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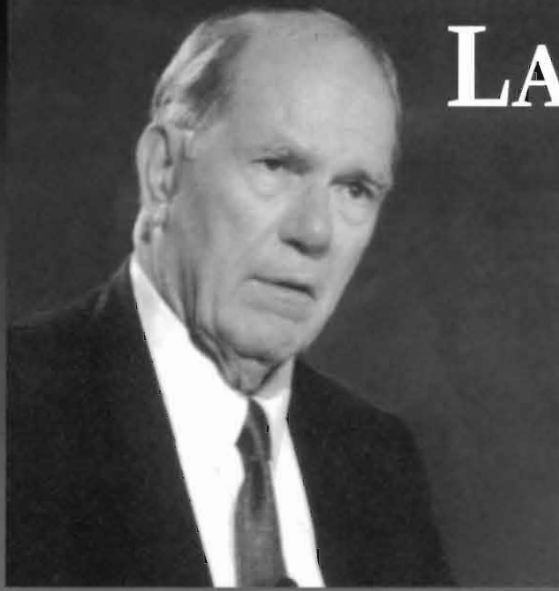
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Bush Faces Israeli 'Breakaway Ally' Threat  
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—Lyndon H. LaRouche, Jr., Sept. 15, 2001

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## From the Associate Editor

**T**he headline on our cover pretty well sums it up: LaRouche really does know how to get us out of this mess. Has the world situation become sobering enough yet, for Americans to listen to him?

In this issue, LaRouche analyzes the crisis we face, and the solutions: in his Oct. 9 interview with Utah talk-show host Jack Stockwell (our *Feature*); in a paper prepared for an international conference in Brazil, on how Brazilian patriots must approach the question of reviving their nation's economy and its hopefulness; and in his article "The World To Be Seen From Sunday," which warns of a Mideast conflagration arising from Israel turning to the "breakaway ally syndrome." See *National* for a report on LaRouche's campaign for the Democratic 2004 Presidential nomination, and its reflection in widespread *international* press coverage.

But some people will tell you, "Yes, LaRouche forecast the crisis. He was right. He has very good ideas. He is a very smart man—perhaps even a genius. But you've got to be realistic: He is a 79-year-old man with a prison record (yes, I know he was innocent, but still . . .), and the media hate him. Why is he running for President now, in elections that are three years off? Be practical!"

Well, being "practical" is exactly what got the American people into the terrifying situation we now face. But there is a way out. And it is only by accepting LaRouche's leadership *now* (well before 2004), that we can still avert an even more catastrophic plunge into war and a New Dark Age.

Just a few examples, from this week's issue:

- The "practical" policies of the U.S. corporate sector at large, in putting shareholder value above traditional American System principles of physical economy, have created the "corporate cannibalism" that John Hoefle describes in our *Economics* lead.

- In the airline industry, the same foolish decisions have created the unprecedented downturn of the past year (not just since Sept. 11), as Anita Gallagher reports.

- And, for the railroad sector, Richard Freeman reports that 35 years of rot and obsolescence have created a disaster that is now so obvious and so pressing, that Congress is actually beginning to consider some interesting proposals for a solution—proposals that originated with LaRouche.

*Susan Welsh*

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*The U.S. Pentagon  
on Sept. 11.*



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On Oct. 9, Democratic Presidential pre-candidate for 2004 Lyndon LaRouche returned to talk with Jack Stockwell of KTKK-AM radio in Salt Lake City, Utah. The interview is of special interest because, on Sept. 11, just as the terrible attacks on the World Trade Center and Pentagon were taking place, LaRouche was being interviewed on Stockwell's radio show. The interview published here, a month later, affords readers an opportunity to become familiar with LaRouche's reflections on Sept. 11; on the crisis in which the world finds itself today; and on the solutions to the mess the United States and the world are in.

**Photo and graphics credits:** Cover, EIRNS/Andrew Spannaus. Pages 5-8, 12, 20-23, 51, 54, EIRNS. Pages 16, 27 (LaRouche), 42, 45, 65, EIRNS/Stuart Lewis. Page 19, UN. Page 27 (Stockwell), Courtesy of Jack Stockwell. Page 28, (Opium production), DEA; (Colombia), Caracol TV. Page 37, (Mendelssohn), EIRNS/Steve Meyer; (Khatami), Bundesbildstelle/Klaus Lehnartz; (Pope), Apostolic Nunciature in the United States. Page 38, FEMA News Photo/Jocelyn Augustine. Page 41, (Roosevelt), Library of Congress; (funeral), National Archives. Page 46, EIRNS/Angela Vullo. Page 52 (Zepp-LaRouche), EIRNS/Dean Andromidas. Page 64, Department of Defense/R.D. Ward.

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Dramatic Moment For Shanghai Summit.

## Cannibalism Is Not A Viable Long-Term Economic Strategy

by John Hoefle

In the aftermath of the Sept. 11 events, the breakup of the global financial and economic system has taken center stage, as sector after sector issues dire warnings and gets in line for potential government bailouts. The *laissez-faire* free-market mantra of recent decades has all but stopped, replaced by calls for government intervention to save the financial markets and corporate America. The blather about how the economy has “hit bottom” and can now only rebound, has largely stopped, as the realization spreads that the bottom is not yet even in sight. What is visible, is panic, a growing, palpable fear that the system is spinning out of control, and that all of Federal Reserve Board Chairman Alan Greenspan’s horses and all of his men, won’t be able to put it back together again.

None of this should be a surprise. Lyndon LaRouche forecast it all, repeatedly warning that the hyperbolic growth of financial claims, the similar growth of the money supply to service those claims, and the destruction of the productive sector of the economy through a deliberate policy of deindustrialization and the undercutting of research, development, and infrastructure, must inevitably bankrupt the economy and render the giant pile of financial claims worthless.

While the bubble was growing, many of its inherent weaknesses could be papered over, bailed out, or otherwise swept into hidden corners. Today, however, that growth has largely ended, and the economy has entered a self-feeding deflationary spiral in which most categories of financial assets are rapidly losing value, corporations are cutting back operations and laying off employees, and bankruptcies are soaring, triggering further cutbacks, layoffs, bankruptcies, and so on, in a self-feeding process. As the economy contracts, the pressures on the corporations intensify: sales fall, debts which once had the illusion of manageability begin to take on a deadly air, bonds which were once highly rated begin their slide toward junk status, and companies find themselves caught between

falling profits and Wall Street’s demands for increased stock dividends.

The financial firms have those same problems, and more. As the ability of corporations and individuals to pay their debts declines, so does the creditworthiness of the banks’ loan portfolios; bad loans and defaults are on the rise, and once they reach a critical mass, the bank itself goes under. For the biggest banks, where making loans has become something of a sideline, the picture is even worse; they have morphed into investment banks, speculating in the *casino mondiale* of the currency, securities, stock, and derivatives markets. But the collapse of the stock markets has cut heavily into brokerage revenues, the once-lucrative Initial Public Offerings (IPO) market has all but died, and merger and acquisition activity has dropped by half compared to last year. Everywhere they turn, revenues are threatened.

For individuals and households, the picture is equally bleak. Those households which have suffered layoffs are devastated, and those facing potential layoffs live in fear. Families which invested in the stock market have seen the value of their holdings plummet, cutting their investment income and retirement funds. At the same time, many families have incurred painful levels of debt, through credit card and other borrowing, and through mortgages on overpriced homes. As the economy contracts, so inevitably will real estate prices, wiping out equity and leaving many people holding mortgages for more than their homes are worth.

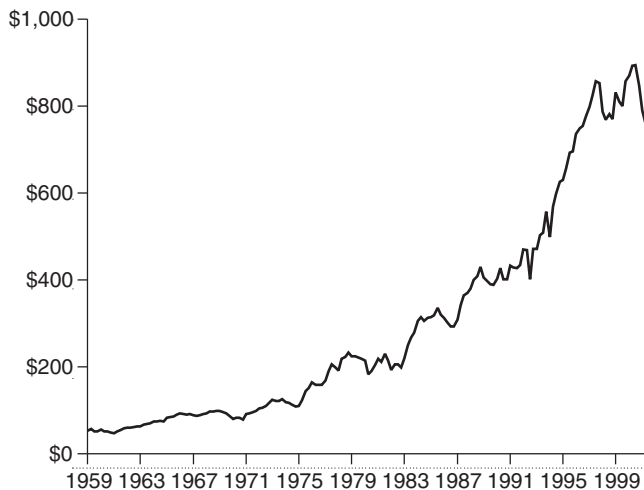
An economy which lives off leverage and debt, as the United States has for the last three decades, dies by leverage and debt when the bloom comes off the rose.

That boom has ended, with many “financial experts” conceding that the nation has entered a recession. But the truth is much worse. As Lyndon LaRouche observed in a U.S. radio interview on Oct. 9, “*We are in a depression.*”

FIGURE 1

## U.S. Corporate Profits, Quarterly, At Seasonally Adjusted Annual Rate

(\$ Billions)



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

This is no cyclical downturn, but a systemic failure—the system itself is breaking apart, its economic foundation buckling under the weight of hundreds of trillions of dollars of unpayable financial claims.

### Falling Corporate Profits

Take, as one indicator of economic collapse, the level of U.S. corporate profits, as reported by the Department of Commerce's Bureau of Economic Analysis (BEA) (**Figure 1**). The reported level of corporate profits increased dramatically through the 1970s and 1980s, then skyrocketed in the 1990s, rising sharply until 1997. In rough terms, the level of annual profits doubled in the 1970s, doubled again in the 1980s, and doubled yet again in the 1990s.

The BEA reports corporate profits by quarter, with each quarter's profits being annualized to reflect what the annual profits would be at that level. The numbers are also adjusted to reflect the value of corporate inventories and the level of corporate capital expenditures.

The BEA's figures show a sharp rise in corporate profits during the 1990s, but those profits are an illusion (and a delusion), representing a savage looting of the U.S. industrial base and of Less Developed Sector nations through globalization, combined with the mad rush into the largest financial bubble the world has ever seen. That is, the reported profits represent not an expansion of the productivity of the global economy, but the cannibalism of that economy. Cannibalism, however, is not a long-term economic strategy, and all economies which get their "profits" from destroying their economic underpinnings ultimately collapse.

For corporate America, the illusion began to collapse in the fourth quarter of 1997; profits dropped sharply from a then-record \$858 billion in the third quarter down to \$770 billion in the second quarter of 1998. That represents an annualized drop of about \$90 billion, and a drop of roughly \$170 billion from what they would have been had profits continued to grow at the previous rate.

This decline occurred at the same time that the Anglo-American financial interests, fronted by hedge-fund speculator George Soros, launched their currency warfare attack on Asian nations, an event popularly but inaccurately known as the "Asian crisis."

Interestingly, earlier in 1997 a British money manager named Tony Dye caused quite a stir with predictions of disaster in the global derivatives market. Dye's warnings were reported by the London *Sunday Telegraph* on March 9, 1997, in a piece entitled the "\$55 Trillion Horror." Just a couple of weeks before that, on Feb. 21, 1997, Federal Reserve Chairman Greenspan admitted to a Coral Gables, Florida meeting sponsored by the Atlanta Fed, that "there have been occasions when we have been on the edge of a significant breakout." Thus far, he concluded, the Fed's response has "turned out to be adequate to stem the atomic erosion."

The events of 1997 suggest that the Soros-led attack on the Asian Tigers was in fact a response to some sort of major derivatives disaster, in which money was stolen from Asia through market manipulations, in order to plug a hole in the bubble. The attacks threw world trade into a tailspin, and put a significant dent in U.S. corporate profits.

Profits didn't really begin to recover until the first quarter of 1999, and that was mainly because of the series of interest-rate hikes and other measures implemented by the Fed and the other major central banks in the wake of the Autumn 1998 Russian default crisis and the resulting near-meltdown of the global derivatives markets, of which the bankruptcy of Long Term Capital Management was just the tip of the iceberg.

The profit rebound was short-lived. After peaking at an all-time high of \$895 billion during the third quarter of 2000—corresponding to the "hear no recession, see no recession, speak no recession" theme of the U.S. Presidential campaign—the bottom began to fall out. Profits fell steadily, to \$761 billion in the second quarter of 2001, a level not seen since 1996, and are projected by analysts to drop to some \$700 billion in the third quarter and \$680 billion in the fourth quarter, a level not seen since 1995.

Had corporate profits continued to grow at their mid-1990s rate, fourth-quarter profits would have been in the range (annualized) of \$1.3 trillion, nearly double their projected level. That's a significant hit to the bottom line.

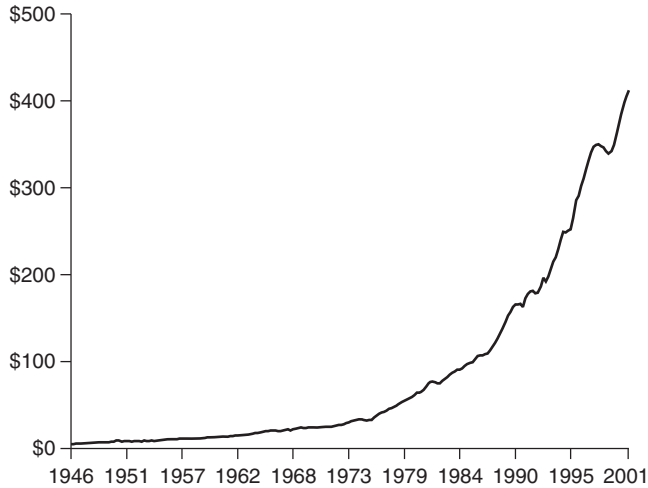
### Escalated Looting

Although corporate profits have been falling, the dividends paid to shareholders have not (**Figure 2**), rising to an annualized \$412 billion in the second quarter. That dividends are rising even as corporate profits decline, reflects the pres-

FIGURE 2

## Corporate Dividends Paid Quarterly, At Seasonally Adjusted Annual Rate

(\$ Billions)

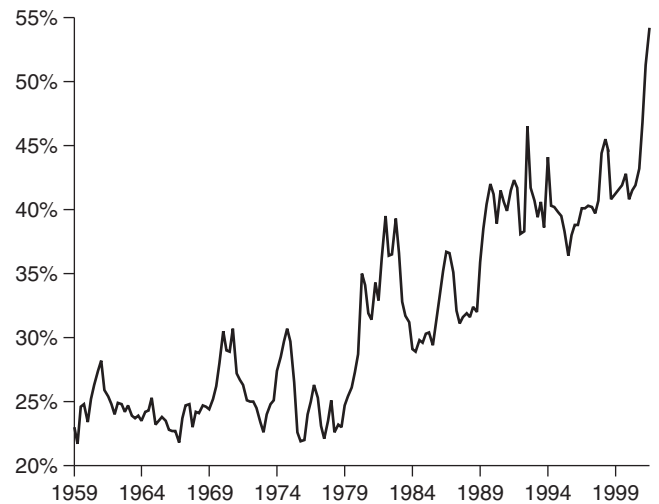


Source: Bureau of Economic Analysis, U.S. Department of Commerce.

FIGURE 3

## Dividends Paid As A Percentage Of Corporate Profits

(Percent)



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

sure on corporations by Wall Street to keep the dividend money flowing at all costs. This process is even more clear, when one compares the ratio of dividends to profits. The combination of falling profits and rising dividends has reached the point where dividends now amount to more than half of profits, hitting 54% in the second quarter (**Figure 3**). By comparison, dividends averaged roughly 25% of profits in the 1960s and 1970s, 34% in the 1980s, and 41% in the 1990s.

What drives the demand for ever-more dividend income, is pure desperation on Wall Street. The collapse of the information technology bubble has knocked nearly \$4 trillion off the market value of stocks traded on the Nasdaq exchange and cut sharply into trading revenues. The tech wreck also put an end to the lucrative IPO market, which generated some \$5 billion in fees for the bankers who launched the deals. Another mainstay of the investment bankers has been mergers and acquisitions, but the M&A business was largely fuelled by the stock market boom, as corporations used their overvalued stock as a form of currency to buy other companies. That process has slowed significantly, with the value of deals announced this year running at half of last year's levels.

Globally, perhaps as much as \$10 trillion of value of financial and related instruments has evaporated, with multiples of that to come, blowing a huge hole in the global financial and economic system. With assets evaporating and income disappearing, the banks are turning more than ever to the form of gambling known as the derivatives markets. As of June 30, U.S. commercial banks had \$48 trillion in off-balance-sheet derivatives bets, a 24% increase in 12 months, with nearly all of that exposure held by three banks, J.P.

Morgan Chase, Citigroup, and Bank of America. Speculative bets now dominate the financial system, with some \$4 trillion a day in foreign exchange and derivatives bets being placed every day, according to the Bank for International Settlements.

### Self-Feeding Spiral Of Collapse

The combination of falling production and increased financial looting has sent the economy into a self-feeding spiral of collapse. The loss of investment income from the stock market, increased layoffs and the fear of layoffs, and choking levels of debt, have cut into the consumer spending which the formerly acclaimed "genius," Greenspan, has declared to be the engine of the economy. As consumers cut back, companies cut back, leading to further layoffs, which causes further cuts in consumer spending, ad infinitum. It is this process, playing out in the financial markets, the office buildings, malls, factories, and households, which has driven the economy into meltdown.

