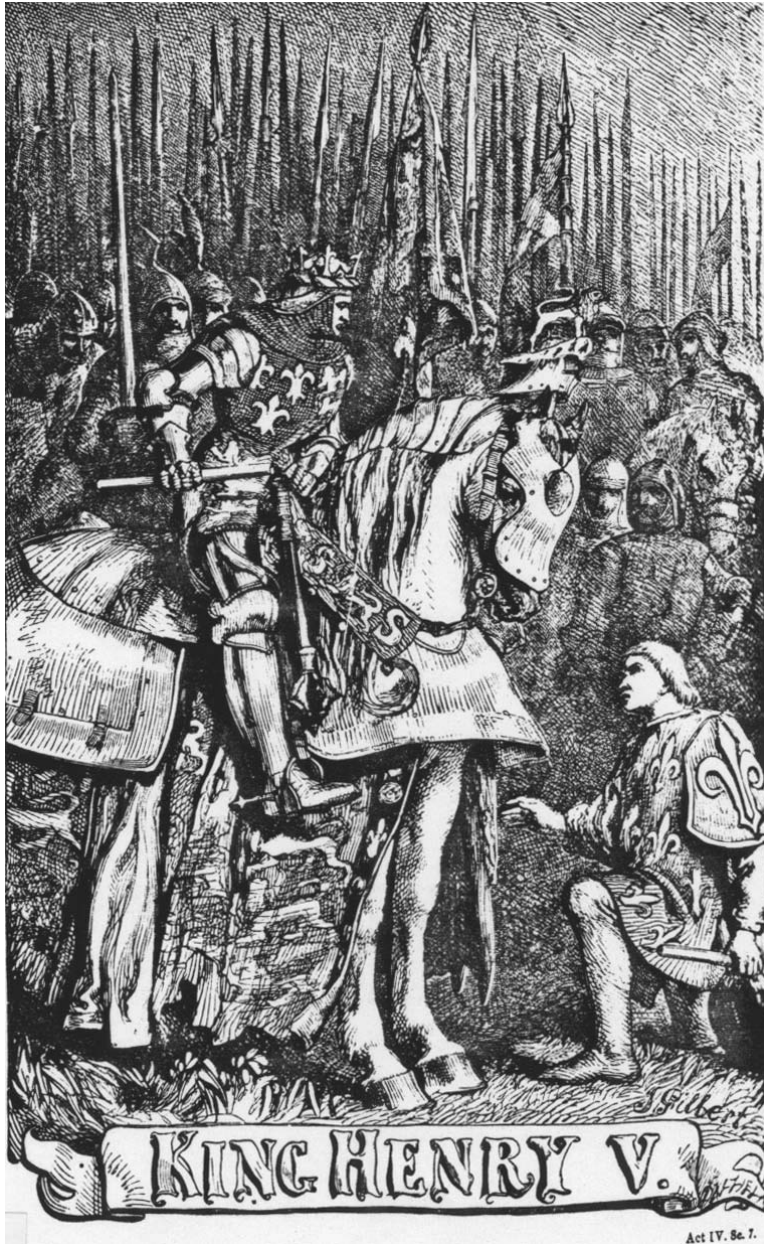
People who have failed to understand the basic principle of composing and performing Classical drama, nonetheless

tend to suffer the delusion, that the secret of that medium's success lies in the creation of illusion. Unfortunately, just such illiterate nonsense, is the basis for most of what is commonly classed as “Hollywood productions” today. As we might observe by studying the declaration of the actor playing Chorus, directly to the assembled audience, in the opening of Shakespeare's *King Henry V*, no illusion is intended. Rather, the principle of the stage encountered in the tragedies, for example, of Shakespeare and Schiller, is the Socratic principle of truth, as that principle was first explicitly and rigorously defined for science by Plato, in his dialogues.

I explain the difference.

The art of illusion, or “magic,” is to play a trick on the audience's senses, to no other immediate purpose, than to make things appear to sense-certainty as what they are not. For example: cheap-shot sensationalism, as typified by such experiences as Hollywood-style “science fiction” nonsense, and some recent campaigns of leading Presidential candidates.

In contrast to that, the Classical stage copies Classical poetry, and the Homeric epics, in crafting an image of what the audience comes to recognize as the efficient factors, intangible to the senses as such, which are shaping the real outcome of the events presented. To accomplish this, the playwright and performers rely on methods on which that ability depends, to reconstruct the image of such factors on a certain kind of stage which is erected only inside the mind of each member of the audience, that done without the aid of any of the tricks



Piece out our imperfections with your thoughts:
 Into a thousand parts divide one man,
 And make imaginary puissance;
 Think, when we talk of horses, that you see them
 Printing their proud hoof i'the receiving earth;
 For 'tis your thoughts that now must deck our kings,
 Carry them here and there; jumping o'er times,
 Turning the accomplishment of many years
 Into an hour-glass: for the which supply,
 Admit me chorus to this history;
 Who, prologue-like, your humble patience pray,
 Gently to hear, kindly to judge, our play.

consistent with the definition of illusion.

Thus, Chorus tells the audience to use their imagination, as I shall explain, a bit later, what the term “imagination” should be understood to mean. The play does nothing to lure the members of the audience into the grip of illusions.

For example, Chorus explicitly warns them against being lured into illusions not intended by their vision and hearing of the performance of that play. Shakespeare does not pretend to put the actual events on stage, as an illusionist would pretend to do. Shakespeare uses the stage to focus the audience’s attention on what is happening to the minds, and in the interactions among, the characters abstracted from the real-life, off-stage reality to which the drama makes reference.

This method of Shakespeare’s and Schiller’s stage, as implied by Chorus’ address to the audience, is derived from the allegory of Plato’s Cave. Once this point is made clear to you, you will have overcome the biggest hurdle which you must overcome to understand what your exposure to entertainment does, or does not do, to and for you. That explanation finds its root, not in the classroom’s course in literary criticism, but in the hard reality of physical science.

As all literate adults know, the difference between the relationship to nature by mankind, and that of any lower animal species, lies in the ability, unique to the individual human mind, of discovering experimentally validatable discoveries of universal physical principles. By means of these discoveries, and of the technologies derived from them, the individual human mind is enabled to cause a willful and qualitative increase in the so-called “ecological potential” which is characteristic of the entire human species, something which no animal species can duplicate.

That said, we zero-in on the core of the matter at hand. Now ask yourself the question, can you see a universal physical principle with your eyes? Can you identify such a principle itself as in any way an object of the senses?

By a validated discovery of a universal physical principle, we mean something which can not be seen, heard, smelled, or touched by organs of the senses, but, an idea, as Plato defines ideas, by means of which, man’s power to exist, in and over the universe, is measurably increased. Thus, such principles are physically efficient causes of definite, tangible kinds of changes in our relationship to nature. These changes are measurable effects, and, thus, to be regarded as “hard and tangible” realities, but the efficient causes for those

changes, the principles themselves, those *ideas*, are not the kinds of objects which, as themselves, can be detected directly by the senses.

This is the leading point made by the allegory of Plato's Cave. That, as I shall make the point clearer below, is the conception of ideas, on which all successful composition and performance of Classical tragedy depends, absolutely, for its successful effect upon the audience. The point to which this report as a whole is addressed, is to show you that that same principle of composition and performance of Classical tragedy, should be the basis for the way in which you organize your mind for your discussion of not only the experimentally validated discovery of universal physical principles, but also any other serious issue of policy-making, with the person with whom you chance to discuss such a matter, even in a relatively brief exchange at a street-corner.

At this point, from this point in the present report, onwards, I shall now walk you, first, through the steps by which a validatable form of discovery of a universal physical principle is made. After that, I shall show you how that same principle of scientific thinking, governs the way in which the relationship between Classical drama and the living audience functions. In either science, or Classical art, what I shall thus describe to you, is exactly what transpires in every case such a validatable discovery in science has occurred.

This principle I now, once again, set before you, is *the principle of what is known as "geometry of position," as it is not only the fact in known cases; more important, it is the only way in which such a discovery could be made.* Once we have examined the evidence for the case of the discovery of universal physical principles, we shall examine other kinds of universal principles which are generated, as known and provable ideas, by the same kinds of mental activity, and discourse among persons, used for the successful discovery and communication of validated universal physical principles.

Our practical aim in focussing your attention on those principles of mental life which are indispensable, both to scientific progress, and for overcoming the cultural failures of certain cultures, is to demonstrate to you those methods which history has shown to be indispensable for unmaking the present world's worst mistakes.

2. What Are Ideas?

The relevant, functional relationship between the Classical drama on stage and the individual mind of the member of the audience, is the immediate topic on which to focus attention now. Once that connection is made clear, one might hope that the reader would recognize that the relationship of a speaker to his friend or acquaintance, in the proper art of truthful conversation, as in discussing any serious topic, even on a street-corner, is a replication of the same kind of situation existing between the drama and the audience in a Classical

theatrical performance.

In this course of completing this report, I shall come to the point that I am prepared to show, that the person speaking on that street-corner, is adopting the role of the playwright or actor, and, for that instant, the hearer is playing the part of the member of the audience. If the other responds in kind, the ensuing conversation is embarked on the beginning of what we might hope will become a real-life re-enactment of the principle of Plato's Socratic dialogues.

Such a relationship among persons discussing what I have identified as *ideas*—Platonic ideas, and facts pertaining to them, is the method of discourse indispensable for reaching those forms of agreement which may be rightly regarded and used *as being truthful*. It is in that specific sense, that we may rightly speak of truth as a quality most naturally specific to the media of Classical art-forms. Granted, there is truthfulness required of physical science, but that quality of truthfulness, when it is found there, as the opposite is met in the currently prevalent popular practice of lying in the U.S. today, is a matter of social relations. The quality of truthfulness shared with scientific knowledge, is realized through those same social processes which are the immediate subject-matter of Classical art-forms as such.

Truthfulness is a quality of *ideas*, as Plato's Socratic method demonstrates the reality of *ideas*. Classical art's source of authority for statecraft, is that it is specifically the medium most appropriate for adducing the relative truthfulness of the ideas by which a nation or culture chooses to rule its affairs.

In the alternative, there is no truthfulness in any other place than the domain of *ideas* so defined. Any literal interpretation of mere sense-impressions as such, is, by nature, an illusion, a deception, and therefore a lie. The question of truthfulness, is not a matter of sense-certainty; it lies entirely within the bounds of the value we place upon ideas, as the allegory of Plato's Cave distinguishes between the falseness of the mere shadows cast upon the wall of a firelit cave, and the beings and actions which are naturally misrepresented by a literal reading of those mere shadows which we call sense-certainties.

Once that equivalence of Classical theater and ordinary modes of serious discussion of ideas, is recognized, then, I expect the reader to recognize the fact, that we should regard Classical theater as Friedrich Schiller did, as the medium through which a people can understand the way in which audiences can learn to discuss important issues in the course of everyday life. This kind of attitude and practice within the population as a citizenry, is what we must now establish as the method of deliberation on which the citizens of our republic must rely, more and more, in choosing the ideas and related policies by which that republic shall be self-governed.

On that account, the pivot of the pertinent argument which I must summarize for you at this point, is also supplied in a somewhat different context, in a just recently published re-

port, "The Lesson of the Cole Incident," published in the November 10, 2000 edition of the English-language, political intelligence news-weekly, the *Executive Intelligence Review*. The argument is presented there in the portion of that feature located on pages 43-48, under the included subheadings of "The Scientific Basis for Recovery" and "Geometry of Position."

My purpose here and now, is to identify a principle, a principle called by such names as "*Analysis Situs*" or "geometry of position," as the common basis for all scientific discovery and for the relationship between the Classical tragedy on stage and the mind of the audience. The object of that clarification, is to point out to you how the presently almost unknown, virtually lost art of competent practice of politics, actually works. My purpose in that, is to make clear to you that this is something which you as a citizen, can master with a reasonable amount of effort, as aided by the acquired habit of practice of relevant discussion among selected representatives of your circles of friends and acquaintances.

The matter to be addressed, is introduced most readily by reference to the characteristic folly of that classroom, in which today's still conventional view of so-called Euclidean geometry is accepted, wrongly, as a standard of truthfulness.

The specific lie which permeates blind faith in such a classroom geometry, is the assumption, premised on always deceptive sense-certainty, both that space, in three assumed directions of forward-backward, sideways, and up-down, is simply extended infinitely, and that time is simply extended, similarly, in a forward-backward sense of direction. This lie is expressed typically by the notion that relations of matter in space and time are to be defined, in their most elementary terms, by the notion of action at a distance, as that fraudulent view is associated with such names as Galileo, Descartes, and Newton.

The system traditionally taught in classrooms as "Euclidean geometry," expressed these ivory-tower delusions of infantile sense-certainty. It thus insisted, respecting space, time, and matter, on mimicking an Aristotelean form, and interpretation of definitions, axioms, and postulates. These assumptions, which I have just broadly described, respecting space, time, and matter, were falsely asserted to be the standpoint from which the apparent physical evidence of our senses was to be described, and interpreted. Such is what is fairly described as "the ivory-tower mentality" commonly polluting, still today, the generally accepted, classroom teaching of, and credulous students' underlying beliefs concerning mathematical physics.

This was the issue on which the founder of modern astrophysics, Johannes Kepler, demonstrated the intrinsic incompetence of the methods previously employed for astronomy, by Claudius Ptolemy, Copernicus, and Tycho Brahe—and, later, by Galileo. Two discoveries dated chiefly to the beginning of the Seventeenth Century, illustrate a point which is of crucial importance for knowing how the Classical theater's

relationship to the audience functions.

The first such example, is the case of Kepler's tracking the evidence that the Mars orbit is elliptical, to define a universal lawfulness of the organization of the Solar System as a whole.⁵ The second, is the demonstration, first by the great Fermat, of the evidence showing that least time, rather than shortest distance, was the efficient principle governing the propagation of light.⁶

In both of the latter instances, the method employed was typical of most of the so-called crucial demonstrations of a discovered scientific principle of physical science. It is the implications of that method of demonstration, on which I ask you to focus your attention in connection with the matter of Classical drama.

The way in which these discoveries were defined, was, in the first approximation, by showing that the interpretation of the observed phenomena led to an obvious absurdity, as long as the attempt persisted, to represent these patterns according to what today's generally accepted classroom teaching of elementary mathematical physics, insists is the required method of representation of the evidence.

In other words, imagine a case, in which mathematical statement "A," is both a truthful representation of the apparent empirical evidence, and also one consistent with such "Euclidean" mathematical schemes. Then, compare that with a case, in which the same collection of empirical evidence produces a second statement, "B," also in the same form, which, in effect, is violently in contradiction with the conclusions implied by the first statement, "A." The result is, that since both statements are consistent, in origin, with the system, and, yet, both imply results which violate that system, the conjunction of the two statements creates a condition which is a *negation* of the system from which the two statements are ostensibly derived. In other words, what is called an *ontological paradox*. Hereinafter, I employ the term "negation" in no different sense than that.

In the case of situating the added evidence, respecting the elliptical form of the Mars orbit, Kepler recognized that this led to contradictions within the previously interpreted empirical evidence. These contradictions warned Kepler, that we must step outside the attempt to explain orbits by simply connecting the dots among observed positions, and seek out a physical principle, outside the assumptions of Euclidean geometry. The evidence today, shows that Kepler was right, and that all of those upholding the commonly accepted empiricist and related views, are false to reality.

The same kind of approach was employed by Fermat, to

5. Tennenbaum, Director, et al. "How Gauss Determined the Orbit of Ceres," *Fidelio*, Summer, 1998.

6. The reference is to two letters in which Pierre Fermat announced (in 1662) his discovery that light always propagates itself by a principle of least time. The letters, to de la Chambre, are found in French in *Oeuvres de Fermat*, Vol. II, p. 354 and p. 457.

show that the refraction of light was governed by a principle described, in first approximation, as “least time,” rather than “shortest distance.” The continuation of that investigation by Huyghens, Leibniz, et al., led into the modern, relativistic hyper-geometries of Carl Gauss and Bernhard Riemann, from which all “Euclidean” and other “ivory tower” sets of definitions, axioms, and postulates are excluded, and only, as Riemann was first to specify publicly, experimentally validated discoveries of universal physical principles are accepted as having the authority formerly, wrongfully, attributed to arbitrary, *aprioristic* axioms.

This method in modern physical science can be shown, conclusively, to be anticipated in the work of Plato and others. It is also inherent in the method of modern experimental science, as that body of science was founded by Cardinal Nicholas of Cusa during the mid-Fifteenth Century, and by such prominent students and followers of Cusa as Leonardo da Vinci. Kepler, for example, relied heavily, and explicitly, upon such aspects of the work of Cusa and Leonardo, and also Plato, in his discovery and initial development of modern astrophysics. However, it is from the starting-point of the crisis in the Seventeenth and Eighteenth Centuries’ physical science, which crisis Kepler’s work introduced to those centuries, that the sweep of development of modern physical science has unfolded to date.

The differences between the ancient Greek forms of Classical tragedy, and the development by Marlowe, Shakespeare, Lessing, and Schiller, has a specific quality of distinction which belongs to the period of crisis, erupting during the Sixteenth Century, following the revolution in ideas which had erupted during the previous, Fifteenth-Century Renaissance. The specific form in which modern Classical art, and modern science developed, have that common history, and correspondingly distinct, common characteristics.

However, those references to scientific matters here, are introduced here for the limited purpose of showing how the same principles of discovery, function as the essentially determining characteristic of Classical art-forms in general, and the Classical tragedy’s relationship to its audiences, in particular.

The common feature of science and art, on which our attention is focussed, is the implications of the notion called “geometry of position.” To bridge that relationship between science and art, I turn to the case of Classical musical composition, which, as I shall show, is based on exactly those principles which connect the Classical drama to the mind of the member of the audience.

The Art of The Fugue

In his *The Art of the Fugue*, the founder of the method of modern Classical musical composition, Johann Sebastian Bach, presented an ordered series of pedagogical exercises, which, in fact, summarize the process of development visibly traceable in his life’s work up to the close of his life in 1750.

This principle so presented there, is otherwise typified earlier by his *A Musical Offering*.⁷ It was the latter composition, intensively studied, ostensibly from a time beginning about 1782, by Wolfgang Mozart, which led Mozart to combine what he had learned from both Josef Haydn⁸ and Bach, to effect that revolution in the method of composing Classical polyphony, which became known by such names as the *Classical thorough-composition* of such composers as Mozart, the later Haydn, Beethoven, Schubert, Mendelssohn, Schumann, and Brahms. It is that notion of thorough-composition, which I reference here, to demonstrate the relationship between an adequate performance of Classical tragedy and the audience.

This principle, as identified explicitly by Bach in his *The Art of the Fugue*, is a direct reflection of the method exhibited by the referenced work of Kepler and Fermat, et al. Accordingly, to compose such Classical music, or to derive a corresponding quality of song from such a musical idea, the following elementary steps must be completed.

State an interval, or a series of intervals of three tones in a well-tempered ordering of the musical scale, referenced at virtually C=256. Next, add a complementary statement, inverting some of the order in the series of intervals of the first statement. Do this in such a way, that, in an example of first approximation, each statement is derived from the same implied key, but the juxtaposition of this leads inevitably, through development, through a series of quasi-dissonances of a type associated with the notion of Lydian intervals (**Figure 1**). Bach’s *A Musical Offering* is a model example of this. Mozart’s recapitulation of that work of Bach, in his K. 475 keyboard *Fantasy*, summarily identifies that revolutionary step by Mozart, on which all Classical thorough-composition thereafter depended for its precedent (**Figure 2**).

See this as echoing the examples of the previously referenced, similar conception by Kepler and Fermat earlier. The generation of a musical dissonance, in that fashion, produces an effect which is identical in form and implication to the cases of the paradoxes posed by Kepler and Fermat, respectively, in the physical-science examples. In musical terms, inversions crafted to produce that effect, are recognized as dissonances, because, on the condition that the dissonances are resolved within the completed composition, they create transcendental qualities of musical keys, beyond the 24-key major-minor domain, just as discovered universal physical principles lie beyond and above the bounds of the axiomatic system into which such paradoxes are introduced.

In that sense, such paradoxical juxtapositions, such as those generated by musical, contrapuntal inversion, negate

7. See *EIR*, June 23, 2000, pp. 5-53, for two-days’ presentations of this principle of Bach’s *A Musical Offering* and related works, at a conference of the Schiller Institute in Bad Schwalbach, Germany, May 27-28, 2000.

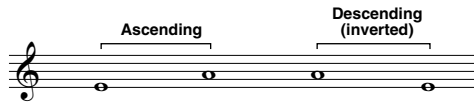
8. Compare Haydn’s “Russian Quartets,” Opus 33, with Mozart’s “Haydn Quartets,” K. 387, 421, 428, 458, 464, and 465. See Lyndon H. LaRouche, Jr., “Mozart’s 1782-1786 Revolution in Music,” *Fidelio*, Winter, 1992.

FIGURE 1

Beethoven's Application of the Bach-Haydn-Mozart Principle of Thorough-Composition

Ludwig van Beethoven's *Mass in C, Op. 86* is a masterpiece in the use of inversion of complementary statements, each of which appear "nominally" in the same mode, but whose juxtaposition, as LaRouche puts it, "leads inevitably, through development through a series of quasi-dissonances of a type associated with the notion of Lydian intervals."

In the opening "Kyrie" movement, Beethoven states the single interval of a rising fourth. In the complementary statement which immediately follows, he then inverts this into a descending fourth:



These two intervals are stated in two different voices, each with its own characteristic vocal register-shift. In the first statement, the soprano voice shifts vocal registers across the interval, from the low "chest" register, to the middle register; whereas the second interval is stated by the alto section, composed of contraltos and mezzosopranos, all of whom remain in the middle register throughout. The lack of a register-shift in the alto voice sets up a creative tension that is only resolved at the movement's conclusion.

Throughout the movement, these two intervals are repeatedly juxtaposed and altered, generating multiple quasi-dissonances, especially with counterpositions of the "nominal" C Major scale, to the major scale that is based on the lowest note of the opening interval—E Major—thereby implying a complex of Lydian-type relationships to the original C Major.

The movement culminates in the jarring, simultaneous juxtaposition of both the rising interval, this time in the tenor voice, and an altered version of the falling interval, sung by the altos, but this time descending into the mezzosoprano's chest register, thereby satisfying the tension created at the outset.

—John Sigerson

sense, that, as I have said above, I employ the term *negation* hereinafter. Negation signifies a paradox which obliges us to find reality in principles which exist outside a referenced system of axiomatic-like assumptions. Such paradoxes thus *negate* the referenced system of axiomatic-like assumptions.

Now, turn directly, to view the famous Act Three soliloquy of the character Hamlet from the standpoint of negation. The statement and its inversion, for this case, are "To be," conjoined to "or, not to be." Try hearing someone recite that soliloquy, even some celebrated recorded performance by a famous actor, and then explain to the person next to you, exactly, why the usual actor who delivered that recitation does not know what he is talking about!

Read the soliloquy. Identify the way in which the actor Shakespeare would have intended to play Hamlet, and would have delivered that soliloquy. I shall give you a hint as to how to discover what that would be. Turn to the closing scene of that entire play, and contrast the lines spoken by Fortinbras, to the alternative: the proposed prompt re-enactment of the tragedy before taking further action, posed in the same location (see box).

For an easy comparison, reference the dialogue on principles of law, among Socrates, Thrasymachus, and Glaucon, in Plato's *Republic*.⁹ There, Socrates' use of the same principle of *agapē* set forth in Paul's *I Corinthians* 13, appears as a higher standpoint from which the negation posed among Socrates, Thrasymachus, and Glaucon, is overcome through the discovery of a relevant higher principle. In Shakespeare's *Hamlet*, by contrast, it is the negation of Hamlet's folly, as Hamlet states his intent to doom both himself and the Kingdom of Denmark, by his refusal to abandon his customary, "macho's" mode of swashbuckling conduct, which is the higher principle adduced by the audience. In Classical thorough-composition, as in the conclusion of the fourth song of Brahms' *Four Serious Songs*, it is Brahms' concluding treatment of the *agapē* of *I Corinthians* 13, which is the subject of the kind of higher resolution typical of the poetic settings typical of Mozart, Beethoven, Schubert, Brahms et al.

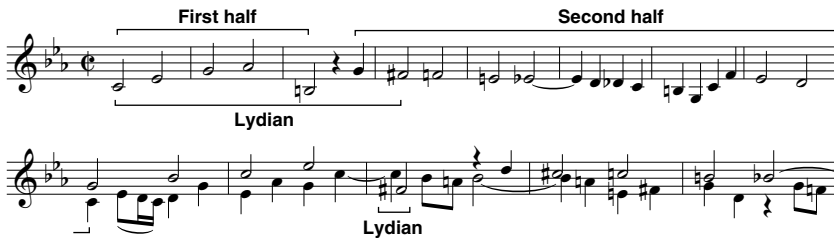
So, we have thus now touched here upon the essence of the subject of the modern Classical tragedy. However, there is a second principle to be examined, without which the art of successful forms of composition and performance of Classical music, poetry, and tragedy, could not be competently accomplished, or understood. The issue is typified by considering the function of musicality in composing that poem without words, otherwise called a "song without words," on which the greatest writings in poetry, are to be understood, as Friedrich Schiller insisted to a Goethe who was reluctant to acknowledge that higher plane of musicality in poetry, shown in the song compositions of Mozart, Beethoven, Schubert, and, implicitly, also, the later cases of Schumann and Brahms.

9. In Plato's dialogue, "The Republic—(On Justice)," Book 1, *Plato*, Loeb Classical Library (Cambridge, Mass.: Harvard University Press, 1975).

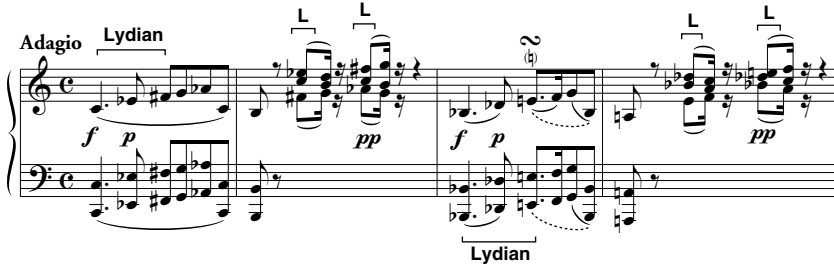
the system into which they are introduced, just as Kepler's and Fermat's discoveries *negate* the system of assumptions into which they are introduced. It is in this sense, and only this

FIGURE 2

Mozart's K. 475 Recapitulation of Bach's *A Musical Offering*



The opening statement of J.S. Bach's *A Musical Offering*, showing the Lydian interval evoked between the C of the first half of the statement, and the F-sharp, on the first stressed beat of the second half.



In his *Fantasy for Piano*, K. 475, Mozart condenses Bach's conception into a brief, but extremely intense statement, incorporating the Lydian interval into the very first measure.

3. Songs Without Words

Relatively illiterate people, who have yet to gain a competent sense of artistry, usually make the terrible blunder, of assuming, falsely, that the meaning of a Classical poem is to be found primarily, and originally, in the literal text of the poem. Unfortunately, such misguided fellows often recite and threaten to ruin the reputation of such poetry, in just that awful, putting-off, unbeautiful, often bombastic way.