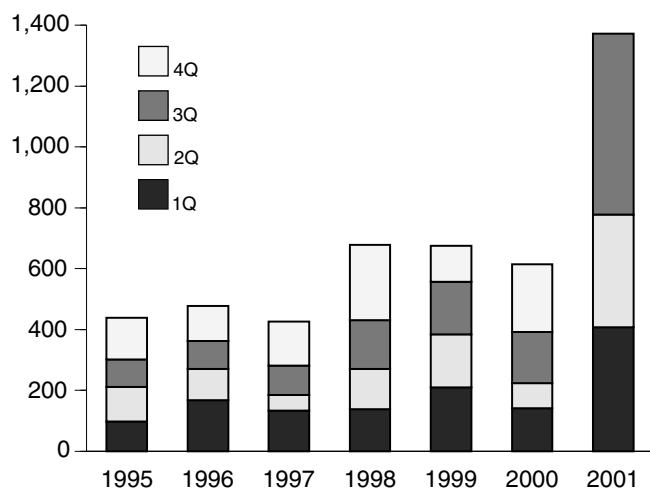
One marker for this domino-style collapse is the sharp rise in corporate layoffs, as corporations cut back in the face of depressed sales (**Figure 4**). Through the first eight months of this year, corporations announced 1.4 million layoffs, according to Challenger, Gray & Christmas. That is more than the total for all of 1999 and 2000 *combined*, with three months still to go, and the pace of layoffs is quickening. During the third quarter there were 594,000 layoffs—not too far shy of the 614,000 layoffs in all of 2000—compared to 407,000 in the first quarter and 371,000 in the second quarter.

The more people who lose their jobs, the more people file



FIGURE 4  
**Major Layoff Announcements, By Quarter**

(Thousands)



Source: Challenger Gray & Christmas.

for bankruptcy. U.S. bankruptcy filings hit a record 400,000 in the second quarter (**Figure 5**). Part of the surge can likely be attributed to the attempt by some filers to enter bankruptcy court before the new, tougher bankruptcy laws took effect, but then the law was changed in anticipation of increased levels of bankruptcy filings, so the law change is more of an effect than a cause.

### It's Not Coming Back

While the Wall Street propaganda machine continues to assert that the economy will regain its strength next year, no reasons are given, at least not in the higher use of the word. Instead we get vague references to business cycles and projections of past trends, real and perceived. Greenspan's money-pumping will work, we are assured, but the lag time is greater than we thought.

Through it all, the economy continues its accelerating downturn. The attempt by Greenspan and company to halt this process through interest-rate cuts and liquidity pumping hasn't worked, and won't work, because this is a physical-economic crisis, not just a monetary crisis.

Over the past three decades, the once-mighty U.S. industrial economy has given way to the siren call of the Information Age, with its emphasis on finance, services, and information. The effects of this shift can accurately be measured only by a market-basket approach of physical production and consumption of goods, per capita and per household, which eliminates the inflationary distortion of dollar-based measurements. However, one can see a reflection of this process by comparing the profits of financial corporations versus the profits of manufacturers of durable goods (**Figure 6**). Even with all the financial fluff that gets counted in manufacturing

FIGURE 5  
**Number Of U.S. Bankruptcy Filings, By Quarter**

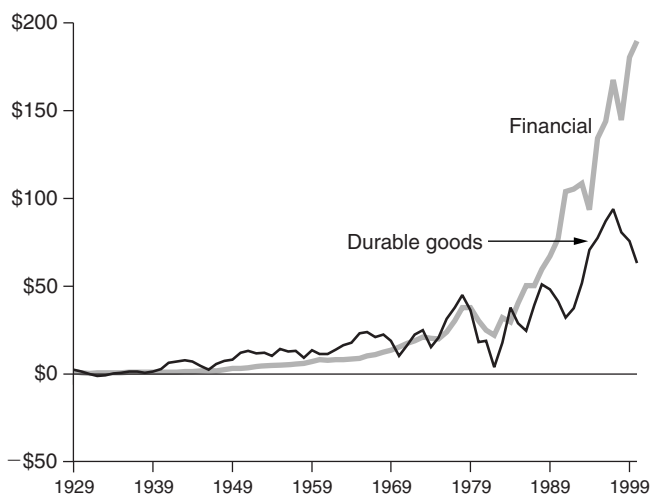
(Thousands)



Source: Administrative Office of the U.S. Courts.

FIGURE 6  
**Finance Profits At Expense Of Manufacturing: Profits of Financial and Durable-Goods Manufacturing Sectors**

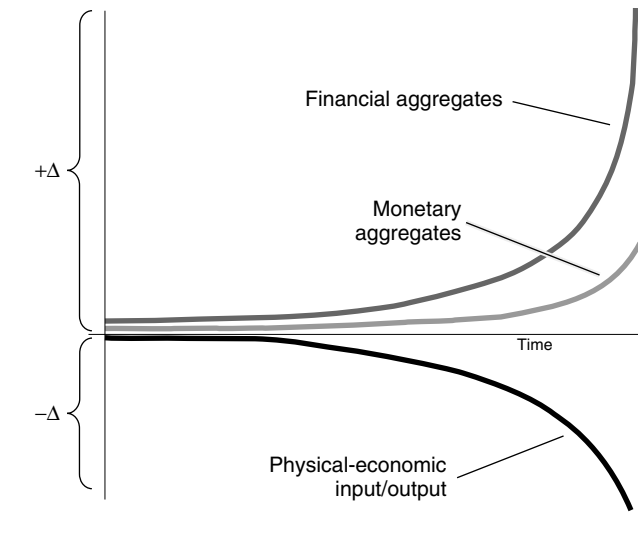
(\$ Billions)



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

FIGURE 7

**A Typical Collapse Function**



profits, the sector has been falling since 1997, while financial profits have risen. Such a process is best understood from the perspective of Lyndon LaRouche’s triple curve collapse function (**Figure 7**), in which increased financial looting accelerates the collapse of the physical economy.

The axioms of the Information Age are falling as fast as that sector’s profits. During the first six months of 2001, the 240 firms in the *Wall Street Journal*’s compilation of technology companies lost a whopping \$58 billion, while 21 fixed and wireless telecommunications firms lost \$5.5 billion in the second quarter (**Figure 8**). Many families that jumped into the Nasdaq frenzy in late 1999 or early 2000, have seen the value of their stockholdings wiped out, and stock-based pension and retirement funds are evaporating rapidly.

The shrinkage of the service sector would not be bad, were it accompanied by a boom in the productive sector, fed by the rebuilding and expansion of the world’s infrastructure and manufacturing capability, but no such boom is occurring. Instead, we have entered this depression with an economy—and a society—much less capable of meeting its needs than we had in 1929, with a smaller percentage of Americans working in manufacturing, agriculture, and related productive fields than ever before. We simply are not prepared for the systemic collapse which is now unfolding before our eyes.

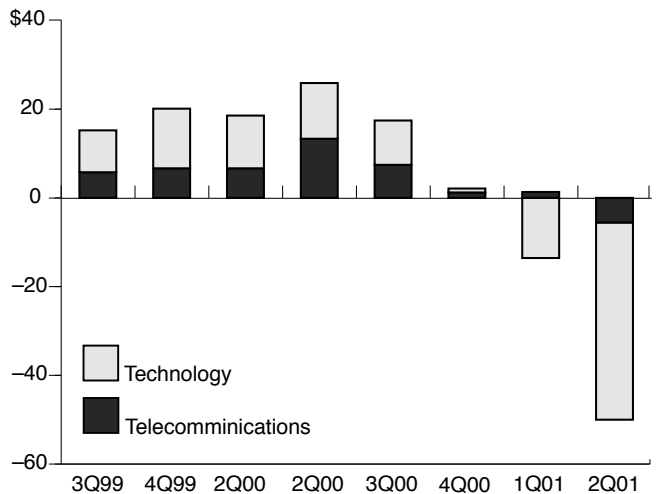
Any attempt to “save” the system, to try to protect the trillions of dollars of fictitious value of inflated financial assets, will fail. To resolve this crisis, we must build our way out, rebuilding our tattered infrastructure and launching a series of Great Projects such as the Eurasian Land-Bridge and the North American Water and Power Alliance.

Compare LaRouche’s rebuilding approach to the consumer-spending nonsense promoted by the Plunge Protection Team and Wall Street. The Bush Administration is already

FIGURE 8

**Demise Of The New Economy: Quarterly Net Income Of Telecommunications And Technology Companies**

(\$ Billions)



Source: *Wall Street Journal*.

talking about another round of tax rebates to spur consumer spending.

But Bush and company are thinking small. In the spirit of a consumer-led recovery, *EIR* offers the following modest proposal: The next time your credit card company calls you to offer you credit, tell them you’re willing to do your part for the economy, and ask them for a \$1 trillion line of credit. Promise them that if they give it to you, you will spend it. Should they balk, as they might, challenge them to step up to the plate and support the country; you’re willing to do your part, so why shouldn’t they do theirs? If just a dozen people did this, it would more than double the size of the U.S. economy! And if you’re worried about paying all that money back, don’t be; once you owe a trillion dollars, you are too big to fail! There’s no downside!

Obviously, this is a crackpot idea, but it is no different in principle from the Bush/Fed/Plunge Team idea of bailing out the economy through increased consumer spending. The only difference between their plan and mine is that theirs is spread out over a larger group of borrowers. Basing a recovery on increased borrowing by a population that can’t pay its existing debt, is world-historic stupidity. It won’t work, and it isn’t working.

What will work, is LaRouche’s Great Projects development corridor approach, projects which lay the groundwork for real physical-economic development, and real profit. Cannibalism has failed, and to get out of this mess we’re going to have to build our way out.

# Germany Takes Eurasian Medicine For U.S. Flu

by Rainer Apel

The expected “Autumn of mass layoffs” has arrived in Germany—directly linked to the deepening depression that has hit the real economy in the United States. While President Bush keeps advertising his “stimulus” package, and Chancellor Gerhard Schröder insists “there is no recession,” industry tells a different story: Many people will lose their jobs this Autumn and Winter, because fewer cars and industrial and consumer goods are being produced.

In Germany, mid-October represented a watershed. The umbrella organization of the German Chambers of Industry published a confidence poll of its member chambers on Oct. 16, which characterized the outlook as “very, very grim.” The same day, the Association of Independent Entrepreneurs declared there was little confidence in the future, but rather hope. The Association of Construction Firms, on Oct. 12, had reported that corporate defaults in its sector had increased by 20% in the first half of this year, compared to the first half of 2000. “New Economy” firms were hit much worse, reporting an 80% increase in defaults over the same period. September saw a net increase of joblessness by 40,000, compared to September 2000.

Some of the biggest names in industry, transport, and banking made panic headlines in the media, with announcements of fresh plans for layoffs: During Oct. 12-17, some of Germany’s leading banks announced about 22,000 layoffs: Dresdner Bank, 7,800 (15% of its workforce); Hypovereinsbank, 7,500 (10%); Commerzbank, 3,400 (8%); and even Deutsche Bank hinted that it might cut more than the already-announced 2,600 jobs. Between Oct. 14 and 17, some of the leading industrial firms announced plans for new layoffs, after three bad economic quarters in a row, with no hope for the fourth quarter, either: Siemens, 7,000 jobs in the mobile phone and communications sector, on top of 8,000 announced earlier; Opel, 2,500; the Dutch company Philips, announced 11,000 job cuts at its German sites on Oct. 16.

Directly linked to the situation in the United States, several big German automotive firms reported a drastic drop in sales for the third quarter. Germany’s leading car-maker, DaimlerChrysler, will shut three of its U.S. plants which produced trucks; this will affect several thousand jobs on the American side and an unstated number in Germany. Germany’s leading tire producer Continental reports a drastic drop in third-quarter sales, forcing the company to cut production at Continental Tire North America by 15%, and at its car

brakes producer, Continental Teves North America, by 20%. And, the combination of its own indebtedness and the September drop of U.S. airline passenger volume by one-third, Germany’s Lufthansa airline on Oct. 15 announced plans for cutting the work-week to four days. The fate of SwissAir—which almost defaulted on its debt, and was saved for two weeks by a “fuel emergency loan” of \$220 million from the Swiss government—hangs like a Damocles’ sword over Lufthansa, as well. At SwissAir, most of 52,000 jobs are threatened now.

## China Bucks The World Trend

If spectacular defaults of prominent firms, such as America’s Bethlehem Steel, have been avoided in Germany so far, it is due to a remarkable increase in exports to China, which helped to compensate losses in other Asian markets, Europe, Japan, and the United States. A press conference of the Asia-Pacific Division of the Association of German Machine Builders (VDMA) in Beijing on Oct. 15, illustrated that with rather impressive figures.

The increase of exports to East Asia by 30% last year, which compensated for much of the losses suffered in the wake of the Asia crisis of 1997-98, will not be repeated this year, the VDMA reported. Most of the Asian-Pacific importers of German machines are suffering more and more from the effects of depression in Japan and in the United States—their biggest export markets—so that investments in new machinery have been cut back considerably during 2001. But the Chinese market continues to develop, contrary to the global trend, the VDMA noted: China has become the number-one importer of German machines in Asia, whereas Japan fell back to number two this year. In the first half of 2001, machine exports to China saw a 58% increase compared to the first half of last year. In wood-processing and mining, but also industrial assembly-line technologies, the increase is 130%.

Granted, there is a big slump in Chinese textile manufacturing—which has to do with the depression in the United States, the number-one importer of Chinese textiles—and a slump in the consumer electronics sector, also caused by the drop in U.S. imports. But other sectors of the Chinese economy, like wood processing, mining, construction, machine-tools, aircraft, and power production, feature an increased interest in German machinery.

With respect to China, the VDMA is confident that the situation will improve, not least because of China’s massive investments in the development of its industrial and transport infrastructure. Counter-balancing the bad U.S. auto news, Kolbenschmidt, a leading German producer of automotive pumps and cylinders, announced a new joint venture with the Shanghai Automotive Industries Corp., on Oct. 16.

All of that underlines again the strategic importance of real economic cooperation along the Eurasian Land-Bridge—the more important for an exporting industrial nation like Germany. Schröder will visit China from Oct. 31-Nov. 3.

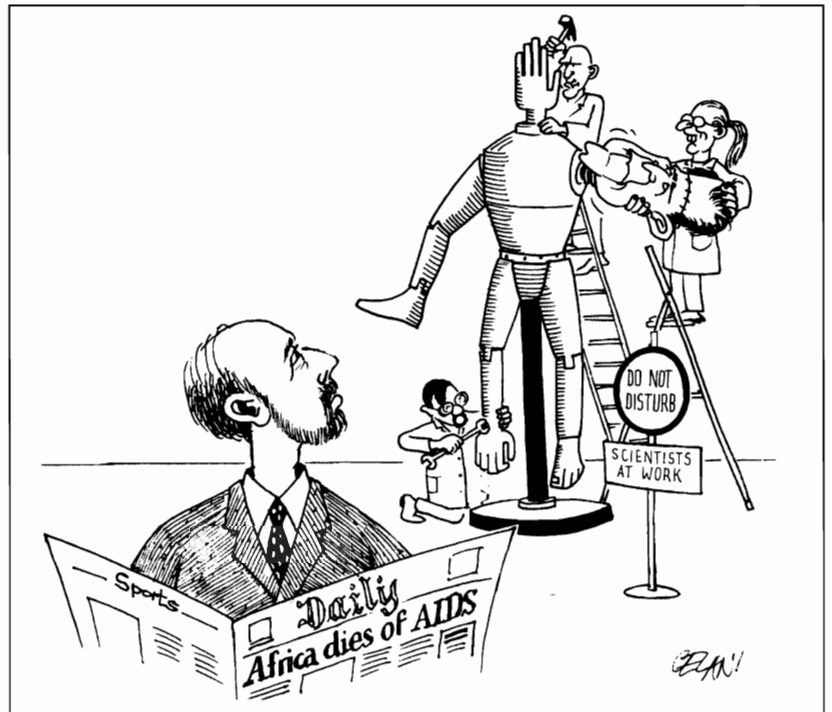
# EIR SPECIAL REPORT

## 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.



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# Congressional Fight Could Set Stage To Reverse Rail Infrastructure Decay

by Richard Freeman

A new push has been launched in the U.S. Congress, especially during the past three to six months, for railroad infrastructure building, including proposed legislation for high-speed rail and magnetically levitated (maglev) train systems. This is necessary to begin to address the decades-long decay and obsolescence of significant sections of the U.S. rail grid.

The proposed legislation represents an increase in the tempo of the organizing for rail and other infrastructure construction, as the crisis of the breakdown of the U.S. physical economy intensifies.

The two principal legislative thrusts are the “High-Speed Rail Investment Act of 2001,” which is sponsored mostly by Democrats with some Republican support, and the “Rail Infrastructure Development and Expansion Act” (RIDE), which is a largely Republican-sponsored bill, with some Democratic support. The two proposals share some important premises, but also have differences. Both would rebuild sections of the U.S. rail grid, and also build high-speed rail networks, including maglev train systems.

What is important, is that the debate on infrastructure is concentrated on relatively sane and rational purposes, as opposed to the insane and often dangerous discussion of these issues that has predominated in Congress for the past 35 years.

Now that the myth that the “U.S. economic rebound is just around the corner,” is shattering, it is possible to think beyond the budget-balancing constraint which has shackled the minds of members of the U.S. Congress. This had created a climate in which a fundamental change in axioms of thinking of long-term economic policy can be made, and the underlying U.S. financial-economic disintegration can be addressed.

The momentum toward rail and other infrastructure constitutes a useful first step. *EIR* has projected that the United States has an \$8-9 trillion deficit in fundamental infrastructure, which it is necessary to construct over the next 15-20 years, to overcome decay and obsolescence. This includes some great projects for the North American continent. The combined projects would generate several millions of productive jobs per year in infrastructure and the manufacturing industries that produce goods for infrastructure. As a precondition, we would have to start with Lyndon LaRouche’s New Bretton Woods proposal for bankruptcy reorganization of the world financial system, to clear away hundreds of trillions of

dollars of worthless financial paper, and generate credit for productive undertakings.

Rail infrastructure is critical in moving goods and people in such a way as to increase the efficiency and productivity of the U.S. economy as a whole. That is, if one thinks of the transportation grid as an extension of the manufacturing assembly line and of the farm, each increase in the productivity of transportation, increases the productivity of the factory and farm. Rail is that mode of transportation that has the greatest potential for scientific improvement, *if tackled as a totality*; yet, the U.S. rail grid has moved in the opposite direction.

In looking at what the rail legislation proposes, we must view it from the standpoint of the collapsed state of rail, and the best way to improve it, is by conceptualizing the functioning of the rail system as a whole.

## The Proposed Legislation

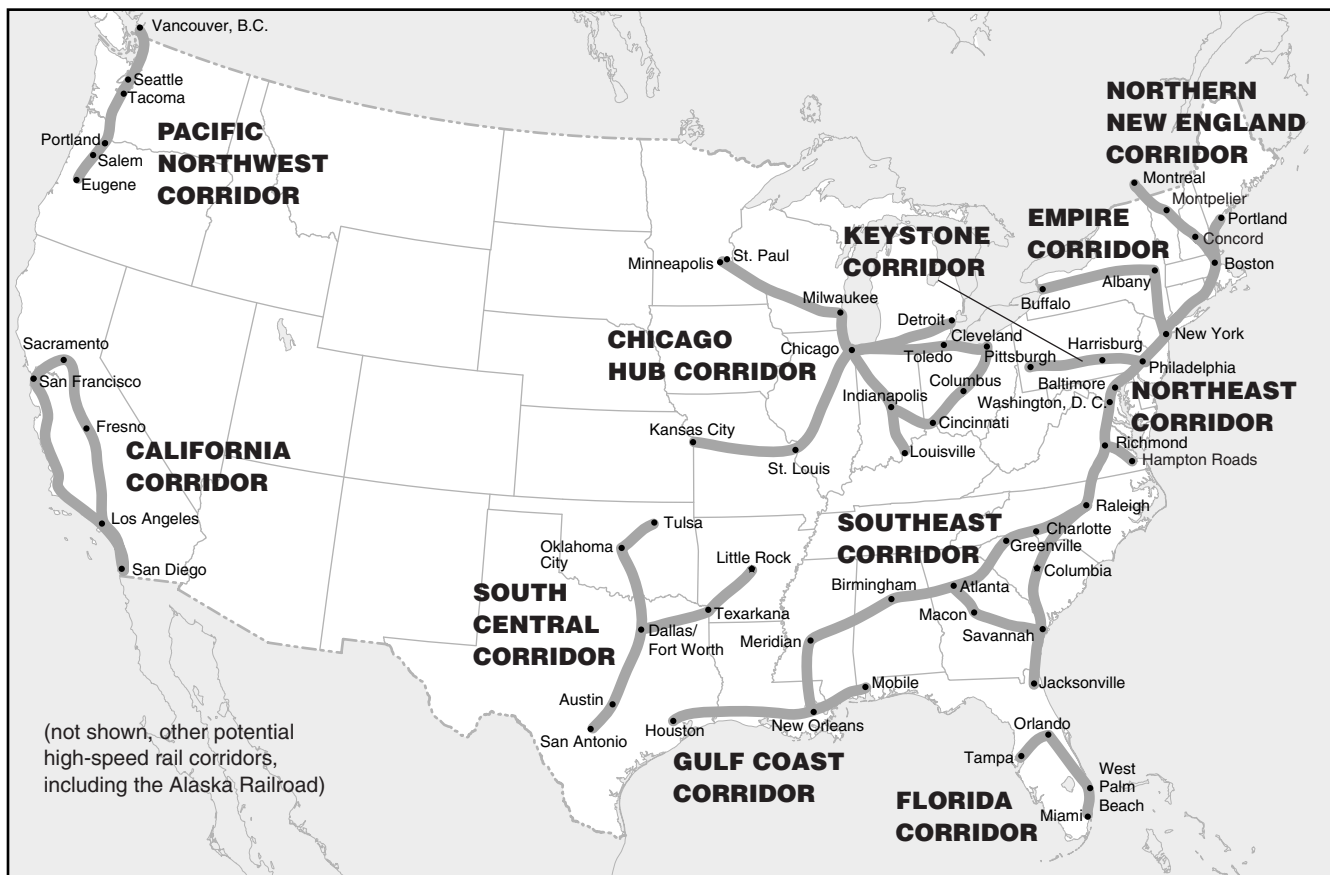
First, we summarize the principal features of each of the two major pieces of legislation to improve inter-city rail.

The High-Speed Rail Improvement Act (HSRI), H.R. 2329, is co-sponsored by Reps. Amo Houghton (R-N.Y.) and James Oberstar (D-Minn.). It was introduced into the House in June of this year, and its companion in the Senate, S. 250, was introduced in February.

The bill calls for \$12 billion to be authorized for investment over the next ten years, specifically in high-speed inter-city rail. It states that the funds should be expended for “the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements (including the introduction of new high-speed technologies, such as magnetic levitation systems).”

To provide funding, the bill would authorize the National Passenger Railroad Corp. (known by its nickname, Amtrak) to issue \$12 billion of long-term bonds of up to 20-year maturity. Individuals and companies that buy the bonds would not receive annual interest payments (the bonds therefore have no annual yields), but would receive Federal tax credits equivalent to what a private corporation would pay on its long-term bonds, and which could be deducted against the individual’s or company’s taxes. Thus, since the Federal government is advancing the tax credit, the Federal government is effectively covering the “interest payment” (though the Federal government pays no interest, but allows the bond owner to

FIGURE 1  
**High-Speed Rail Corridor Designations**



deduct the tax credit equivalent to the interest payment from his Federal taxes).

While Amtrak would be the bond issuer, it would build only some of the high-speed rail systems. The bill authorizes Amtrak to “re-lend” a portion of the money to companies or state and local agencies that would be established to build inter-city high-speed rail. High-speed rail is defined as a rail system that travels at 90 miles per hour (mph) (150 kilometers per hour, km/h), or greater.

The HSRI bill states that it would facilitate the construction of the high-speed rail, with all the necessary improvements, such as track upgrades or electrification, including a maglev system if it is decided upon, in some or all of the 12 high-speed corridors which the Secretary of Transportation has designated. These 12 corridors connect America’s major cities, representing more than three-fifths of America’s population. **Figure 1** shows 11 of the corridors. Such systems would reduce travel time by one-tenth to one-third, and in the case of maglev, by more.

A source close to those drafting the legislation told *EIR* on Oct. 2, that an increase of the funding for the HSRI Act,

above its initial \$12 billion, would be viewed positively. He said that the sponsors of the RIDE Act have stated that their legislation proposes \$71 billion in bonds and loan guarantees, and they point out that the HSRI Act only calls for \$12 billion. He said, “We proposed \$12 billion before the Sept. 11 incidents. If we had proposed \$70-80 billion then, we would have been denounced as crazy, and the legislation wouldn’t have been considered. But since Sept. 11, things are changing.” He stressed that, in reality, a much larger sum is needed “to do the whole job.” He said that, though it was not likely, if the \$12 billion were spread over the 12 corridors, that would be only \$1 billion in investment per corridor; but even funding only some corridors would still not leave adequate money to sufficiently build the chosen corridors.

He said, “I rode the TGV [France’s high-speed rail system] from Paris to Lyons, and it travelled at 125 to 150 miles per hour. We must make improvements in the tracks in America to travel at those speeds.” Many of the American tracks are shared with freight trains, which wear down the tracks, and the tracks are insufficiently tilted to enable trains to go around turns at 150 mph.

“Any travel that can be done between three or four hours or less, should be done by train,” not plane, he said. “The events of Sept. 11 have shown some limits of air travel, and increased the interest in upgrading rail and high-speed rail. I’m getting calls from groups every other day from all over the country.”

## The RIDE Act

The approach to building high-speed rail that a section of the Republican Party has chosen, is the Rail Infrastructure Development and Expansion Act, co-sponsored by Reps. Don Young (R-Ak.), and Jack Quinn (R-N.Y.). RIDE proposes:

1. To permit the states to issue \$36 billion in Federal tax-exempt “private activity” bonds for eligible high-speed railroad projects over ten years (a holder of these bonds would not have to pay Federal income tax on the interest earned).
2. To substantially increase the amount of money available under the existing Federal government Railroad Revitalization and Infrastructure Financing (RRIF) program to \$35 billion, for loans and loan guarantees for freight and commuter rail improvements.
3. To reauthorize an existing program, which would make available, through fiscal year 2009, \$35 million a year for corridor planning and technology development.

Representative Young, who chairs the House Committee on Transportation and Infrastructure, held hearings on the bill on Oct. 2.

Compared to HSRI, RIDE seeks to have the states pay more of the funding and have more of the control over the high-speed rail systems, and to reduce Amtrak’s role.

A source who is close to those who drafted the RIDE Act told *EIR* on Oct. 10 that under the Act, the high-speed rail systems would be built wherever the states and rail companies decided, and would not have to be in the 12 corridors designated by the Secretary of Transportation.

This source stated, “The support for high-speed rail is much greater than it was five or six years ago.” He said that before the current session of Congress ends, which could be sometime in November, “one or the other of the bills could pass the Congress. Because the rules of the Congress change near the end of the session, the bill might not have to come up through committee, but could go straight to the floor for debate, if there’s sufficient support.”

The source close to the HSRI Act, reported that he sees a possible combination of portions of the HSRI and the RIDE bills. “It’s not an either-or. For example, the use of the \$36 billion in Federal RRIF loans or loan guarantees for rail improvement, which is in the RIDE bill, could be adopted into the HSRI bill,” he said.

What is refreshing about the debate over high-speed inter-city rail, is that, while many other Congressional debates are over insane alternatives, both the HSRI and RIDE legislation would benefit the nation. The only drawback, is that neither of the bills goes far enough or would be implemented fast

enough, in terms of solving the immense dimension of the problem.

## The Dimensions Of The Problem

The U.S. inter-city rail grid has been shrinking for 70 years, is grossly under-used for passenger transport, and has been increasingly prone to accidents and collisions. The need to overhaul it, is manifest. The problems with the rail grid can be seen with respect to both freight and passenger transport.

Among several reasons for the reduction in the size and, in significant ways, the efficiency of the U.S. rail grid, three principal ones stand out: 1) the overall anti-production, pro-speculation, “post-industrial society” policy that has been governing in the United States since the mid-1960s; 2) the practice of using trucking in preference to rail for certain categories of goods transport; and 3) the deregulation of the rail industry through the Staggers Act, which became law in October 1980.

One severe consequence of these policies is the following: In 1929, there were 229,530 road-miles of track in operation in America by Class I rail carriers. This was reduced to 164,822 miles by 1980; today, there are only 99,430 miles, which is a contraction of 40% since 1980, and 57% since 1929. As a result of the drastic downsizing, thousands of cities and towns have been eliminated from the rail grid, and many farmers have only one rail line on which to transport their grain or other products.

The dimension of the problem is underscored by three other parameters:

- When the four principal modes by which people travel inter-city are considered—by car, airplane, rail, or bus—rail accounts for a scant 0.6% of the total volume.
- More than 70% of all rail travel operates at a speed of less than 90 mph (150 km/h), which is incredibly slow, in light of the technology available in this day and age. This is sorrowful compared to rail travel in France, Germany, and Japan.
- Rail safety is deteriorating. The Federal Railroad Administration reports that in 2000, there were 2,059 derailments, compared to 1,741 derailments in 1997, an increase of 18.3%. This is a rate of 40 derailments per week, some of which entail fatalities.

These problems cannot be solved by palliatives. The rail grid must be expanded, to service the whole nation, and be vastly upgraded overall, and simultaneously in crucial areas of performance.

## The Case Of France’s TGV

To address the problem from the top, were the United States to adopt a high-speed system, it would first have to achieve at least the level of functioning of the high-speed rail system in any of three countries: France, with its TGV (Train à Grande Vitesse); Germany’s ICE (InterCity Express) and ICT (InterCity-NeiTech); and Japan’s Shinkansen

(“Bullet Train”).

A quick look at the TGV and its history, for example, defines the direction the United States should take.

In 1972, the French National Railways, the SNCF, which owns and operates the TGV, launched a high-speed TGV prototype for test purposes. In December 1972, the test vehicle set the world speed record for a train in autonomous traction at 198 mph (318 km/h). On Sept. 27, 1981, the TGV officially opened for commercial revenue service, and passengers started taking it in increasing numbers. Its first major line, the Paris Southeast, ran from Paris to Lyons in the southeast of France. One TGV line from Paris heads westward to several cities on France’s Atlantic coast, and another heads northward; the latter splits, one part branching off northeastward toward the French-English Channel Tunnel, and the other part branching off northwestward to Belgium. Thus, the TGV grid links up France, and connects it to the rest of Europe.

TGV typically runs at speeds of 186 mph (300 km/h), but it has achieved higher top speeds. According to a TGV report, the line from Paris to Lyons “was incredibly successful,” to the extent that it eventually “gutted . . . the airline business” on that route.

To function well *as a system*, the TGV, or any high-speed rail, must build and integrate, as preconditions, several important features, including well-maintained tracks—for its fastest trains, the TGV runs on dedicated tracks, that is, tracks used exclusively by the TGV; an overhead electric catenary (suspension wire) system which feeds power to the TGV; an advanced electric-power locomotive/power unit; and well-developed suspension systems and braking systems, the latter of which are capable of dissipating a very large amount of energy. To power the TGV, France relies heavily on nuclear power, allowing France to move beyond diesel-electric locomotives to the more efficient, strictly electric locomotives.

The U.S. high-speed system is far behind the systems of France, Germany, and Japan. First, the U.S. definition of high-speed rail—a train system travelling at a speed in excess of 90 mph (150 km/h)—is a fairly low threshold. Even by that limited definition, 70% of U.S. train travel occurs below high-speed levels.

Second, America’s high-speed rail operates for the most part in one corridor: the Northeast Corridor from Washington, D.C. to New York City to Boston. The fastest high-speed train system is the Acela, which is owned and operated by Amtrak, and which is America’s only significant inter-city train system, which started operation in July 2001. Acela’s advances have allowed it to shave off 45 minutes, or about one-eighth of the travel time in the Northeast Corridor. When it reaches top speed, the Acela travels at 150 mph (250 km/h). But because of the poor condition of the track and other impediments, the Acela must slow down in several stretches, and its average speed over the entire route is only about 130 to 135 mph (217 to 225 km/h). This is far below the TGV’s typical travelling speed of 186 mph (300 km/h).

Use of the Acela has not been generalized to other rail corridors in the United States.

Were the United States to connect itself up through high-speed rail, using the 12 corridors designated by the Department of Transportation (DOT), it would have to make the major investments we have indicated, which demands a government role. In a recent study, the General Accounting Office of the U.S. Congress estimated that the cost of building such a minimum system would be \$50-70 billion in constant (inflation-adjusted) 2000 dollars over approximately 20 years. The investment cost, in noninflation-adjusted dollars, would be more than \$100 billion.

The fact that only 0.6% of all inter-city passenger traffic by the four major modes goes by rail, is pitiful. Rail traffic is more efficient. U.S. policy should aim to have initially 10% of all inter-city passenger traffic go by rail, and then increase that percentage.

The United States should also expand its shrunken rail grid, back to its previous dimensions. That doesn’t mean that the United States needs to have parallel rail systems competing right next to one another, but there are whole stretches of the United States that are not served by rail.

Among the necessary rail expansion proposals is a critical project: Transportation engineer and consultant Hal Cooper has proposed building a tunnel across the Bering Strait, to connect eastern Russia with Alaska, and thus connect the United States into the Eurasian Land-Bridge. Cooper envisions the construction of an advanced high-speed rail link from Alaska, across Canada, to the continental United States (see interview with H.A. Cooper, “Bring The Land-Bridge To America,” *EIR*, Oct. 19, 2001). The total tunnel and rail project would carry a price tag of at least \$100 billion.

Both the building of high-speed rail in the continental United States, and the Bering Strait tunnel and complementary high-speed rail link from the tunnel to the continental United States, would speed the transport of goods and people, create the conditions for increased industrial development, and increase the efficiency and productivity of the U.S. physical economy as a whole; the benefits would more than pay for the initial investment costs.

## Creating A Maglev Rail System

Within America’s overall thrust to new forms of rail, the greatest concentration should be on maglev. Among all modes of transportation, maglev represents the greatest scientific advances in rail transport, because it is based on revolutionary principles.

Even the best advances of high-speed rail still operate on the basis of a steel wheel travelling, through traction, upon a steel or iron road track. In maglev, the relationship between the wheel and track or roadway is replaced by a magnetic or electromagnetic interaction operating at a small distance. There are no wheels in maglev. Magnetic forces lift, propel, and guide a vehicle over or under a guideway. This eliminates



the major source of vibration, friction, and wear on the vehicle, which slows all traditional modes of railroad and road transport. At the same time, maglev systems permit revolutionary methods of locomotion and control of moving vehicles.

Maglev systems are capable of cruising speeds of up to 300 mph (492 km/h), three times America's definition of high-speed rail. This would reduce the 250-mile travel time between downtown Washington, D.C. and downtown New York City, for example—allowing for the acceleration and deceleration of the maglev vehicle for stops along the route—to one hour. Compare this to an airline flight between Washington and New York, which, counting air travel time, waiting time at the airport, and the travel time between downtown and the airport, takes two to three hours, or more. For the most part, maglev would replace airlines for distances of 500 miles or less, and would be quite efficient for distances of up to 1,000 miles.

Of perhaps greater consequence than for passenger transport, a maglev system would produce tremendous breakthroughs for transport of freight.

Further, as work on application of maglev progresses, its testing, construction, and development provides a laboratory for potential discoveries of other technologies which will advance the economy.