On this account, I find most useful a statement by the now famous baritone, Dietrich Fischer-Dieskau, sometime youthful collaborator of the famous director Wilhelm Furtwängler, and early hailed by some, including me, during the early 1950s, as the prospective successor to Heinrich Schlusnus. I refer to a statement which Fischer-Dieskau has made in a recently broadcast observation on the subject of language, music, and poetry, to which I attach extraordinary importance on account of the issue which I have just posed.¹⁰ It were a proper undertaking of our best musical artists today, the Classical singers most notably, to look at Fischer-Dieskau's observation as I do. The same quality is exhibited in the related work, in the German repertoire in particular, of

10. Baritone Fischer-Dieskau's remarks on language, poetry, and Lied were seen originally on German and French television, in a documentary film entitled, "Dietrich Fischer-Dieskau: La Voix de l'âme. Zum 70. Geburtstag" ("70th Birthday Tribute to Dietrich Fischer-Dieskau: The Voice of the Soul").

a recently deceased dear friend, Gertrude Pitzinger,¹¹ as in the best among others. There is, for reasons I shall indicate, a great profit for art specifically, and for humanity in general, in pursuing that line of investigation.

As I shall now indicate, this matter of musicality of a Classical poem, as that principle of poetry must, contrary to the awful mannerisms of the late Sir Lawrence Olivier, inform the playwright and performing artist, is crucial for recognizing the manner in which a successful performance of Shakespeare, for example, reaches into the deepest, most intimate region of both the cognitive powers and passions of the mind of the audience. It is also, in the same way, the key to recognition of the principle underlying the composition of the greatest Classical instrumental compositions, and to the relationship between the singers and the chorus of instrumental voices in Classical mu-

sical compositions generally.

Return to the observations which I made, above, on the function of the principle of inversion expressed in the referenced compositions by Bach and Mozart.

Among the rules for development of a long-lasting and beautiful development of the human singing voice, is obedience to the combined, and, actually, interdependent standards set by both the Florentine species of so-called *bel canto* development and use of the human singing voice, and the strictly well-tempered set of singing-voice (Keplerian, astrophysical-like) *orbits* (tonalities) defined by J.S. Bach's method in polyphonic counterpoint. Although such capabilities of the best singers require a cultivation of natural gifts, the gifts so cultivated, are a pre-existing disposition of not only the human singing-voice, and, also, speaking voice, apparatus, but are, as is often, most unfortunately, overlooked, also innate qualities of the human mental processes, the impassioned attributes of cognition most notably.

It is upon these considerations that the principles of Classical forms of poetic composition depend, both for their expression, and for the comprehension of the hearer.

The consequence of those considerations which has the most direct bearing upon the subject-matter of this report as a whole, is the following.

In the case of the Classical song, as in the musical setting

11. Her performance of the Schumann *Frauenliebe* and of the Brahms *Vier Ernste Gesänge*, are notable examples.

of Classical poem, we are confronted with two functionally distinct kinds of musical orderings. One ordering, is that determined by the *bel canto*-specific vocalization of the poetry itself. The other ordering, is that determined according to the principles of composition defined by well-tempered contrapuntal thorough-composition.

That is to say, on the first account, that, in each language, or its dialectal variant, a distinct relative intonation is associated with the distinction of one vowel from another. This is coupled with the impact of the consonants. And, so on and so forth. In the attempt at a literal rendering of a poem by a speaker, the tendency of literate speakers, of which admittedly few emerge from our secondary and university education of recent decades, is to follow the musical line of the language's or dialect's so-called natural prosody, its seemingly natural musical expression. That is to say, the poem is read by the literate speaker of that language, as a musical score.

This was, speaking in relative terms, the view expressed by Goethe and his factional ally Reichardt, respecting the musical setting of Goethe's own poetry. Hearing the settings of poetry by Reichardt, illustrates Goethe's standpoint in this matter. Schiller disagreed, as did Wolfgang Mozart, Beethoven, and Franz Schubert. The differences between the treatment of Goethe's poetry, the one by Reichardt, the other by Mozart, Beethoven, and Schubert, confronts us with the rele-

vant illustration of the issue to be considered here.

Simply stated, the correct approach to the musicality of Classical poetry, is that of Schiller, as Schiller's argument against Goethe and Reichardt is demonstrated so elegantly in practice by the Goethe settings, and other songs, of Mozart, Beethoven, and Schubert, as also by the songs composed by Schumann and Brahms later. In the examples provided by such composers, it is the standpoint of Bach's well-tempered contrapuntal polyphony which dominates the musical reading of the prosody. *The difference in result, is that the latter approach produces a work in the mode of well-tempered thorough-composition.*

The difference imposed by the application of the contrapuntal idea upon the relatively naive prosodic reading of the poem, is that the musical departures from the simply prosodic reading of the poetic line, must never be arbitrary impositions of the speakers' or singers' opinion, but must have a lawful reason. The point is, that in art, nothing must ever be arbitrary, never as the Romantics and so forth insist upon arbitrary, irrational whims, whims whose claims to art are limited to the presumption that that which is utterly irrational, such as the works of Richard Wagner, is unfathomably mysterious, and therefore incredibly artistic and sexy as well. There must be governing necessity, as there is in science. That governing principle of reason, must be supplied by the governing, underlying role of contrapuntal development, the contrapuntal development derived from the spark of well-tempered thorough-composition.

This latter view of the challenge posed by the musical settings of poetry, forces us to recognize, in the relatively clearest possible way, the kernel of the method by which the noblest compositions and performances in Classical tragedy, such as those of Shakespeare and Schiller, impart a cognitive passion within the audience, like no other works of similar kinds.

This takes us directly to the highest level of the art of politics. It focusses our attention on the way in which a well-performed Classical tragedy generates a certain condition within the mind of the sensitive members of the audience. This effect is essentially of the same character as the effect upon a musically literate audience of a well-delivered Classical musical song, or, for example, a Verdi aria such as the famous monologue from *Simon Boccanegra*, or the aria of the dying Posa in *Don Carlos*, or a well-performed delivery of the hateful soliloquy of Iago, which Verdi added to his earlier setting of Shakespeare's *Othello*. The best singers love such parts from the repertoire, because of the way in which appropriate performance enables the singer to reach deeply into the mind of the individual member of the audience. The audiences love such performances, and regard them as beautiful, on the same account. This is the crucial consideration, thorough-compositional musicality and all, in the effective performance of a great Classical tragedy, such as those of Shakespeare and Schiller.

My intention here, is that you, the reader, should develop

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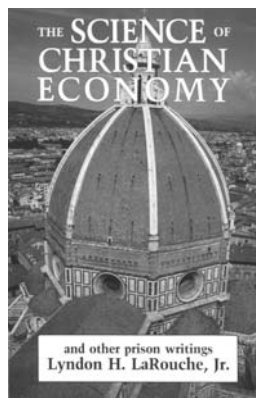
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at least the rudiments of the ability to touch the inside of the mind of your conversation-partners, in ways consistent with that same principle. This is the quality you should recognize as underlying Plato's composition of his dialogues. This is the principle expressed in practice by the greatest poets, and by, yet once again, the Classical tragedies of Shakespeare and Schiller.

Classical beauty, is not an object at which to look in admiration, or, perhaps, lust. Such beauty is a relationship among persons, a relationship between the cognitive processes of the artist, on the one side, and the cognitive process of the audience, on the other. Only in what humanity has developed as Classical modes of artistry, is such communication efficiently accomplished.

Such art never descends to the banality of mere entertainment. It has a sacred spiritual quality, expressing a quality of the human cognitive processes, by means of which they celebrate and impose that law, that each man and woman is made in the image of the Creator of this universe. Here lies the superior moral authority of great Classical artistic composition and its performance. Here lies the wellspring of that moral authority which, as Shelley has reported, presents poets to us as the true legislators of mankind. Here lies that power in Classical artistic composition, which is never equalled in social authority by any other form of communication.

That said, now focus upon what might be described as the mechanisms, by means of which the Classical tragedy reaches deep into the cognitive processes of the mind of the member of the audience. How is the apparent stress between the two notions of musicality, those of prosody and well-tempering, to be resolved?

How To Compose a Poem

At this point, I must confess. I once did compose Classical poetry, many decades ago. It was a passable product, but that nasty *Zeitgeist* whose satanic grip had claimed to grip my times, forbade such products from disturbing the complacency of rampant current custom. I consoled myself, that I had done enough to grasp the rudiments of such composition, and had gained thereby some of the essential insight which fed into the possibility of the discoveries which I have contributed to the science of physical economy. Among the benefits of that experience, as combined with my apprentice's insight into some of the greatest Classical compositions, I present you now, with what is a reliable summary of the method by which a modern piece of Classical poetry is to be composed. This is an approximation of course, but it is exact and accurate as to matter of the most elementary principles involved.

To compose a Classical poem, one should put the matter of text to one side, at least for a while, and concentrate fully on the most elementary principles of Bach's counterpoint.

On that account, let us assume that you have developed a fertile musical mind, at least to the degree that your thoughts are haunted by an ever-proliferating abundance of those kinds of musical ideas to which I have referred above: statement

and inversion, as in the kind of counterpoint which leads potentially to Classical thorough-composition. It is out of what the printer calls the "hell box" of such stereotypical musical elements, that the proper poet, such as a John Keats for English, chooses a musical idea which he or she decides has an ingenious potential relationship to the musicality of a certain fragment of prosodic text.

If that poet has grasped the lesson which my references to the poetic musicality of Schiller, Mozart, and so on, imply, then the contrapuntal idea so chosen, serves as a driving force for the developmental elaboration and resolution of the prosodic element in question. This principle is demonstrated by such an example as Mozart's setting of *Das Veilchen*, and by the alterations in a Goethe poem typical of the musical settings of Mozart, Beethoven, and Schubert, and the sundry song-compositions of Schumann and Brahms. A most intriguing and fruitful connection, is shown by comparing the Heine settings by Schubert with the Heine settings of Schumann.

Under the governance of that kind of partnership between counterpoint and prosody, a good poet, whether adequately aware of this connection or not, will find himself, or herself carried, as on empyreal waves, to the full exposition of the germ-idea of his composition, unfolding as what becomes a satisfactory, completed development of the poem as a whole. To understand this most efficiently, it were sufficient to focus upon the role of a series of Lydian intervals in a short composition such as the Mozart *Ave Verum Corpus*, or his earlier *Abendempfindung*. In effect, the song-setting as performed, is driven by the energy, the passion, of the contrapuntal process, toward its goal of the completion of a perfectly coherent single idea, an idea whose expression requires neither more nor less than what has been composed and performed.

So far, up to this point, I have described the most essential formalities of the business. That much said, turn to the kernel of the matter. How does this all work within the mind of the member of the audience?

Perhaps more than routine familiarity with the Classical song-form is required for this, but, with work, the principle involved can be adduced in an empirical way. In the case of songs in the form of Classical thorough-composition, the idea of "songs without words" comes to the fore in a manner and degree which is, at first, not only astonishing, but stunningly so. Without words, such music, indeed, all Classical thorough-composition, represents a distinct idea, an idea without words. On this account, it seems at least as sensible to put words to music, as music to words. Every truly gifted Classical instrumental performer readily recognizes this certain quality which lies between the notes, the quality which guides the artistically successful performer, and which dooms some technically well-trained others.

The success of such performing between the notes, should be treated as a form of empirical evidence, showing that those qualities of the composer's and performer's minds which enable the Classical performance to reach into the virtual soul of the mind of the audience, are successful precisely because

there is a resonance between those aspects of the creative, cognitive processes of both parties.

This should suggest to us, and it can be shown conclusively on solid ground, that the musicality which underlies well-tempered thorough-composition, and such uses of prosody as poetry and the great compositions of Classical tragedy, are essential, or, in other words, indispensable qualities of the power of individual human cognition itself.

In that sense and degree, the person who is unresponsive to Classical modes of composition and performance of poetry, music generally, and tragedy, is an emotional and cognitive illiterate, lacking in the development of an otherwise inborn, natural ability of the human individual, to think and communicate in cognitive, rather than merely deductive modes. Thus, these overtones of such principles of musicality, are inextricably linked to the arts of irony function, metaphor most emphatically. Without a certain literacy of the cognitive powers, on this account, the ability of the individual to see a remedy for a seemingly insoluble paradox, such as that of the Hamlet soliloquy, were impossible. On that account, and exactly that account, an entire people, an entire nation, an entire culture might be doomed to a catastrophe inflicted by its own hand.

The object of the leading personalities of society, must therefore be to awaken and to address those cognitive qualities of the individual mind, in which the passion required to induce cognitive solutions to paradoxes is aroused by musicality. To make this point transparent, return to the matter of geometry of position.

Closing In On Ideas

In Classical art, ideas have the same geometry as those ideas generated as validated discoveries of universal physical principle. As the case of the elementary idea in well-tempered contrapuntal statement and inversion illustrates the connection, all ideas arise within the human mind, solely by Socratic forms of *negation*.

That is to emphasize, that the type of idea posed by negation does not exist in the explicit elements of the respective parts of the conjunction. It exists, apparently, solely in the gap, the discontinuity which the contradictory feature of the conjunction situates. The idea occurs as a demonstrably efficient solution, existing outside either of the conjoined elements, for the paradox posed by the conjunction. The discovery of an empirically validated universal physical principle, is the archetype of such solutions to such forms of paradox. The point to be emphasized, is that all artistic ideas are of exactly the same form as the discovery of an experimentally validated universal physical principle.

Thus, the conjunction which I have made in the opening paragraph of this report, typifies the way in which a writer or speaker seeks to break through formalities to address the cognitive processes of the mind of the member of the audience. It is right to laugh *together with* Senator Eugene McCarthy in the matter of his readings of poetry. It is right *not to laugh at* Lincoln's readings of Shakespeare to the members

of his cabinet. It is therefore silly, to deprecate the role of Classical art in shaping history. Why is this so? That poses a paradox. What is the answer to that paradox?

The purpose of all serious communication, even an exchange on a street-corner, is to bring into play the inner, cognitive processes of the person to whom one is speaking. It is only through the provocation of those cognitive processes, that real paradoxes of real life practice, can be transformed into cognitively generated knowledge of solutions to those problems. No other kinds of solutions to genuine, real-life paradoxes, exist.

The function of the Classical tragedy is to capture the audience's attention from the start, by posing a paradoxical situation, a dramatic form of geometry of position, which admits of no discoverable solution except the generation of a cognitive form of discovery within the mind of the individual member of the audience.

If this address to the audience is successful in achieving that immediate goal, the result is to put the unfolding drama onto the stage of the imagination of the individual member of the audience. The object is to circumvent the potentially fatal error, of the empiricist's or materialist's blundering misapprehension of the shadows projected upon the wall of Plato's fire-lit Cave. The problem so defined by the theater, is the need to get the mind of the audience to shift its focus from a literal interpretation of the physical stage as such, the walls of the cave, to see, with the mind's eye, the figures and actions which have generated the images on the wall of that cavern which is the stage.

Once the mind of the audience's member has accepted that shift of the drama, from the stage as a cavern wall, to the stage to be found within the imaginative, cognitive processes of the mind of the individual member of the audience, a performance of a work of Classical art has begun.

To bring this effect about, that by itself is not sufficient. Deductive solutions as such, do not exist in such matters. There must be passion. It is the musicality of the drama which supplies the indispensable medium of passion. For this purpose, the modern Classical stage must learn to sing. It must proceed from emphasis on the principles of Classical prosody. To achieve the effects of thorough-composition, it must condition its musicality through the influence of education in the art of Classical thorough-composition.

In such matters, what you think you are saying, and the manner in which you say it, may not agree. That should worry you. Therefore, you should refresh yourself, bathe your soul in Classical poetry and song, that your mind might become better attuned and habituated to communicating in that relatively well-performed mode which Classical art-forms exemplify for your guidance. On this account, there is a precious lesson to be learned by all citizens and other residents of the United States, especially those oppressed by the ruinous policy-trends of the past thirty-five years, from, among relevant other sources, the polished form of what is called the Negro Spiritual.

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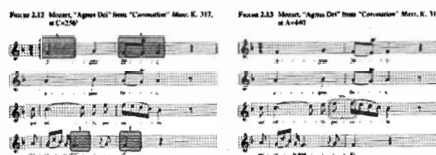
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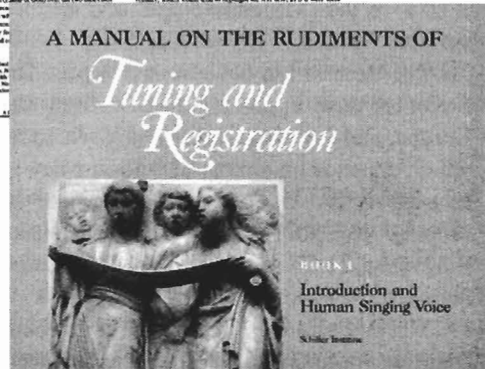
—Carlo Bergonzi



As discussed above, Classical composers used the registers of the human voice to create multiple musical voices. Varying the registers can, and usually does, radically alter the poetry and the meaning of many compositions.

In the “Agnus Dei” from Mozart’s “Così fan tutti” above, the soprano provides the opening phrase twice, opening the first line in the soprano first register, and closing the second line in the soprano second register. Such a striking juxtaposition of the two registers is not only striking in itself, but also serves to emphasize the contrast between the two registers.

At A=440 this passage reads as intended, and a different, arbitrary distinction is introduced. The opening phrase fits nicely in the second register. It requires a higher and higher effort to shift register, and hence requires an fundamental change in meaning. This is because at C=256, the lower F is raised before the opening line into the first register, whereas at A=440 it is forced up into the second register. Furthermore, when sung at A=440 there is no emphasis on the word “Agnus,” as “Agnus” is not emphasized at C=256. This is because the word “Agnus” is not emphasized at C=256, but is emphasized at A=440. This is because the word “Agnus” is not emphasized at C=256, but is emphasized at A=440. This is because the word “Agnus” is not emphasized at C=256, but is emphasized at A=440.



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Time for Asia To Ditch IMF or Go Down with the Dollar

by Kathy Wolfe

The dollar is about to crash, the U.S. Presidential elections have been reduced to a farce, and the European press is speculating that the United States could soon collapse like the Soviet Union. Just at this time, China, Japan, South Korea, and the ten members of the Association of Southeast Asian Nations, which comprise the “ASEAN-Plus-3” group, are preparing for their heads of state summit in Singapore on Nov. 23-24. The choice they face, since their finance ministers met on May 6 in Chiang Mai, Thailand, has been: Will Asia walk away from the Wall Street-dominated International Monetary Fund (IMF), and begin a new Asian monetary system, or will it stay on the IMF chessboard, and let their nations be destroyed?

The destruction has already begun. The IMF and Wall Street are now organizing massive flight capital out of Asia, Europe, and the world, into New York, to hold up the dollar, which depends on almost \$2 billion a day in foreign inflows to support the U.S. deficit. The Seoul stock market has dropped 46% for the year; Tokyo, 22.4%; Taiwan, 32.1%; Singapore, 21.8%; Hong Kong, 22%; Thailand, 47.9%; Indonesia, 52.5%; and the Philippines, 42.3%.

The IMF and Wall Street have targetted the ASEAN-Plus-3 nations for financial warfare. Their answer to South Korean President Kim Dae-jung’s peace achievement with the North has been, to try to break Korea. The IMF’s “annual consultation” in Seoul on Nov. 6-14, led to the announcement that 52 major industrial companies will be shut down and more than 50,000 workers will be fired. In Japan, the sucking of funds to New York has brought down the \$42 billion Kyoei Life and the \$30 billion Chiyoda Mutual insurance giants. Governments and economies across Southeast Asia are shattering (see article by Michael and Gail Billington, below).

Yet, Asia in fact holds the stronger hand, if it has the

courage to play it, as *EIR* Founder Lyndon LaRouche said in an Oct. 30 statement to the ASEAN-Plus-3 summit (see below). Asia still has its productive facilities and population, whereas the U.S. economy is bankrupt, the dollar is finished as a currency, and the IMF system faces systemic panic. “Let me speak truthfully, as one warns a friend of danger,” LaRouche said. “You must break, completely, with the IMF. There can be no debate. Either declare, or prepare announcements to soon declare, that none of the swap lines or funds discussed under the May 6 Chiang Mai Initiative (CMI) shall be linked, in any way, to the IMF. This and other merely financial actions must be taken, to allow more fundamental action to protect your nations’ physical production and trade—and to demonstrate Asia’s political will to survive.”

Fall Like the Soviet Union

The best-informed Europeans are now echoing what Malaysian Prime Minister Dr. Mahathir bin Mohamad and former Japanese Vice Finance Minister Eisuke Sakakibara have already said: The United States is an empire in decline whose days are numbered. The U.S. imperium, over-extended in Asia especially, could soon fall as hard as did the Soviet Union, the German magazine *Der Spiegel* quoted Dr. Chalmers Johnson, of the Japan Policy Research Institute, as saying on Nov. 6. Johnson, an American specialist on Asia and author of *MITI and the Japanese Miracle*, spoke of his recent book, *Blowback: Costs and Consequences of American Empire*, which exposes Wall Street and Washington’s mindless imposition of U.S. power in Asia, and the reaction against it there. (*EIR* reviewed Johnson’s book in its July 28, 2000 issue.)

Neither Gore nor Bush will change course, Johnson projected, so the United States will continue to expand. But, he

said, "Arrogance always comes before the fall. From history we know, that world empires sooner or later reach critical states. For most Americans it was still unimaginable in 1988 that the Soviet Union would vanish three years later—broken apart and finished. . . . What felled the Soviet Union was its imperial over-extension, not the competition with the U.S. or inability to reform. Americans believe they are immune from the Soviet fate. That is wrong. . . ."

"It cannot be ruled out that the economic boom will begin to sputter, then, that an abrupt change and economic downturn will occur. . . . The prevailing influence of finance capital over production processes, is an indicator of a capitalist economy in crisis." The fact that most of U.S. production is outsourced abroad, the record U.S. trade deficit, and increasing indebtedness in private households, shows that the U.S. economy has feet of clay, Johnson said.

The economic and financial situation in the United States will soon be so bad that the Nov. 7 election "could be a good election to lose," as London *Guardian* Economics Editor Larry Elliott put it on Nov. 6. Talk of a "soft landing" of the U.S. economy is, at best, premature, he writes, and "neither Bush nor Gore has dared to mention the fact that America's boom could come crashing down at any moment."

IMF Crunch Hits Asia

Until Asia breaks with the IMF, however, it is looking Hell in the mouth. The farce of the two fools vying for President in the United States has created a global credit crunch with "investors everywhere saying 'I want to get my money out now, before Gore or Bush come in,' " one Korean economist told *EIR*. "Everyone in New York is pulling in all the cash they can, which multiplies itself all over the world, with banks refusing to put money out everywhere, the way markets usually shut down at year end. You could call it Christmas at Halloween. . . ."

"Everyone is highly concerned about the coming hard landing for the U.S. economy, which means a terrible time for the U.S. dollar. And no one in any market believes that either Bush or Gore could possibly handle such a crisis." This and the need of the New York market for cash to prop up the dollar is the root cause of the current Korea crisis, he said. "The first place they take the cash out of, is where they had been putting in hot money, at the beginning of this year," starting with Korea.

The IMF, in its current annual review of South Korea on Nov. 6-14, is blatantly trying to sabotage cooperation with the North, and shut down the guts of the economy. A Citibank official said on Nov. 7, "The IMF is telling Seoul to go slow on the North, to make sure that wasteful spending on expensive projects in North Korea doesn't become a problem, on top of wasteful spending at home."

The IMF, he said, was behind the announcement by Seoul's main banks on Nov. 3, that 52 industrial companies are "non-viable," as Kim Jin-man, president of Hanvit Bank,

told a press conference. The banks put Dong-Ah Construction Industrial Co., once one of the world's biggest civil engineering companies, Samsung Vehicle, a giant Samsung subsidiary producing buses and trucks, and Dongbu Construction under court receivership. The bankruptcy of Dong-Ah, with unpayable debts of more than \$3 billion, threatens a multibillion-dollar water project in Libya and large projects in China, Malaysia, Vietnam, and seven other countries. On Nov. 6, Daewoo Motor, with \$44 million in unpayable commercial bills, was put under court bankruptcy protection for the second time, which could bankrupt some 402 primary parts suppliers.

On the brink of being declared insolvent is the gigantic Hyundai Engineering and Construction (HEC), Korea's largest construction firm and one of the world's largest, which has a \$2.65 billion debt payment due in December and millions in questionable corporate bond payments due this month. HEC has more than \$10 billion in overseas construction projects in 31 nations.

The bankers' meeting was called by President Kim Dae-jung, under enormous pressure from the IMF. The shutdown of the 52 firms directly affects about 20,000 employees, but most of the firms are construction firms whose subcontractors and suppliers will also be hit, almost certainly affecting 50,000 workers. Labor unions estimate that the wave of layoffs could rise to 180,000.

"Governments across the [Asian] region are cancelling new infrastructure projects for the same reason: All of their budgets are out of whack," one economist said.

Wall Street Speaks

The arrogance of empire is especially seen in the way in which Wall Street spokesmen are now announcing that the U.S. election result is unimportant—it is the New York financiers who are running the show. The IMF and Wall Street are now demanding that the Korean banks themselves, which have been left holding much of the bad corporate paper, be closed or sold to foreigners. "The Korean government has spent over \$30 billion the past two years bailing out their banks, which means enormous government control of banking," the Citibank official complained. "They've also issued over \$40 billion in foreign exchange stabilization bonds. That money is being wasted on banks and companies which ought to be closed."

U.S. Ambassador to South Korea Stephen Bosworth, a former banker, demanded that Korea sell off its banks, in a speech in Seoul on Nov. 7. He called on the Korean government to publish a "concrete timetable" for the "privatization of the financial sector. . . . The government must be willing to step back and allow markets to make the important decisions. This means that the government must accelerate its program to sell financial and non-financial firms that properly belong in private hands." There has been progress in reprivatizing the banks through an increase in foreign buyouts, he said.

“This foreign participation will help raise Korean banking practices to international standards.”

Citigroup Chairman and former U.S. Treasury Secretary Robert Rubin made a tour of Japan, Korea, China, and several other Asian nations in late October, to deliver the same message. “Structural change and opening markets are powerful policies for promoting growth and powerful antidotes for fiscal problems, and should be at the center of economic policy,” he said in an Oct. 31 speech in Tokyo. He criticized “daunting obstacles” to change, including “excessive regulation and informal and formal barriers to open markets. The government must develop the political will to overcome the resistance to reform,” he said.

Regardless of who is President, the U.S. State Department has already announced that the U.S. agenda for the Nov. 12-16 Asia Pacific Economic Cooperation Forum (APEC) summit in Brunei will be demands for even more globalization and deregulation. This is an open warning to the ASEAN-Plus-3 countries against any strong action backing the CMI and Asian Monetary Fund. C. Lawrence Greenwood, Jr., the State Department senior official for APEC, told the press on Oct. 31 that the United States “looks to enhance the movement to freer trade and investment in the region. The United States will also be looking to build a consensus for launching a new global round of negotiations to reduce trade barriers and would like to see progress in reducing industrial tariffs and eliminating agricultural subsidies.” To help foster the New Economy in all of APEC’s 21 economies, Greenwood said, “The United States will encourage deregulation and increased competition.”