Both Germany and Japan have done significant work on maglev. The German Transrapid 07, which works on a maglev magnetic attraction propulsion system, and which has been tested repeatedly, runs on a 21-mile figure-eight test track in Emsland, Germany. The test teams have achieved velocities of 280 mph (450 km/h), and passengers ride smoothly and in comfort, without seat-belts or other extraordinary safety measures.

The United States operates a DOT-supervised National Maglev Initiative, which has conducted studies on several maglev technologies. The DOT has commissioned seven regions to conduct maglev feasibility studies, and after reviewing the studies, narrowed potential maglev routes in the United States to two: a 45 mile (72 km) route linking Pittsburgh Airport to Pittsburgh, and a 40 mile (64 km) route linking Baltimore, Maryland to Washington, D.C. The consortiums running these two projects, which are comprised of government and private interests, are preparing a full battery of further studies, including environmental impact studies, and around 2002-03, the DOT is to select one of them to build a maglev test system within these routes.

Both the HSRI and the RIDE bills call for the development of maglev. But their shortcoming, is that once one of the two above consortiums is chosen, according to their own documents, they would not have a maglev system functioning until about 2009-10. This still would be effectively a test system, though operated on a commercial basis. While there is time needed for maglev scientific testing, the ten-year timetable for construction and operation of the program reflects the

oppressive weight of political inertia. There should be sufficient funding and resources made available for maglev work, and the original seven maglev test proposals, some employing different technologies, should all be constructed.

Thus, Congress' current momentum behind the HSRI and RIDE legislation for high-speed rail infrastructure, could shake things up and be a positive first step. The problems of the U.S. rail grid are immense. The solution should not be piecemeal, but sweeping and fundamental, including the greatest possible use of scientific discovery. The fullest vision must include LaRouche's proposal for bankruptcy reorganization, so that the complete transformation of U.S. rail infrastructure can be realized.

## Airline Bailout Is For Wall Street, Not General Welfare

by Anita Gallagher

The \$15 billion airline bailout legislation which recently sailed through a panicked Congress exemplifies exactly the wrong approach to take to the reorganization of bankrupt industries essential to the general welfare of the United States. The airline package is shaped to appeal to the market by forcing mergers of "weak" airlines with stronger, to promote union-busting and give-backs by skilled employees, and even to allow the government to make money if the airlines were to turn "profitable" again.

U.S. 2004 Democratic Presidential pre-candidate Lyndon LaRouche blasted this approach in a Sept. 17 statement, "Policy On Financial Crisis Management: Terror As Used For Bailout" (see *EIR*, Sept. 28, 2001). LaRouche warned, "The added danger at this moment is that lunacy in Washington will insist that everything must be wasted in the futile effort to 'save the market,' throwing away precious assets for a 'bailout' of 'the market,' instead of conserving our national sovereign credit for the urgent need, that of saving the real economy."

"An emergency financial reorganization of the national airline industry must occur, preferably in parallel with kindred emergency measures by other nations. This means, that we must forget the Wall Street financial capital-gains market, and concentrate on long-term flexible budgeting of Federal and other credit-resources to keep the industry functioning physically, using 10- to 20-year financial organization as the way of stabilizing the industry, both financially and in physical functioning."

## Robert Reich Agrees On Bankruptcy

In an Oct. 16 *Wall Street Journal* op-ed, Clinton's Secretary of Labor, Robert Reich, defends bankruptcy as the way to reorganize the airline industry. Reich correctly points out that bankruptcy was looming for the airlines before the Sept. 11 attacks: The airlines were experiencing their worst year in a decade, with \$2.5 billion in potential losses. In fact, he says, bankruptcy looms before many industries, such as steel.

"But," says Reich, "bankruptcy isn't the end of the world; it's a process of reorganizing financial obligations and, as a last resort, selling off assets. Bankruptcy doesn't destroy capacity, but redistributes it—delivering physical assets to new owners and causing workers to shift to new employers. The terrorist attacks may spur further restructuring of capacity in troubled industries. There's no reason to suppose that bailouts would do a better job of it than bankruptcy proceedings."

In the 1930s, Franklin Roosevelt used bankruptcy reorganization to keep essential industries functioning to protect the general welfare, which included keeping workers employed and ensuring that pensions and benefits were paid—that was the government's "profit." If the United States is to play a leading role in world reconstruction, as envisioned in LaRouche's Eurasian Land-Bridge project, every bit of existing industrial capacity, and much more, is required.

## Predator Airlines

In fact, the Congressional package, of \$5 billion in cash and \$10 billion in U.S. government loan guarantees to the airline companies, is a horror show. The loan guarantees are to be awarded by a four-member Air Transport Stabilization Board, which expects to restructure many airlines out of existence. Its members are Federal Reserve Chairman Alan Greenspan, Treasury Secretary Paul O'Neill, Transportation Secretary Norman Mineta, and U.S. Comptroller David Walker—all proven economic failures, in contrast to LaRouche.

Office of Management and Budget Director Mitch Daniels predicts that "a sense of urgency" will overcome anti-trust objections to mergers, and that airlines will "win points by obtaining concessions from creditors, employees, and stakeholders to stabilize their finances."

On Oct. 9, the AFL-CIO ran double full-page ads in major Washington, D.C. and New York newspapers, criticizing Congress for cutting "worker relief out of the \$15 billion airline company bailout bill," while 140,000 workers are losing jobs in the aviation industry. An attempt by Sen. Jean Carnahan (D-Mo.) to insert an additional 52 weeks of unemployment compensation, maintain health benefits of laid-off workers, and provide optional re-training, failed to obtain the 60 votes needed to overcome the cloture procedure in the Senate, despite the support of four non-Democrats.

Hence, the airline *company* bailout provides *not a penny for the laid-off employees*.

United Airlines, number one in revenue and the number-two carrier, has laid off 20% of its workforce and cut its



*Former Labor Secretary Robert Reich says that what the airlines require is bankruptcy protection, not bailouts which they will use destructively. Lyndon LaRouche made the same point more broadly just after Sept. 11.*

public commercial flights by 26% since Sept. 11. On Oct. 16, United's Chairman James Goodwin sent a letter to its 100,000 employees, predicting imminent bankruptcy: "Today, we are literally hemorrhaging money. Clearly this bleeding has to be stopped—and soon—or United will perish sometime next year."

But meanwhile, United has accelerated its plans to form a *private* "business jet" division (BizJets), which is targeted to produce 38% of United's future revenue. The new division is to be virtually non-union, with planes flown by pilots not in the Airline Pilots Association, and not serviced by International Association of Machinists mechanics, sources have told *EIR*. The very week that United was warning Congress it faced imminent bankruptcy, United's parent company was wiring \$11.25 million to a French airplane manufacturer as a downpayment for 30 luxury business jets, costing \$20 million each, Reich reported.

United has already established an Avolar unit to sell corporations or individuals shares in a specific plane, aiming to sell shares in up to 250 planes in the next five years. The shareholders then call to reserve a certain number of trips on a BizJet.

The BizJet plan was adopted by United's Board of Directors two years ago. Nevertheless, Stuart Oran, president of United's BizJet Holdings, Inc., told Reuters in early October that after Sept. 11, "We turned on a dime and created a plan to maintain for United virtually all the benefits that we intended to provide . . . and at the same time to sell a portion of [United] to new investors who would then lift the future funding burden from United." These would be leveraged buy-out funds or other large institutions.

Ironically, United, which is trying to nullify its unions with the BizJet division, is the largest majority employee-owned company in the world. In 1993, pilots and mechanics agreed to bail out United by accepting portions of their salary and benefits in United stock. That stock has dropped from a May 1998 price of \$83 a share to \$16 today.

Isn't it time for unions to admit LaRouche was right about the depression, and support his plan for world economic recovery?

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# Business Briefs

## Finance

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### Greenspan Created 'Precarious System'

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A "precarious financial system" that may soon end in "breakdown," has been created by U.S. Federal Reserve Chairman Alan Greenspan, who has been "compounding systemic risk," by injecting massive liquidity into the markets, and thereby creating massive asset inflation, writes Stephen Tominey, in a commentary in the Oct. 15 London *Guardian*. Tominey echoes points made, until now, only by Lyndon LaRouche and one or two others around the world. Tominey is a former hedge-fund manager.

He writes: "While George Bush engages the enemies of the free world during carefully choreographed briefings, what of the previous incarnation of the world's most powerful man, Alan Greenspan? As it happens, he is covertly grappling with a different crisis, one that dares not speak its name. It is a struggle with his own hydra, the credit bubble that underpinned the boom, and a creature of his own creation.

"The United States financial system risks explosion, under the weight of an accumulated mountain of credit claims. At the end of the second quarter, outstanding net claims in the U.S. financial system stood at an astounding \$28 trillion, approximately 300% of GDP. . . .

"We may be entering some form of endgame. Despite repeated interest rate cuts and extreme levels of credit supply, economic growth continues to slow. . . .

"In essence, the U.S. has enjoyed a credit spiral that created self-sustaining asset market inflation. This, in turn, spawned a consumption and investment boom, that fed back into balance sheets, and so translated capital gains into perceived return on capital. . . .

Greenspan has constantly acted to keep up the "nominal demand" that "supports the spiralling debt burden. . . . By underwriting market risk in this way, the Fed has had the effect of artificially lowering its price, and compounding systemic risk. . . . Ever larger doses of liquidity are flushed into an increasingly inefficient policy mechanism, as the much-dreaded credit crunch keeps reappearing. . . .

"If current policy fails to re-ignite the

broad credit boom, a breakdown of the intermediation mechanism is probable. At such a point, priorities would suggest the direct use of the Federal Reserve's own balance sheet, in order to purchase assets. That means both debt monetization and inflation. The U.S. is, indeed, between a rock and a very hard place."

## Middle East

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### Berlusconi Calls For Palestine 'Marshall Plan'

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Speaking before Parliament on Oct. 9, Italian Prime Minister Silvio Berlusconi announced an Italian initiative to promote international investment in Palestine as a basis for "a durable peace." "As long as in the Middle East, the robust Israeli society and the fragile, desperate Palestinian society [co-exist], it will not be easy to reach a truce, it will not be easy to reach a durable peace," he said. "We have had the opportunity to stress our view in all international and bilateral meetings that we have had in the recent period: It is time to draft a concrete project of financial investment in Palestine to build roads, schools, hospitals, factories—to bring in income and work.

"It is not possible, otherwise, to expect and hope, without such interventions, to build a permanent peace. Peace must be prepared, and you must be able to maintain it; and preparing peace means also to build minimal conditions of welfare and serenity.

"Italy intends to take an initiative, which could be inserted into a broader European and Western framework, to give birth to a long but secure action to improve the conditions of life in the West Bank and all the territories under the Palestinian National Authority. We must involve the private sector and convince multinational corporations that it is in their interest to go there and build factories to create jobs; we must involve the private sector in a large public investment effort on the model and on the scale of the Marshall Plan: a plan whose aim is contributing to pacify that area, which has been tormented for more than half a century.

"I am absolutely convinced. . . . that once we achieve peace, there can be no possibility for peace to be durable, unless we shorten

the distance that exists today between Israeli wealth and the absolute poverty of young Palestinians."

## Industry

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### U.S. Production Is In Twelve-Month Collapse

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U.S. industrial activity declined in September for the 12th straight month, a phenomenon that has not been seen since November 1944 to October 1945. The decline in September was 1% for the output of factories, utilities, and mines, following 0.7% drop in August. The September decline matched the June drop of 1%. Every category reported had a drop, from auto production to consumer and household goods. In addition, operating capacity was 75.5% in September, the lowest since June 1983, as companies "throttled back production" because of lack of demand.

This continuing collapse is occurring despite the fact that Fed Chairman Alan Greenspan has cut interest rates nine times this year.

## Japan

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### Trade Slump, Fear Of 'Deflationary Spiral'

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The Bank of Japan (BOJ) issued a negative assessment on Japan's economy in September, in its monthly report Oct. 15, for the fifth straight month, based on the collapse of world trade and especially of U.S. imports. The BOJ warns that the drop in Japan's exports, along with the stock market drop, could lead to a "deflationary spiral" in which firms cut production and then "the substantial decline in production has a negative influence on employment and income conditions."

"Deflationary," in this case, refers not to money supply, which is being printed wildly, but to a 1929-style drop in the population's and the corporate sector's assets, which is causing individuals and businesses to stop buying goods, which is causing an absolute drop in prices of physical goods.

## LaRouche On 'The Future Of Brazil's Agriculture'

by Lyndon H. LaRouche, Jr.

October 11, 2001

*The following report was prepared for an international conference on the subject of "Brazil And The Free Trade Agreement Of The Americas," scheduled to occur in Brazil at the end of October. Mr. LaRouche had been invited to participate in that conference as a commentator on agriculture, but is unable to attend due to security problems related to the planned visit.*

*The author is an economist and pre-candidate for 2004 election to become President of the U.S.A.*

There are four sets of facts which must be introduced first, before any competent statement or proposal could be stated, or adopted, concerning the prospects for agriculture in any part of today's world. These facts define the presently ongoing collapse of the present monetary-financial structures to be of a systemic character.

**Fact One:** During the second and third quarters of 2001, the world as a whole entered the terminal phase of a general collapse of the world's present, 1971-2001 floating-exchange-rate monetary and financial system.

This collapse is not cyclical; it is systemic. It is not an aberration within a system. There will be no rebound as long as the present system is continued.

This collapse is the inevitable result of the stubbornness with which governments, and other authorities, imposed bad policies upon the world's dominant monetary, financial, and economic systems. Although these trends could be reversed, that would require putting the entire monetary and financial system through government-directed bankruptcy-reorganization, with an accompanying return to the original, highly protectionist Bretton Woods system of the 1945-1965 interval. However, unless such a fundamental change in the system is

made, the presently ongoing, virtually world-wide collapse, will soon reach a point at which it appears to be bottomless. That is the situation we face during the relatively short term ahead.

At the beginning of this year, in an international webcast, I forecast that the remaining quarters of this year would be a disaster. The second and third quarters have been a disaster; without a sudden and sweeping reversal of current policies, the situation by the close of the fourth quarter will be worse. Once those qualifying considerations are taken into account, it is fair to report that we are, at this moment, sliding toward the nearby brink of a global precipice.

As we are about to enter the perilous fourth quarter of this year, we must recognize the recent multi-trillions-U.S. dollars collapse of that John Law-style financial bubble, called the "New Economy." We must see that collapse as merely the most conspicuous feature, until now, of a presently accelerating general collapse of the present global monetary and financial system as a whole.

There can be no competent formulation of policy in agriculture, or any other topical area, which does not acknowledge, and proceed from that primary fact of the world situation as a whole. As the end of the year approaches, the world as a whole, including its agricultural systems, is at the verge of a precipice of change, either a radical change for the better, or the worst.

**Fact Two:** In describing the current condition of the physical economy of the Americas and Europe, we must recognize the significance of what should have been an obvious, and also crucial difference, between the situation during the last great world-wide depression, in 1929-1933, and that we are experiencing today.

A dozen years after the end of the 1914-1917 war in Europe, a large part of the agricultural and industrial potential



*LaRouche was asked to advise Brazil on how to solve its agricultural problems. But, he warns, "any competent discussion of agricultural policy must be based on the presumption, that the 1971-2001 monetary-financial system will be placed under bankruptcy reorganization." Shown here: sugar cane harvesters in Brazil.*

of those nations still existed, as either active levels of per-capita physical output, or as potential which could be mobilized during a few years, under the kinds of policy introduced by U.S. President Franklin Roosevelt. Today, more than a generation, more than thirty years, instead of twelve, have passed under the ruinous measures set first set into motion, chiefly by London and the U.S.A., during the 1966-1971 interval. Failure to reverse recent decades' trends in monetary and financial policies, would result in a widespread demographic and related collapse of nations. In that case, what we would experience, would not be an economic depression, but, rather, a dark age. Entire nations and large sections of their populations would disappear, in a pattern similar to Europe's mid-Fourteenth-Century "new dark age."

Therefore, every plan for a recovery from the presently inevitable slide into depression will fail catastrophically, unless it recognizes that the present global catastrophe is not only systemic, but also potentially terminal, unless existing policies are radically reversed now.

**Fact Three:** During this period, especially since the savagely destructive economic policies of the 1977-1981 U.S. Carter Administration, the agriculture of Europe and the Americas has suffered extremely foolish, and destructive structural changes. Now, the price of survival which nations must pay, is a radical and sudden reversal of the so-called "structural reforms" in composition of investment, regulation, and employment, over more than three decades to date.

Any discussion of agricultural policy, whether bearing on patterns in international trade, or in the Americas, would be

a futile play with words, unless we are prepared to reverse the three sets of catastrophic trends in international and national economic policy which I have just listed. These are admittedly hard words; but, statements which must be accepted, if any fruitful actions are to be discussed and adopted.

Therefore, any competent discussion of agricultural policy must be based on the presumption, that the 1971-2001 monetary-financial system will be placed under bankruptcy reorganization. This reorganization must occur under the supervision of a combination of governments of sovereign nation-states. That new system must be consistent with the relatively successful, post-war monetary and trade system of the pre-1966 period. That is the model to be used for the new global and national monetary and economic systems to be created out of the remains of the hopelessly bankrupt present system. Under

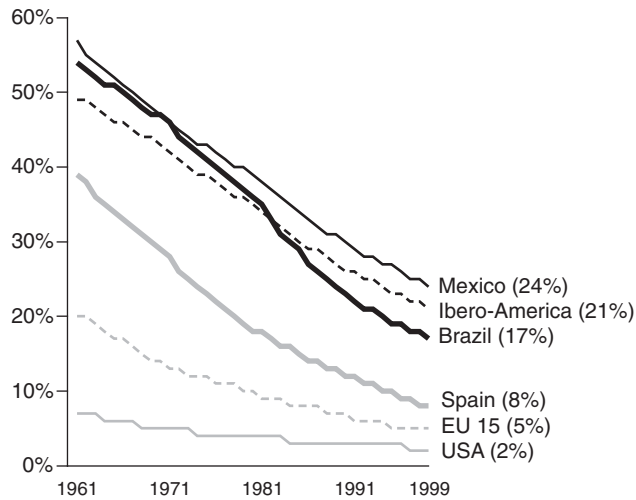
those conditions, certain feasible objectives for reformed agricultural policies become clear.

Admittedly, such reforms incur political risk. Since the events of 1789-1815 in Europe, wars and brutal dictatorships, such as that of Napoleon Bonaparte, Napoleon III, Mussolini, and Hitler, have been the hysterical response from ruling oligarchies which would rather destroy the planet, than accept a change in what those oligarchs regard as "our way of life." The lack of the political courage to choose the pathway of reason, rather than abandon a troubled society to such tyrannical reactions from Olympus, has been the chief reason for every catastrophe suffered by the nations of globally extended European civilization.

**Fact Four:** It must be recognized that most of the widely quoted, actual or merely reputed experts in related matters of finance and economics, have made their careers as propagandists for precisely those policies which have been the principal continuing cause of this crisis.

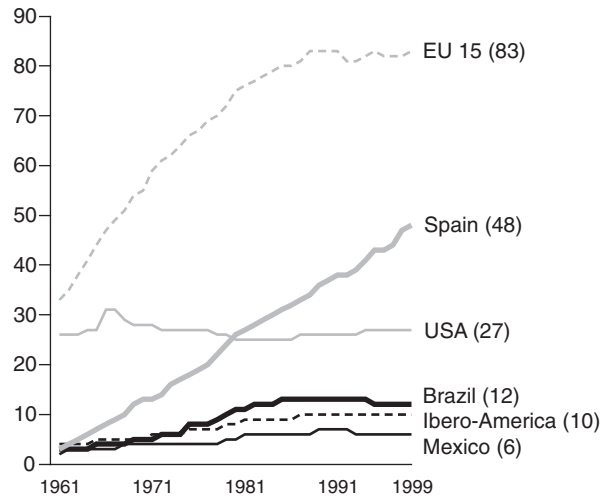
This crisis is the result of a change, from the successful monetary and economic policies of the 1945-1963 period, to the increasingly disastrous changes which have dominated the world's monetary and economic systems during the 1971-2001 years to date. With some commendable exceptions, most of those presumed experts have lately devoted their energies to defending a continuation of those policies and practices which have caused that disastrous change. The advice given by these experts is an integral, essential part of the axiomatic assumptions which have made the present catastrophe a systemic one. In that sense, they are not the doctor, but the disease.

FIGURE 1  
**Agricultural Population, As Percent Of Total Population**



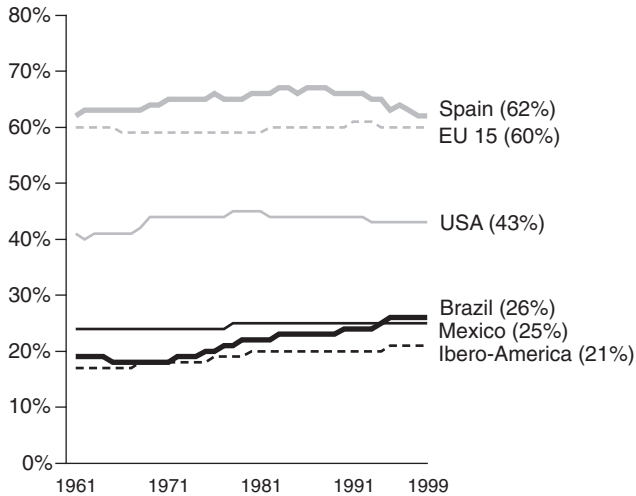
Source: FAO.

FIGURE 3  
**Tractors In Use**  
 (Units Per Thousand Hectares)



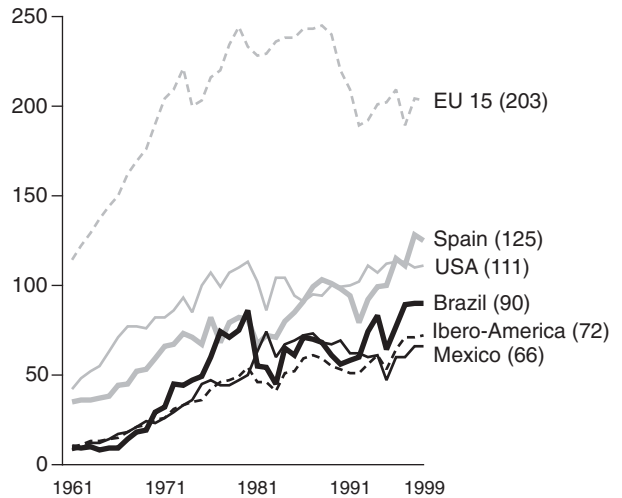
Source: FAO.

FIGURE 2  
**Arable Land And Permanent Crops, As Percent Of Agricultural Area**



Source: FAO.

FIGURE 4  
**Fertilizer Use**  
 (Tons Per Thousand Hectares)



Source: FAO.

## The 'Cerrado' Syndrome

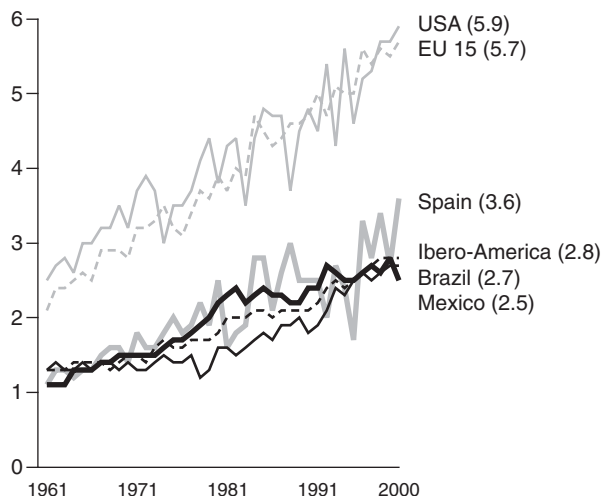
Look at the following sets of comparative statistical graphs for Brazil, Mexico, and Ibero-America as a whole, as compared with the cases of Spain, the case of fifteen nations of the European Union, and of the United States of America. My weekly magazine, the *Executive Intelligence Review*

(*EIR*), has compared these trends for the years 1961-2000. This set of statistics compares the agricultural population with the total population, with land use, and production of cereals, beans, and maize, year by year, for this period. [See **Figures 1-9.**]

To illustrate a crucial feature of my argument, I shall ask

FIGURE 5  
**Cereals Yield**

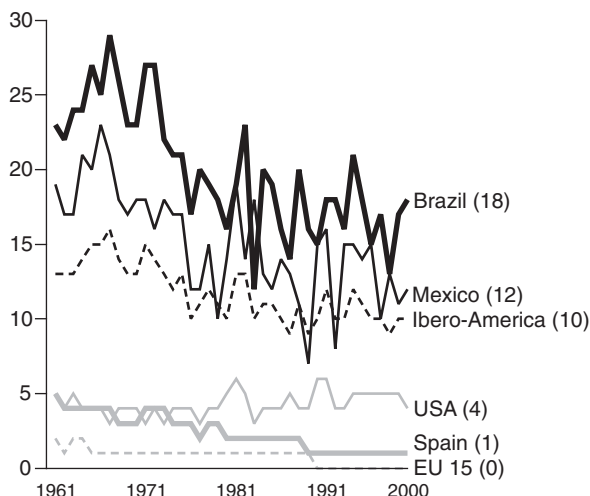
(Tons Per Hectare)



Source: FAO.

FIGURE 7  
**Bean Production**

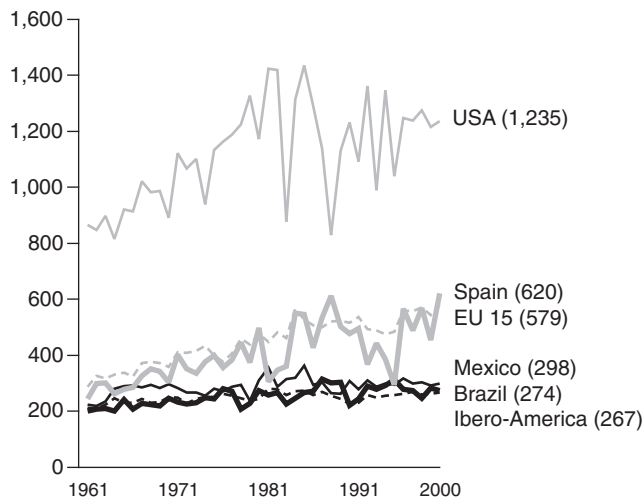
(Kilograms Per Capita)



Source: FAO.

FIGURE 6  
**Cereals Production**

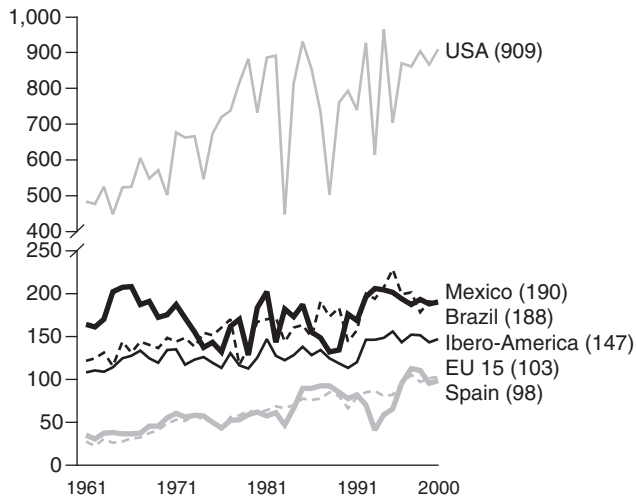
(Kilograms Per Capita)



Source: FAO.

FIGURE 8  
**Maize Production**

(Kilograms Per Capita)



Source: FAO.

you to turn your attention now briefly to the hopeful prospect for development of that Savannah area called the “Cerrado” region.

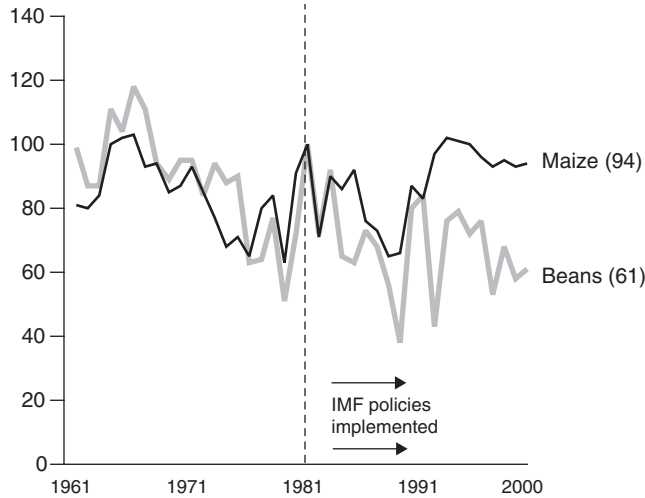
It would be impossible to make any competent assumptions respecting medium- to long-term trends in the future of agriculture, simply from such statistical studies. These statis-

tics do reflect, in some degree, the effect of terrible mistakes in agricultural-policy trends in the Americas during the recent quarter-century. They do not point to the comprehensive forms of effective solutions needed to prevent that built-in catastrophe which must occur, unless radical reversal of the past quarter-century’s trends is instituted very soon. Most of

FIGURE 9

**Mexico: IMF-NAFTA Policies Have Wrecked the Per Capita Production of Food Staples**

(Index: 1981 = 100)



Source: FAO.

FIGURE 10

**Brazil's Cerrado Region**



the solutions, like most of the disasters, lie chiefly in the domain of the effects of monetary and financial policies.

Yet, even considering the margins of error common to reporting official and related statistics, these data show a pattern which is useful to consider, as background for today's discussion. These figures illustrate some aspects of the downturn in agricultural policy-making of both the U.S.A. and Ibero-America during the recent two decades. However, taken by themselves, such figures greatly understate the actual severity of the problem. These and similar facts are important to consider, even though they, by themselves, tell us almost nothing about the future of agriculture. Such statistics are merely the shadows of reality, not the reality they reflect.

The case of "Cerrado" illustrates that point.

Brazil's area and location on the planet compels us to treat all general issues of its economic development from the standpoint of what the great Russian scientist Vladimir Vernadsky termed the noosphere. That means that to foresee a desirable future for Brazil, we must emphasize the role of the cognitive powers of the human species, as the agency which must exert its absolute rule over the biosphere. Except as man is able to revolutionize the biosphere in ways which increase the potential relative population-density of the human species, mankind were doomed to plunge into yet another of those absolute or relative dark ages which have brought to their end such fallen empires of the past as ancient Babylon, Rome, and Byzantium.

The ongoing collapse of the global system which the Anglo-American monetarist faction has imposed since the late

1960s, is to be understood, in its most essential features, as a plunge toward a planetary new dark age, a plunge caused chiefly by the trends in ecological policy of the recent thirty-odd years. The possibility of avoiding the new dark age looming before the world today, requires a prudent approach to reversing the disastrous ecological trends of these recent thirty-odd years. For Brazil, the potential of the Amazon riparian region and the so-called "Cerrado," typifies the area of decision-making in which the choice between greatness and doom will be made.

Therefore, for the purposes of today's subject, I have chosen to name my proposed approach "the Cerrado syndrome." I therefore ask you to consider a second series of maps, graphs, and charts, focussed on that subject. [See **Figures 10-11** and **Tables 1-6.**]

**The ABCs Of Brazil's Noosphere**

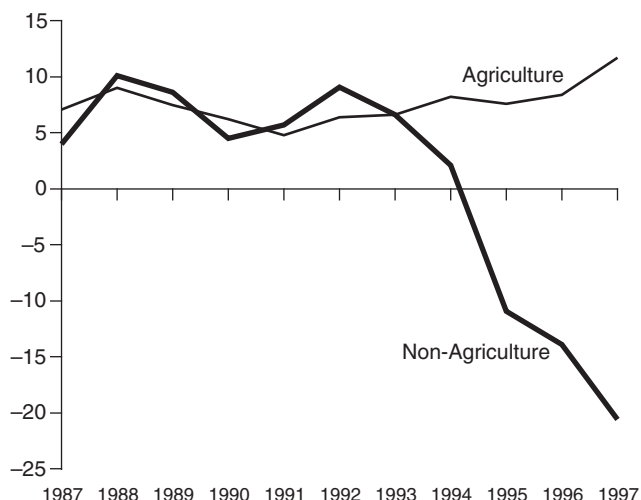
I must now summarize, very briefly, the underlying principles of my speciality, the science of physical economy. I reduce all economic functions to the terms of mankind's physical relations to nature. I describe all economic processes in the way implicit in a strictly anti-Euclidean form of Riemannian physical geometry. I define all essential such relations in terms of interaction among three distinct phase-spaces: 1.) Non-living processes, the so-called abiotic; 2.) The long wave of domination of abiotic by living processes, or what Vernadsky defined as the biosphere; and, 3.) Those functions of human cognition through which mankind exerts its rightful



FIGURE 11

**Brazil's Balance of Trade**

(Billions \$)



Source: IBGE, Brazil.

TABLE 1

**Land Use**

(Million hectares)

	World	Brazil
Total Area	13,000	846
Agricultural Area	2,900	547
(as % of Total)	22%	65%
Cultivated Land	1,500	53
(as % of Agricultural Area)	52%	10%
Available Land	1,400	494
(as % of Agricultural Area)	48%	90%

TABLE 2

**Brazil Land Area**

(Million hectares)

Total	846
Cerrado	205
(% of total)	24%

superior authority over the biosphere.

Despite the many points of agreement between my definition of these relations and Vernadsky's, there are two most crucial points of difference. First, where Vernadsky defines man's power over the biosphere in terms of individual discoveries of experimentally validated universal physical princi-

TABLE 3

**Potential Use Of Brazil's Cerrado**

	Area (million ha.)	Yield (tons/ha.)	Production (million tons)
Cereals (rain fed)	55	3.2	176
Cereals (irrigated)	10	6.0	60
Meat	55	0.2	11
Fruit	7	15.0	105
Total	127		
Area in use	61		
Area available	66		

TABLE 4

**Cereals Production In Brazil's Cerrado**

(Millions tons)

	1975	1980	1985	1990	1995
Soy	0.3	1.8	6.0	6.3	11.3
Maize	2.8	3.7	4.1	4.4	8.7
Rice	2.3	3.6	2.6	1.5	2.4
Beans	0.3	0.2	0.3	0.4	0.5
Wheat	0	0.1	0.2	0.1	0

TABLE 5

**Brazil Yields, Current And Potential**

(Tons per hectare)

	Brazil Average	Cerrado Average	Cerrado 'Good'
Rice	1.7	1.2	3.1
Beans	0.4	0.4	2.0
Maize	2.0	2.0	7.6
Soy	1.8	2.0	4.0
Wheat (irrigated)	1.7	3.8	5.5
Wheat (rain fed)	1.7	2.0	2.7

ples, I insist that it is the individual's use of such discoveries to transform the culture through which society acts on the biosphere, which is the primary expression of man's power over nature. Second, I have adapted Riemann's principles of physical geometry, as the way in which to conceptualize the functional relations among the three primary phase-spaces of abiotic, life, and cognition.