LaRouche Warns Leaders at ‘ASEAN-Plus-3’ Summit

EIR Founder Lyndon H. LaRouche, Jr. issued a warning on Oct. 30, to the heads of state of the ten members of the Association of Southeast Asian Nations plus Japan, South Korea, and China (ASEAN-Plus-3), before their November 2000 summit. An edited version follows.

In September of 1998, I warned that a major financial crisis would erupt in the U.S.A. by the time of the Washington summit between China and the U.S. That crisis erupted exactly at the time I had forecast. Now, the world has reached the end-phase of the process for a global financial, monetary, and economic chain-reaction collapse. This is not such a relatively minor problem as the 1929-1931 collapse, but the worst financial collapse in several centuries, possibly even as severe, on a global scale, as the Fourteenth-Century New Dark Age in Europe. The current spread of epidemic and pandemic diseases in Africa, and beyond, typify the threatened world-

wide conditions such a Dark Age implies.

In this circumstance, the gravest political danger, is that those leading voices which fail to warn, now, of the onrushing world-wide financial collapse, before the collapse has occurred, will lack the authority to make the necessary reforms after reality has made itself clear to the population. The lack of any credible candidate for U.S. President threatens to create the situation in which there is no institution in the U.S.A. which is not acting to prevent a sane response to financial collapse.

What confronts us, is not a crisis within the existing International Monetary Fund (IMF) system, but a terminal crisis of the system itself. What is required, is not a reform of the existing IMF system, but its entire replacement by a new system, a new system best described as a return to the protectionist form of world financial, monetary, and economic order, which would have come into existence, had U.S. President Franklin Roosevelt not died prematurely, in 1945. The new system must be, as Roosevelt had intended, a post-colonial world order, equitably representative of the common interests of all nations, not merely of a privileged few.

My Proposals

The U.S. dollar could, on almost any day, disintegrate to a level below the Indonesian rupiah, to levels below the 1929 German mark. When even the heads of the Hongkong and Shanghai Bank, Citibank, and 300 other major banks of the Institute for International Finance, have warned world ministers of “a sharp fall in the dollar,” as they did at September’s Prague IMF meeting, even they know that we are all near the point of global financial and monetary bankruptcy. If Moody’s were remotely honest, U.S. government paper and U.S. banks, with over \$42 trillion in derivatives, would be rated well below junk bond grade. The Wall Street bubble is already facing either a chain-reaction deflationary implosion, or a hyperinflationary explosion.

Because the physical economies of your 13 nations retain some of the world’s best remaining machine-tool, plant and equipment, and scientific facilities, you have the chance, at your November summit, to take actions which could halt, or at least slow down your region’s now-threatened slide into a New Dark Age. Your efforts could also form the “seed crystal” of a new global monetary system, which could later become a catalyst for a “jump start” of the world economy.

Let me speak truthfully, as one warns a friend of danger, not in diplomatic sophistries: You must break, completely, with the IMF. There can be no debate. Either declare, or prepare announcements to soon declare, that none of the swap lines or other funds discussed under the May 6 Chiang Mai Initiative (CMI) shall be linked, in any way, to the IMF. This and other merely financial actions must be taken, to allow more fundamental action to protect your nations’ physical production and trade, listed below—and to demonstrate Asia’s political will to survive.

I recommend the following steps to you:

A. Conclude a minimum level of CMI swaps, completely independent of the IMF. Your reasons are clear. The IMF has a record of destroying living standards in Asia, Russia, and world-wide. The IMF and G-7 have repeatedly ignored Asia's warnings against hedge funds and hot-money speculation. The IMF is also bankrupt as a system, and there is no reason to throw away Asian swap funds, to make a show of bailing out a hopelessly bankrupt system.

B. Create the Asian Monetary Fund (AMF) now.¹ Asia requires an institution to ensure continuing physical trade and development projects for its region, as the global IMF system fractures. The Anglo-American institutions are weak and well aware of their pending bankruptcy. They are too dependent upon Asia's exports to dare start a trade war. There is also nothing you can do to stop the pending collapse of the U.S. market for Asian exports. For your nations' and region's survival, you require a regional trade arrangement to begin to offset the impending loss of that U.S. market.

C. Create an entirely new synthetic Asian unit of account for trade and production credit, based upon a "basket of hard commodities," as detailed in my report "Trade Without Currency."² Note that, the debates about "how Japan, China, and South Korea are to pay" for the weaker "Ten-Plus-3" economies, and about the use of Japan's yen, China's yuan, and/or baskets of currencies, will soon be trivial, as the value of all currencies collapses. You require a temporary measure for use during the transition from a collapsed IMF system, until a new fixed-rate global Bretton Woods system can be established. The new synthetic Asian unit should be the accounting system of the AMF's credit facility, an Asian version of Special Drawing Rights, to finance trade and medium- to long-term loans for hard-commodity investments. It approximates the "gold reserve plus commodities exported" fixed-rate Bretton Woods system during 1945-1965. Trade and production loans are made in these units, not in currency prices; however, the exporter is credited with that number of synthetic units as the product is delivered, and repayments are determined by the price of the domestic currency, in those units, when payment is due.

D. Create emergency regional trade and trade-credit treaties to keep hard-commodity trade within Asia moving at all costs. Recent Korean-Japanese discussions of a regional trade zone can serve as the basis, but only if industry and agriculture in each member-nation are protected. Adopt those protective tariffs and economic cooperation measures, used in 1945-1960 joint recovery and economic growth of the U.S.A. and western Europe — similar to Malaysia's recent actions.

E. Establish parallel state-to-state hard-commodity trade agreements with producers, especially of oil and other raw materials, critical for production. Oil price spot-market speculation must be controlled by negotiation of long-term govern-

ment-to-government contracts in rational prices.³

F. Endorse *EIR's* 1992 Eurasian Land-Bridge proposal, a.k.a. the "Iron Silk Road," as a "science driver" program, similar to the U.S. Apollo moon shot of the 1960s, to jump-start China, North Korea, and Indochina into consumption of capital goods and high-technology infrastructure.

G. Escalate large-scale, long-term, low-interest credits from the region's capital goods exporters, a regional form of Asian "policy credit," for production of capital goods for increasing the physical productive powers of labor, per capita and per square kilometer, in developing areas.⁴

H. Reorganize the more than \$2 trillion in non-performing loans (NPLs) of the "Ten-Plus-3" commercial banks, and the more than \$15 trillion in derivatives held by Japan's banks. Acknowledge that most of this paper is worthless. As much as \$400 trillions in today's nominal financial assets of the world will soon be either wiped out by the crash or reduced to a mere fraction of its current valuation. This cannot be stopped; outstanding financial claims must be brought into line with the hard-commodity valuation of the world's combined production. Should Asia become the first to address this, it gains comparative advantage; the U.S. and Europe hold far larger non-performing assets.

I. Issue a statement endorsing LaRouche's call for a New Bretton Woods global monetary conference. The world's need for a new monetary system, per se, will soon be clear enough, as today's non-system evaporates. Asia would find it most unpleasant, however, to negotiate a new system with a United States which has gone fascist after the crash, just as Germany in the 1930s. It is in Asia's urgent self-interest, that my proposed New Bretton Woods system, as I have defined its requirements, be the basis for all international negotiations. Absent such clear proposals to that specific effect, the world faces the prospect of a U.S. descending into chaos and fascism. Given the incompetence of the present leading U.S. candidates for President, no sane initiative is likely to originate from the U.S. after January 2001. In that case, the alternative must be presented to the U.S.A., without indulging in the futile wish that the U.S.A. might initiate something both in America's own, and in the world's, vital interests.

Asia's leaders have been placed in a unique position by history. By simply forming the CMI and the AMF, the ASEAN-Plus-3 could supply the spark to prompt the world toward actions in the common and urgent interest of all peoples, by starting to break the stranglehold of the IMF.

In conclusion, I add the following cultural observations, as a representative of modern European civilization, to the ASEAN-Plus-3 nations, which generally have a different historical-cultural tradition. If we are to join together, to bring this world, now threatened with a new dark age, into order,

1. "An Asian Monetary Fund," Lyndon H. LaRouche, Jr., *EIR*, May 26, 2000.
2. "Trade Without Currency," Lyndon H. LaRouche, Jr., *EIR*, Aug. 4, 2000.

3. "Bring Oil Price Inflation Under Control," Lyndon H. LaRouche, Jr., *EIR*, Sept. 29, 2000.

4. "The Eurasian Land-Bridge: The New Silk Road," *EIR*, January 1997; 290 pages.

we must base our cooperation on higher and deeper levels of cultural understanding.

The European sovereign nation-state established as law, for the first time, the principle that governments have no natural legitimacy, except as they promote the general welfare of all of the people, and their posterity. However, this principle

has been bitterly and bloodily opposed by certain states in Europe, and by powerful forces inside the U.S.A. itself. We must see this as primarily a cultural and moral crisis, a crisis defined by the need to establish a new, just, and therefore durable, world order among sovereign nations, premised upon love for the welfare of all mankind.

Government Crises Across Asia Threaten New Economic Approach

by Michael and Gail Billington

As if by coincidence, leading governments across Southeast Asia are simultaneously facing the potential demise of their existing governments, either by impeachment or through scandal-driven resignation demands. It is no coincidence. As reported in last week's *EIR* ("Renewed Financial Crisis Threatens Asia"), the world financial crisis is thrusting Asia into a second round of stock and currency collapse, aggravating the rising poverty of people across the region brought on originally by the 1997-98 speculative attack on the Asian economies. Such conditions of increasing poverty create anger and frustration, such that the *vox populi* is often easily manipulated against the existing governments, failing to see the global economic crisis driving the local conditions.

There is a second factor driving the international institutions, including the International Monetary Fund (IMF), as well as the Western press and political leadership, in attempting to lay the entire blame for the economic crisis on the supposed "nepotism, cronyism, and corruption" of each of the local governments. That second factor is the very real potential that the ten members of the Association of Southeast Asian Nations and their "dialogue partners," Japan, China, and South Korea (ASEAN-Plus-3), will move forward during their upcoming meeting in late November to implement a new Asian Monetary Fund and related regional currency, trade, and development policies, to free Asia from the death grip of the IMF and the international speculators. The emergence of potentially destabilizing government crises in several leading ASEAN nations serves the interests of those desperate to maintain the looting rights of the IMF and the bankrupt Western banking system.

Impeachment proceedings against the Presidents of the Philippines and Taiwan are already in process, while in Indonesia, certain leading circles are demanding that the President resign under threat of impeachment. In Thailand, elections have been called for Jan. 6, but the candidates from both leading parties are facing corruption charges that could legally prevent them from participating in the elections.

In Malaysia, the one nation in the region which has largely escaped economic devastation, due to the proven success of the Mahathir government's sovereign rejection of IMF dictates, the opposition has acted without shame in hiring a Washington public relations firm to denigrate the Mahathir government in the United States, and is calling for international boycotts and sanctions against their own country. A demonstration against Prime Minister Dr. Mahathir bin Mohamad on Nov. 5, touted as "The Gathering of 100,000 People," produced less than one-tenth that number, but succeeded in providing a "photo opportunity" for the world press, of police attempting to maintain order. Unlike other nations in the region, Malaysia and its Prime Minister have withstood the attacks of past years, both economic and political, by publicly identifying the international source of the attacks, while implementing protective measures to safeguard the general welfare of the population.

Indonesia Targetted

The other nations have not fared as well. Indonesian President Abdurrahman Wahid, elected just one year ago in the first open election following the fall of the Suharto regime, is now under attack from some of the same sources who led the campaign against Suharto. Amien Rais, the Speaker of the People's Consultative Assembly (MPR), and one of the self-proclaimed leaders of the student demonstrations against Suharto, has called for Wahid to resign and has threatened to initiate impeachment proceedings. He has accused President Wahid of failing to reverse the economic crisis, and failing to end the ethnic, religious, and separatist violence that continues to wrack several regions of the country. Wahid is also being brought before the House of Representatives as part of an investigation of two different scandals involving the President. Wahid has refused to resign, and, thus far, the leaders of the two largest political parties in the country, Vice President Megawati Sukarnoputri and House Speaker Akbar Tandjung, have not joined the call for his resignation, despite

FIGURE 1

Southeast Asia



their own serious reservations about his leadership.

Wahid's problems have been aggravated by the mounting tension between and among Indonesia, the United States, and Australia. U.S. Ambassador Robert Gelbard has arrogantly criticized the resistance within the administration to IMF demands, and blamed the government and the military for failing to curb the violence in several parts of the country. The U.S. Embassy was recently closed to the public for over a week due to alleged security threats, and the U.S. State Department issued a warning against travel to Indonesia due to the mounting anti-American sentiment in the population.

Meanwhile, Australian Foreign Minister Alexander Downer accused Indonesian legislators of lying about their grievances concerning Australia's role in destabilizing the country, especially in the volatile situation in East Timor. Indonesian legislators are calling on Wahid, once again, to cancel a scheduled trip to Australia. The *Sydney Morning Post* ran a blood-curdling call for Indonesia's dismemberment by one Brian Toohey on Nov. 5, comparing Indonesia's current "incompetence" to the period in the 1960s under the nation's first President, Sukarno. No Indonesian will miss the implica-

tion, since Australia at that time gave full support (with the British and the United States) to the overthrow of Sukarno and the organized massacre of hundreds of thousands of his supporters by the military and armed gangs.

The Philippines: Populism Serves the Elite

Nowhere in the region is the role of *vox populi* more pronounced, and more tragic, if not farcical, than in the Philippines, where President Joseph Estrada is facing impeachment proceedings, based on allegations lodged by a former close political ally, Governor of Ilocos Sur province Luis Singson, who, on Oct. 9, accused Estrada of receiving more than \$8 million in proceeds from an illegal gambling racket, called *jueteng*, and around \$4 million from tobacco excise taxes from Singson's province. Within three days of Singson's allegations, Vice President Gloria Macapagal Arroyo, daughter of a former President, resigned her cabinet post as Social Welfare Minister, and, on Oct. 25, openly endorsed the impeachment motion filed a week earlier. She has emerged as the focal point of a revived "People's Power" movement, allegedly in the name of appeasing the gods of "market confi-

dence” on behalf of the Philippines economy and its suffering currency, the peso, which plummeted to an all-time low of 51.95 to the dollar at one point, momentarily earning it title as the worst-performing currency in the world.

That populist outpouring enjoys the support of the same combination of institutional forces, inside and outside the Philippines, that disgraced and toppled former President Ferdinand Marcos, led by Catholic Cardinal Jaime Sin, former President Corazon Aquino, and Estrada’s predecessor, former President Fidel Ramos. The “impeach Estrada” campaign is overwhelmingly endorsed by the “Ayala Avenue” financial and business elite, with more than 11 prominent business and financial groups calling for Estrada’s resignation.

Tragically, as *EIR* reported in a Jan. 19, 1996 *Feature* on the Philippines economy (“Will the Philippines Go ‘Down Mexico Way,’ ”), Presidents Aquino and Ramos’s kowtowing to the IMF and “market sentiment” caused crippling damage to the country’s ability to service the general welfare of the population, who, in 1998, responded by giving President Estrada the largest-ever electoral mandate. Aquino’s government more than tripled debt service as a percentage of the total government budget between 1982 and 1994, from 9.6% to 33.9%, while slashing defense spending by more than half, cutting health care by 40%, and stalling funds to education. President Ramos *increased* the budget allocation for debt-servicing and opened the floodgates to “fast-track” economic liberalization, deregulation, and privatization.

In early November, Estrada’s ruling coalition suffered major defections, including the Senate President, the Speaker of the House, and ministers and senior economic advisers. More than 100 members of the 218-member House have endorsed the impeachment motion, which is expected to be debated in a House plenary session on Nov. 13. If and when the motion makes it to the Senate, Estrada will need 7 of 24 Senate votes to save his government. Sadly, no one has stepped forward to save the Philippines from its own elite.

Taiwan and Thailand

Taiwan, while not part of ASEAN-Plus-3, is crucial to the region both due to the strength of its economy and due to the critical question of its relations with mainland China. Five months ago, after 55 years of rule by the Nationalist Party, Democratic Progressive Party leader Chen Shui-bian was elected President by a minority vote in a three-way race, with his party holding only 67 seats in the 220-member legislature. When Chen unilaterally cancelled a \$5.5 billion nuclear power project on Oct. 27, the opposition responded by taking political measures to remove him from office. The dramatic financial and stock market crisis of the past months is feeding the anger against Chen, and the opposition is close to the two-thirds vote needed to remove him and force new elections. The Nationalists and the other leading opposition parties may hold a recall vote as early as the week of Nov. 13, but say they

will abort the campaign if Chen would appoint a new Prime Minister from the opposition majority, and allow the Nationalists to run foreign policy, including relations with mainland China. Although Chen has distanced himself from his party’s policy of declaring Taiwan to be separate and independent from China, a policy that would provoke a serious confrontation with Beijing, most leaders on both sides of the straits are worried that improvement in relations have stalled, endangering the security of the region.

The other major ASEAN nation facing a government crisis is Thailand. The government of Premier Chuan Leekpai waited to the last possible moment allowed by law to call elections, which are scheduled for Jan. 6. However, the Thai Senate is considering impeachment charges against eight members of Chuan’s Cabinet, over charges of failure to divest business assets and give full financial disclosure before taking office, as required by the new Constitution. Premier Chuan himself is facing a similar charge, although it does not appear to be serious. On the other hand, the candidate generally expected to win the election, telecommunications tycoon Thaksin Shinawatra, founder of the Thai Rak Thai Party, is facing extremely serious charges of the same sort. It appears that twice before, when Thaksin briefly served in Cabinet positions for previous governments, his maid, his chauffeur, and other domestics became, suddenly, the owners of vast amounts of company stock, which they kindly gave back to their boss when he left government. They may not even have known about their momentary wealth. Thaksin has been given until Nov. 17 to explain these shenanigans, or face a ban on all political activity for five years.

The severity of the crisis was reflected in the call from several leading statesmen, including former Prime Minister Chavalit Yongchaiyudh, for a suspension of the new Constitution and the formation of a national unity government. The Constitution, adopted in 1997, was the product of Thailand’s foremost representative of the globalization oligarchy, Anand Panyarachun. Under the guise of reform and transparency, the Constitution grants various commissions dictatorial powers over elections and other government and business functions, which has created a “silent majority” of opponents, ready to put “reform” on hold and return to earlier structures of law.

Each of these several crises, in each nation, can only be resolved to the benefit of the general welfare of the population if national leaders declare their intention to confront the global depression through the formation of new economic and financial structures, as are now under consideration by the ASEAN-Plus-3 nations. *EIR* Founder Lyndon LaRouche has issued a warning to the heads of state of the ASEAN-Plus-3 nations concerning the current end-phase of the collapse of the dollar-based financial system, together with his recommendations for a new regional monetary system, leading to a new Bretton Woods to establish a new global system. Excerpts of that proposal are included in this issue.

'The Right to Intervene'

Australia created the pretext that is now being used to eliminate sovereignty in the Pacific nations.

At the Oct. 27-30 Pacific Islands Forum, composed of Australia, New Zealand, the Cook Islands, Micronesia, the Marshall Islands, Kiribati, Tuvalu, Tonga, Samoa, and Vanuatu, the two dominant nations rammed through an agreement allowing external intervention in the domestic political crises of member nations.

Named the Biketawa Declaration, after the Kiribati resort island on which the forum was held, the agreement forecasts political and economic instability for the region, and, in response, ushers in a new era of British Commonwealth interventionism, enforced by the muscle of Australia and New Zealand.

The Biketawa Declaration first affirms the Forum's commitment to the British Commonwealth mantras of "good governance," "the rule of law," and "indigenous rights," and lists various diplomatic measures to be pursued in the resolution of a crisis, including fact-finding missions and third party mediation. Then, in Section 2 (iv), the very last line, comes the blank check for intervention: "If, after actions taken, the crisis persists, convene a special meeting of Forum Leaders to consider other options *including, if necessary, targeted measures*" (emphasis, punctuation added).

The Oct. 31 *Canberra Times* summed up what is afoot: "The signing of the Biketawa Declaration by Pacific leaders in Kiribati at the weekend represents a dramatic change in the principles underlying the regional cooperation of the past 30 years. It moves the South Pacific away from an ASEAN-style regionalism, in which the non-intervention principle is fore-

most, to a Commonwealth model in which the Biketawa Declaration mirrors the role of the Commonwealth's Harare Declaration. . . . This move also suggests a shift beyond state sovereignty as the organising principle of the region."

Justifying the Biketawa Declaration to the Pacific Island Forum delegates, Australian Prime Minister John Howard spoke ominously of an unstable future for the region. "We have been reminded not only in relation to East Timor, but also in relation to what has occurred in Fiji and the Solomon Islands, that we do live in a less stable part of the world than we might otherwise have thought," he warned. He also foreshadowed a massive increase in Australia's defense budget next year, in the order of 5%, including \$350 million to extend an Australian patrol boat program in the region for another 25 years. The increase comes out of a new Defense White Paper to be released next month, which he described as the most "fundamental re-examination for decades of the security environment in which Australia now finds itself."

In fact, Australia has *created* the security environment it now finds itself in, first by its malicious intervention into East Timor, and then through dirty tricks that have created the crises it is now using as the pretext for overriding the sovereignty of its neighbors. It was Howard's personal interference in pressuring former Indonesian President B.J. Habibie over East Timor, that brought on last year's independence referendum and the ensuing violence, and the subsequent Australian-led UN peacekeeping that continues to flout

Indonesian sovereignty; later reports revealed that Australia's crack Special Air Service was operating in East Timor *illegally*, months before the referendum. Last June, Australia refused a request from the Solomon Islands government for police reinforcements to avoid an ethnic uprising, instead waiting until the government was overthrown to broker last month's "peace" talks, and lead the peacekeeping mission that arrived in the Solomons on Nov. 6.

However, the most egregious case of Australian—and British—dirty tricks, is the Pacific Islands Forum member-nation Fiji. Just four days after the military coup in Fiji on May 19, Australia gave virtual approval to the overthrow of the pro-development, anti-austerity Labour government of Mahendra Chaudhry, by declaring that it didn't consider it necessary for Chaudhry to be reinstated, as long as "democracy" were restored. Whilst the coup was publicly led by failed businessman George Speight, the mastermind was retired British Special Air Services (SAS) Colonel Ili-soni Ligairi, and the elite, 30-man Counter-Revolutionary Warfare Unit he led. The coup plotters demanded the appointment of a British agent, Samanunu Cakobau, as Fiji's President. Cakobau was the granddaughter of Ratu Sera Cakobau, the King of Fiji who ceded his country to Britain in 1874; she spent most of her adult life in Britain, where she was married to a British Army officer; she is understood to have participated in the planning of the coup. In May, an Australian counterterrorist expert told *EIR*, "They [the coup soldiers] would be close to Australia. ASIS [Australian Secret Intelligence Service] would have some links to them. ASIS knows everything that goes on, and their job is to keep an eye on everything that goes on in the South Pacific."

EIR

SPECIAL REPORT

THE 'NEW ECONOMY' IS DOOMED

The Fraud of the Information Society

The Group of Eight heads of state, meeting in Okinawa in July 2000, proclaimed as its major accomplishment, the establishment of a task force aimed at giving the Third World access to the "Information Revolution." In a parody of Marie Antoinette, they said of the world's poor: "Let them eat laptops!"

EIR's Special Report rips apart the fraud of the Information Society, and tells what must be done to restore economic health to nations where billions of people face hunger and death by infectious disease, while transport, power, and water infrastructure is collapsing.

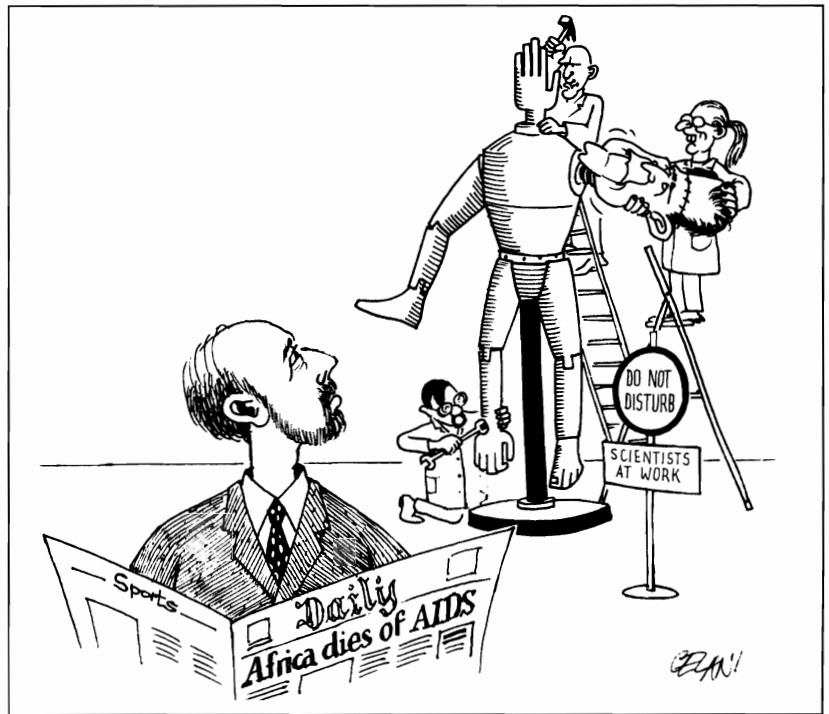


Table of Contents

Part 1, The Information Society

- "The Information Society: A Doomed Empire of Evil," by Lyndon H. LaRouche, Jr.
- "The Emperor's New Clothes, American-Style: Nine Years of the U.S. Economic Boom"
- "What Is the Measure of Productivity?"
- "The Collapse of the Machine-Tool Design Principle"
- "The Rise and Fall of the Post-Industrial Society"

Part 2, Artificial Intelligence

- "John von Neumann's 'Artificial Intelligence'—'Pattern Card' of the 20th Century?"
- "Norbert Wiener: Cybernetics and Social Control in Cyberspace"
- "The Cult of Artificial Intelligence vs. the Creativity of the Human Mind"

Appendix

- "Systems Analysis as White Collar Genocide," by Lyndon H. LaRouche, Jr. Reprint of a 1982 article.

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Russia, China Relations in 'Best Period Ever'

by Mary Burdman

The prime ministers of strategic partners China and Russia held their fifth annual meeting on Nov. 3-4, when Russian Prime Minister Mikhail Kasyanov visited Beijing. There, he met his Chinese counterpart, Zhu Rongji, as well as Chinese President Jiang Zemin and Li Peng, chairman of the Standing Committee of the National People's Congress.

Kasyanov's trip emphasized increased economic cooperation between the two nations, which is the critical element to consolidating their already well-established political-strategic partnership. After his first meetings with Kasyanov on Nov. 3, Zhu Rongji said that, following the visit by Russian President Vladimir Putin in July, "our ties have entered a new level, and presently I believe Sino-Russian relations are enjoying their best period ever."

That characterization would include the international situation, as well as bilateral relations. Kasyanov, as he left Moscow on Nov. 3, emphasized the potential of the "strategic Eurasian triangle" of Russia-China-India. In December 1998, Russian former Prime Minister Yevgeni Primakov had proposed a cooperative relationship among the three greatest Eurasian powers, during a visit to New Delhi. This year, at the end of October, Primakov, now chairman of the Fatherland-All Russia Bloc of the Russian State Duma (lower house of parliament), had visited China for talks with Li Peng, and also met Jiang Zemin to discuss strategic cooperative relations between Russia and China.

Kasyanov told the press that Russia is prepared to back the creation of a strategic Moscow-Beijing-Delhi axis, "should China and India express the desire for one. We have a very clear vision of the question, put like this: If China and India are ready for such cooperation, Russia will support such relations, such coordination, such an axis. China and India are traditionally our good neighbors with whom we maintain good relations." Russia would welcome the strategic triangle, "if such a necessity was stressed by our partners. In this event we would be ready for it."

When Jiang Zemin met Kasyanov on Nov. 3, he called for deepening the Sino-Russian strategic partnership. In the face of the "complex" international situation, Jiang said, the two neighboring powers, with similar historical and cultural origins, and similar views on many major international issues, need to further their coordination and cooperation, to create a just new international political and economic order.

The Real Economy

On Nov. 3, Zhu Rongji and Kasyanov signed a joint communiqué emphasizing cooperation and improving the economic basis of their strategic relationship. Lagging Sino-Russian economic relations has been a primary issue in the two nations' joint discussions since Russia was devastated by financial collapse in August 1998. During Jiang Zemin's visit to Russia in November 1998, he had called for economic collaboration, using Russia's great achievements in science and technology, in his speech at the Russian science center at Novosibirsk; in February 1999, when Zhu Rongji was in Moscow for the fourth prime ministers' meeting, specific economic projects led the agenda.

In his discussion with Kasyanov in Beijing, Jiang Zemin again emphasized that Russia is well known for its strength in science and technology, as well as its natural resources. Jiang said that China hopes Russia will realize its economic prosperity at an early date, and play an even bigger role in international affairs.

Since Russia's economy has been brought low by more than a decade of "Washington Consensus" policies, such as the International Monetary Fund's "shock therapy," the former superpower has fallen into wholesale exporting of its vast mineral and other resources, to finance its international debt. China's proposal to Russia, that it utilize its existing scientific capabilities—which in some areas far surpassed those of the United States—in cooperation with other, less-developed Eurasian nations, is Russia's best route to reverse its economic downfall, and meet the needs of densely populated Asia.

Emphasis on Machine Building

Russia already has helped China design, build, and run 12 facilities, including nuclear and thermal power plants and the Jingan iron and steel plant. The two nations have also been discussing, for the past several years, building the Kovyktinskoye natural gas project, to supply 20 billion cubic meters of gas to China annually for 30 years, and to supply another 10 billion cubic meters a year to South Korea, via China.

Oil pipelines, a shipbuilding project, and a medium-term project to build a transmission line to send electricity to China from Russia's Irkutsk region, are also planned.

While the two countries' military cooperation is generally played up, discussion of civil-economic relations predominated during this visit. It was agreed that Russia will repay former Soviet debt to China—some \$1.2 billion—before 2002, with Russian weaponry.

In a speech to more than 100 Chinese and Russian entrepreneurs on Nov. 4, Kasyanov said that the Russia-China relationship is "developing in an all-round way." The resources, production potential, and rich historical heritage of the two Eurasian neighbors, make cooperation in all sectors essential, he said.



Russia's then-Prime Minister Yevgeni Primakov (left) during Chinese Prime Minister Zhu Rongji's visit to Russia on Feb. 24-28, 1999. Primakov first floated the idea of a strategic triangle among Russia, China, and India.

Their cooperation is already strategic. "Russian and Chinese leaders have a convergence of opinion on many issues," he said. "Our two countries have established a good political dialogue. Scientific and cultural exchanges are developing. The time has come for business circles in both countries to consolidate a friendship between two peoples that covers many fields."

Kasyanov said that Russia-China trade and economic cooperation is entering a new phase, and he called for the two countries to strengthen cooperation in machinery manufacturing, energy, aviation and space technologies, and petroleum. "Emphasis should be put on trade with high technological products, on production cooperation, and joint projects, not only in the extractive industries, but also in machine-building," he said.

"Today, Russia can export large quantities of its machine-building goods to China. We have things to offer in areas like power engineering, aviation, space, the machine-tool, chemical, and oil industries," Kasyanov stressed. He said that the Russian government intended to support Russian exports to China in several ways, including granting state credits to exporters. Already, the "engineering industry is the most efficient field of Russian-Chinese cooperation."

Kasyanov was accompanied by, among others, Yuri Koptev, head of the Russian Aerospace Agency, who met with leaders of China's Commission on Science and Technology.

Rising Trade

One important indication of improving economic relations, is the rise of bilateral Sino-Russian trade this year. In 1998, because of the crash of the ruble, bilateral trade dropped an estimated 10% from the year before, to just \$5.5 billion. Now, this trade is recovering, although it remains much lower than other Chinese trade relations. For the first nine months of 2000, Sino-Russian trade was up 42.6%, to

\$5.8 billion, and is expected to reach \$7 billion by year-end, a ten-year high.

Trade matters were discussed by Russian Deputy Prime Minister Ilya Klebanov and Chinese State Councilor Wu Yi on Nov. 1, when Klebanov flew to Beijing to prepare Kasyanov's visit. Wu and Klebanov are co-chairs of the Joint Commission for the Regular Meetings of Heads of Government of Russia and China. Wu Yi stressed to Klebanov, that "effective economic cooperation will cement the material foundation for the strategic cooperative partnership."

Zhu Rongji and Kasyanov signed 14 important agreements, in order to "fully exploit" their economic potential, including for cooperation in trade, investment, science, technology, energy, power, mechanical manufacturing, aerospace, civil aviation manufacturing, communications, and military technology. Specific measures included an agreement to open a confidential hot-line; a cooperation agreement between the State Development Bank of China and the Bank for Foreign Economic Affairs of Russia; an agreement between Nuclear Power Co. Ltd. of Jiangsu Province, China, and the Russian Ministry of Finance, to follow up the December 1992 agreement for Russian government loans to construct a nuclear power station in China; and an agreement on a feasibility study on the construction of infrastructure in gas fields in Russia, and multilateral cooperation among China, Russia, and the Republic of Korea in gas field projects.

The two sides also agreed to explore bilateral cooperation in energy, power, the environment, and other infrastructure construction projects in western China—the focus of China's overall economic development planning.

Zhu Rongji and Kasyanov pointed to the importance of the upcoming heads of government summit of the "Shanghai Five" nations—China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan—to be held in Shanghai soon. They also agreed that their sixth regular meeting will be held in Moscow in 2001.

Iran, Japan Prepare for Post-Crash World

by Muriel Mirak-Weissbach

As the world veers toward a global financial and monetary breakdown, some cool heads are thinking in the direction, of what to do to survive the crash, and how to ensure orderly functioning of their economies. It is in this context, that the government of the Islamic Republic of Iran, has pursued an array of initiatives oriented toward rapidly developing relations with key nations in Asia. As Iranian President Seyyed Mohammad Khatami has put it, this means boosting ties with China and Japan, in particular.

Khatami launched his Asian policy, with a visit to China last June, during which far-reaching economic cooperation deals were signed. From Oct. 31 to Nov. 3, Khatami visited Japan, the first such visit of an Iranian head of state since 1958. In his meetings with Prime Minister Yoshiro Mori, Foreign Minister Yohei Kono, Minister of International Trade and Industry Takeo Hiranuma, the head of Japan's External Trade Organization (JETRO), businessmen, and others, he discussed means of expanding economic ties between the two nations, to their mutual benefit.

As Iranian Foreign Ministry spokesman Hamid-Reza Asefi said, the visit was "aimed mostly at giving variety to bilateral economic cooperation, accomplishing a transfer of technology, inviting Japanese investment in Iran, opening Japan's market for Iranian non-oil exports, activating both countries' private sectors, and planning long-term economic-industrial cooperation with Japan."

Oil-for-Technology Agreement Signed

The centerpiece of the talks, was an oil-for-technology agreement. The Iranian delegation, which included Foreign Minister Kamal Kharazmi and Oil Minister Bijan Namdar Zanganeh, concluded a deal, offering Japan extraordinary access to Iran's oil. Specifically, Iran offered Japan exclusive rights to drill in the Azadegan oil field, reputed to be one of the largest in the world. The Japanese daily *Yomiuri Shimbun* reported that the basic agreement had already been struck in preparation for the visit, giving Japan preferential rights to develop and tap the Azadegan field, near the Iraqi border. The field has an estimated 26 billion barrels of reserves and is expected to yield 300-400,000 barrels per day.

The Japanese are reportedly planning to "form a consortium of private and semi-governmental oil explorers, trading houses, and oil refiners, including Indonesian Petroleum

Ltd., which is 50% owned by the state-run Japan National Oil Corp.," according to the Iranian press agency, IRNA.

The terms of the agreement are, that Japan will extend \$3 billion (\$1 billion per year) in advance, for oil from Iran, and will have exclusive rights to negotiate the development of the Azadegan oil field. The deal was signed by Iranian Oil Minister Bijan Namdar Zanganeh and Japanese Minister of International Trade and Industry Hiranuma. The managing director at the Japanese Institute of Energy Economics, Kazuya Fujime, said, the upfront payment "is more like an initial bonus payment to keep Japan on course to develop Iranian oil."

The significance of the deal is great. Japan, which is utterly dependent on imports for its fuel requirements, is the world's second-largest oil importer, after the United States. It already imports 10% of its oil from Iran, its major supplier, and is Iran's largest trade partner. Bilateral trade stood at \$4 billion in 1999, and is sure to increase. This kind of agreement is precisely the sort of state-to-state deal, which Lyndon LaRouche has promoted, as a means of breaking the speculators' stranglehold on oil trade, stabilizing prices, and establishing orderly relations among oil producers and consumers.

More important even than securing steady supplies of oil, Japan thus gains the right to produce oil in another country, something it has been seeking since the end of World War II. Japan had had rights in Saudi Arabia, through its Arabian Oil Co., but lost them in February, perhaps due to outside pressures on the Gulf state. Now, it will gain this access in Azadegan; Japan is also said to be interested in the South Pars offshore gas field, the biggest in Iran.

In his talks with Japanese Minister of International Trade and Industry Hiranuma, Khatami discussed transforming current trade relations into "strategic cooperation in the field of the infrastructural sector of economy and technology." Japan's private sector is going to participate in Iran's Third Five-Year Development Plan (2000-05). The state-to-state oil deal, with its three-year initial phase, establishes a longer-term stable relationship between the two economies.

This kind of cooperation, whereby Japan will invest in technology to develop oil production inside Iran, and at the same time contribute to Iran's industrialization, is precisely what it had sought to do decades ago in the Persian Gulf. Forces associated with former U.S. Secretary of State Henry Kissinger, who were opposed to Japan's promotion of industrialization in that part of the world, moved in to sabotage it.

Japan will also extend 61.7 billion yen in trade insurance, for other Japanese projects in Iran, among them petrochemical projects. A loan for 7.5 billion yen (\$69.3 million) was finalized on Oct. 8, to help complete a hydroelectric dam. Iran is also seeking a new loan for a 770-kilometer rail line, which would link Mashhad, to the strategic point of Bafq, in central Iran, both of which lie on the Silk Road. Further financial aid is expected, to help Iran's efforts in fighting

drug-trafficking from Afghanistan. Finally, Japan pledged that it will help Iran develop small and medium-sized enterprises, as a way of providing jobs for Iran's unemployed.

Political Issues Also Discussed

During his visit, Khatami also discussed a broad range of political issues with the Japanese government leaders, ranging from the Middle East crisis, to Afghanistan and Central Asia. The talks were summarized in a 15-point "Statement for Mutual Cooperation in the 21st Century," signed at the conclusion of the visit. The statement says that the two leaders "shared the view that this visit constituted a turning point toward promoting dialogue and understanding in the international community as well as between the two countries." The Japanese side lauded Iran's progress toward reform, and the two called for more dialogue and cultural exchange.

On economic cooperation, they expressed their hope "that the private sector would play a more extended role in expanding the economic relationship." The Iranian side noted the importance of the cooperation which Japan has extended, and expressed its high expectation for Japan's continued contribution to various development programs in Iran, including the 'Third Five-Year Economic, Social, Cultural and Development Plan' and program for the industrial development, such as support for small and medium-sized enterprise policy."

The paragraph on oil, made explicit the fact that the two governments share a policy outlook which goes beyond bilateral concerns and specific agreements, to deal with world economic relations. "Both sides confirmed the importance of stability of the world oil market and of Iran's role as a major and stable oil supplier for sustainable growth of the world economy at large, and for recovery of the Asian economy in particular. In this regard, considering that the favorable relations between the two countries were to be established in the development of oil and gas fields in Iran such as Azadegan oil field, [the two sides] concurred in the importance of Iran's stable oil supply capacity, the stable export-import relationship, including the facilitation of oil trade through such flexible measures as advance facility . . . and the promotion of dialogue and cooperation between the two countries in this respect. Both sides also emphasized the significance of deepening mutual understanding between oil-producing and -consuming countries based on just and mutual interests, which is conducive to a stable international oil market."

The document also said that the two sides concurred about the danger of drugs and terrorism, as well as of weapons of mass destruction. The two sides "expressed their deep regret on the loss of the lives of innocent people in the clashes in the West Bank and Gaza, and condemned the provocations, the violence, and the excessive use of arms against civilians." They reaffirmed the need for lasting peace.

They also addressed the Afghan crisis, and "reaffirmed their shared intention to actively engage in the peace efforts by the international community."

Dialogue Among Civilizations

As on all his foreign visits, President Khatami laid special emphasis on the "Dialogue Among Civilizations," a proposal he had presented to the United Nations General Assembly, which has been adopted for the year 2001. On his arrival in Japan, Khatami was told by Japanese Foreign Minister Kono that evidence had emerged of long-term contacts between the two cultures. Based on the discovery of hand-made objects found in Japan's ancient capital of Nara, Kono said that it could be ascertained that the two peoples had had trade ties 1,200 years ago. The artefacts in question include Persian glassware and musical instruments. Kono said, "This is proof that cultural dialogue existed between the two countries a long time ago."

Japanese Prime Minister Mori, speaking at a luncheon hosted by his guests on Nov. 1, noted that the ancient Silk Road, which joined Asia to the West, has been revived in the framework of the proposal for a Dialogue among Civilizations. Khatami assented, saying that the "influence of such factors as the Silk Road in contributing toward the development of the two countries' potentials, all-out relations, and thriving interchanges in the past and, hopefully, in the future should not be underestimated."

In an address to a group of academics at the Tokyo Institute of Technology, Khatami highlighted several moments in history, in which such a dialogue among civilizations has flourished. First, he referenced the influence of Chinese culture on Japan after the Eighth Century, and compared it to the experience of Iran. "Indeed, we can say that the mythological elements of our culture have an eastern origin, while the philosophical components of our thoughts have Iranian, Greek, and Islamic roots." This, too, he asserted, is the experience of the "Western world," which "owes its religious spirituality to Asia, which cradled the major world religions, namely, Judaism, Christianity, and Islam." Furthermore, "In the course of several centuries, Muslims translated much of the Greek philosophy and interpreted it in a way consistent with the principal notions of their own beliefs and mentality. In turn, the Western thinkers gained access to Greek philosophy through the Muslim works." Finally, "The impact that Greek philosophy had on the Christian theology, alongside the inter-influence of the Islamic and Western philosophy and theology, brought forth a wide spectrum of philosophical notions among Muslim thinkers generally and Iranian thinkers particularly, on the one hand, and among the Western thinkers, on the other."

In dealing with the dialogue between Japanese and Iranian (Persian) culture, Khatami focussed on the similar ways in which the poetical traditions communicate philosophical ideas, through rich nature imagery.

'FARC International' Deploys Across Ibero-America To Pick Up the Pieces

by Gretchen Small

Fidel Castro's triumphal visit to Hugo Chávez's Venezuela during Oct. 26-31, is only the most-publicized feature of a broader radical regroupment under way across Ibero-America by the São Paulo Forum, the unified narco-terrorist apparatus founded by Castro's Cuban Communist Party in 1990. As the banker's strategy of "globalization" disintegrates, the São Paulo Forum has positioned itself to seize leadership over hundreds of millions of desperate people at the moment of a global financial crash, with the stated intent of unleashing a coordinated, continent-wide uprising, pivoted around the drug-running Revolutionary Armed Forces of Colombia (FARC).

The personal deployment of Fidel Castro into this process, to anoint self-proclaimed FARC ally Hugo Chávez, the President of Venezuela, as his official successor as "leader" of a continental revolution, provides a telling reminder that the coming bloodbath is, in fact, being orchestrated by the same Wall Street-London financier interests which brought Fidel Castro to power in the first place, 40 years ago. Then, Wall Street used the likes of a low-level stringer such as the *New York Times'* Herbert Matthews, to run publicity for Castro; today, the same job is done for Castro's FARC allies by New York Stock Exchange President Richard Grasso, America Online honcho Jim Kimsey, and, of course, the *New York Times* as well.

Whereas in 1959, Castro was a useful pawn to keep control of the region during the Cold War, today, Castro's narco-terrorist spawn serve as Wall Street's shocktroops, used to sweep away all institutions of the nation-state which could defend the Americas from Wall Street's Opium War.

Deployments for a continental uprising are well-advanced, and moving faster than any government in the Americas has dared recognize—including that of the United States. The FARC wages its warfare at will in Colombia, enjoying the support of the Chávez government in Venezuela. Its allies in Bolivia launched a revolt of the coca-producers a month ago, and have now been joined, in an as-yet limited fashion, by their Peruvian counterparts. And insurgencies on a par with that already drowning Colombia, can be exploded in Brazil and Ecuador, at any moment of the São Paulo Forum's choosing.

'This Great War,' Colombia

The São Paulo Forum was founded by the Cuban Communist Party and Brazil's Workers Party (PT), in the wake of the collapse of the Soviet empire, with the explicit purpose of replacing the largesse from the Soviet Union, East Germany, and elsewhere, which had sustained terrorist networks and capabilities in the region, with money from the drug trade. In our Nov. 10, 1995 issue, *EIR* published an exhaustive, 64-page *Special Report* on the São Paulo Forum's capabilities and activities, extending from the Americas into Spain, through the Basque separatist killers, the ETA, which forms an integral part of the leadership of the Forum ("London's Irregular Warfare vs. Nations of the Americas").

Yet, for ten years, the slightest mention of the existence of the São Paulo Forum—an increasingly public, very active, and tightly coordinated structure—has been systematically suppressed by the Anglo-American Establishment's intelligence and security services. Rather, the lie is propagated that, with the end of the Cold War, the great threat to democracy today, are the national Armed Forces of the region, which, therefore, have been systematically starved of resources, reduced in size and responsibility, purged of nationalist men of character, and "restructured" to the point that their continued existence is now in doubt in many countries.

Thus, has the current, existential conjuncture been reached.

The perspective guiding São Paulo Forum actions in this period, was laid out in summary fashion in a speech delivered at the so-called "Mothers of the Plaza de Mayo Popular University" in Buenos Aires, Argentina, by U.S. sociologist James Petras, and published in a special supplement of the "Plaza de Mayo Mothers Association," edited by the Argentine daily *Página 12*, on Oct. 13. Petras has been a regular participant in São Paulo Forum deliberations since its founding, and is an ideologue of sorts for their narco-terrorist cause.

The decisive battle today, equivalent in importance to the Cuban Revolution and the war in Vietnam, is "the great confrontation between the American Empire and the great struggle in Colombia," Petras declared. "Colombia is the pivot of Latin America today. Where we [sic] have more than 20,000 combatants, and hundreds of thousands of sympathiz-



Cuba's Fidel Castro (left) and Venezuela's Hugo Chávez.

ers, in confrontation with the empire and its Colombian lackeys. . . . What happens in Colombia, if the empire is defeated, will have consequences for all of Latin America. Colombia is no Caribbean island, nor a small Central American country. It is a country with a large population, bordering Brazil, Venezuela, Ecuador, Panama, Peru, etc. There is much at stake."

"This great war" has already started, Petras said, under conditions in which the revolutionary forces are equal to, or possibly strategically stronger than, the Colombian government's forces. Petras pointed to globalization's free-market economic policies, as the great force which has weakened the state in Colombia, discrediting the government in the eyes of its people.

Petras then identified three principal forces flanking the Colombian narco-terrorist offensive:

"In Brazil, we have the Landless Movement (MST), with 10,500 delegates attending its congresses and organizations; with the capability to organize 390 land seizures between last May 1 and 6th, 89 of them in Pernambuco [state] alone. . . . They are more organized than Germans!" he exclaimed. The MST is now working on a national project "moving towards the cities," he said, organizing workers and lower-middle-class people, to form a nationwide rural-urban movement.

"And beyond Brazil, there is Ecuador, where we have a powerful Indian peasant movement," the Ecuadoran National Indigenist Confederation (CONAIE), Petras said. The CONAIE leads "a great process of radicalization" against the government's dollarization program, and in defense of the "revo-

lutionaries" of Colombia, he claimed, asserting that after CONAIE swept the municipal and local elections in the highlands, "all the *sierra* is now revolutionary Indian terrority."

The third force is Chávez's Venezuela, where more than 70% of the population has been mobilized, and which refuses to attack the Colombian "revolutionary" forces.

Petras reviewed the forces existing in other countries of the continent, but he singled out the "strategic" importance of the Zapatista and allied insurgent forces in Mexico, because of their ability to mobilize *within* the United States. Petras emphasized that "there are millions of Mexicans on the other side of the border of Texas, California, etc."

Arrayed in Support of the FARC

That Petras outlined this perspective before an institution run by Argentina's Mothers of the Plaza de Mayo, brings us back to where we started: that, as significant as the narco-terrorists' military force has grown in the region, it is the support of the London and Wall Street financial establishment which gives them, ultimately, their strategic advantage.

One of the most prominent meetings held by U.S. Secretary of State Madeleine Albright during her August tour of five South American countries, was with representatives of this very Mothers of the Plazo de Mayo Association and other representatives of Argentine terrorist networks (e.g., *Página 12*'s Horacio Verbitsky). This group of FARC allies she called "human rights" activists, and told them: "The role of the military has been the major problem in Latin America.

We work with governments to affirm the idea of civilian control. . . . That is the center of our foreign policy.”

The founder of the Mothers of the Plaza de Mayo, Hebe de Bonafini, is a leading figure in the São Paulo Forum. She calls Mexico’s Zapatista leader, Marcos, “her son,” and was the subject of recent protest by Spanish officials, because of her support for ETA (she justifies their assassinations as acts of “self-defense”). Like Petras, she believes, as she told the latest issue of Argentina’s freebie leftist monthly, *El Destierro*, that “the FARC is a revolution we have to support.”

Across South America, “leftist” organizations are passing resolutions and mobilizing their bases, to come to the defense of the FARC. So, too, leaders of the São Paulo Forum’s forces have been criss-crossing South America in recent months. Bolivian officials announced on Oct. 30, that an investigation has been ordered to confirm intelligence reports that the FARC has deployed “advisers” into Bolivia, to train the coca-producers led by Evo Morales (another São Paulo Forum regular) in more sophisticated guerrilla warfare techniques. Security forces believe that recent killings and kidnappings of soldiers and police in the Chapare region, as well as the use of new explosive devices, are typical of the FARC *modus operandi*. According to Bolivia’s *El Diario*, police believe that as many as 20 FARC fighters are in Bolivia, and report that the coca-producers are newly equipped with M-16s, a serious advance over their previous old Mausers, and M-1s or M-2s.

Lt. Col. Lucio Gutiérrez, the supporter of the FARC and Hugo Chávez who, together with the CONAIE, led the Jan. 21, 2000 putsch in Ecuador, visited Brazil in late August to solidify alliances with the Workers Party (co-founder of the São Paulo Forum) and Landless Movement. He told the daily *Folha de São Paulo* at the time, that he foresees a “civil war” in Ecuador, against neo-liberal free-market policies.

This same Gutiérrez was quick to endorse the short-lived mutiny of Lt. Col. Ollanta Humala in Peru at the end of October.

Egos of the World, Unite

It is in this broader perspective that the significance of Castro’s visit to Venezuela can be found. Chávez and Castro have long formed a mutual admiration society, but the message delivered by Castro’s carefully staged, high-profile visit went beyond mere friendship, to announce a virtual alliance between their regimes, prepared to seize the moment offered by the revolutionary situation which is developing worldwide as globalization crumbles. The Chávez regime—which defends the FARC as honest revolutionaries, and is in the process of outlawing all independent trade unions in Venezuela—is being put forward as a new “model” for world change. As Chávez told newly appointed Venezuelan ambassadors the day before Castro arrived, “representative democracy” has failed in Ibero-America; and so history has placed Venezuela “at the epicenter of a world battle for a new world, to change the face of the planet.”

There is more than friendship between our peoples, Chávez said during a public appearance with Castro; “it is a geopolitical vision of the integration of our peoples. . . . We have proven that our two peoples are one and the same.” Waxing nostalgic over the beginnings of the Cuban Revolution, Castro likewise told Venezuelans, “We are you, and you are us.”

Castro used every public event on his trip—and they were numerous: He addressed the National Assembly, toured three provinces, gave several university addresses, joined Chávez on his regular four-hour Sunday radio and television program, headed the Cuban baseball team when it squared off against a Venezuelan team led by Chávez, and held a joint videoconference with reporters in seven other capitals—to hail Chávez as the new Simón Bolívar, the founder of Venezuela. Castro’s crude pandering to Chávez’s ego would have embarrassed a more sane mind. “You have done more in a few months than Bolívar could even have dreamed of,” Castro exclaimed. He told 3,000 peasants gathered in Chávez’s hometown that, one day, people will come to visit the house where Chávez was born, as today they visit Bolívar’s birthplace.

Castro made a public display in the process, of how he, Castro, deploys the younger Jacobin megalomaniac. In his nationally televised speech before the National Assembly (which all but two opposition deputies boycotted), Castro delivered instructions on how Venezuela must proceed, if its “revolution” is to be successful, and reiterated, “Objectively speaking, I think that only one man could carry out such a complex process in Venezuela: Hugo Chávez.”

During their song-and-dance routine on Chávez’s “Hello, President!” radio and television show, Castro told Chávez to get tighter security. “I am more conscious than you of the responsibilities which you have with Latin America and the globalized world. You have no substitute at this time in this country. Remember that I could be your father.” Ever so modest, Castro said that, while he could disappear without incident, “I am not Hugo Chávez, a young leader full of life.”

The alliance was sealed with the signing of a five-year oil deal, under which Venezuela will provide Cuba with one-third of its oil imports, 53,000 barrels of oil per day, below market prices and on concessional payment terms. Cuba will pay for the oil largely by barter: exporting vaccines, doctors, and up to 3,000 physical education teachers and sports coaches—the latter clearly needed, as Castro’s baseball team trounced Chávez’s 17 to 6.