What I have done, through my own original scientific discoveries in this realm, has been to supply a much needed clarification of the reasons for the historically proven, absolute superiority, over the British free-trade system, of the American System of political-economy, as this is typified by Alexander Hamilton, Mathew Carey, Friedrich List, and

TABLE 6

**Importance Of Brazil's Agri-Business, 1999**

(Billions \$)

Total GNP	556.6
Agriculture GNP	56.2
Agri-Business GNP	223.2
Agriculture Exports	18.9
Agriculture Imports	5.5
Agriculture Trade Surplus	13.4
Agriculture Employment (millions)	17
Agri-Business Employment (millions)	27

Henry C. Carey. Notably, it was the U.S.A.'s turn away from that American System, as the American System is typified by Presidents Lincoln and Franklin Roosevelt, which made possible the global monetary, financial, and economic disaster which has been building up during the recent thirty-odd years.

My present summation of what I have called "the Cerrado syndrome," is an expression of the legacy of that American System which brought the U.S.'s rapid rise to the position of the world's leading economic power among nation-states, during the 1861-1876 period of the leadership of President Abraham Lincoln and economist Henry C. Carey. The most authoritative definition of that American System, is supplied by U.S. Treasury Secretary Hamilton's most famous reports to the U.S. Congress, on the subjects of public credit, a national bank, and manufactures.

Three principles dominate that American System: 1.) The absolute sovereignty of the nation-state republic, including its sovereign monopoly over the creation and management of its public credit and banking; 2.) The primary responsibility of the national and state governments for the development and regulation of basic economic infrastructure; 3.) The use of the means of sovereign control over public credit, banking, and basic economic infrastructure, to promote private entrepreneurship in agriculture, manufacturing, and related domains.

The importance of my work has been chiefly to clarify previously ambiguous features of such an American System. I apply these combined considerations now, to define "the Cerrado syndrome."

I measure the performance of national and world economy by a rule-of-thumb standard which I have described as potential relative population-density. This means the comparison of physical inputs and physical outputs as measured per capita and per square kilometer of surface area. These measurements should be measured in terms of functional cycles of not less than one to two generations, as I have illustrated that by the statistics referenced here.

In this long-term view of one or more generations, I assess

short- and medium-term, and local changes in functional features of economies, in terms of their impact upon previously foreseen long-term cyclical patterns.

It is extremely important to emphasize, at this point, that the attempt to measure performance of national economies chiefly in terms of either financial accounting, or, worse, in terms of the sum-totals of individual firms and localities, is foolish, and even disastrous over longer terms. Hence, the standard national-income and national-product accounting employed in today's national and international assessments, are inherently misleading, and have been disastrously misleading over much of the recent three decades.

We must also proceed from long-term cycles, as functional units of accounting for entire economies, both national and international.

The simplest way to demonstrate that point, is to note that the relative net physical productivity of an individual enterprise depends upon such external factors as the relative state of development of basic economic infrastructure, such as transportation, power, and water management. Similarly, the quality and level of education, and prevailing physical and cultural standard of living of households, is a principal external determinant of the internal productive potential of the individual enterprise.

We see such effects repeatedly in study of the problem of underdevelopment in national economies. The introduction of advanced industries into national economies, is beneficial on principle; but, if the level of general development of the infrastructure and population is relatively poor, the performance of even advanced individual enterprises will be crippled by the poor development of the national economy as a whole.

This brings us to the matter of national credit, especially the use of such credit for mobilizing an economic recovery from a disastrous world depression, such as that of the early 1930s, or the worse collapse in progress today.

### Credit Expansion

It is urgent that every government today look back to the crucial similarities between the recovery measures taken by President Franklin Roosevelt, and the recently famous proposals delivered to a secret 1931 Berlin meeting of the Friedrich List Gesellschaft by Dr. Wilhelm Lautenbach.

Given a situation, in which the physical economy of a nation has fallen to levels far below those required for long-term break-even, which is the state of every nation of the Americas and of Europe today. Given, the added difficulty, that a collapse of nominal financial capital, in the order of tens of trillions of U.S. dollars equivalent, has recently occurred, and that the bottom has by no means been reached, as today.

The obvious objective of governments and private enterprises, should be to increase employment in physical output, to levels above long-term break-even, and do that rapidly.

Given the existence of idled labor-force and growing mass unemployment, where does one find the long-term credit, at between 1-2% annual simple-interest charges, needed to “prime the pump” of the economy?

Admittedly, in the case of Hitler Germany, from March 1933 on, until the outbreak of war, the British and New York financier interests which had just recently put Hitler into power, allowed British agent Hjalmar Schacht to draw upon credit for the war mobilization which was then intended to lead to Germany’s destruction by the Anglo-French allies at the point Germany was trapped in an intended Napoleonic invasion of the Soviet Union. Without such curious backing as of the type provided by Hitler’s London and New York financial backers, where does a national economy go to find the credit needed to launch a general physical-economy recovery?

In such a conjuncture, the only possibility of gaining the needed long-term forms of credit, is the power of the sovereign nation-state, to put the existing financial system into bankruptcy-reorganization, and to issue long-term, low-price public credit for large-scale investments in development of basic economic infrastructure. The supply of income to the newly employed, the credits for purchase of needed supplies, and the stimulation of the market of vendors and the consumer market, provides the initial impetus for the needed avalanche of economic recovery.

Virtually every economy in the world, especially those of Europe and the Americas, is presently in such a desperate situation, actually a situation much worse in its underlying features than that of the early 1930s. Brazil is by no means alone in this predicament.

Brazil should now view such matters in the following, two-fold way: domestically, and in its relationship with the neighboring states of the Americas. The infrastructural development of the Amazon riparian region, and of the Cerrado, typify the larger package of measures needed for a successful use of public credit.

These measures should be viewed from the vantage-point of the noosphere as I have summarily described it.

South America is a continent of vast, largely untapped natural resources. The principal obstacle to the physical development of those resources is the lack of basic economic infrastructure in categories of transportation, power, and large-scale water-management. The objective must be to define the continent as a unified noosphere, which its inhabitants must manage.

The objective of management is not to maintain the biosphere in its present state, but to raise it to a relatively elevated state of health, which only mankind can do. It must be viewed as a vast farm, which, like a wilderness, must be improved and maintained so that the riches flow while the source of such riches is increased in a healthy way. We must not think, foolishly, of man as a parasite hunting-and-gathering in a biosphere; we must think of man as transforming the bio-

sphere, to raise it to higher levels of fruitfulness and good health than it could ever achieve without man’s willful intervention.

That is, in fact, Brazil’s only chance for long-term survival as a nation. It is the only chance for that presently imperilled continent as a whole.

The realization of the potential of the Cerrado typifies the kind of adopted sense of mission which is presently required for not only Brazil, but the continent as a whole. That is what I signify by “the Cerrado syndrome.”

This brings us to consider the fourth, and most crucial element of basic economic infrastructure: education conceived and directed as a science-driver force for the economy as a whole.

The fundamental principle of a science of physical economy, is the principled notion of the distinction which sets man and woman apart from and above all other living creatures, the quality of non-deductive reasoning called cognition. In physical science, this signifies that life can not be derived from non-living processes, and cognition can not be derived from living processes in general. Each of these three are respectively distinct phase-spaces. To use precise scientific language, in Riemannian physical geometry, we speak of these as multiply-connected phase-spaces of an unfolding differential form of physical geometry. This was demonstrated experimentally by Vernadsky et al. in one way, by me in another.

In laymen’s words, these three sets of principles always coexisted and interacted in the physical universe as a whole; their appearance in the modern forms of abiotic, living, and cognitive processes, is to be acknowledged as an expression of such ancient roots.

This function of cognition, is expressed by mankind in the typical form of an original discovery of an experimentally validated universal physical principle. It is through the sharing of the act of discovery, as through a Classical humanist mode of general education, that humanity builds up a repertoire of interconnected cognitive capabilities for imposing successful transformations in both human behavior, and in the universe on which man acts.

The possibility of increasing the rate of progress of mankind, in physical-economic and other terms, depends upon the degree to which this accumulation of cognitive knowledge of principles is maintained and accelerated to the advantage of the population in general. On this account, a system of education, so tasked with this mission, becomes the highest ranking of all public investment in maintaining and improving the basic economic infrastructure of the nation as a whole.

Projects conforming to “the Cerrado syndrome,” would bring Brazil safely out of the present crisis. The mission of developing educational systems as the fountains of scientific, technological, and general cultural progress, will bring Brazil and the continent to a brilliant future.

## Our Republic's Historic Mission: A Talk With Lyndon LaRouche

*We print here the full transcript of an interview conducted Oct. 9 between Presidential candidate Lyndon LaRouche and talk show host Jack Stockwell of KTKK-AM ("K-Talk") radio in Salt Lake City, Utah.*

*The interview is of special interest because, on Sept. 11, between the hours of 9:15 and 11:00 a.m., EDT, just as the terrible attacks on the World Trade Center and Pentagon were taking place, LaRouche was being interviewed on Stockwell's radio show. The transcript of that interview, which was released in a mass-circulation LaRouche campaign pamphlet titled "The Hour And Half That Grippled The World," made it possible for readers to see LaRouche's analysis of the attacks as the word was first coming in to news outlets around the country and the world.*

*The interview published here, a month later, affords readers an opportunity to become familiar with LaRouche's reflections on Sept. 11; on the crisis in which the world finds itself today; and on the solutions. Subheads are ours.*

**Stockwell:** Good morning everybody, six-and-a-half minutes after 7 o'clock, here on the 9th day of October. A terrific but wet Tuesday morning. My name's Jack Stockwell, I'll be here for a couple hours this morning, and on my guest line, I have Lyndon LaRouche, live from Germany.

And I'll have him here in just a second, and he is scheduled to be on this program with us for the entirety of the show.

All right. I don't want to waste any time with this. . . .

Lyndon, are you there?

**LaRouche:** Yes, I am.

**Stockwell:** Well, good morning.

**LaRouche:** Good morning.

**Stockwell:** What time is it in Germany?

**LaRouche:** Well, it's six hours difference—well, in respect to you, it's seven, eight hours.

**Stockwell:** Well, let's see. If it's 8 o'clock here, no, it's 7 o'clock here in the morning, so I guess you're mid-afternoon.

[**LaRouche:** Yep.]

Sept. 11, four weeks ago this morning, in fact, as I look at this clock, about eight minutes after the hour, this was the time we got the first indication, four weeks ago today, that something awful and ominous was going on inside of New York City, and we caught you, live on the radio, when this was taking place, so that you were kind of on the spot, at that moment. You didn't have news headlines in front of you to refer to, you didn't have any prompting to refer to, you had to kind of shoot from the hip, as that program was under way. And interestingly enough, the things that you described, four weeks ago this morning, piece by piece, have pretty well been verified by the press, by investigative groups, and agencies. Which I think is always wonderful, for that kind of validation to come flowing through.

But, in particular, you talked a little bit about certain intelligence agencies, certain groups, wanting what has happened subsequent to that, to actually occur—which is essentially, this "Clash of Civilizations."

**LaRouche:** Yes.

**Stockwell:** And what I would love to pick up at this point, is, over the last four weeks, as these things have unfolded, and as the Arab world has divided, and as NATO is starting to splinter a little bit in this, because some of them don't want to be involved with what Tony Blair and the Rumsfeld group



Lyndon LaRouche  
(right) and radio host  
Jack Stockwell.

in Washington have in mind, so, kind of bring us up to date. Take a few minutes to do that, sir, if you would.

**LaRouche:** Well, we're now in a mess. We're in an official war, which actually is being fought by the British and the U.S. forces. It's going to be a terrible mess, because you're dealing in an area of the world, which is not conducive to successes in fighting a war. There is this semi-desert area, Afghanistan, part of the "Roof of the World," where the British, for more than a century, played a "Great Game" against Russia, and other forces, in this area of desolation, which is just an area for any occupying power of trouble-making among the neighboring nations. So, this is not going to be an easy go.

The next question is—which has divided Washington, including the Administration—is to whether they're going to take the pressure from those in the Israeli Defense Forces leadership, and Sharon, along with some people in the United States, to go to bomb every neighboring territory in the Middle East, which would be absolute insanity.

The danger here, is two things: On the one side, a real part of the problem, is the fact that, for over a quarter-century, the United States has been involved with Britain, and with some forces in Israel, in building up, among themselves, more or less cooperatively, something that has come to be called "international terrorism"—it was called Iran-Contra, other things. The operation began with Brzezinski's operation, while he was National Security Adviser, in getting the United States, through recruiting people from Islamic Jihad and groups of that type, to go into Afghanistan, to fight a war against Soviet influence, trying to undermine the Soviet Union by getting this kind of war going, inside Afghanistan. As a part of that operation—in its larger form, such as the general Iran-Contra, Guatemala, so forth and so on—the United States, Britain, and, to some degree Israel—and also

others—have participated in creating a phenomenon, which some people like to call "international terrorism." It's actually *irregular warfare*.

But, what we've created is a rag-tag of ex-military veterans, in retirement, or, now working as mercenaries; various kinds of volunteers, typified by the rag-tag around Osama bin Laden, typified by the Taliban government of Afghanistan, which is more than a general nuisance for the world. One of the key problems here is, that this environment, of this rag-tag of mercenary, and terrorist, and what-not forces, has become like a disease, a planetary disease, which lives, largely, financially, logistically, on illegal weapons-trafficking—or, what should be illegal weapons-trafficking—and drug-trafficking. For example, the Taliban government of Afghanistan is largely financed by its sale of opium, and producing and dumping opium on the world market. You have in Colombia, the FARC, a major terrorist organization, lives in the same way. You have a problem in the Balkans, where in the Kosovo area, you have a terrorist mob, which is deployed, with the protection of some British and American influences, as a terrorist element *there*, largely funded on the basis of drug-trafficking and similar kinds of operations.

So, on the one hand, you do have what has been rightly identified, in the case of Osama bin Laden, and the Taliban, and so forth—you do have a disease, a kind of criminal element, or what should be viewed as a criminal element, loose in the world. And, that problem should have been brought under control a long time ago. As a matter of fact, it should never have been started, if people had had their heads screwed on the right places.

We have another operation, which is quite different, but overlaps that. Someone is running a fun-and-games operation against the United States, from, in part, the inside: That is,



The rag-tag of international mercenaries and terrorists lives, financially, on illegal weapons-trafficking and drug-trafficking. Left to right: Afghan "freedom fighters," opium production in Pakistan, and prisoners held by the Colombian FARC narco-terrorists.

what happened to the United States, on Sept. 11 — if you view, at least the technicalities that are well-known —

## Our Security Defense Problem

**Stockwell:** Lyndon, before you get into this, and I want you to really concentrate on the details of this, I do have to pull in a traffic report. . . .

Ladies and gentlemen, if you're just tuning in, here, at 15 minutes after the hour, Lyndon LaRouche, calling into our radio program, live from Germany. And, we're kind of picking up where we left off four weeks ago. And, we've been talking here, for the opening moments of this program, regarding a lot of the motivation behind a terrorist network that exists in the world, that was created, essentially, by intelligence operations, a number of decades ago; and now, they've kind of gotten out of hand, to some degree. But, there is another aspect to this, because — and this is what Lyn's going to go into, right now — is the technicalities that were involved four weeks ago, involves an awful lot more than just somebody sitting on the back of a yak, with a cell phone in some cave in Afghanistan.

So, Lyn, let's talk about the technicalities involved with a simultaneous operation, involving four large jets.

**LaRouche:** Well, what I'm about to say, is not unknown, nor is there a lack of concern about most of what I'm saying, among relevant elements of the government, including some close to the President at this time. There may be some disagreement with some of the assessment I make of this, but, I think, on the leading elements I'll start with right now, there probably is not much disagreement.

Now, politically, the Administration, along with the major media, is emphasizing this Middle East-Osama bin Laden

thing. Much of the leading British press has said, they don't believe any of it. That is, we all agree, I think, that Osama bin Laden is a nuisance, a disease. We all agree, the Taliban thing is a problem. We agree, things like that are major problems. But, beyond that, there's another view of the matter. We don't think *that's* the problem. We think that is a *part* of the problem — an important part — but not *the* problem.

So, in the meantime, while the attention is being focussed on the Middle East and places like that, other things are happening: First of all, look at the security situation, as of Sept. 11. Now, there are two possible interpretations, technically, of what happened on Sept. 11. One: That, at a very high level, *inside* the U.S. security establishment, people who, in one sense, are functioning in one capacity, are also functioning as a kind of a "Mr. X." And, these fellows, of very high capability, and knowledge, and skills, and connections, actually rigged what happened on Sept. 11. Because, there were, presumably, security screens, which existed, which should have prevented all, or most of that from happening. And, apparently, the screens were defeated. Or, the second conclusion: They were not up.

Now, both of these problems are serious. That is, if this thing is a product, entirely, of a coup at a high level, we've got a major problem, right inside the hard core of our intelligence-security establishment. *If*, however, this is not simply a product of that kind of sophistication, in running a coup, then, we have a degree of *slop*, built into the security system, which, in its own way, is as great a threat to the United States, as almost a major coup attempt would be at the high level. So, one of these two problems is there.

So, we *do* have a major security problem. Some of the security things are obvious, they're of a, more of a military, or intelligence-security nature. Others are of a different na-

ture. For example: We've had a breakdown in the number of hospitals in the United States, increasingly, since the middle of the 1970s—since "Big MAC" was installed in New York City, which is the real *takedown* of the medical system. I saw this, also, in the Veterans Hospital system in the 1970s; the Veterans Hospital system was being destroyed—not all at once, but inch, by inch, by inch, by inch. So, the structure that we had built up, on the basis of the lessons of history, including those of World War II, that we built up in the post-war period, as a *health-security system*, including work to prepare us to deal with newly discovered, dangerous diseases, or a recrudescence of an established type of epidemic from the past—these kinds of defenses are being taken down.