Just as it did with Castro in 1958-59, the chief mouthpiece of the Wall Street Establishment, the *New York Times*, endorsed “The Ambitions of Hugo Chávez,” as it titled a Nov. 6 editorial. “The rise of a demagogic leftist leader in Latin America need no longer be considered the threat it was during the Cold War,” it wrote. Nor should “Chávez’s courtship of the . . . FARC” worry the United States. “Other Latin American leaders, like Brazil’s President, Fernando Henrique Cardoso, should urge Mr. Chávez to put his influence with the FARC to more positive use by encouraging it to take part in meaningful peace talks with the Colombian government.”

Ivory Coast Riots Stem from IMF Policies

by Christine Bierre

On Oct. 26 and 27, the fight in Ivory Coast between the forces of Laurent Gbagbo, the newly elected President, and those of Alassane Ouattara, president of the Assembly of Democratic Forces, exploded into ethnic-religious riots, leaving at least 150 dead and many hundreds wounded. On Ouattara's side are the Muslim populations of the northern part of the country, where it borders Burkina Faso; Gbagbo's partisans are the Christian populations of the central and western parts of the country.

In those two days, the hideous specter of the 1994 genocide in Rwanda stalked Ivory Coast, provoking horror even among those who had contributed to unleashing it. Churches and mosques were burned down, machetes were wielded by one ethnic group against another; gangs of soldiers belonging to one ethnic group attacked those of the opposite group, Muslims were arrested or killed simply because they were Muslims, and a mass grave with 57 persons, each shot in the head, was found in the suburbs of the country's major city, Abidjan.

How could Ivory Coast, this haven of stability in the midst of oft-tormented post-colonial Africa, reach such a point of disintegration? All commentators are taking the easy way out, blaming the wild period opened by General Gueï's coup against former President Henri Konan Bédié, on Dec. 24, 1999.

The Crisis Unfolds

On that day, using Konan Bédié's corruption as a pretext, General Gueï, former Army Chief of Staff under President Félix Houphouët-Boigny (the man who led Ivory Coast for more than 30 years after the country's independence), took power, claiming that he would only stay as long as necessary to organize free elections. At that time, the partisans of Laurent Gbagbo in the Ivoirian Patriotic Front (FPI), as well as those of Alassane Ouattara, approved of the coup and participated in what was supposed to be only a "transitional government." The entente between Gueï and Ouattara was such at that point, that, before things turned sour between the two men, many suspected the latter of having encouraged the coup.

Rapidly, however, Gueï's own ambitions began to show. The ten months of transition were only aimed at giving him

the time to legalize the coup, through some form of rigged electoral process to take place on Oct. 22, 2000. On July 23-24, a referendum was held, to adopt the new constitution of the Second Republic, worked out by the transitional government. Article 35 of this new constitution, stipulating that the President of the Republic must be born of Ivoirian parents, gave the constitutional court the pretext to eliminate 14 of the 19 Presidential candidates. Ouattara, who is from Burkina Faso, and Bédié, the ousted President, were among those removed from the electoral process by this article and other pretexts. Having thus eliminated his main opponents, General Gueï thought that his election on Oct. 22 was guaranteed.

Wrong! On Oct. 24, two days after the elections, when the National Election Commission (CNE) tally was giving Gbagbo a majority of approximately 59%, Gueï dissolved the CNE and, in a delirious speech, proclaimed himself President, claiming 52.75% of the vote, and dedicating his victory to the people of Ivory Coast!

On Oct. 24 and 25, as Gbagbo also proclaimed his own victory, hundreds of thousands of his supporters took to the streets, leading to the collapse of the military junta whose members had already, one by one, started to abandon the sinking ship. The military police was the first security force to join Gbagbo's camp.

At this point, the crisis nearly went from horror to hell. Following Gbagbo's decision to proclaim himself President, Ouattara's followers decided to contest the results of the Presidential election from which they had been barred. Their intervention degenerated, sparking ethnic-religious riots for the very first time, in this country where more than 60 different ethnic groups reside.

Peering into the abyss into which the country could swiftly plunge, both Ouattara and Gbagbo decided to intervene to calm down and retake control of the situation. The new President, Gbagbo, announced the creation of a national unity government, in which Ouattara's collaborators could participate, and the holding of early legislative elections in December. While Ouattara did not agree to participate in the new government, he has done everything in his power to calm his supporters, and his party will be participating in the upcoming elections.

The Real Culprits

It was Henri Konan Bédié who started stirring up xenophobic arguments against the northern Islamic populations, partly in order to keep Ouattara out of office. After taking power, Gueï and Gbagbo continued using the same tactics, leading to the situation which exploded on Oct. 26 and 27.

But the principal actors in the crisis are not Ivory Coast's political figures, but, first of all, the raw material cartels, which brought about the collapse of cocoa and coffee prices, the country's main export crops. The world's leading cocoa producer, exports of this product make up 40% of

Ivory Coast's total exports. Yet, there seems to be no bottom to the collapse of the prices. Since the early 1990s, prices to the grower have been halved twice. Between the 1998-99 and 1999-2000 growing seasons, the revenues of Ivoirian cocoa producers have plummeted by 210 billion CFA francs, the currency of many French-speaking African countries.

The second culprit is the International Monetary Fund (IMF), which has imposed its structural adjustment policies (SAP) throughout Africa since the early 1980s. If numerous African countries have ceased to exist as nations, entering a kind of gray zone of war, criminality, and disease, the IMF policies imposed on them are to blame to a great extent. By demanding the payment of foreign debt as a priority, the IMF enforced draconian austerity on all those countries, forcing them to privatize their public sector, fire hundreds of thousands of civil servants, eliminate all subsidies to local producers, and successively devalue their currencies, time and again.

The true culprits are also those international powers, notably Britain and its allies in the United States, who conceived and imposed those criminal looting policies; and also France, which, after having barred IMF policies from French-speaking Africa for many years, finally capitulated, after the government of Prime Minister Edouard Balladur.

The international powers are also guilty of not intervening to create a new, just world economic order for the benefit of those countries—and of intervening unjustly in the internal affairs of Africa's sovereign nations.

Alassane Ouattara is a pure product of those policies and oligarchical networks. In 1990, at the end of his life, Houphouët-Boigny, under dual pressure from the IMF, and the massive drop in raw materials prices, called on Ouattara to become the Prime Minister who would impose the IMF policies. Houphouët-Boigny chose him, thinking that his foreign origins would better allow him to do this dirty work. Educated in the United States, it is there that Ouattara has all his support today. After the death of Houphouët-Boigny, Ouattara went to the United States, where he became director general of the IMF, and got to know both Democratic and Republican policymakers.

The United States organized an international support campaign for Ouattara when the Ivory Coast crisis started. When Gbagbo proclaimed himself President, the Americans, the UN, and the Organization of African Unity all supported Ouattara's call for a new Presidential election.

France has no coherent long-term policy for Africa, and while claiming not to intervene into the internal affairs of these countries, it nevertheless does so—with often disastrous results.

Thus, the French media revealed that at the beginning of the coup, General Gueï found a friendly ear at the Prime Minister's office in Paris. At the other end of the political spectrum, General Gueï, who studied at the Paris war college,

apparently had strong support among some high-level French military officers. The name of Gen. Raymond Germanos is among those mentioned. This may explain the sudden appearance of Gen. Jeannou Lacaze (ret.), former Chief of Staff of the French Army, now 75, on the side of General Gueï. According to certain sources, on the eve of the elections, General Lacaze was working to reinforce Gueï's security apparatus, by deploying six former members of military intelligence, as well as some well-known hands from the wars in Bosnia and Congo Brazzaville.

Concerning Gbagbo and his FPI, which is a member of the Socialist International, his main support in France comes from Gérard Collomb, a Socialist Deputy from the Lyon region. Guy Labertit, "Mr. Africa" of the Socialist Party, was recently in Ivory Coast, to support his friend Gbagbo.

Prospects for the Future

Facing the possibility of Ivory Coast's total destruction, Paris, unlike Washington, decided to give support to Gbagbo, while securing from him the promise that legislative elections would be held in December. This decision on Paris' part, will only play a crucial role in easing the crisis in Ivory Coast, if the Paris elites radically change their economic policies toward Africa.

Only a long-term development policy, supported by the international community, will allow Ivory Coast to reconstruct itself and free itself from the demons of ethnicity. The current chaos has led to a total slump in the economy: Port activity is down to 10% of normal, direct investment is nearly zero, the Paris industrialist association MEDEF warned its members not to invest in Ivory Coast, the private and public debt owed to the London and Paris Clubs has piled up, and the budget deficit has gone beyond the figures which the IMF permits.

Gbagbo's economic advisers are calling on the international community to bring the country into the debt reduction program designed for poor and highly indebted countries. This would allow it to reduce its foreign debt—presently at \$19 billion, for which it pays 500,000 CFA francs annually—by 80%.

Ivory Coast, just like every other country in Africa, needs a policy that creates the conditions for durable growth. This implies revaluing its raw materials on the international markets, and making available Marshall Plan-type credits, connected to infrastructure projects. It is intolerable, in this 21st Century, that countries are still dependent on their raw materials exports. We must create the conditions for a rapid industrialization of Africa. The precondition for that, is to dump the IMF policies and return to the dirigistic policies of productive investment which were so effective in the postwar reconstruction of Europe.

It is in that domain that France, the United States, and other advanced sector countries, are welcome to intervene—and in no other.

International Intelligence

Atlantic Treaty Assn. Meets in Budapest

The Atlantic Treaty Association meeting in Budapest on Oct. 31, brought together officials from all NATO members and many eastern European nations, including the Hungarian and Estonian Prime Ministers, and the Foreign Ministers of Hungary, Greece, Turkey, Bulgaria, Austria, Macedonia, and Slovenia. While ATA President Theodossis Georgiu called for cooperation to extend from the Atlantic Ocean to Vladivostok, to promote security and prosperity, Hungarian President Ferenc Madl stressed that Hungary would like to see its neighbors meet membership criteria to join NATO in the largest possible number. He added, "It is our moral duty and basic security interest to help Yugoslavia find the way back to Europe."

Hungarian Foreign Minister Janos Martonyi also pushed for NATO enlargement, and called for the establishment of an independent European defense system. The latter idea has been pushed by the U.S. military establishment, which wants European NATO forces to deploy in Europe, in order to free up U.S. forces for out-of-area campaigns in other parts of the world.

Secretary General Lord George Robertson spoke of a "wide-ranging and flexible" partnership, with special regard to NATO's relations with Russia and Ukraine. However, as Russian President Vladimir Putin stressed during his visit to France, while Russia does not object to the European Union's expansion eastward, it does strongly object to NATO enlargement. Thus, the whole discussion will only serve to drive a wedge between Russia and European NATO members.

Yugoslavia Seats First Non-Communist Gov't

The Yugoslav Parliament on Nov. 3 elected the first government since World War II that has no Communist participation. The government is a coalition of Serbian reformers and Montenegrin socialists. Prime Minister Zoran Zizic announced that his priority is to

get economic aid and to resume diplomatic relations with countries which had suspended them during the Kosovo war. He also wants to lead his country into the European Union. The new Foreign Minister is Goran Svilanovic, who is known as an outspoken critic of former President Slobodan Milosevic's wars. On Nov. 6, Svilanovic called for the formation of a "Truth Commission" on the South African model, comprised of individuals "who enjoy absolute confidence among our people," to establish responsibility for crimes committed during the wars of Yugoslav secession. In that context, he called for an early reopening of the UN war crimes tribunal's office in Belgrade. Trials for war crimes could be held in Yugoslavia, he added.

In New York, on Nov. 3, the UN General Assembly voted to admit Yugoslavia as a new member, not as a successor to the Socialist Federal Republic of Yugoslavia. The vote now makes it possible to tackle some of S.F.R.Y.'s thorny legacy, such as the division of old debts and assets.

President Vojislav Kostunica's office announced on Nov. 1 that Serbia and Montenegro had reached an agreement on their relationship within the Federal Republic of Yugoslavia, based on a concept of "a common association of Serbia and Montenegro," which will serve both countries as a "single government." Details will be worked out after the Serbian elections on Dec. 23. On Nov. 2, Montenegro announced that it would hold a referendum on independence from the F.R.Y. in June 2001.

Baghdad Fair Heralds Crumbling of Embargo

Putting something of a cap on the international defiance of the UN embargo against Iraq, Jordanian Prime Minister Ali Abu Ragheb flew into Baghdad International Airport on Nov. 1, to attend the largest trade fair Baghdad has hosted since the Gulf war began a decade ago. He is the first Arab head of government to visit Baghdad in ten years. Representatives from some 40 countries attended the fair.

Back in Amman on Nov. 3, Ragheb reported that he and Iraqi leaders negotiated a

government-to-government oil deal for next year, whereby Iraq would deliver to Jordan some 5 million tons of oil at a vastly reduced price of \$20 a barrel. The two countries also signed an agreement to build a 450-mile-long pipeline from Haditha, Iraq to a refinery near Amman. The project, expected to cost \$350 million, will allow replacement of the transport of oil by tanker truck.

Further crumbling of the Anglo-American isolation of Iraq occurred on Nov. 6, when Saudi Arabia's King Fahd ordered the border points with Iraq to be permanently reopened, in order to facilitate the movement of goods between the two countries.

On Nov. 5-6, Iraq began domestic passenger flights from Baghdad to cities in the "no-fly zones"—Basra in the south and Mosul in the north. Baghdad officials have said they do not intend to inform the UN of any such flights in advance.

Not deterred by reality, on Nov. 2, U.S. and British war planes made their latest "routine" bombings of Iraq.

Zimbabwe 'Opposition' On European Tour

Morgan Tsvangirai, the leader of the Zimbabwe opposition Movement for Democratic Change (MDC), toured Europe in early November, to drum up support for his effort to overthrow President Robert Mugabe. Mugabe badly defeated Tsvangirai in democratic elections in June, and more recently, the MDC leader has been calling openly for Mugabe to be overthrown if he refuses to resign. Tsvangirai arrived in London on Nov. 6, after a stopover in Sweden.

In his stump speeches, Tsvangirai used surveys from the Suzman Foundation, showing that he is far more "popular" than Mugabe. The South Africa-based Suzman Foundation is a major controller of the opposition to Mugabe as well as to President Thabo Mbeki of South Africa. Suzman's director, Oxford University Professor Emeritus R.W. Johnson, openly espouses British recolonization of Africa. In late October, Johnson helped to bring arch-racist Ian Smith, former Prime Minister of Rhodesia, to speak at Oxford. Johnson wrote a com-

LYNDON LAROUCHE and other “fighters for justice” should be more prominently featured in Arabic media, urged Qatar University Prof. Ahmed Al-Kedidi in the Nov. 5 issue of Qatar’s *Al-Watan*. Al-Kedidi proposes a “new Arab mass-media strategy,” naming several columnists in addition to LaRouche, as people who have been “defending the Palestinians and Arab rights and denouncing Israeli arrogance.”

PRINCE CHARLES visited the Czech Republic on Oct. 30, just in time for Hallowe’en. He inaugurated the British Advisory and Training Team at the Military Academy in Vyskov, and visited an organic farming firm where he bought two bars of soap at a factory that makes “environmentally clean” soap from fruits.

THE COUNCIL OF EUROPE ministerial meeting in Rome unanimously adopted a resolution to abolish the death penalty throughout Europe, both “in times of war and in times of peace.” The Nov. 4 resolution was adopted at a meeting to celebrate the 50th anniversary of the European Convention on Human Rights. A “solemn declaration” will be made at the ministerial meeting in Strasbourg on Nov. 9.

AZERBAIJAN held parliamentary elections on Nov. 5. They come at a time when President Heidar Aliyev is very ill, with BBC claiming that Aliyev wants his son to succeed him. Russian sources have told *EIR*, that the situation in Azerbaijan is “very tense,” and that the previous Anglo-American deals with Aliyev are in a state of disarray, while Russian-Azeri relations are improving.

RUSSIAN President Vladimir Putin and Foreign Minister Igor Ivanov met with visiting Qatari Foreign Minister Sheikh Hamad bin Jassim al-Jaber al-Thani to discuss the Middle East crisis on Nov. 4. Discussions included the agenda of the upcoming meeting of the Organization of the Islamic Conference, whose next chairman will be Qatar.

mentary in *The Spectator* and posted it on the website of the Zimbabwe Democracy Trust, defending Smith, who, he said, was merely fighting for his “tribe.”

Mugabe, who was on an official visit to Nigeria on Oct. 31-Nov. 3, told international media that imperialists were rearing their ugly heads, using blacks as fronts; he further alleged that the MDC was funded by the minority whites who had imposed apartheid rule in Africa.

Call for Treaty on Submarine Movements

The Nov. 2 issue of the *Moscow Times* carried a commentary insisting, that no matter what the findings of the investigation into the sinking of Russia’s nuclear submarine *Kursk* last Aug. 12, an international agreement to reduce the likelihood of deadly submarine collisions is needed. As of now, the “dangerous sphere of submarine operations remains virtually entirely unregulated.”

The *Times* continued: “According to the Defense Ministry, Soviet and Russian submarines have been involved in 11 documented collisions with foreign submarines since 1967. Two of the most recent documented cases occurred in the Barents Sea, not far from where the *Kursk* now lies. In February 1992, the U.S. Los Angeles-class submarine *Baton Rouge* collided with a Russian counterpart. Likewise, in March 1993, there was a similar incident involving the American submarine *Sturgeon* and a Russian Delta-3-class strategic submarine. Fortunately, neither of these incidents resulted in loss of life or in any significant release of radiation into the environment, although either of them easily could have. Submarine collisions occur for the simple reason that their movement is completely unregulated, and as a result they fairly frequently find themselves operating in extremely close quarters. In such circumstances, they enter one another’s blind spots, meaning that they are so close together that their normal ranging and detection equipment is unable to function properly. At such ranges, submarines are simply unable to hear or see one another.

“It would seem high time that the

world’s naval powers, especially those that possess nuclear submarines, returned to this crucial question. They should set themselves the goal of reaching an agreement that would regulate the ranges patrolled by each nation’s submarines. In addition, such an agreement should also include mutual obligations not to send submarines into areas where other fleets are conducting training exercises.

“Most people do not realize that international cooperation in this area remains on the most primitive level,” the article stated, concluding: “God forbid, another submarine disaster should occur.”

Cambodia Prepares Huge Welcome for Jiang Zemin

Cambodia is readying a massive welcome for China’s President Jiang Zemin in mid-November. The Phnom Penh police commissioner estimates that nearly 180,000 people will line the streets along the seven-mile route from the airport to the Royal Palace when he arrives. Among the celebrants will be 20,000 Chinese schoolchildren and overseas Chinese. King Norodom Sihanouk has invited President Jiang to stay at the Royal Palace.

Front groups of the U.S. “Project Democracy” in Cambodia are likely to be disappointed in their intent to deliver a petition to China’s President, demanding that Beijing make an apology for past support of the Khmer Rouge, and that it compensate victims of the Khmer Rouge. However, it is not out of the question that these protesters may stage a provocation, based on past performance of their local mentor, opposition politician Sam Rainsy. On Nov. 6, the Rainsy-advised Democratic Front of Khmer Students and Intellectuals was barred from delivering such a petition to the Chinese Embassy in Phnom Penh. The Free Trade Union of Workers of the Kingdom of Cambodia issued its own statement calling for China to apologize.

Both of these organizations are wholly beholden to the “democracy” mafia in Washington, the International Republican Institute and the National Democratic Institute.

New Insights Into A 20th-Century Monster

by Mark Burdman

Bertrand Russell: The Ghost of Madness, 1921-1970, Vol. II

by Ray Monk

London: Jonathan Cape, Ltd., 2000

574 pages, hardbound, £25

One of the most grotesque mythologies of the 20th Century, purveyed by liberal circles in different parts of the world, is that Britain's Lord Bertrand Russell was a great lover of humanity, a champion of peace, and a fighter for justice. In certain quarters, Russell has even been accorded the halo of a saint, most often among the so-called "68ers" of the Baby Boomer generation.

In point of fact, Russell was, along with his British sidekick H.G. Wells, at the forefront of efforts to destroy the very fiber of Western Civilization, throughout the past century, and throughout his regrettably long life of 98 years (he died in 1970). There are no two other individuals, who so persistently fought to destroy the sovereign nation-state, to use "nuclear terror" as the means for doing so, to return the world to some kind of barbarous neo-feudal state, and to reduce humanity to the status of beasts. The cases of Russell and Wells put the crimes of Adolf Hitler, for example, into perspective. *EIR* Founder and Contributing Editor Lyndon LaRouche has, justifiably, characterized Russell as "the most evil public figure of the 20th century."¹

1. Lyndon H. LaRouche, Jr., "How Bertrand Russell Became an Evil Man," *Fidelio*, Fall 1994, and see box. For a combined picture of Russell and Wells, see Carol White, *The New Dark Ages Conspiracy*, (New York: New Benjamin Franklin House Publishing Company, 1980).

Although it has significant flaws, the second volume of Ray Monk's biographical account, which covers the second half of Russell's life, from 1921-1970, provides key insights, primarily into the evil personal nature of the man, as exemplified by his mean and sadistic relations with family intimates. In the course of so documenting, Monk also touches upon certain of the more devilish political and social ideas and activities of Russell, in the almost-50 years under consideration.

Monk's 500-page account is often nightmarish, and requires a strong stomach, to make it through to the end. The author's writing is driven by a passion which derives, paradoxically, from his own weakest point. A Professor of Philosophy at the University of Southampton, Monk had, previously, written a volume on the first half of Russell's life, as well as a biography of Ludwig Wittgenstein, the philosopher of "linguistics," who was a sometimes close collaborator of Russell. Monk is an admirer of what he considers to be the "earlier, pre-World War I" Bertrand Russell, the Russell of the 1903 *The Principles of Mathematics*, the 1910-1913 (with A.N. Whitehead) *Principia Mathematica*, and so on. Monk insists, erroneously, that, Russell made great contributions, as a younger man, to mathematics, logic, and philosophy. However, it is precisely that bias of his, as an erstwhile admirer, that causes Monk to be so dismayed, at what he has uncovered about his subject, during the second 49 years of Russell's life.

A related paradox, is that Monk is so aghast at what he has uncovered about Russell, that he spends so much energy ridiculing and debunking Russell's various preoccupations and vanity-driven claims to achievement, and exposing him as a serial hypocrite, that he ends up underestimating the baneful influence that Dirty Bertie had on the world as a



“There is no human being, no, not one, whom I do not hate. There is no being, no, not one, whom I do not wish to see suffering the absolute extremity of mankind,” wrote Lord Bertrand Russell in an autobiographical short story. Russell, shown here at the UN’s Unesco House receiving the 1957 Kalinga Prize, had gulled public opinion into believing him a philanthropist and lover of peace, until Lyndon LaRouche exposed him as “the most evil public figure of the 20th Century.”

whole. The reader may feel a certain compassion for the author, who gets, understandably, carried away by his anger, and misses the bigger picture.

This Is No Tragedy

Readers hungry for a more strictly political narrative, will be disappointed by *The Ghost of Madness*, even if there is much of a political nature contained within. Certain readers may find Monk’s extensive documentation of the details of Russell’s life, to be a distraction, all too much gossip and tittle-tattle. In this reviewer’s estimate, while that occasionally becomes a problem, the overall account, and the emotions that propel the author in documenting it, provide a fascinating insight, into aspects of the inside of one of the more influentially satanic minds of the previous century.

Monk begins his Preface, by, indeed, making a serious misstatement, when he claims that Russell’s life should be seen as a “tragedy.” This is a misuse of the word “tragedy,”

as properly understood, and as conveyed in the tragedies of great dramatists like Aeschylus, Sophocles, Shakespeare, and Schiller. In their tragedies, adapted from real historical events, the enormous tension is brought about, by the failure of a lead character or characters, because of a stubborn flaw, to act in such a way, that the entire course of human history would be changed in a positive direction. Lord Bertrand Russell was so consummately driven by putrid emotions, and was often so expressive of the British oligarchical species to which he was so passionately devoted, that he absolutely does not qualify as such an individual. Quite the reverse. The only Shakespearean character that remotely comes to mind, when thinking of him, is Iago, in the play *Othello*.

Monk largely bases this notion of “tragic life,” on the fact that Russell was haunted by madness — hence the book title — since madness was supposed to have been an inherited family trait. Also, it was the case that Russell became an orphan at a very early age, and was brought up, by grandparents, in a household at Pembroke Lodge, which had a history of episodes of insanity. But seeing matters in this way is, at best, too shallow. The Russell clan was at the height of the British oligarchical establishment. In such circles, madness of one form or another is more or less endemic, because of the prevailing anti-human culture, rather than because of some mysterious biological or genetic transference.

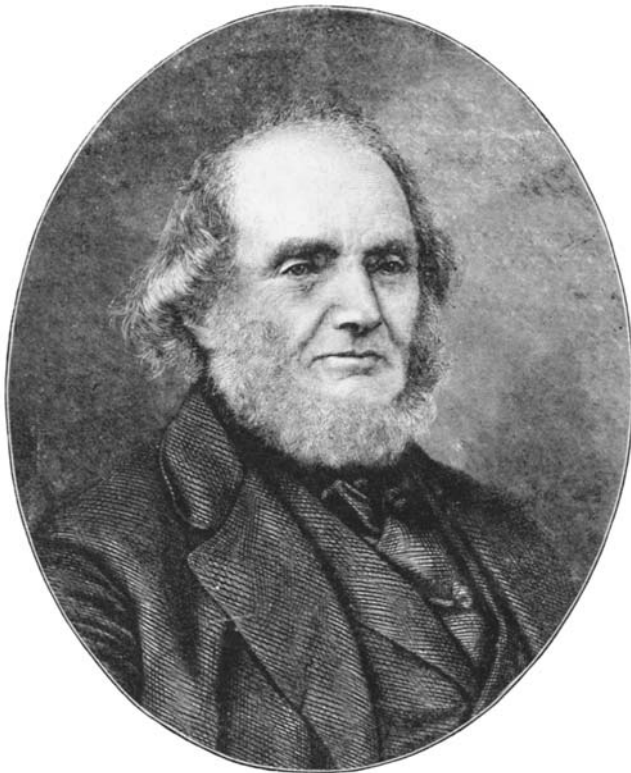
Russell’s grandfather was Lord John Russell, a highly influential 19th-Century British figure. The son of the sixth Duke of Bedford, he was British Prime Minister from 1846 to 1852, and played a very central, if not the leading role, in overseeing the Irish potato famine of the mid- to late-1840s.² In the late 1850s, he became British Foreign Secretary, when Lord Palmerston was Prime Minister. Lord John was, then, an enthusiastic backer of the Southern Confederacy, in pursuit of the British Empire strategy of breaking up the American republic, and establishing British imperial sovereignty over North America, as the first step in eventual British control over the Americas as a whole.

As Monk notes in several places, Russell greatly admired his grandfather; one driving force, in *Dirty Bertie*’s obsessive attempts to insert himself at the forefront of world events, was his desire to emulate his famous (or infamous) forebear.

An Engine of Destruction

In any case, whatever he says in the Preface, Monk really doesn’t seem very committed, in the book as a whole, to the aim of portraying Russell as “tragic,” even in the more limited sense in which he uses the word. His account portrays an entirely willful and sadistic nature, evidenced in the abominable way Russell treated his second wife Dora (admittedly quite a kook in her own right) during their bitter breakup and

2. For Lord John Russell’s role in, and significant responsibility for the Irish potato famine, see Cecil Woodham-Smith, *The Great Hunger* (New York: Old Town Books, 1962).