All kinds of security defenses, which ought to be a built-in characteristic of our system, have been destroyed, sometimes on the basis of "economy," or "budget-balancing." And, now, we find, that the policy of the Bush Administration is changing, as a result of an ongoing monetary and financial collapse, and this thing is not going to be solved, there's no rebound, automatic rebound, anywhere in the future.

**Stockwell:** Well, this was going on, of course, before Sept. 11, and there's still a lot of people out there, especially in the press, trying to *blame* this on Sept. 11.

**LaRouche:** Oh, no. You look at the figures: We lost—such as, take the Nasdaq area, the American investor, the trusting investors, who invested in the so-called New Economy, lost several *trillions* of dollars, of nominal financial assets, over the period since March of the year 2000, as a result of their *credulity* in thinking this wasn't coming down. If you look at the reports, which were coming out before Sept. 11, on the number of corporations that are cutting back 10%, 20%, 30% of the labor force; these are major corporations, in large degree. And you're going to see a lot more of it.

We are in a *depression*, not a recession.

Now, obviously, in the case of the airline industry, in particular, these scares and the impact of what happened on Sept. 11, put a dent into an already bad situation, but they did not *cause* the situation. We're now in the worst—we're actually, relatively speaking, in a worse, or more *dangerous* financial-economic situation, than we were in the beginning of the 1930s. Because, as some of us recall, after about a dozen years after World War I, we still had a lot of structure: We had industries, we had farms, we had basic economic infrastructure. So that, when the Depression hit, with full force, in the early 1930s, we had a lot piled up there, of idled skills, idled farms, idled factories. And, over the course of the 1930s, and into World War II, we put these things back to work. And, that was the basis for economic recovery under Roosevelt.

**Stockwell:** Well, also, most of the American population could run out in their back yard, and get their dinner, growing

in their garden spot. How many of us can do that today?

**LaRouche:** I know; well, that's the point. What happened, as some of us recall, back in the 1930s, we had people going back to the farm, because they had come from the farms into urban employment. And they went back to the farm, to their relatives, to eat chicken and a few eggs, and survive. That does not exist today. We don't have it. We have shipped our employment overseas. Our plants have been shut down, in using cheap-labor markets overseas. And, these things are now collapsing. *The outsourcing game is over.*

So, we're in a very serious situation. I don't want to spread doom—

## We Need A Bankruptcy Reorganization

**Stockwell:** No, I appreciate that. But, even Japan is now saying that America is no longer the importer of last resort. [Traffic break.]

Lyndon LaRouche is my guest, live, calling in from Germany this morning, and we're kind of bringing things up to date since he was on here a month, or four weeks ago, today.

Now, I would like to stay away from the doomy-gloomy stuff as well, because there is still such great potential to turn things around in this country. And, there are certain economic considerations, that can be made, decisions that need to be presented, at least implemented, as soon as possible, in the sense of reorganizing, not just the local business. I noticed a news blip that just said that bankruptcies are double, of course, what they were a year ago, and things seem to be worsening even more so on that particular avenue. Maybe we need to consider a reorganization on a much higher scale, a much broader spectrum, than just the local business down the end of the street.

And, this is an idea that's catching on very heavily, I know, throughout the rest of the world, and the world governments, as I read world headlines from around the planet: That they're all beginning to recognize that we didn't just hit the iceberg, we hit it some months, some years ago, and that if something isn't done *quickly*, and move in the sense of nation-building, rather than nation-bombing, we may have the 14th-, 13th-, 12th-Century lifestyle foisted upon us again, whether we like it or not.

**LaRouche:** Well, it's true. You know, the fellow today who may be very useful to his or her neighbor, is the businessman who, some time ago, went through a successful reorganization and bankruptcy, and what he would probably tell that neighbor, if he actually did pull successfully out of a bankruptcy reorganization, he would have said: "Well, first of all, I didn't want to do it. I didn't want to accept the fact that my business had gone bankrupt. But then I realized I had to bite the bullet, I had to face that reality, and boy, am I glad I did." Because this was the way in which he *saved* that business, which may have been significant to that community.

I think we can apply the lesson which such people can tell us, to the more general situation.

We have a bankrupt U.S. and world economy. Right now, it's hopelessly bankrupt. There's no way this is going to bounce back. You know, people who went to jail in bankruptcy, did so because they kept issuing, or taking credit, when they were already bankrupt. And the United States government, especially this Federal Reserve Chairman, is doing exactly that! We are hocking everything in sight, against assets which really do not exist, promissory notes which will never be paid; they never could be. We should have a reorganization of this economy now, in order to keep the businesses, the banks, and so forth, which are essential, going; to prevent employment from collapsing; to maintain pensions and essential services, and keep the economy going; and keep things growing. The same way that you would take a corporation, a company, that was essentially a sound company, but had gotten into financial bankruptcy—and take that company, put it through reorganization, save it, and bring it back as a viable part of the community. We're going to have to think in those terms.

The problem now, is that the egos of Wall Street, and the egos of people who are looking at assets they think they have, but they don't really have, because they're already worthless, are clinging to that, not willing to face the reality that we've got a sick economy, that the policies of the United States over the past more than 30 years have been increasingly bad. We've got to dump the kinds of policies introduced by, especially Nixon and Carter; go back to a sensible policy we had earlier, and we can come out of this fine.

And we have friends around the world who are ready to cooperate with the United States, to create the kind of opportunity for us as a nation, which we need as export markets, to build up our industries again, and to find the markets abroad which are stable markets, in which our products will be used—high-tech products, in particular, which are going to help develop the world. China, India, other parts of the world. Build up South America, Central America. Look, this is an immensely potentially rich area in terms of natural resources, Central and South America, especially South America. Look at Patagonia: If we had the infrastructure in there, and helped them, cooperated with these governments to build that infrastructure, we would find these assets, mineral and other assets, are there, would be accessible.

We can develop Africa the same way. The African Shield, is one of the richest sources of minerals in the world. Africa has a tremendous agricultural potential. This area can be developed. The development will require technology. We, and the Europeans, and others, will supply that technology. We need that kind of a system. And, under those circumstances, instead of looking at the crisis, which is the worst in a long, many centuries; instead of looking at it with *fear*, we have to say, "All right, we're going to bite the bullet. We can come out of this alive. We just have to get ourselves

organized to face reality, roll up our sleeves, and get back to work."

## Why The U.S. Media Hate LaRouche

**Stockwell:** These ideas that you've been proposing, and the economic situation we're in right now, you have of course called years, decades, ago, describing, year by year, and—I don't want to really say forecasting and predicting, but just describing the trends that would bring us inevitably to the point that we're at now. I've noticed when I read the world headlines, that *your* name is mentioned constantly, through the nations who want to come together to build some kind of a unifying pact that would be more devoted towards nation-building, instead of nation-bombing, or nation-rapeing.

But in America, it's as though there has appeared across the word-processing screens, of the press writers, coast to coast, whatever you talk about, you don't talk about LaRouche.

**LaRouche:** [laughs] Well, these fellows are afraid of me. I don't think so much the reporters and editors who may do that sort of thing. But I think the people that own them, don't like me at all. As a matter of fact, the people who *own* the *New York Times*, who *own* NBC, who *own* CNN, who own the *Washington Post*, these people have personally, on the record, and publicly, made no bones about it: They hate my guts.

For example, in 1974, the *New York Times* did a hatchet job on me beyond belief, beyond what they did to anybody. What they did to Nixon was mild compared to what they did to me. It was all, mostly lies, and so forth—defamation generally.

Then in 1976, the *Washington Post* published in its editorial column, that I would get no coverage except the most libelous sort, and there would be no coverage of any activity I did. And generally, they've stuck to that all these years. NBC, the same thing. CNN and crowd, the same thing.

But, the problem here is, that this country is divided between two essential factions. One are the patriots. I'm a patriot. Not very popular these days, not the real patriot—the tradition of Benjamin Franklin, and John Quincy Adams, and Lincoln, and so forth. But the other faction, which Franklin Roosevelt called, not originally, but, he just used the term again, the American Tory faction, which is made up of people who, from Boston, and so forth, worked as drug pushers for the British East India Company, back, beginning in the 1790s. Bankers like Aaron Burr, who set up the Bank of Manhattan. This crowd in New York: Martin van Buren, that tradition; and the Southern slaveholders. And this tradition of slaveholders, Wall Street bankers—which includes major financial houses from Wall Street, Washington, D.C., Boston, and so forth—and the tradition of the Yankee drug trader: these are the tradition which has great power in the United States. This is what Roosevelt fought against, this is what Kennedy challenged, and this is what I challenge. And these guys think,



AIRTEL 11/23/73

TO: DIRECTOR, FBI (100-392623)

FROM: SAC, NEW YORK (100-123674) (P)

SUBJECT: LYNDON HERMYLE LA ROUCHE JR., aka  
Lynn Marcus  
SM-NCLC  
(OO:NY)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 10-28-91 BY 1561 [redacted]

ReBulet, 10/29/73.

In viewing New York case file it is noted that information has been received that the CPUSA is conducting an extensive background investigation on the subject for the purpose of ultimately eliminating him and the threat of the NCLC, on CP operations. Several sources have furnished this information to the New York office, and this information has appeared in the Daily World newspaper several times.

NCLC sources have advised that the subject is the controlling force behind the NCLC and all of its activities. A discussion with the New York NCLC case agent indicates that it is felt if the subject was no longer in control of NCLC operations that the NCLC would fall apart with internal strife and conflict.

HENRY A. KISSINGER

CUTSIEP SOURCE

August 19, 1982

Dear Bill:

I appreciated your letter forwarding the flyer which has been circulated by Lyndon LaRouche, Jr. Because these people have been getting increasingly obnoxious, I have taken the liberty of asking my lawyer, Bill Rogers, to get in touch with you to ask your advice, especially with respect to security.

It was good to see you at the Grove, and I look forward to the chance to visit again when I am next in Washington.

Warm regards, 16 SEP 23 1982

Henry A. Kissinger

Mr. William H. Webster  
Director  
Federal Bureau of Investigation  
Washington, DC 20535

HENRY A. KISSINGER  
SUITE 400  
1800 K STREET, N.W.  
WASHINGTON, D.C. 20006

Motion for Leave to file Discover:  
LaRouche v. Webster EXHIBIT 5

January 12, 1983

REMEMORANDUM TO MR. REVELL  
RE: U.S. LABOR PARTY

At the PFIAB meeting today, [redacted] raised b7c the subject of the activities of the U.S. Labor Party and Lyndon LaRouche. He noted that he and a number of other Americans in public life had been the subject of repeated harassment by LaRouche and wondered whether the FBI had a basis for investigating these activities under the guidelines or otherwise. A number of the members present, including Edward Bennett Williams, raised the question of the sources of funding for these U.S. Labor Party activities. In view of the large amounts obviously being expended worldwide, the question was raised whether the U.S. Labor Party might be funded by hostile intelligence agencies.

Can you give me an update together with any comments or observations on this matter?

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 10-21-94 BY 1561 [redacted]

William H. Webster  
Director

The "Get LaRouche" task force in action, dating back to 1973 (upper left), when an FBI secret memo proposed to support the Communist Party U.S.A.'s intention to "eliminate" LaRouche. On the right is the 1982 letter in which Henry Kissinger called for FBI Director William Webster to take action against LaRouche. On the lower left, Webster reported on a 1983 meeting of the President's Foreign Intelligence Advisory Board (PFIAB), in which Edward Bennett Williams and others called for a national security investigation of LaRouche. The combination of black propaganda by such Federal agencies, and an avalanche of hostile media coverage, led to LaRouche's jailing on trumped-up charges during 1989-94.

particularly after the past 35 years' development, they think that they've got a locked-up situation, that they control the shop.

I come along, and I raise what Henry Kissinger described with hatred, as the American Intellectual Tradition, and they say, "Shut this guy up. Don't let anybody hear a word he says! Just defame him."

**Stockwell:** Well, in the sense of not letting anybody hear what you have to say, when Kissinger wrote that letter to William Webster, and said "Get LaRouche," and so, then they come up with this orchestrated situation to get rid of you, as Kissinger wanted, here in the late '80s, I noticed that when

criminal charges were filed, and court proceedings were under way, both in Boston, for the first one, and Alexandria, for the second, even then, they wouldn't let you talk.

**LaRouche:** Yeah, sure.

**Stockwell:** Even when your freedom was on the line, they wouldn't let you talk in front of a jury.

**LaRouche:** Well, they know what they're doing. They want to get you, they want to get you. It's the legalized equivalent of murder. And you know, our Justice Department, or a large part of it, is controlled by the financial houses, and the major law firms.

This has been the arrangement, especially since Teddy

Roosevelt was President, Teddy Roosevelt, Woodrow Wilson. And most of the big financial houses, of Washington, D.C., New York, Boston, and so forth, and the major law firms, which are tied to those financial houses, and which largely run the Justice Department. If you trace the financial houses, and law firms, and you look at people who go into government, as officials, and come out of government; go back into private practice, make a lot of money; go back *into* government, then go out of government, make a lot of money in private practice, and go into it, you have a revolving chairs, musical-chairs operation, which, these are the people who, with hands and feet, generally control a lot of what our government does, and what a lot of other leading institutions, like major financial corporations. Financial corporations are not controlled by stockholders, and people who have actual interest in the corporation, they're controlled by Wall Street interests, or similar kinds of interests, in these law firms. And these firms do as they're told. If you see a firm, which was once a great firm, like Boeing, being pulled down, it's Wall Street.

You see many cases of firms which were great firms, in the sense that they produced a great product; they had producers in there who had great pride in what they do. Or, you see what has been done to the American farmer, the American family farmer, high-tech farmer. Destroyed, the same way. It wasn't his fault. It was rigged. And that's the problem.

But some of us, I think, and me, in particular, think that what's important in life is not what most people call success—personal success. What's most important in life, is what people should think about you after you're gone; what did you do for humanity while you're here. And those of us who think in those terms, we tend to act a little bit differently, than some of the other guys who say, "Oh, don't do that, you'll get into trouble! You'll lose your job! Nobody will like you, your neighbors will shun you!" And people who are intimidated by those kinds of fears, just don't have the guts to do the job, unless some poor sucker, like me, takes leadership, and they may, under certain conditions, follow a guy like me, and get through the problem safely.

**Stockwell:** You know, one of the things that attracted me to your way of thinking, to begin with, some years ago, was that everybody hated you. [LaRouche laughs.] The liberal element, what you would consider the socialist-communist element that the conservatives are always so upset about—they don't like you. The *conservatives* don't like you. *Wall Street* doesn't like you. Most Presidential Administrations—although there was definitely an affinity between you and Ronald Reagan—the Administrations before and after, don't like you, or what you have to represent. The *banking interests* don't like you. And as I would read and study more and more about this all the time, I'd sit there and scratch my head, and say: "Who is this guy? Who is this guy that all the powerful institutions. . . ."

See, I used to draw a spectrum that I was taught in high school. "Here is the *Left*, which is epitomized by communist thinking. And here is the far, far Right, which degenerates from conservatism into fascism, into anarchy"—a continuum that I've never really found to exist in reality, but it did in the mind of my 11th-grade history teacher. [LaRouche laughs.] And both ends, of whatever entities I could define on either end of the spectrum, as I read their publications, or comments that they may have made about you and your organization, they all dislike you greatly.

But the people who do like you, I have found, that I have come to know personally, are some of the most informed, most well-read, people I've ever run across. And so, when Kissinger finds you representing the American Intellectual Tradition, the guys that know what's going on, and are really calling the game—in the sense of, "All right, all right, boys, you know, the jig's up. We know what's going on here"—you probably represent a greater threat to the oligarchy, and the exposure of their nefarious doings, than any other organization on the face of the planet.

However, not only are we in a time when your organization constantly exposes the nefarious efforts of these people, but we're also in a sinking ship!—that is accelerating the problem. And so we not only have a decline of morals, and a decline of personal responsibility, and a decline of the kind of thinking of, "I want to leave a legacy for my grandchildren, that they will look up to the life that I left them." But also, we may find ourselves, before the end of this year, where our dollar won't buy what it'll buy today! And we're only talking two and a half months from now!

**LaRouche:** Yeah, we're in the end phase. . .

## The Systemic Crisis In The World Economy

**Stockwell:** We're in the end phase—

**LaRouche:** —of this process. We have to change soon, or this thing has no bottom to it. Contrary to the effusion of Secretary O'Neill, in its present form, this system has no bottom to it, and nothing has come out of the Administration yet which would even begin to cut into the problem that we face. It's a disaster.

It's been coming a long time. It's a systemic crisis. It's not an episodic, it's not a cyclical crisis. We've just been doing the wrong thing. I mean, you know, Ross Perot was damned—I never liked the guy too much—but he was damned wrongly by Gore, when Gore was Vice President, on this question of outsourcing with respect to NAFTA. And, Perot was right. He may have had the wrong spin on it, but he was *right*: that the jobs and the well-being of American communities were being destroyed by exporting U.S. jobs, agriculture, and so forth, to cheap-labor markets. And it was a mistake—a very bad mistake.

But, the problem we have, is, largely, the destruction of our banking system by Paul Volcker, with his interest-rate

hikes in 1979 through 1982. This was wrong. Kemp-Roth was wrong. Garn-St Germain was wrong. Many of the decisions we made were wrong. And we've been going along for years, for over a generation, making wrong decisions, starting with such things as that momentous August 1971 catastrophe of Nixon. Carter was a bigger catastrophe than Nixon was. And we've been going along, saying, "No, everything is going to be all right. You'll see, everything will be all right. *They* know what they're doing." And the economy has been ruined. Things are getting worse and worse, especially for the people in the lower 80% of family-income brackets. Worse and worse. And we've now come to the point where we've hit the bottom of the barrel, and it's leaking. So, people just didn't see it, they didn't want to see it, they wished to believe, hopefully, that this thing would not touch them. And now, it's touching them. [Commercial break.]