The “begats” of a misanthropist: In the 1840s, Russell’s grandfather, Lord John Russell, presided over Ireland’s potato famine, and, later, enthusiastically backed the Southern Confederacy to destroy the United States.

divorce of the late 1920s/early 1930s, and then throughout the next four decades of his life; his son John, who spent most of his adult life in varying degrees of psychological disassociation and breakdown; his granddaughter Lucy; and others.

The case of Lucy is particularly grotesque. John’s youngest daughter, she greatly admired her grandfather, when she was a child and young adolescent. But Russell created confusion in the mind of her and her two sisters, by constantly attacking their father, even going to the extent of showing them obscene letters that John would send to Bertie. By the age of 16, Lucy began to become extremely confused and rebellious, at which point her “loving grandfather” legally disowned her. For the rest of her years, she drifted, until, at the age of 27, she went to a graveyard in a British village, poured paraffin on her body, and lit herself aflame. The suicide attempt did not work as planned, and she ran, body in flames, into a local shop; she died on arrival at a hospital.

Reading about the case of son John, is like reading an account of torture, carried out over decades. He was the first child of Bertrand and Dora Russell. While claiming to love the young boy madly, father Russell raised both John and his sister Kate according to the grotesque behaviorist principles of one John B. Watson, codified in a book entitled, *The Psy-*

chological Care of Infant and Child. By mechanical/positivist methods, this was supposed to eradicate fear and other “negative emotions.” But as John became, not surprisingly, more fearful and withdrawn, as he grew up, Russell began to reject him. Later, John was driven crazy, in large part by other antics of his father, including the latter’s violent intensity against John’s mother Dora (with whom the unstable adult John was eventually forced to live, basically by default), and by Russell’s later savage attempts to deny the very existence of his son.

As for Dora Russell, the story is incredibly perverse. Their marriage was, at first, designed by both of them, to allow for liberal bouts of adultery. Bertie became infamous, in the 1920s, for various writings, promoting their concept of the “marriage of the future.” The problem is, when Dora took the matter to heart, and started having children with another man, Bertie went berserk, and began a lifelong campaign of hatred and revenge against her, the which included an about-face, against his former “liberal” views on marriage. Monk’s descriptions, of how he dealt with Dora, from the late 1920s, on through the rest of his life, make for gruesome reading.

‘I Don’t Like Human Beings in the Mass’

Monk’s virtue, although he doesn’t always directly hit his target, is that he usually tries to link Russell’s personal deviancy and immorality, with his immoral and destructive public activities and views. The book has several striking references, to how Russell viewed the human race, Christians and non-whites more specifically.

Among representative Russell quotes are “I don’t like human beings in the mass” (1923); and, mocking human beings as “tiny parasites of this insignificant planet” (1925), and “the animated lumps that disgrace a certain planet” (1959).

Soon before his death in 1970, Russell was asked what he thought of space travel, and replied that he thought it to be a kind of “cosmic impiety.” Monk writes: “He hated to think of humanity extending its perniciousness beyond the ‘insignificant planet’ that was its humble and rightful place. . . . He was entirely earnest in his misanthropy, which was both deeply felt and enduring.”

We will soon return to the theme of Russell’s hatred of humanity as a whole.

As for non-whites: In 1929, in the first edition of his book *Marriage and Morals*, he wrote that “it seems on the whole fair to regard negroes as on the average inferior to white men.” In later editions, he changed the passage, to read: “There is no sound reason to regard negroes as on the average inferior to white men, although for work in the tropics they are indispensable, so that their extermination (apart from questions of humanity) would be highly undesirable.” On the day after he arrived in Australia in June 1950, for a visit organized by the Australian Institute of International Affairs (AIIA), he recorded a broadcast for the Australian Broadcasting Corp. on “The Asian Threat,” in which, Monk writes without further

explanation, “he gave advice on how to keep Australia white man’s country.”

In 1927, he wrote a pamphlet, “Why I Am Not a Christian,” which was reprinted in 1957, as the lead and title item of a collection of essays; this reviewer can recall how, in the 1960s, it influenced impressionable friends of his, to turn against religion. In the essay, Russell declared: “The Christian religion, as organised in its Churches, has been and still is the principal enemy of moral progress in the world.” He further ranted that the “whole conception of God” is “quite unworthy of free men.”

There are many more bloodcurdling quotes that one can find from Russell, in such writings as *The Impact of Science on Society* (1953), *The Problem of China* (1923), and elsewhere, but, for our purposes here, these suffice, especially given what now follows.

‘The Enemy of Mankind’

In one of the most striking passages of the book, the core of Russell’s nature is exposed. Since this section is such a singularity, we report it now, in some detail.

When Russell was 80, in 1952, he began to write short stories, to the surprise of many. These stories received, almost universally, a negative reaction, but Russell was quite committed to them. The one that Russell was most proud of, was entitled, “Satan in the Suburbs,” which also was the title given to the volume of his collected short stories. Monk contends, quite convincingly, that this story “may . . . be the most deeply revealing piece of autobiographical writing that Russell ever produced.”

In his *Autobiography*, Monk notes, Russell said that the story was suggested to him, in part, by a stranger he met in Mortlake, a London suburb, who, when he saw Russell, crossed the road, and made a sign of the cross. Writes Monk: “This clearly caused Russell to think: what if he *were* the devil?”

Monk notes that Russell was perpetually haunted, by a letter he had received in 1915, from the author D.H. Lawrence (who certainly knew evil quite intimately, from his own perverted standpoint). In the letter, which nearly drove Russell, then 43 years old, to suicide, Lawrence wrote: “You are simply *full* of repressed desires, which have become savage and anti-social. And they come out in this sheep’s clothing of peace propaganda. . . . You are too full of devilish repressions to be anything but lustful and cruel. . . . The enemy of mankind, you are, full of the lust of enmity. It is *not* the hatred of falsity which inspires you. It is the hatred of people, of flesh and blood. It is a perverted mental blood-lust. Why don’t you own it?”

As Monk notes, what lurked in Russell’s mind, as he wrote “Satan in the Suburbs,” was “the fear that Lawrence was right, that Russell really *was* ‘the enemy of all mankind.’ ”

The story line centers around a “demonic Dr. Mallako,” who, Monk writes, “might be regarded as a . . . self-portrait

of Russell himself,” and Russell’s adoption of Lawrence’s 1915 description of him. This Dr. Mallako, who lives in that same London suburb of Mortlake, goes around the neighborhood, turning everyone he can get his hands on, into a destructive, evil beast, by unleashing their worst “repressed” impulses.

The narrator of the story is a scientist, who, observing Mallako, renounces his optimistic view of human nature, and soon becomes “increasingly filled with a general detestation of mankind.” He decides that he must destroy the entire human race, and so, builds a device, designed to boil all the water on the Earth, so the planet would become so hot and dry, that it could no longer support life, and the Earth would then become, like the Moon, bereft of life.

He and Mallako then end up colluding, with Dr. Mallako (remember, the “self-portrait of Russell himself”) first telling the scientist, that his device is flawed and won’t work, and then exclaiming: “You imagine in your miserable way that you hate mankind. But there is a thousand times more hate in my little finger than in your whole body. The flame of hate that burns within me would shrivel you to ashes in a moment. . . . There is no human being, no, not one, whom I do not hate. There is no being, no, not one, whom I do not wish to see suffering the absolute extremity of mankind.”

The scientist soon thereafter shoots Mallako, but the story concludes with him ending up in a lunatic asylum. As Monk stresses, Russell appears to be making some effort to differentiate the two characters, but this is unconvincing, since “the scientist *does* want—indeed, *intends* to—kill the entire human race. . . .” Not only that, but Russell thinks “there is something ‘noble’ in his desire (nay, decision) to wipe out all life on Earth.” In the end, Monk notes, Russell is effectively giving confirmation to Lawrence’s 1915 accusation, that what drove Russell was “the hatred of people, of flesh and blood” (emphasis in original).

A couple of pages later, Monk reports that Russell, in his 1953 book, *Human Society in Ethics and Politics*, included the following passage: “Sometimes, in moments of horror, I have been tempted to doubt whether there is any reason to wish that such a creature as man should continue to exist. It is easy to see man as dark and cruel, as an embodiment of diabolic power, and as a blot upon the fair face of the universe.”

‘I Think War Would Be Worth While’

The horrifying nature of Russell’s war on human civilization, is starkly evident, in those passages of Professor Monk’s account where he documents, in detail, Russell’s push for preventive war against the Soviet Union, immediately after the Second World War, as the leading edge of Russell’s drive to establish world government, and the end of the sovereign nation-state.

LaRouche and his associates have frequently cited Russell’s September 1946 article in the *Bulletin of the Atomic*

‘The Mephistopheles of This Century’

The following is excerpted from Lyndon LaRouche’s 1994 magnus opus, “How Bertrand Russell Became an Evil Man,” published in the Fall 1994 issue of the Schiller Institute’s publication, Fidelio.

Russell played many strings on his fiddle of evil. His proposals for genocide, especially against populations with darker skin-hues than that of the Vril Society’s self-esteemed Anglo-Saxon master race, are fully as satanic, and more viciously personalized than his policies of world-dictatorship through nuclear terrorism. He was also a savage hoaxster in his corrosive influence within the domains of philosophy and natural science. He was not even truly British; there is not a gram of concern for the well-being of the inhabitants of the United Kingdom in that scoundrel. No notable representative of liberal philosophy during this century . . . has been so conspicuously a virtual incarnation of Satan as the Mephistopheles of

this century, the evil Russell. . . .

Pervading public utterances by Russell, there are three pervasive themes overall: (1) a racism as virulent as Adolf Hitler’s; (2) a feudal-aristocratic socialist’s Ruskin-like hatred for modern European civilization; and (3) a utopian’s obsessive commitment to bringing about civilization’s descent into a parody of pre-Renaissance feudalism, or sometimes even pre-civilized barbarism. No one could miss this in Russell’s public utterances. . . .

[Russell’s mathematical and philosophical writings are] paved with platitudes. . . . The successful practice of evil builds upon diffidence respecting those creative qualities of intellect which set the individual person absolutely apart from and above all species of beasts. Understanding Russell begins with the realization that Russell’s published writings contain no true originality, but only novelty of the same special quality provided by the writings of the Marquis de Sade. . . . Russell’s Mephistopheles is a shallow-minded British snob quoting snippets from the banalities of Bacon, Locke, and Hume. . . . [Russell and his collaborators were] maleficent sophists all, telling one another how devilishly clever they all were. This snobbish banality is also to be recognized as evil. Seen with rigorous objectivity, Russell is a satanic bore.

Scientists, on this matter.³ Monk omits this reference, but comes up with several others. In September 1945—i.e., one month after the dropping of the atomic bomb on Hiroshima—he was writing a letter to a friend, that “there is one thing, and one thing only, which could save the world, and that is . . . that America should make war on Russia during the next two years, and establish a world empire, by means of the atomic bomb.”

In October 1945, he published an article, in the journal *Cavalcade*, entitled, “What America Could Do with the Atomic Bomb,” in which he demanded “a vigorous use” of “American supremacy” against the U.S.S.R.

Monk notes: “After June 1946, when the Soviets rejected the American proposal to establish an international authority to control atomic weapons (the so-called ‘Baruch Proposal’), Russell’s articles and lectures on the subject made Churchill’s famous ‘Iron Curtain’ speech of 5 March 1946 look mild in comparison.”

In 1947, he gave a lecture to the Royal Empire Society, published in the January-February 1948 issue of a magazine entitled *United Empire*, insisting that “Russia” be threatened with war, as a result of which “the world might . . . emerge with a single government such as the world needs.”

3. LaRouche, “How Bertrand Russell Became an Evil Man,” op. cit., p. 7.

Russell soon thereafter wrote a private letter to an American academic named Walter Marseille, in which the great pacifist envisaged a new world war, with vast destruction, but “even at such a price, I think war would be worth while,” for “I have no doubt that America would win in the end,” and after that, “world government must be established.” Later, in 1954, this letter was made public, much to Russell’s embarrassment, because he was beginning, then, to shift into his “bipolar world government” schemes, through Pugwash and other channels.

‘The People I Meet Would All Be Better Dead’

As Monk writes at earlier points in the book, the concept of a transitional period of American takeover of the world, preparatory to what Russell variously labelled “international socialism,” “world government,” “international government,” or “a central authority to control the whole world,” was a repeated theme of Russell’s, from the 1920s through the 1940s. Monk makes the useful point, that Russell never meant by this, a takeover by the nation of America as such, but rather temporary rule by *American finance capitalism*, as if he were a prophet of what is today called “globalization.” In reality, even before the virulent and virtually psychotic anti-American phase of the last decade or so of his life, Russell always detested, as if organically, the United States and the American people.

In his writings, Russell would argue, that there were only two ultimate choices for the world: either temporary rule by the United States followed “hopefully” by world government, or a “collapse of our civilization.” Usually, he opted for the first, but, at least on one occasion documented by Monk, in 1923, Russell wrote that he would prefer the latter over the former.

In 1924, during a lecture tour of the United States, he wrote to then-wife Dora: “The people I meet would all be better dead.” In January 1945, he wrote a piece entitled, “British and American Nationalism,” claiming that “British nationalism” was superior, because it was based on “biology, race, instinct,” “a happy *breed* of men” (his emphasis), whereas American nationalism “is more analogous to party or sectarian loyalty,” while the United States is “not biologically a nation at all.” It was only some months later, that he made his above-cited recommendation that “America should make war on Russia during the next two years, and establish a world empire, by means of the atomic bomb.”

Throwing the Baby Out with the Bath Water

While identifying, in such passages, the essential aspects of Russell’s policy — hatred of humanity, use of nuclear terror to create a world government/world empire, the necessity of British supremacy, and visceral anti-Americanism — Monk still doesn’t convey the full impact that Russell had on events in the last century.

For one, he avoids the subject of Russell’s influence on scientific circles, in promoting the building of the atomic bomb (the “Manhattan Project”) in the first place, and then in inducing the hopeless U.S. President Harry S Truman to order the militarily unnecessary atomic bombings of Hiroshima and Nagasaki.

Second, he avoids discussion of Russell’s profound influence on British imperial affairs, in the postwar era. Oddly, he notes, almost as an aside, that Russell, during the 1945-48 period when he was promoting these ghoulish “preventive war” policies, was the semi-official spokesman of the British Labour Party, which was then governing Britain. How this came to be, is never explained, and is somewhat of a mysterious *non-sequitur*, since Monk spent most of the pages preceding, depicting Russell as a washed-up philosopher, regarded as incompetent even by his former protégés and colleagues.

Third, while certainly identifying Russell’s role, in creating the original movement created out of the Pugwash Conferences, he soon performs the strange trick of decoupling Russell from Pugwash, continuing to deride the former, while praising the latter. For some reason, this vastly documented book completely ignores such Russell intimates as Leo Szilard, whose “nuclear terror” tirades formed the basis for film director Stanley Kubrick’s “Dr. Strangelove.”

Monk fails to see the broader aim of Russell and his Pugwash protégés, namely to use nuclear terror, to unravel

the very fabric of Western industrial civilization, and to return the world to some kind of bestial, feudalistic existence. That goal is crystal clear, in many of the novels of Russell sidekick Wells. But Wells, too, barely receives a mention in *The Ghost of Madness*, despite Russell’s involvement in Wells’s notorious late-1920s “Open Conspiracy” project, and in other ventures, during the 1921-1970 period under consideration

Tragedy of a Different Sort

The deeper problem that this points to, is Monk’s ultimately inept handling of matters of philosophy and science.

It is beyond the scope of this review, to discuss the ins and outs of Monk’s many discussions of Russell’s so-called philosophical and academic endeavors from 1921 to 1970. Certainly, Monk does document, at one point or another, that Russell was a fanatical proponent of the disgusting “sense-perception is knowledge” nonsense of 18th-Century British philosopher David Hume, or of the concept of “solipsism” developed by Britain’s bizarre Bishop Berkeley.

However, those parts of the book that discuss Russell’s spats with contemporary philosophers, such as Wittgenstein, are usually tedious, as the opponents of Russell are, themselves, tied up in various of the bizarre fashions of the past decades. Monk himself is deeply intertwined with all this. The real point, which Monk completely misses, is that all the various sides in these debates, share Russell’s own denial of the primacy of human creativity and reason, of those precious qualities that distinguish humans from beasts. So, it is no accident, that many of Russell’s opponents are (or were) themselves, like author Monk, admirers of the “early Russell,” that same Russell who was so avidly perverting or attacking the works of such great scientists and mathematicians as Gottfried Wilhelm Leibniz, Bernhard Riemann, Georg Cantor, and others. Verging on illiteracy, Monk buys into the fraud that the early Russell was a “platonist.”

It may also be relevant, that the subject of music never once, in over 500 pages, enters into the book; the omission would suggest that, true to his nature, Russell despised and/or ignored music, but the omission may also reflect Monk’s own ignoring a question that is vital to any true philosopher or scientist.

In the end, the author fails to really identify what is most destructive in the saga of Bertrand Russell, namely that he devoted an adult life spanning some eight decades, to trying to eliminate that which is human. His early writings created a network of devotees and epigones who carried on his work in various ways, even if they later found their hero to be too distasteful, even for them.

Monk seems to have no real comprehension, of what it is that separates man from beast, and makes humans really human. So, in the end, if there is any tragedy in *The Ghost of Madness*, in Monk’s more limited understanding of the word, it is that of author Monk himself.

The Military Genius of Jeanne d'Arc, and the Concept of Victory

by Irene Beaudry

Joan of Arc, A Military Leader

by Kelly DeVries

Phoenix Mill, U.K.: Sutton Publishing, 1999.
242 pages, hardbound, \$27.95

Jeanne d'Arc is one of the best-documented figures in history. Eyewitness testimonies, transcripts of her trial, and her own letters have left us a wealth of knowledge about one of the most extraordinary figures of all times. Even a cursory perusal of this documentation shows that Jeanne d'Arc was a genius whose every action exemplified the highest ideal of mankind. DeVries's book comes at a crucial time in our own history, for many lessons can, and must, be learnt from this French giant of a human being. DeVries's book is fairly well documented—although suffering from a glaring omission of one of the most thorough and historically crucial works on Jeanne d'Arc, that being Gabriel Hanotaux's monumental work, which the French statesman wrote in 1910. Too often DeVries's conclusions are simply flat wrong. Nevertheless, his book is both handsome and a useful chronology of Jeanne's battles.

DeVries correctly situates the historical necessity of Jeanne d'Arc in his chapter, "Why Joan of Arc Was Needed." France did not exist as a nation at that time. It was a collection of principalities ruled by princes more powerful than the King. These princes, English, Burgundian, and French, had been enmired, since 1337, in the Hundred Years War, in which they routinely used their subjects as cannon fodder. By the 1420s, the French forces were demoralized, and decimated to the point of conceding defeat to the invading English forces, and their allies from the French royal house of Burgundy. A bestial culture ruled Europe at that point: Imperial law mandated that man was an animal, and it seemed that nothing in the world could change this fixed oligarchical condition.

Then, in 1429, a young peasant girl burst on the scene, and, through her determination and genius, changed not only

the course of the Hundred Years War, but also wrenched all of humanity out of the orbit of feudalism, into the light of the Golden Renaissance. It was the power of her ideas, and the passions with which she fought for them, that incited kings to bend to her will, hardened generals to follow her, and the masses to take action, and fight for a country that for the first time, they realized belonged to them.

Although DeVries does not disclose the known facts of Jeanne's background other than the "legend" of her divine inspiration, it is known from other sources, that Jeanne's education must have come from the circles of the Brethren of the Common Life. This was the same religious order, devoted to providing superior education to children of all classes, that educated the great Cardinal Nicholas of Cusa, Thomas à Kempis, and the father of the first nation-state, King Louis XI of France, who owed his throne directly to Jeanne. Evidence shows that Jeanne's parents and brothers were very much a part of Jeanne's conspiracy to free France. It is also known, that the religious order of the Monks of St. Augustine played a pivotal role in this mission.

Jeanne's mission was twofold: By 1428, the English and Burgundians had secured the entirety of northern France. Their siege of the Loire Valley city of Orléans was undertaken to remove the last obstacle to finishing off their takeover of France. The citizens of Orléans heroically resisted the Anglo-Burgundian besiegers, but were on the verge of defeat. Jeanne understood that lifting the siege would have to deliver a double blow: It would have to free the city, and also, would have to bring a halt to the gentlemanly sport of continuous warfare, which had cost so many lives, military and civilian. A crushing blow was urgent and vital; however, since none was coming from the King, Jeanne deployed herself to carry out that task.

Secondly, Jeanne understood the strategic urgency of quickly securing the official coronation of the King at the Cathedral of Reims, where all of France's kings had been consecrated, in order to lay to rest the Anglo-Burgundian claim that the Dauphin (as France's Crown Princes are known) was illegitimate. Jeanne was no monarchist; as she is reported to have told Bertrand de Poulengy, esquire of the

King of France, “The kingdom did not belong to the Dauphin but to her Lord and that the Lord wanted the Dauphin to be made King.”

The Battle of the Herrings

DeVries recounts the popular version of how Jeanne attained an audience with the Dauphin Charles VII, but he does not fully understand the political faction to which Jeanne belonged.

Her first task was to travel north from her home in Domrémy, to the fortified town of Vaucouleurs, in order to bring news to Robert de Baudricourt, the only military chief in that part of the country still loyal to the Dauphin, of the devastating Battle of the Herrings, just north of Orléans. In this battle, the French had intended to cut off supplies from reaching the besieging English forces. Even though the French forces greatly outnumbered the English, and could have deployed cannon artillery, against the English longbows, the English won the battle and General Sir John Fastolf was able to resupply the English siege forces around Orléans. The reason was that the French, commanded by nobility, did not use their artillery to advantage, deploying instead the tactic of attack and retreat at will, thereby fatally weakening their position, despite their superior forces and weaponry.

The defeat marked a breaking point in the demoralization of the French. Action to reverse the course was imperative: Hence, Jeanne travelled to the garrison town of Vaucouleurs, where she briefed not only Baudricourt on the crisis, but also, in the public marketplace, she briefed the townsfolk, whom she was thus able to rally to her cause. Thus, also, she secured from Baudricourt the permission she needed to confront the Dauphin, as well as to muster troops who would accompany her the 300 miles though enemy territory to Charles VII’s residence in Chinon.

At the royal residence, Jeanne continued to make public, noisy interventions as to the necessity of liberating Orléans and having the Dauphin crowned King at Reims. She was the only military leader whose faction had no other agenda than the liberation of France. It was clear that, if there were any chance of saving the nation, some radical, revolutionary action had to be taken. After much delay and bureaucratic foot-dragging, Charles finally gave Jeanne a commission to lift the siege at Orléans and to resupply its desperate people.

Immediately, Jeanne found herself locking horns with the aristocratic commanders of the French army whose habitual method of engagement was attack/retreat, rather than to deploy all-out for victory. These commanders had tremendous difficulty understanding that Jeanne was determined to actually fight and win, rather than engage in the outmoded rules of gentlemanly combat that had decimated so many men on both sides. She ran roughshod over their objections, not only citing the authority of God for her action, but also confronting every objection by a personal demonstration that her method led to victory.

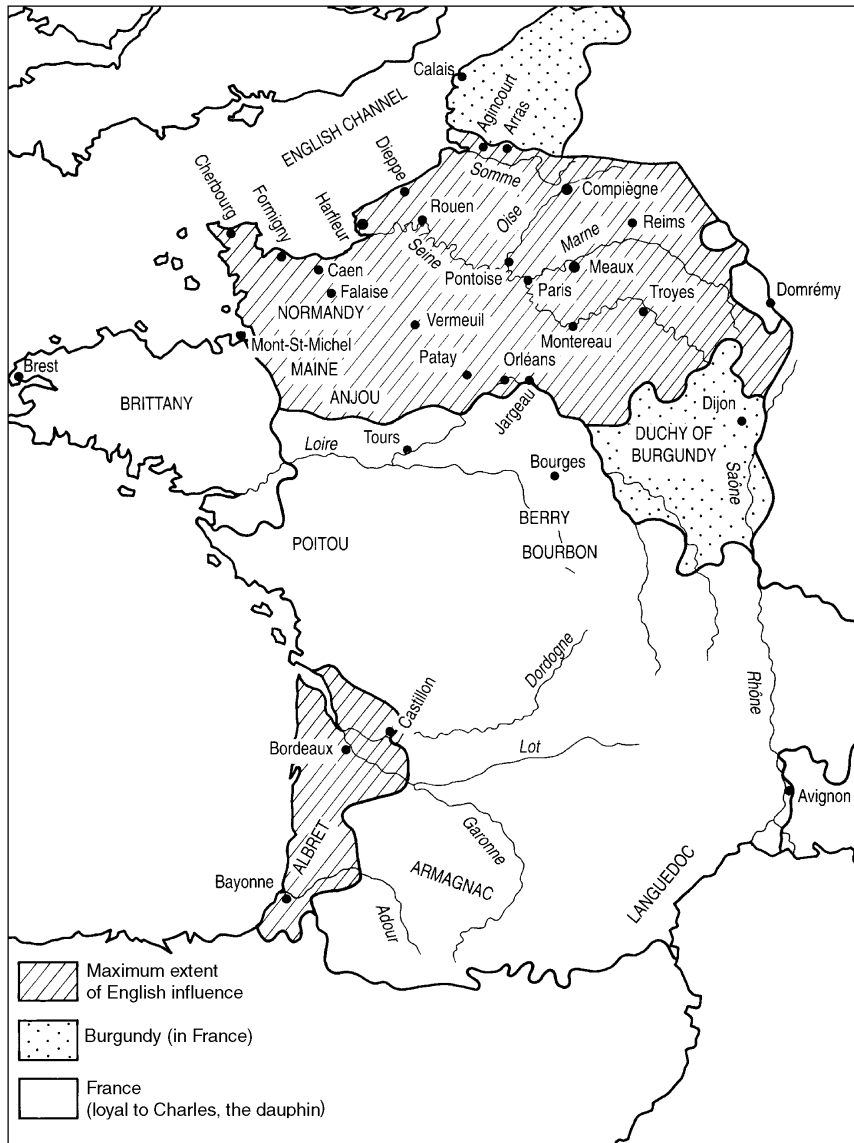


This statue of Jeanne d'Arc, outside the Eglise Sainte Jeanne d'Arc in Paris, was erected sometime after her canonization, which finally occurred in 1920.

Upon arriving at Orléans, Jeanne sent a letter to the English, making her declaration of unremitting war:

Jesus-Maria, King of England, and you, duke of Bedford, you call yourself regent of the kingdom of France, you, William de la Pole, Sir John Talbot, and you, Sir Thomas Scales, who call yourself lieutenant of the aforesaid duke of Bedford, render your account to the King of Heaven. Surrender to the Maid, who is sent from God, the King of Heaven, the keys to all the good cities that you have taken and violated in France. She has come here from God to proclaim the blood royal. She is entirely ready to make peace, if you are willing to settle accounts with her, provided that you give up France and pay for having occupied her. And those among you, archers, companions-at-arms, gentlemen, and others who are before the city of Orléans, go back to your own countries, for God’s sake. And if you do not do so, wait for the word of the Maid who will come

France in 1429



DeVries's map shows France in 1429 as it appeared when Jeanne d'Arc took the decision to free France from the Anglo-Burgundian occupation and from the shackles of feudalism.

visit you briefly, to your great damage. If you do not do so, I am commander of the armies, and in whatever place I shall meet your French allies, I shall make them leave it, whether they wish to or not; and if they will not obey, I shall have them all killed. I am sent from God, the King of Heaven, to chase you out of all France, body for body. And if they wish to obey, I shall have mercy on them. And have no other opinion, for you shall never hold the kingdom of France from God, the King of Heaven, the son of St. Mary; but King Charles, the true heir, will hold it; for God, the King of Heaven, wishes it so and has revealed through the Maid, and he

will enter Paris with a goodly company. If you do not wish to believe this message from God through the Maid, then wherever we find you we will strike you there, and make a great uproar greater than any made in France for a thousand years, if you do not come to terms. And believe firmly that the King of Heaven will send the Maid more force than you will ever know how to achieve with all of your assaults on her and on her good men-at-arms; and in the exchange of blows we shall see who has better right from the King of Heaven. You, duke of Bedford, the Maid prays you and requests that you cause no more destruction. If you will settle your account, you can join her company, in which the French will achieve the finest feat in Christendom. And give answer, if you wish to make peace in the city of Orléans; and if you do not do so, be mindful soon of your great damages.

The Augustinian concept of a just war was as foreign an idea, up until this time, as the idea of a war for the general welfare of all men equal before God. Jeanne's letter declared war not just on the English, but on feudalism itself, the evil order of man subjugating man. Her conception of man was based entirely on optimism. She fully expected her enemy, because he was human, to be able to understand the error of his ways. However, if the enemy refused to understand, she was fully prepared, as she stated, to destroy him rather than allow the destruction of all of Europe.

DeVries shows crass cynicism in his refrain that Jeanne was quite willing to spill the blood of her men, because she was convinced that they would all go to Heaven for their good deeds. In fact, she was anguished by blood spilt from both sides. But she knew that, unless victory were accomplished quickly, far more blood would be spilled; that, indeed, civilization would destroy itself by its immorality. The Four Horsemen of the Apocalypse would thunder throughout all Europe, unless she, as sent by God, were fully obeyed, without restraint.

In Orléans, Jeanne expected her generals to launch an immediate attack on the English and Burgundians, but in-

stead, they advised caution and delay. She was incensed. She jumped on her horse, gathered her army, and led the way to the city gates, personally demonstrating that what she was demanding could absolutely be accomplished. The mayor had been ordered to block her path. She instantly drew her sword and threatened to cut off his head, if he did not lower the drawbridge. He did so, and Jeanne led the charge, while the aristocratic generals scrambled to keep up with her.

In the bloody battle that ensued, she was wounded. Despite her wound, she returned the next day to fight again, and again led the attack to victory. By the end of the day, she knew the English were defeated.

On the third day, the English assembled in battle formation, with rows of longbowmen behind a barrier of sharpened stakes in the ground pointing toward the enemy, a defensive method that depended on the French attacking them. Using the principle of the flank, Jeanne exploited that weakness, by, likewise, arranging her army in battle formation, whence she had them wait, facing the English. The English did not know what to do. They were so confounded by this dramatic change of the rules of warfare, that, after standing and facing the French for some time, they retreated, conceding the victory. On that day, not one shot was fired, nor sword drawn. Jeanne's method again proved to be superior.

DeVries's claim that the Battle of Orléans was the bloodiest of the Hundred Years War may be true, but, then, this was the first battle in which a winning tactic was deployed, rather than adhering to traditional rules of combat. Jeanne's purpose was to win the war quickly, not to prolong it.

Her stunning victory turned the tide of a century of war. The pattern of French defeat and English might was reversed in a single blow by the daring and decisive Jeanne d'Arc. From that point onward, there was no question that Jeanne was totally in charge of the French army, its strategy, and tactics. She gained the trust and admiration of the aristocratic generals, and the love of the ordinary soldiers.

Jeanne immediately wanted to march on Reims to have the Dauphin crowned and consecrated as King. However, again, she had to do battle with Charles's advisers and generals, who counselled him to attack the enemy-held area of Normandy. Jeanne's argument ultimately won out; had it not, France would have been lost. Even though Charles had been named King some years earlier, he had no real power, except over a few provinces. The Rectors at the University of Paris, who in 1431 burnt Jeanne at the stake, had concocted the legalism of a Double Monarchy, whereby the King of England was also the King of France. For Jeanne to have Charles consecrated at Reims Cathedral would deliver a devastating blow to the English and their Burgundian partners.

But, to reach Reims meant clearing a path through the mostly strongly fortified Anglo-Burgundian territory. DeVries's description of this campaign through the Loire Valley, demonstrates Jeanne as a brilliant strategist, and valorous commander, always personally leading her men

into battle, always setting out for them the goal of attaining victory.

The Artillery Revolution

Jeanne's use of cannon artillery revolutionized the science of warfare and changed the fate of nations. She was especially skillful in placing her artillery. Although, before Jeanne took command, the French had had cannons and artillery, it was her genius in deploying them, that altered the course of the warfare so dramatically, for it was well-placed artillery that had enabled the French to defeat the famous English archers.

As the Duke of Alençon testified: "In everything that she did, apart from the conduct of the war, Joan was young and simple; but in the conduct of war she was most skillful, both in carrying the lance herself, in drawing up the army in battle order, and in placing the artillery. And everyone was astonished that she acted with such prudence and clear-sightedness in military matters, as cleverly as some great captain with twenty or thirty years experience; and especially in the placing of artillery, for in that she acquitted herself magnificently."

The stunning success of the Loire campaign depended on proper use of artillery, and also on Jeanne's ability to instill the concept of unified command in her army. Previously, lacking leadership, the French soldiers would attack and retreat at will. With Jeanne's firm and decisive leadership, they came to know the discipline of attacking as a united force, and retreating only when ordered to do so. Thus, the French were able to repeatedly pound holes in enemy lines and rout them. In this way, the Maid of Orléans cleared the path to Reims.

Once the King was crowned, Jeanne set her eyes immediately on the march to take Paris, where the Burgundians had established a stronghold. Inexplicably, the King temporized; in fact, he had agreed to a deal with his enemies, which had allowed them time to fortify Paris. When, finally, the King gave the order to attack, Jeanne's army was unable to storm through the defenses. Jeanne was again wounded in the battle. As was her wont, she returned to battle the next day, only to learn that the weak-willed King had called for retreat. Charles negotiated another deal with his enemies, and disbanded her army.

Jeanne was furious. Not only was Paris lost to the enemy, but also most of the towns along the Loire River that she had liberated, were now handed back to the Anglo-Burgundians. Her army disbanded, she was on her own, ignored and certainly reviled by her enemies in the court. In the Spring of 1430, the King admitted that his war-by-diplomacy was a failure. However, he did not realize just how tragic his error was, of cutting off Jeanne. Had she had her way, Paris would have been freed. But more significantly, Jeanne's entire military career had demonstrated conclusively, that had she remained making the strategic decisions, and personally leading her men into battle, the Hundred Years War would have come to an abrupt end, then, rather than 24 years later.

Capture at Compiègne

After Jeanne's betrayal by the very King she had fought to crown, the Burgundians moved to lay siege to the strategic city of Compiègne, just north of Paris. Jeanne could no longer be restrained in her enforced idleness: As at Orléans, the patriotic forces inside Compiègne resisted heroically, despite the fact that Charles had ceded to the Burgundians, but the city's inhabitants needed reinforcements quickly. Hanotiaux reports that Compiègne was the command center of all communications between Duke Philip of Burgundy and his stronghold at Paris. Freeing Compiègne would cut his line of communication. She immediately organized a battalion of Italian mercenaries, leading them to Compiègne, which she was able to

enter. DeVries charges that Jeanne committed treason, because she left for Compiègne without permission from the King. In fact, it is obvious that it was King Charles VII who had committed the treason, by disbanding the army that had brought him victory.

In order for his siege on Compiègne to succeed, Duke Philip of Burgundy amassed a huge army and artillery train, directing it entirely against Jeanne and Compiègne. Her forces fought valiantly, but since no help came from the King, she was beaten back, again and again. The Burgundian chronicles of this battle, cited by DeVries, show their reluctant admiration for this sainted warrior. When Jeanne and her army became trapped in a Burgundian ambush, the Burgundian chron-

The Historical Jeanne d'Arc

This memorandum, dated Nov. 7, is part of a dialogue with researchers investigating the historic role of Jeanne d'Arc.

It would be important to compare the account [*Jeanne d'Arc*] by [France's late 19th-Century former Foreign Minister Gabriel] Hanotiaux for presence, or absence of attention to this point: Beginning on p. 237 of the English translation of Régine Pernoud's *Jeanne d'Arc*, and ending at the beginning of the following page, there appears a most significant interpolated commentary, situating not only the case of the inquisition against her, but also a number of the most significant persecutors, as partisans of that Conciliar movement, as at Basel, which aimed at that destruction of the Christian Church actually accomplished under later, Venetian direction, during the schisms and religious warfare which came to dominate most of the Sixteenth Century and most of the first half of the Seventeenth.

It was the turn within the Conciliar movement steered largely by Nicholas of Cusa, and the aftermath of the great ecumenical Council of Florence, which set into motion Jeanne's rehabilitation from the fraudulent charges which had been placed against her by those scalawags, based in the University of Paris, who had operated under the cover of the orders directed from the King of England and the Duke of Burgundy.

Add to this, that it was the establishment of the first sovereign nation-state, under France's King Louis XI, which brought together not only the role of Jeanne and the Council of Florence in creating modern Europe, but which, by leading to the founding of the first English state based

on the same principle of the general welfare, that under the Henry VII, whose principle of law was best expressed by the great statesman Sir Thomas More, that chain of circumstances leading into the unique historical role of the 1776-1789 American Revolution has played in shaping world history since.

This approach to the appreciation of Jeanne d'Arc's living place in modern history, frees her reputation from those would-be historians who seek to account for her role in terms of one or another sort of banal, "connecto" variety of conspiracy. That is to say, if one grasps the sweep of and within European history, from the Thirteenth-Century beginning of the Guelph League's ultramontanism, through the Fourteenth-Century New Dark Age which that ultramontanism produced, and situates the struggle for the belated establishment of a form of political society based upon natural law, the sovereign form of nation-state republic dedicated to the general welfare, we see Jeanne in the context of an individual who, in her special way, played a crucial historical role, contributing crucially to defeating the cause of her opponents within that century, the opponents of the Fifteenth-Century Golden Renaissance.

By recognizing the role of the Spanish monarchy, in betraying the anti-Venice League of Cambrai, and thus setting into motion that takeover of Henry VIII which led to the judicial murder of Thomas More, real history comes to life before our eyes, rather than some silly "connecto" chronicle with its customary, fraudulent "explanations."

The key fact, is the identity of the University of Paris, and of the figures associated with the evil tradition of that University, behind the figures used by England and Burgundy in the case of Jeanne, which closes the principal gap in the account. That these were also leading figures of the variety of ultramontanist faction behind the anti-Pope and the Basel Council, brings several centuries, before and following, into focus in presenting to issue the stream of history in which the individual historical role of Jeanne was actually situated.—*Lyndon H. LaRouche, Jr.*

icler Georges Chastellain reports that she refused to retreat, telling her men: “ ‘You be quiet! Their defeat depends on you. Think only of striking at them.’ Even though she said this, her men did not want to believe it, and by force they made her return directly to the bridge. And when the Burgundians and English saw that she was trying to return to the town, with a great effort, they came to capture the bridge. And there was a great clash of arms.”

Her only means of escape was to return into the city over the bridge, but, the Governor of Compiègne, seeing the troops coming, raised the bridge and shut the city gates, cutting off Jeanne’s entry. Jeanne was captured, on May 23, 1430, and made prisoner of war. Her captor, the Duke of Luxembourg, could have set a ransom for her or set her free. The King could have negotiated to exchange some English generals whom the French held prisoner for her.

But, no one did anything at all. Soon after, the Duke of Luxembourg sold her to the English for 10,000 pieces of gold.

From January to May 1431, she was subjected to an almost daily inquisition in a kangaroo court. She was found guilty of heresy and witchcraft, and condemned to death as a witch. On May 30, 1431, Jeanne d’Arc was burnt at the stake in the public marketplace in Rouen.

DeVries’s final judgment of Jeanne is shockingly cheap. His conclusion is that she only indirectly brought about end of the Hundred Years War. In fact, the tragedy is that the

war could have been ended quickly, had it not been for the blindness of Charles VII. DeVries admits, although grudgingly, that Jeanne owes her renown to her military ability, and that after her death, France’s military leaders did adopt her method of direct engagement/frontal assault. Jesuitically, DeVries adds that, although this tactic did indeed lead to victory, it was a costly method of fighting. But perhaps, he coyly concludes, those French leaders also believed with Jeanne, that their soldiers, should they die, would go to Heaven.

Regarding her tactic, though, DeVries is forced to admit that, “in the long run, it was more effective in wresting France from the English than any other tactic.”

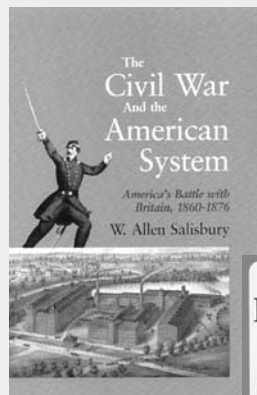
What he is too miserly to admit, is that Jeanne d’Arc was a genius, with an incredible force of will, enabling her to overcome any obstacle whatsoever, in her determination to fight, and achieve victory, for the general welfare. Her inspirational leadership caused great numbers of common people to join her in battle for the freedom of their country. Military leaders bent to her will. She, however, bowed to no one but God, and assumed that any ordinary person should do the same as she was doing: act on God’s will. Her personal action in leading the battle, inspired the ordinary people to fight for their nation, and in so doing, they suddenly discovered the idea of the nation-state. Thanks to her, Charles VII’s son, Louis XI, similarly educated as she had been, would establish the first nation-state on the foundations of Jeanne’s victory.

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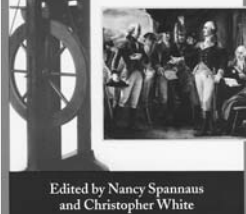


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The Election Crisis Is Not A Constitutional Crisis

by Edward Spannaus

The chaos and confusion in the aftermath of the Presidential election, in Florida and elsewhere, is beginning to bring a lot of Americans to their senses, as they realize that they didn't want either of the two leading candidates, Al Gore or George W. Bush, to be President.

The hysteria and desperation evident in both the Gore and the Bush camps since Nov. 7, should not obscure the critical point: that this is *not* a Constitutional crisis, but only an election crisis. In truth, the entire election process for the past year has been a travesty, as both parties rammed through nominations (actually coronations) of incompetent and basically unelectable candidates, and then ran media-driven campaigns which avoided any discussion of the most crucial issues facing the nation and the world.

Now, there is time to sit back and relax, and to reflect upon what has happened. There is no rush to resolve matters quickly: The country has until Dec. 18, when the Electors who constitute the Electoral College meet in their respective states to vote for their preference for President, and then until Jan. 6, when the new Congress convenes, and receives the votes of the Electoral College.

That is how this Republic actually elects a President—not through the television-driven circus of the campaigns and the election-night frenzy.

The Framers of the Constitution, in their wisdom, provided a mechanism to deal with exactly the eventuality which the nation now faces, an impasse between leading candidates, or the popular selection of unqualified candidates for the Presidency.

There is no need to rush to judgment, to determine a “winner” of the Nov. 7 national election. The nation already *has* a President, and as a result of what has happened, President Clinton is, in fact, in a much stronger position to act as Presi-

dent and to deal with crises facing the nation, than he has been at any time over at least the past two years.

Democratic Party Self-Destructs

This Presidential election cycle was rotten from the beginning. For the Democratic Party, its process of self-destruction accelerated drastically during this campaign, to the point where many of the party's “core constituents” simply stayed home on Nov. 7, and others just held their noses and voted for a candidate which they inwardly despised. Ralph Nader's campaign became a certain type of rallying point for disaffected Democrats who were fed up with the Democratic Party's attempt to become a second Republican Party—something against which Sen. Edward Kennedy (D-Mass.) had complained as early as January 1995.

Along with the adoption of the Dick Morris “triangulation” strategy—orienting toward suburbanite, upper-20%, voters, and away from the Party's traditional constituencies—the Democratic National Committee and the Gore campaign ruthlessly excluded any competing voices from the Party. This was most evident in the outright theft of over 53,000 votes, and at least eight delegates, from Lyndon LaRouche in the Arkansas Democratic Primary in May, plus the thuggery directed against LaRouche supporters in Michigan, Virginia, and other states, to prevent the election of any LaRouche delegates in caucus states. This was followed up by the exclusion of any dissenting voices from the party's official platform hearings in the run-up to the August Convention.

Had the Democratic Party waged a vigorous, FDR-style campaign, there is no question but that it could have swept both the House and Senate. Gore's exclusion of President Clinton—the most popular political leader in the country—from any significant role in his campaign, probably cost the

Democrats control of Congress in the next term. Two items to note, which confirm this: 1) Hillary Clinton's sweeping victory in New York State, in a race where the issue was much more Bill Clinton than Hillary, and 2) the fact that Republican candidates across the country were terrified of making any reference to their biggest battle of the past two years, the impeachment of President Clinton. Two of the most prominent of the impeachment Managers—Rep. James Rogan of California, and Rep. Bill McCollum of Florida—both went down in defeat.

International Implications

Internationally, the election-night see-saw, and the allegations of voting fraud and irregularities in Florida, have drawn a great deal of well-deserved ridicule toward the United States—whose State Department never tires of lecturing other countries as to how they should run *their* elections. In the eyes of many international observers, the election fiasco in the United States will severely crimp the style of the “human rights and democracy” mafia around the State Department and related non-governmental organizations (NGOs).

- Russian President Vladimir Putin, whose nation has been subjected to humiliation by the IMF and international institutions demanding “democracy,” offered to send observers to Florida.

- “A Day as a Banana Republic” was the headline of the lead editorial in the major Italian daily *La Repubblica* on Nov. 9. The editorial went on to describe how the crisis between Bush and Gore could drag on.

- The Zimbabwe *Herald*, an outlet for the government, also had a laugh, stating, “Election Intrigue Not Monopoly of Third World,” in its U.S. election article.

- From Malaysia, which was insulted by Al Gore personally in November 1998, a top official in the Prime Minister's office declared that “America should realize that there are weaknesses” in every system, and the United States “should not act as the policeman of the world.”

- And at the State Department's press briefing on Nov. 9, spokesman Rick Boucher was asked by a reporter, obviously tongue in cheek, whether the U.S. would ask for observers from the Organization of American States (OAS) to be sent to Florida.

But the laughter around the world at the chaos and confusion in Florida, also reflects a sense of relief: that neither of the two clown-princes of the American Presidential race, can now emerge as a clear-cut winner, with a mandate to carry out his destructive and dangerous policies.

Between Now and January

The American people came close to making one of the most disastrous mistakes in their history, by putting either Al Gore or George W. Bush into the White House, at a point when the global financial system is rushing headlong into collapse.



They need each other

But now, with the impasse over the outcome of the vote in Florida and possibly other states, there is time to remedy this situation.

What is crucial, is that we stick to that which the Founding Fathers and the Framers of the Constitution provided: the mechanism of the Electoral College.

The Framers of the Federal Constitution intentionally designed a procedure which would insulate the selection of a President, from the *vox populi*, and which they hoped would ensure the selection of only those “preeminent for ability and virtue.”

Alexander Hamilton, writing in No. 68 of *The Federalist*, argued that the procedure of indirect (or “intermediate”) election through the Electoral College, would ensure the selection of the most qualified candidate for the position, while minimizing the possibilities of intrigue and corruption, particularly that deriving from foreign influence.

This method, of intermediate election, provides “as little opportunity as possible to tumult and disorder,” Hamilton said. And since the Electors meet in each state, they are less exposed to “heats and ferments” than if they were all con-

vened at one time and in one place.

“Nothing was to be more desired than that every practicable obstacle should be opposed to cabal, intrigue, and corruption,” Hamilton wrote. “These most deadly adversaries of republican government might naturally have been expected to make their approaches from more than one quarter, but chiefly from the desire in foreign powers to gain an improper ascendant in our councils. How could they better gratify this than by raising a creature of their own to the chief magistracy of the Union? But the [constitutional] convention have guarded against all danger of this sort with the most provident and judicious attention.”

It was hoped that, by spreading the selection of the President out, through bodies of men selected in each of the various states for this singular purpose, that this would minimize the possibilities of corruption. Hamilton believed that the procedure thus designed, “affords a moral certainty that the office of President will seldom fall to the lot of any man who is not in an eminent degree endowed with the requisite qualifications.”

This is the procedure set out in the Constitution. It provided a period of calm and deliberation between the popular vote, and the convening of the Electors, and then another period of time before the votes of the Electors were actually considered by the Senate, and, if necessary, that the selection of the President be taken up by the House.

There is no rush. The Constitution does not say that the results of the Presidential election must be determined within a day or two, or even a week or two. We do not face Constitutional crisis; rather, we face a mere election crisis, for which the Constitution itself provides the remedy.

And meanwhile, there are real crises out there, manifested in the financial collapse, the crumbling economy, the danger of war in the Middle East, and so forth. Those are the issues with which the American people should be concerning themselves, and ensuring that we have a President competent to provide leadership in these perilous times.

‘NOW COMES THE AFTERMATH’

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D.C. Nurses Settle, But Slave Labor in Health Care Expands

by Linda Everett

On Nov. 8, some 1,200 nurses at the Washington Hospital Center (WHC) in the District of Columbia, the region’s largest hospital, approved a settlement that brought an end to a brutal seven-week strike “over unsafe patient care conditions.” The nurses, who see themselves as the last bulwark against the dangerous hospital policy of mandatory overtime, under which they are forced to work up to 16 hours a day to cover for the hospital’s chronic understaffing, are joining thousands of other nurses nationally who are battling to stop the downward spiral of the quality of patient care by hospitals managed according to free-market ethics. The problem is so widespread, that U.S. Rep. Tom Lantos (D-Calif.) is proposing a Federal bill to limit mandatory overtime of for nurses beyond eight hours a day or 80 hours in a two-week period.

Although WHC management in this case agreed—for now—to limit forced overtime and to allow nurses to participate on hospital patient care committees, it is guaranteed that an explosion of such strikes throughout the health care field is imminent. “Managed health care” has a murderous stranglehold over U.S. hospitals and health care policy, and is a critical roadblock to the ability to provide decent patient care.

Consider what happened at the Washington Hospital Center, owned by Med-Star, which is notorious for buying up hospitals only to shut them down. The hospital spends far less on labor costs than the national norm—about 50% of expenses, compared with a nationwide figure of 65-75%. While the hospital already was shortstaffed by 200 full-time nurses, it contracted with Kaiser Permanente health maintenance organization (HMO) to take thousands more patients. Despite the influx of hundreds more patients, the WHC didn’t expand its nursing staff. Instead, it routinely subjected the nurses to “speed-up,” forcing one nurse to do the work of two to four nurses, caring for as many as 13 critically ill patients at a time, when only four patients is appropriate. The hospital forced nurses to work mandatory overtime, including two or three consecutive 8- to 12-hour shifts several times a week, and switched nurses from unit to unit helter-skelter, forcing them to take assignments on units in which they lack expertise.

As the District of Columbia Nurses Association (DCNA), the union representing the WHC nurses, told *EIR*, nurses trained to care for patients on the medical-surgical unit are told to staff the critical care or cardiology units, which require much higher levels of expertise. Yet, if there is a medical mishap, it is the nurse who is ultimately legally responsible for the lives of her or his patients. Continually shifting nurses automatically creates instability in patient care. These are all policies known to increase patient complications and death. As managed care firms and Federal and state governments squeeze hospital with even lower payments, hospitals are buckling to dangerous austerity policies that no sane physician would impose on his or her patients.

‘A Shifting of Gears’

The change that we see today in U.S. hospitals is akin to that enforced by the Third Reich, where Nazi leaders acknowledged that they had to force the medical profession to undergo a reorganization, a *Gleichschaltung*, or synchronization—a “shifting of gears”—in the perspective of the medical profession, in order to enforce Nazi policies of slave labor and genocide. On Dec. 29, 1973, when President Richard Nixon signed into law the “The Health Maintenance Organization and Resources Development Act,” exactly that sort of “shift in gears” in U.S. health care began. The shift was from the original Hill-Burton mandate to provide sufficient health-care infrastructure, including doctors, nurses, number of beds, and so forth, in order to ensure that the population received needed medical attention no matter what their ability to pay, to the era of “managed health care,” in which health care was reoriented for post-industrial America, i.e., dictated by “cost-containment,” defined by “free-market” competition, and targeted for deregulation.

The health insurance industry’s managed care organizations and HMOs, and the accounting firms that devised and enforced their treatment protocols, told the population that in order to slash the nation’s health care costs, they would have to accept sacrifices—which meant HMOs should get away with killing or disabling patients by denying them needed medical treatment. (In fact, the HMOs and managed-care firms just shifted the costs of medical services and their onerous administrative paperwork to doctors and hospitals, driving hundreds of hospitals out of business in the process.) But, unnoticed to most, the HMO polices, as did the Nazis, also instituted an era of slave labor; in this case, hospital nurses are put through a meatgrinder, and patients are endangered as a result.

Indeed, the most recent study by the American Nurses Association (ANA) found that five adverse outcomes measures (length of hospital stays, and hospital pneumonia, urinary tract infections, post-operative infections, and bedsores) can all be mitigated if adequate staffing is provided. Washington Hospital Center management uses austerity policies typically employed nationally to bypass the costs, i.e., a

permanent nursing workforce, associated with providing a critical part of hospital and health-care infrastructure. In order to avoid the costs associated with hiring a permanent skilled workforce, such as paying a living wage, benefits, and cost-of-living increases, the hospital hires temporary nurses and forces its regular nurses into “burnout.”

As Patricia Underwood of the ANA told the September National Summit on Medical Errors and Patient Safety Research, “Don’t we know enough about the impact of fatigue on human judgment, and on cognitive abilities, to recognize that having 47-year-old nurses working 16-hour shifts for three or four days in a row is dangerous?”

While the U.S. and globalized economy is blowing apart fast, tens of thousands of California transportation workers, clerks, nurses, actors, and teachers held “rolling strikes” over exactly this issue in recent weeks. In July, Wesley Medical Center in Wichita, Kansas agreed to pay a \$2.7 million settlement to a family who said that their relative suffered a paralyzing stroke due to nursing shortages at the hospital. Also in July, the State of New Jersey fined the General Hospital Center of Passaic, for having insufficient nurses in its emergency room.

RN Scabs Are a National Trend

It is exactly the principle of patient safety on which the 1,200 nurses refused to compromise, in their strike against the Washington Hospital Center. From the start, as in many other hospital strikes, it was clear that the hospital intended to break the union over the issue of forced overtime—not pay increases. When the strike started on Sept. 20, Washington Hospital Center brought in 600 scab replacements on contract with the Denver-based U.S. Nursing Corp., a lucrative privately held business created exclusively to supply nurses, paid to cross picket lines anywhere in the country. (HPO Staffing and Travel Nurse International run similar operations.)

The temporary nurses are paid as much as three times (\$2,700 to \$5,000 a week) their regular payscale, to work 12-hour shifts or more. Hospitals such as Washington Hospital Center pay a hefty sum to the agency they contract with, along with airfare, lodging, meals, and other expenses. (All of this cost Washington Hospital Center about \$1.9 million for each week of the strike.) Replacements, typically hired from lower-paying hospitals and regions of the country, make more crossing picket lines for a few weeks than they could earn in nearly a year as regular hospital nurses.

U.S. Nursing boasts of supplying scabs used in the 49-day Worcester Medical Center strike in Massachusetts, the five-month strike at a Nyack, New York hospital, and the one at the Stanford University Medical Center strike in California in June. But, patients suffered as a result. As the Washington Teachers Union told the Washington Hospital Center about the past history of the U.S. Nursing Corp.: “Public health officials in California, New Jersey, Vermont,

and Massachusetts have cited the company's nurses for violations such as leaving patients unattended, injecting patients with dirty needles, and serious dosage and medication errors." The situation was so dire in Massachusetts, that state legislators introduced a bill requiring that the state Board of Registration in Nursing perform extended work-history and criminal-history checks on all replacement nurses coming into the state.

At least one replacement nurse called DCNA over problems and irregularities with the scab nurse replacements because they endangered patient care. The replacement nurse first alerted the union over misgivings about how nurses were hired by U.S. Nursing without health or drug tests or criminal background checks. In other words, the nurses willing to cross the picket line made up their own references, which neither the company nor the hospital ever checked. Another concern was that, despite a District of Columbia Board of Health requirement that every nurse working in a District hospital must have a letter signed by a supervisor stating that he/she is overseeing that nurse's practice, one nurse's letter of "supervisor of practice" was signed by someone who never saw her. When the nurse raised this as a concern, hospital management used heavy-handed intimidation tactics against her, claiming that she was endangering their hospital license. Before she was able to meet with DCNA and the press, two hotel security guards, on orders from U.S. Nursing Corp., showed up at her room to escort her from the hotel.

A Strike for Nurses All over the Country

When the hospital stopped paying premiums for the regular nurses' health insurance, leaving hundreds without coverage for medications and forcing one nurse to cancel scheduled surgery for breast cancer, members of the American Nurses Association, the American Federation of Teachers (AFT), the American Federation of State, County, and Municipal Employees, the Ironworkers, and the Service Employees International Union, joined the DCNA nurses on the picket line. At one rally, AFL-CIO President John Sweeney told the striking nurses, "Your struggle is not just about your own hospital and your own work. This is about nurses all over the country."

The strike intensified when representatives of the ANA from other states joined the picket line, and when the leadership of several different major unions, including Sweeney of the AFL-CIO; Sandra Feldman, president of the AFT; Mary Foley, president of ANA; and Josh Williams, president of the Metropolitan Washington Council of AFL-CIO, blocked traffic around the hospital. At least five DCNA nurses were on a hunger strike to protest the hospital's refusal to allow nurses to participate on hospital committees dealing with patient care—despite the fact that nurses are the 24-hour direct care-givers of patients. Here, the nurses won a breakthrough provision, gaining seats on hospital

committees that directly relate to patient care practices and policies. The nurses, who asked for a 10% cost-of-living pay raise, won a 14% pay increase over three years.

In Virginia, the once union-free Inova Health System, Virginia's largest non-profit care system, despite its intense resistance, now has a new union, the Organization of Home Care Professionals (OHCP), an independent union composed of 110 physical, speech, and occupational therapists who work with Inova's VNA Home Health. The union was formed soon after Inova's VNA imposed a 20% pay cut on the therapists. Most of the 1,500 people treated by OHCP through VNA are elderly hospital patients covered by Medicare who have been released from hospital care. OHCP's services allow these people to stay in their homes and to be independent. Yet, Medicare slashed its reimbursement rates for home health care services by 20% in the last two years, and intends to level another 15% cut soon. Managed health care companies and HMOs pay at below-cost rates.

A sign of the worsening working conditions in hospitals, is that the number of petitions for unions in health care has jumped dramatically in recent years. In 1995, for example, unions filed 392 petitions with the National Labor Relations Board seeking to gain recognition as bargaining representatives in health care. Just four years later, the number of union petitions in health care nearly doubled to 770. For example, in October, 90 Tennessee-based self-employed physicians joined the Office and Professional Employees International Union (with the Florida-based Federation of Physicians and Dentists, which is affiliated with the AFL-CIO), primarily to better assure insurance coverage for their patients and to negotiate better payment rates. In one case, a specialist in gynecological oncology had been fighting an insurance company for ten weeks to get approval for the procedure necessary to tell whether a "very sick" patient has cancer. It is basic medical practice that attacking cancer in its earliest stages is best for the patient and is the most cost-effective. But, this case clearly shows that behind managed health care's promises of "preventive" care, its intent is to cut health care costs.

Now is the time for the medical profession to join the battle nationally to eliminate managed care, or, we shall watch the nation perish in a Nazi *Gleichschaltung*.

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Fighting the Takeover of Detroit's Schools

by Marianna Wertz

The pattern of state takeover of cities and school districts with majority black and Hispanic populations, now escalating across the nation, has become a fighting issue for leaders whose constituents have been effectively deprived of their right to vote. *New Federalist*, the weekly newspaper of the LaRouche political movement, reported in its Nov. 6 issue on the fight in Camden, New Jersey, a test case for takeovers of hundreds, and potentially thousands of cities, in a post-financial-crash abrogation of the rights of the citizenry — including the right to vote.

In October, Camden City Councilman Ali Sloan-El contacted the campaign headquarters of former Presidential candidate Lyndon LaRouche, to bring the Camden scandal to his attention. The Councilman's letter reads, "I am writing today to discuss Senate Bill S-1507 . . . and officially ask for your support in defeating this proposed legislation to privatize the entire city government of Camden, New Jersey. The bill effectively abolishes representative government in the City of Camden and renders the citizens' rights to vote for their elected representatives worthless. It undermines the precepts of the Declaration of Independence and the United States Constitution and, if passed, it promises to establish policy that will be corrosive to the fabric of our democracy."

LaRouche replied, "To understand these actions against which you are protesting, you must see the present situation as the leading financier interests already see it. They see it as the worst financial collapse in centuries, far worse than 1929-1932, and are preparing to loot every public and private resource available once the crash strikes. The actions against which you protest are part of the effort of corrupted political figures to ensure that it is the people, not the bankrupted financier interests, which suffers the greatest part of the burden of the presently onrushing financial collapse."

In Pennsylvania, a threatened state takeover of the Philadelphia school system was narrowly averted in October, when the teachers, at the last minute, decided against a strike. The neighboring black suburb of Chester has already fallen under the state privatization axe, as has the black Detroit suburb of Inkster. In Jackson, Mississippi, state law SB 2672 was passed in March 1995, allowing *only* property owners (most of whom are white) to vote in areas dubbed "Business Improvement Districts," which encompass the major portion of the Jackson inner-city, thereby disenfranchising most of Jackson's black residents.

In the following interviews, *EIR* discusses this pattern with two of the leaders in Detroit's battle to retake their school system from state control, which was imposed by the legislature last year. Sharon McPhail, one of two attorneys representing plaintiff Black Parents for Quality Education, discusses both the suit they launched in September 1999, as well as her own fight against a flagrant vote fraud that cost her the job of Wayne County Prosecutor in the Aug. 8 election. Both battles are being fought against what she charges is a corrupt machine in Detroit-area politics, which is bent on enriching itself at taxpayer expense.

State Rep. Ed Vaughn (D-Detroit) endorsed Lyndon LaRouche's 2000 Presidential bid, and participated on the panel of distinguished state legislators at the June 22 Ad Hoc Democratic Party Platform Hearings in Washington, D.C. In this interview, Representative Vaughn discusses his recent campaign to become president of the Detroit chapter of the National Association for the Advancement of Colored People (NAACP), and the importance of that organization, under good leadership, in fighting for the fundamental rights of Detroit's black citizens.

But all of these battles must be situated in a larger context. Look back to the 1970s, when the New York Council on Foreign Relations (CFR) launched its "Project for the 1980s," which foresaw the "controlled disintegration" of America's cities. Look at Trilateral Commission and CFR member Samuel Huntington's 1975 "Crisis of Democracy" thesis, which put forth a scenario in which, in times of severe crisis, constituency politics would be replaced by a bipartisan governing coalition with little relation to the electorate. Finally, look at the Campaign 2000 project of the CFR this year, in which they simulated an eight-hour war-game for a global financial meltdown, in which the first element was a coup against the U.S. President (see "Exposed! CFR Bankers Plan for Financial Crash," *EIR*, July 28, 2000).

The takeover of school systems and cities now steamrolling across the nation is the playing out of those utopian scenarios, in the context of the onrushing global financial crisis. Cities and schools that are dying financially are being taken over and privatized, feeding the coffers of the private firms and their political patrons with money robbed from the public trough. This must be stopped, and the political movement headed by *EIR* Founder Lyndon LaRouche is helping to do that.

The Privatizers Have Looted the Schools

Sharon McPhail, a Detroit attorney and former president of the National Bar Association, is one of two attorneys representing the plaintiffs in a Federal civil rights suit against last year's takeover of the Detroit public school system by the State of Michigan. On Aug. 8, she ran for Wayne County Prosecutor. In the following interview, conducted on Nov. 1, McPhail discusses the fight against the takeover, and the evidence that she was defrauded in the election.

EIR: We thought that, in light of the fight going on in Camden, New Jersey against the state takeover of that city, we should update our readers on the fight against the takeover of Detroit's public schools. What is the status of it?

McPhail: The District Court judge ruled against us last week. She ruled against us pretty much on all counts. It's not something that we hadn't expected. She's a Reagan appointee, so we were looking for a decision along those lines anyway.

EIR: Will you appeal that now?

McPhail: Yes, we already have filed a notice of appeal, at the 6th Circuit Court of Appeals.

EIR: Will you review for our readers what the grounds for the case were?

McPhail: We filed under five different counts. What we were attempting to get her to do, was to recognize the racial animus in the process, under the Voting Rights Act, because of the effect upon a city that is nearly 90% black, which she declined to do. I'm interested in seeing the opinion, because we had a conspiracy count, that involved the business community conspiring with the legislature to pass this legislation, so they could get their hands on the money that Detroit had voted for new schools for the kids. It's interesting, because it's a year and some months into the so-called reform takeover, and they've not built a single new school, and they're now saying they're not going to, that they're going to just repair the old ones.

So what they've done is, they've stolen the money that was voted for the kids, and they've just divvied it up among themselves.

EIR: How much was this?

McPhail: It was \$1.5 billion, and there's only \$63 million left. They've looted the system, that's what they've done.

EIR: Is there any uprising going on in Detroit about this?

McPhail: Nope. There really isn't.

EIR: Why not?

McPhail: People don't know, and they don't know, not because the information isn't available to them, but because they don't access the information. I don't know why they don't access it, but they don't. People really don't know. They only know that they pay a lot of taxes. The other thing is that many people are just too stretched out, trying to live day to day, to focus on things like that, which is really too bad, because they're the very people that it's affecting.

Detroit will be paying for those new schools that we voted for, for 15 years. There will not be another opportunity for kids in the city to get new schools for at least that long. So, you're talking about basically two more generations of kids up through elementary school, in those old buildings that, in many cases, are inadequate to house them now.

EIR: This fits a pattern in the country. In Camden, the city council is being ousted and replaced by state control. You have Gov. Tom Ridge (R) in Pennsylvania threatening to take over the Philadelphia schools.

McPhail: Yes. They just vote themselves in, vote themselves taxes, spend all the money that's for the people who live in the jurisdiction that they're taking over, and never give the people anything.

EIR: Were the Detroit schools given to private companies?

McPhail: No, that was in Inkster. Inkster actually turned the schools over to a private company. But Inkster didn't do that by itself. They were driven to that place by the state, in the way that the state handled the school resources in the first place, and in that the state allowed all of this proliferation of charter schools to bleed the system, to the point where it couldn't pay its bills. There were so many kids that had come out of that system to charter schools, that the system couldn't operate anymore. And that's exactly what they're trying to do with this voucher thing. [The referendum in support of vouchers in Michigan was defeated in the Nov. 7 election.]

Then they just take over, and what money there is—for example, here, they complained and moaned about overhead and how there was too much middle management, and then they came in and hired 25 \$100,000-a-year administrators to work with them, who are friends of the people who are there now. It's so incredibly criminal.

EIR: You ran for Wayne County Prosecutor. What happened in the election?

McPhail: We discovered what happened because we did a recount. Otherwise, we would never have known. They literally stole the election. They added people's names to poll books, for whom there is no application to vote, which is outright voter fraud. They made up ballots for people who didn't vote, and they were seen doing it, and I have a witness who saw them doing it. They did something with the absentee ballots, in addition to adding names. They transferred votes of mine to another candidate in order to lift his numbers.

EIR: When you say "they," who are you talking about?

McPhail: I'm talking about the clerk's office, the people who work for the city clerk, and there's not many of them involved, there's just a few. But they are pretty careless, and they were observed doing it.

EIR: This is the City of Detroit?

McPhail: Yes, the City of Detroit is one, but there were problems all over the county. Two-thirds of the election could not be audited, could not be recounted, because of tampering with locks and seals on the ballot boxes.

EIR: What was the actual vote? How much did you lose by?

McPhail: Eleven thousand votes.

EIR: And you found evidence that would invalidate that election?

McPhail: It should. If it doesn't, I don't know what would invalidate an election. But, let me tell you, there's no way it's going to happen, because the people who would have to do it are all in the pocket of the guy who supposedly won, Mike Duggan.

EIR: Is Mike Duggan in office now?

McPhail: No, Jan. 1. So there's actually time to do something about it.

EIR: Do you have documentation?

McPhail: I have the last page of the poll books, where they added the names, and the county canvass actually showed that they had added names. The canvassers were ordered in the poll books, but they didn't canvass every precinct, like they're supposed to. So you see there are only some where you're going to find what the county canvass turned up. The only way you can discover that people's names have been added to the poll books, is that you have to check the poll book names against the applications to vote, which people sign when they come in to vote. They do that in every precinct; they just spot did it. On the ones where they did it, they found all these names and no applications to vote.

So, in looking at the poll books in the recount, we found a number of them, and I've got copies of those. I've got pages of the transcript of the recount hearing, where the Board of

Canvassers said that there was no way to get a fair recount, that we didn't get one, and that we *couldn't* get one, because the election was so screwed up and mismanaged. They just outright said that.

EIR: Will you have to go into court to get the election overturned?

McPhail: Within seven days of the recount, I had to do that.

EIR: Do you think you would have won, had there been a legitimate vote?

McPhail: Yes. People are pretty outraged, as outraged as people around here get, about this, but they just don't do anything. I think it's a feeling of helplessness that takes them over.

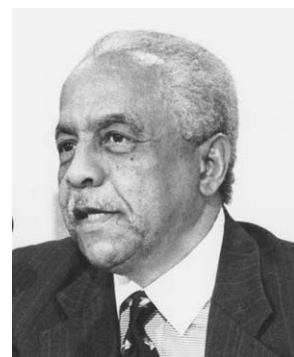
EIR: Well, we've certainly seen that on the macro front. People see a stock market crash and a collapse of the financial system going on all around them and continue to say that everything is fine. So, their not reacting on this is not so surprising. Combined with what's going on in Camden and the school case, it's important to get this kind of picture out.

McPhail: That's what's going on, and we're just fighting.

Interview: Ed Vaughn

Rights Are Being Repeatedly Violated

Rep. Ed Vaughn (D-Detroit) first served in the Michigan Legislature during 1978-79. He was elected again in 1994, and currently serves as Minority Vice-Chair of the Constitutional Law and Ethics Committee, and is a member of the Committees on Economic Development, and Regulatory Reform. He formerly chaired the Michigan Legislative Black Caucus, and is currently the First Vice-Chair. Under term-limit legislation, Representative Vaughn will lose his seat in January 2001. He ran a challenge for president of the Detroit chapter of the NAACP in the Nov. 9 election, where



Rep. Ed Vaughn

he made a key part of his campaign the issue of last year's takeover of the Detroit city schools. He discussed this campaign with EIR on Nov. 1.

EIR: You're running for president of the Detroit NAACP?

Vaughn: The Detroit branch of the NAACP, which is the largest NAACP branch in America.

EIR: Why are you running?

Vaughn: I'm running because the Detroit branch has not addressed itself to the needs of the people of Detroit. Their constitutional, civil, and human rights have been repeatedly violated in the city. The NAACP says nothing, because it has, through its president, sold out to the special interests. His name is Rev. Wendell Anthony.

EIR: As I understand it, you're running, at least in part, because you were fighting the takeover of the Detroit city schools. Are you still doing that?

Vaughn: Oh, yes. We're fighting to get our schools back, and this campaign is very much a part of that. The NAACP said absolutely nothing when our schools were taken.

EIR: This school takeover fits a pattern. I wonder if you'd comment on this. You have, in Camden, New Jersey, the takeover of the city council of a largely black and Hispanic city. You have the threat in Philadelphia of the takeover of its schools with large minority populations, and already, schools have been taken over and privatized in the largely black Philadelphia suburb of Chester. Inkster schools have been taken over, as I understand it.

Vaughn: That's right, by the Edison Institute.

EIR: They want to bring in the Edison Institute in Philadelphia and Chester, Pennsylvania, too. How do you see this pattern playing itself out?

Vaughn: I think it will continue, and I think what they're doing is raiding black communities, sucking up as much of the money as they possibly can, in the name of a better education for black children, but that is not the issue. The issue is that they want to suck up all the money.

EIR: Have you seen a better education for black children?

Vaughn: It has not happened, it will not happen, it *can't* happen, because the community is not involved in the school schemes that they have. We have a voucher issue on the ballot in Michigan, Proposal One. The governor has set up a whole plethora of charter schools. The Edison Institute is raiding everything. I understand the Detroit Public Schools now has offered to give them all of the "bad" schools. It is a sad situation. They are raiding, all in the name of education for underprivileged children, but what they really are doing is just stealing money. They're stealing the wealth of these communities, and I think it's a tragedy that they're doing it, and it's

a tragedy that all of these disparate forces are jumping into bed together to do it.

You've got the Mayor of Detroit, the Governor of Michigan, the UAW [United Auto Workers union]—all jumped into bed together to take our school system.

EIR: If you were president of the NAACP in Detroit, what would you do?

Vaughn: The first thing I would do now is join the lawsuit against the Deform Board—we call it the Deform Board—with Sharon McPhail and George Washington, the attorneys who are pushing that lawsuit, Black Parents for Quality Education, and a lot of the children are part of that lawsuit. The NAACP should join with it, because it is a violation of our constitutional rights. I thought that's what the NAACP was supposed to be about.

I would speak out on the police brutality, and work with the people in the city who are trying to develop a program to deal with the police brutality issue, the Citizens Against Police Brutality, headed by Ron Scott. I'd join in with them to deal with this issue.

The present NAACP president is very much a part of the [Detroit Mayor William] Archer Administration. He kowtows to them. He's almost like a spokesperson for them. The city gave him some land, so I suppose that's why he has never said anything against the city's participation in the violation of the civil rights and human rights and constitutional rights of the citizens. He gave him some land for his church, so I guess that's why he's happy about that. But he says nothing.

In fact, he was very much a part of the school takeover effort. He held a meeting of black-owned corporations in the city to try to show that these corporations were not getting qualified workers and had a need for qualified workers. The reason they said they were not getting qualified workers was because Detroit schools were so bad, which was a bigger lie than Chicken Little told. But that's the lie they told, and the NAACP called for that meeting.

EIR: If you're the president of the Detroit NAACP, you would presumably have a little say in the way the NAACP is run nationally, which has been not all that different from what you just described in Detroit, i.e., in bed with the Gore machine in the Democratic Party. Would you like to see a change in the national direction of the NAACP?

Vaughn: A major criticism of Reverend Anthony here, is that he is too closely tied to the Democratic Party politics, and has turned the NAACP into a partisan organization. He was the first person to put his arms around Joe Lieberman at the debate that they had in the Carolinas. He was the first one to run up and hug Lieberman. He's very actively involved in the Gore campaign. That's his right and that's his privilege, but he has put the NAACP squarely on that side, but at the same time, he doesn't join the campaigns to eliminate those who would violate the civil rights in the city.

Budget To Be Fought Out in Lame Duck Session

The House GOP leadership called it quits on Nov. 3, one day after the Senate, and left town for the waning days of the election campaign, but not before passing the 15th Continuing Resolution to keep the government going until Nov. 14, when Congress will return for a lame duck session. The aim of the session will be to wrap up what has been the most difficult appropriations process in recent memory.

The move to a lame duck session came in the aftermath of the collapse of a deal on the bill to fund the Labor, Health and Human Services, and Education Departments on Oct. 31. "Maybe we need to take a little time out here and go complete the election and then come back," said Senate Majority Leader Trent Lott (R-Miss.). House Speaker Dennis Hastert (R-Ill.) had wanted to keep the House in session, but relented once the Senate decided to go.

Six of the 13 annual spending bills remain to be completed. Issues that remain outstanding include funding for education, proposed ergonomics rules, and amnesty for certain illegal immigrants resident in the United States.

Senate Democrats Block Bankruptcy Reform Bill

Senate Majority Leader Trent Lott (R-Miss.) was unable to find 60 votes to keep the bankruptcy reform bill alive on Nov. 1, in part because 16 Senators had already left town to do some campaigning before the Nov. 7 election. The cloture vote was 53-30, following two days of debate.

Opposition to the cloture motion was led by Paul Wellstone (D-Minn.), who has been the most persistent voice

in the Senate against the bill, even after the original version of the bill passed the Senate by a vote of 83-14 earlier this year. The day before the vote, Wellstone called the bill an "anti-consumer, give-away-to-big-business bill," produced by a Congress "which has been dominated by special interest legislation." He said that several amendments that had been approved on the Senate floor were taken out of the conference report, resulting in a bill that was worse than the original.

Charles Grassley (R-Iowa), who, along with Robert Torricelli (D-N.J.), was a chief architect of the bill, retailed the same arguments that have been used by the proponents of bankruptcy reform all along. He said that reform is necessary because too many people are using the bankruptcy system to get out of debts that they could otherwise pay. Supporters of the bill continue to refuse to recognize evidence that most Chapter 7 bankruptcy filings are the result of genuine economic distress, such as that resulting from the loss of a job or catastrophic medical difficulties.

Lott promised that there would be another vote during the lame duck session. "We will persist in our effort to pass this important legislation," he told reporters. However, Wellstone remains optimistic that the bill will go down to defeat. "I think the dynamic changes in a lame duck session," he said, "and I think we will only be in a stronger position."

Clinton Vetoes Intelligence Authorization Bill

On Nov. 4, President Clinton vetoed the fiscal year 2001 Intelligence Authorization bill, because it included a provision that would have stiffened

penalties for the unauthorized release of classified information. Clinton said that the provision is "badly flawed, . . . is overbroad and may unnecessarily chill legitimate activities that are at the heart of a democracy."

In his veto message, Clinton didn't disagree that there is a serious problem with leaks of classified material from within the government. Rather, he disagreed with how to solve the problem. He said that the provision doesn't strike the "proper balance" between protecting vital information and protecting the rights of citizens to receive the information that they need to make democracy work. He warned, "There is a serious risk that this legislation would tend to have a chilling effect on those who engage in legitimate activities." He also warned that the provision "may unduly restrain the ability of former government officials to teach, write, or engage in any activity aimed at building public understanding of complex issues." He called on the Congress to return the bill to him without that provision.

Clinton had received conflicting advice on the bill. Attorney General Janet Reno and CIA director George Tenet both supported the provision, but National Security Adviser Sandy Berger and White House Chief of Staff John Podesta recommended vetoing the bill. The four largest U.S. news organizations had also sent a letter to the White House opposing the provision.

Some Senate Democrats also supported vetoing the bill. Sen. Charles Schumer (D-N.Y.) told reporters on Nov. 1 that the bill "attempts to protect our national security in such broad and vague terms and without regard for the potential of rampant over-classification of government information, that it will have profound effects on the ability of an informed citizenry to keep our government honest."

On the U.S. Elections

Lyndon H. LaRouche, Jr. issued the following statement on Nov. 8, 2000.

Election-day has come and gone. Whoever wins the result of the recount, those of you who were thinking will remember, that the only significant net result of the election is what I had warned you it would be. It had already become, a foregone conclusion; that, whoever it might turn out were elected, the United States and its people would have just lost a Presidential election, as they did yesterday.

The next big shoe to drop upstairs, will be the on-rushing, global financial crash, when all the slogans and issues which have lately occupied the attention of the leading popular news media, will be swept into the rubbish.

The crash will sweep as much as half of those in the upper twenty percent of the nation's family-income brackets, especially the debt-ridden so-called suburban vote, into virtual destitution. The plight of the lowest stratum of family-income brackets will become desperate. Where then, is the new President Franklin Delano Roosevelt, at a time when he and his recovery policies, or their like, are needed the most?

What have you just done to yourself, little man? This Presidential election has been a bummer. How do we rescue you, the typical citizen, from the mess you brought upon yourself in this way?

Despite all that, and more, you still have good reason to hope. I can assure you of that. Perhaps, now, at last, you will begin to understand what I have just said.

Read, again, Lyndon LaRouche's editorial statement printed in this space one week ago, and written Nov. 4, 2000, three days before Election-day, which said in part:

Whether or not either of these two clowns makes it through the delayed counting of the mail-in ballots,

and survives what may turn out to be an electoral-college impasse, there is no certainty yet, as to who will actually be inaugurated as the next President. Even the fellow who seems to have won on November 7th, might not actually become the next President. Many seemingly strange things not only could happen, but are likely to happen, between election-day and the next inauguration. So far, on this count, absolutely nothing is in the cards.

As the often quoted Chinese saying goes, for the United States, we live in interesting times.

In times like these, if you wish clear and definite answers, you must first ask the right questions. Who is going to win next Tuesday's general election is not the right question. There are two leading subjects on which I can give you some definite answers, and, otherwise, some hints at what you should be worrying about. First, peek at the economic situation, and then the rapidly deteriorating political situation of the United States, at home and also abroad.

First, the entire global financial system is now overripe for the biggest collapse in three centuries, and the collapse of the value of the U.S. dollar on the world market, will be the event which officially pushes the world as a whole into that new great depression. There goes the entire agenda of both the Bush and Gore candidacies, out the window. They each become useless political baggage, to Wall Street and everyone else, the moment that crash hits with full force, soon.

Second, the world's greatest political and strategic crisis at this moment is the fact that both of the major political parties are controlled, top down, by the leading role of pro-racist right-wing fanatics, including generally pro-racist religious loonies of the Robertson and Falwell types, who have taken control of not only the Republican, but also the Democratic Party's machinery, as a continuation of the Nixon "Southern Strategy" launched during the second half of the 1960s.

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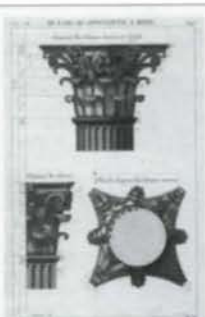
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