**Stockwell:** All right, we're back, we've got about 14 minutes left in the first hour of this program. You're listening to the Jack Stockwell radio talk-show program, and my guest, Lyndon LaRouche, calling in live from Germany.

Four weeks ago today, he was my guest on this program, and it was right during the attack on the World Trade Center, and the Pentagon, that the program was taking place. That show has been printed in a booklet form, 400,000 copies of it have been printed, and in foreign languages, and has been sent around the planet. And I still have several of them here at the radio station, several of them at my office. If you missed the program with Mr. LaRouche four weeks ago, you can get it word by word, written out. . . . And I still have people coming by my clinic, asking for copies of the tape of that program. I don't have copies of the tape, but I do have a booklet, and I want to give the phone number of their organization, because the very things that Mr. LaRouche is talking about right now, come out weekly. And you can get a free copy of their magazine, the *EIR, Executive Intelligence Review*, by calling 1-888-347-3258, 888-347-3258. And ask for a free copy of the *EIR*. And I'm sure they'll be more than happy to forward one to you.

And so, Lyndon is here with me now, and we're talking to him from Germany, and we've been discussing the kind of situation in which we find ourselves today. Bankruptcies twice what they were a year ago. Trillions of dollars have been lost in the marketplace. One sterling example that I used some time ago, that I picked up off the news, was what happened with Morgan Stanley Dean Witter? (I think I said that backwards.) However, where they took a fellow who had been working for Microsoft, his \$700,000 in option values, and reduced it to \$400—just, showing how dangerous the market is right now.

But every time, Lyndon, some money is dropped into the market, through Secretary O'Neill's initiatives, or somebody else, and there's a temporary retarding of the slide, suddenly there's a whole new—the talking heads of the weekends, and

a whole new, almost-P.T. Barnum show, as to how, "Well, we've dropped as far as we're going to drop, and now it's time to turn around." And what you're saying is, "No, we haven't seen the worst of this yet. It could get a lot worse."

But at the same time, isn't there something to be said for trying to get everybody to get back into the marketplace? Don't run into a hole. Don't bury your head in the sand. Don't hide out in the hills with your food storage, and your water, and your guns, and your bullets, but stay out there active in the market. Isn't there some benefit to that?

**LaRouche:** Well, let's take the case of *Crédit Suisse*, I mean, not *Crédit Suisse*, the *SwissAir*, which is part of it.

**Stockwell:** Okay, just within the last month, has declared bankruptcy.

**LaRouche:** *SwissAir* one day went belly-up. Now, *SwissAir* had made a very foolish investment, under the influence of certain bankers who had taken over leading banking institutions in Switzerland, private banking institutions. And, with taking over Sabena, which was a bad buy. This transformed the most successful, and most solid, airline in the world, *SwissAir*, into a financially bankrupt mess. So, one day, this past week, *SwissAir* planes weren't flying—they were grounded—because they didn't have the money to buy the fuel to put in the jets. And half the fleet is totally grounded, at least the last I heard. But, just before the grounding occurred, there was a meeting of some of the people, and they took a part of the element of *SwissAir*, which is called *CrossAir*—about half the aircraft—and decided to keep that in operation. But the bankers behind the thing, said: "We're not going to throw good money after bad."

What's happening on the market in New York—New York markets and other markets of that type—is good money is being thrown after bad. You've to look at, what are you talking about, when you talk about "rebounds" in the market? Now, Congressmen and others are very enamored of what they call "The Market." And, you should ask, "What is this animal, called 'The Market'? Does it have six legs? Does it have two tails? What is this animal: The Market?" The Market is *not* employment in industry; the Market is not production of goods; it's not social welfare, it's not medical care. What is The Market? The Market is the *nominal value of highly questionable paper*, which is called, politely, "shareholder value." Now, when they jack this market up, by inflationary measures, such as the type that Greenspan keeps pulling, and others push, desperately, they're not actually improving *anything!* What they're improving, is the perception of a market, which is not reality! It's only the so-called "nominal value" or "shareholder values." In other words, the index; the reflection has gone up, but the man is not improved.

And, if you look at the reality, you look at the number of jobs lost, firms closed down, major cutbacks, look at the housing bubble. Look at, for example, in terms of the market: One of the biggest bubbles, right now, since the New Econ-

omy went bubble-up, is in real estate. What has happened is, there's been a big speculation in the real estate market. As a result of this speculation, the *perceived value* of a house has increased. So, now the poor fellow, who has got a mortgage on this house, finds that his house has increased in *perceived* market value. This fellow now goes to the bank, and finds out, that his bank is willing to increase his mortgage, to absorb some of this so-called "increase in value" of this house. He then takes the money, which he gets from the loan, and uses it to support his income, his private lifestyle.

Now, this market is going to come down. It's a completely inflationary market. What happens to the poor guy, who suddenly finds that, what he really bought into, was not the benefit of having more cash in his pocket; but, he finds out that he's going to be burdened, for the rest of his life, with a hopeless bankruptcy, the burden of that mortgage, which people are trying to collect from him and his family, for the rest of his life. So, the reality of the situation, and what people think, by reading statistics, or what they hear on a news broadcast—thinking the market has gone up—well, what's the market? It's a balloon! Somebody puffed it up. Are they going to pop it?

Now, look at the reality. What about employment? What about purchasing power, of family households? What about: How much equity do you really have in that house, when the *market value* of that house goes way below, what you've got it listed on the mortgage as? That's the reality, and that's where the problem lies.

## The Question Of The Sublime

**Stockwell:** We have, I guess, about four and half minutes left, before we go to the top of the hour. During the next hour, I want to get into: How we get out of this mess? And, not just in the sense, Lyn, of nations, nation-state building; and not just in the sense of protecting nations' sovereignty. But, the guy down the street. The guy down the street, who's sitting there right now, pulling his hair out of his head, because the only way out he can possibly see right now, would be personal bankruptcy; or, selling the family business, that's been around for five decades; or, the family farm, or whatever.

And, I want to get more, into the sublime areas of life, and maybe, even bring in the Divine, here, a little bit. And some concepts on God, and man's relationship to God, and, not necessarily soteriological or Christological concepts, but, just more, in the sense, of—you know, Christ came, not just, in the sense of a spiritual sense, but also in a temporal sense. What He did essentially, saved the world; especially the mess that the world was in, at that time. And, maybe, move into a direction like that. If that would be all right with you?

**LaRouche:** Sure!

**Stockwell:** Okay. We'll try doing that during the next hour. In the three or so minutes that we have remaining: I know that

you are *constantly* being asked for interviews, all the time, now, because it wasn't that easy getting this one scheduled. But there seems to be a *growing* invitation on the part of foreign nations, not the least of which, is the major, leading nations on the face of the planet, for the implementation of your New Bretton Woods concepts. And, in fact, one fellow out there, Rohatyn, trying to steal some of the ideas.

But, the press has kept quiet—not just the smear, but the quieting aspect of what you have to suggest—when you would think, at this particular point in time, they would be aware of the fact, that without a complete reorganization of the financial structure of this planet, *they* have as much to lose, as anybody else!

**LaRouche:** Well, one thing that they fear losing—it may be a phantom—but, if the girlfriend you love so dearly is non-existent, she's like, sort of James Stewart's big white rabbit—he doesn't want to give it up. And, what people are concerned about, who express that view, is, they will say to you, privately: "But, this guy—what this guy is proposing, is a threat to what we consider our way of life." And, the problem that comes up, is, that the guy in the street, the average person, who works for a living, farms, or what-not, wouldn't understand that. He'd say, "Whaddya mean, 'your way of life'? It's not mine." He'd say, "I want to take care of *my* way of life. My way of life is, feeding my family, or having some future for the community. Having some kind of security. What you're talking about is, you're making 'shareholder value' profits on the market, at *our* expense. Not necessarily at our advantage. Whaddya mean, *your* 'way of life'? Isn't it important to save *us*?"

And, the issue, of course, is the issue of the general welfare. The nation was founded, on the principle of the general welfare. This is expressed in the first three paragraphs of the Declaration of Independence, but made *explicit* in the Constitution, in the Preamble to the Constitution.

[News break.]

## How Europe Views The Crisis

**Stockwell:** We're back, it's seven minutes after the hour of 8:00. I'm Jack Stockwell. I'm talking to a good friend of mine, who I've come to know over the last few years when I've been back East, and have sat down with him and had some conversations: Lyndon LaRouche, live from Germany this morning.

As we were discussing in the last hour, trying to bring things up to date, since four weeks ago this morning, when Lyn was on my program during the attack at the World Trade Center and the Pentagon, and we've been discussing the situations and the issues that have arisen since then.

Interestingly enough, a lot of what he had to say, kind of in a situation where he was under the gun; he was on the spot, no doubt about it, when we were talking about this four weeks ago. Many of those things that he described at that time, since

have been verified. And a lot of the international press, I've noticed starting to pick up some of the things that he was saying then. Some of the things I've noticed over the weekend, Lyndon, is the British press is very upset with their own leadership now, Tony Blair, and the *Economist*, part of the scriptural aspect of the oligarchy itself, is starting to get upset with some of the things that Tony Blair is trying to do, enforcing war in the Middle East, Huntington's "Clash of Civilizations."

Being in Germany, and seeing the German newspapers, and the headlines all the time around you, being interviewed by members of the various European states, what is their take on this? What is their feel about this? How are they feeling about this Chapter 5 issue thing with NATO, and "one for all and all for one," and this imposition upon them to draw into and be involved with this Clash of Civilizations that's unfolding in the Middle East and in Eastern Asia? And, what is their general attitude about what happened four weeks ago?

**LaRouche:** Well, as of now, as of this past weekend, there is a differentiated view among countries such as Germany, Britain, Italy, Russia, for example, and France. I don't have much significant from France right now, but there is a differentiation. Now, let's compare them.

The British, who see themselves as, in a sense, a top dog in the world, the British Establishment, are very frank in their opinions, and they don't hesitate to say what they believe. In general, the British are, of course, for supporting what the United States is undertaking, but with reservations. And their contempt for the behavior of Tony Blair, the Prime Minister, is beyond belief. Some of the language I've heard reported directly from personal conversations from some people in Britain, absolutely would shock Americans.

Germany still thinks of itself as an occupied country. They will not go against, at least up to now, the Anglo-Americans. They've been twice defeated and twice occupied by foreign powers, and they're a little bit shy about bucking the Atlantic powers.

In Italy, the Italian government is a little more free-spoken; not quite as free-spoken as some of the British press, but more so.

Russia: Russia is extremely quiet, because the government of Russia is cooperating with the United States, with President Bush, but they don't see much good coming out of the way things are going. That is, when it comes to dealing with the Taliban, they probably estimate that a lot of mistakes will be made. A former commander of the Soviet forces in Afghanistan, the last one, General Gromov, had some very strong words to say, about this is a very foolish approach to what's being done there. It's not the way to approach it, and Russian experience should have taught the Americans to do better in that country.

Others are just being quiet, but they're very concerned. While supporting the opposition to Osama bin Laden and opposition to the Taliban government, and sympathy with

that, and desire for cooperation with the United States, they are *grimly concerned* that this thing is going to backfire against the United States, and they don't really want that to happen.

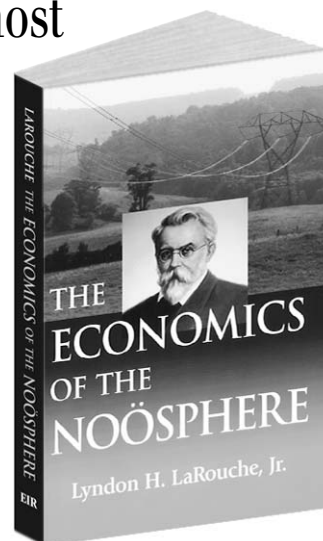
So, that's some of the differentiation.

In the United States, I think that you'll find there's a lot of criticism on the streets, privately, if you talk to people. It's in the press that you get a reading on the American people which I think is not fair to the American people. You know, people, when they're challenged, as you know in our society, they tend to say what they think they're expected to be overheard saying, not what they think. And then, when you challenge them privately, personally, without screaming at them, but just challenge them, you tend to get a different response. They're much more thoughtful. I think that Americans are much more thoughtful than might appear to be the case on the surface. They're worried.

**Stockwell:** Well, we're already getting anti-war demonstrations.

**LaRouche:** Yes, but that's natural — but, I don't think that's quite yet mainstream. I think the mainstream is the American who may not be wearing an American flag, may have taken off the yellow ribbon a few years ago, but he's thoughtful, or she's thoughtful, and is saying, "I don't understand this; it's

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terrible, I've got to support my country, but I don't understand it."

**Stockwell:** Exactly. So, we see this profusion of flag display going on, on automobiles and windows. People who, to some degree, haven't even voted for the last ten years, are now suddenly putting flags all over the place. But back to this discussion of the European situation. They're closer to what's going on than we are, of course. We still have this isolationist, "Well, it's their problem, it's over there, we don't need to worry about this kind of stuff."

**LaRouche:** Exactly. For example: Europe is extremely upset about this Middle East situation. No German, and no German politician, will criticize Israel. But, they are actually in a state of anxiety about what the Sharon government and the IDF [Israeli Defense Forces] are doing. And every Israeli leader, such as Shimon Peres, for example, of the Labor Party, who's in the government, or other critic of the Israeli policy, among Israelis, will receive a fairly open hearing in Germany. This is the case where the German says, "Okay, this is an *Israeli* speaking, and therefore, we Germans are allowed to share their concern." But they will not attack Israel. But, they do respond to the fact, and they are concerned about this, they're concerned about the Middle East generally.

After all, remember, Western Europe's market is largely the Mediterranean region, it's Africa, and it's Asia in general. That's where the big market is for Europe, apart from their trade across the Atlantic. And therefore, they're looking at a situation in which a collapse, or disruption of Eurasia at a time that all of Western Europe is bankrupt, that is, all these economies are collapsing—there's no prosperous economy anywhere. And so, therefore, they're very concerned. And they express that in these indirect ways.

But I say, in the case of the *British*—you'll get privately from some Russians—but from the British Establishment people, you'll get the most explicit, to-the-point criticism of the folly of what's happening, what the United States policy is now, how foolish it is, particularly the Blair version of it.

**Stockwell:** They're brutal! They go a lot further in the British press—I've seen it in *The Times* and the daily *Sun* in the stuff I've read on the Internet—and brutal is probably not the right word, it's worse than that—describing their leaders of state, as opposed to what the American press will do, regarding our leaders of state.

**LaRouche:** There's general contempt for Blair, and the Blair government, in the British Establishment. If there had been an opposition party, worth the name, it wouldn't have taken much to beat Blair.

**Stockwell:** Just this last May.

**LaRouche:** Yeah, right. That's the problem—what their concern is, and their rage, is they're saying, "This is idiotic! This is not the way you do things! You don't tell lies like this, in order to get a war going, just because you want to get it

going." And the British also remember, the Establishment does, these guys have four generations, five generations, they *know* this area; the Middle East is the playground of Britain. The Asian subcontinent, Afghanistan in Central Asia, are the playground of British imperialism, the British Empire, for years. They know a few things about this area. And they know that what Washington is doing, based on the psychological pressure on the White House, and the psychological pressure by people like Wolfowitz's backers, Richard Perle, and people like that, they know what this is, and they're saying, "This is insane! We hope that Bush will stand up to these guys and will not capitulate to pressures from people like Richard Perle and company."

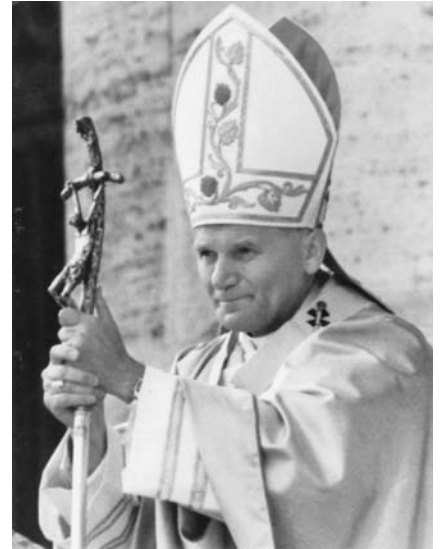
## Ecumenicism And Man's Relation To God

**Stockwell:** I think if you went to the average Palestinian, they would agree, and admit, that they could live together in peace with the Jews. And I think if you went to the average Jew in Israel, they could live together in peace with the average Palestinian. And you could take that a lot further, not just that immediate area. You would find that, even though there are some differences among sects within the Moslem faith, and the Hindus to the Far East, or the Christian element to the Far West, as far as the Islamic world is concerned, most people are like they are over here. They just want to be left alone, they want to be able to live in peace, and provide some kind of an inheritance for their children and their children's children.

But there's a faction on this planet, that sees mankind as another animal to be husbanded, and completely disavows, not necessarily the existence of God, but at least the immediacy of God's relationship to man. How do you see that, Lyndon? What does it really boil down to? Man's destiny on this planet as a child of God, and our relationship to that God.

**LaRouche:** First of all, when we're talking about God, we're talking about a concept which is generally limited to Christianity, Islam, and Judaism, or at least traditional aspects of Judaism; specifically, the Reform Jewish tendency of Moses Mendelssohn and company, during the 18th, 19th and 20th Centuries, before Hitler. So, there's a certain commonality there, a certain ecumenical commonality. This is expressed, for example, by the relationship of the President of Iran, in speaking in Berlin, before his recent reelection, about a "Dialogue of Cultures." You have the efforts of the present Pope, John Paul II, going to Kazakstan, stopping in Armenia, and so forth, with the consistent emphasis on an ecumenical approach, not some kind of a pantheistic Roman Empire, all-the-religions-get-together kind of nonsense. No, there is a real current here.

Now, the question is: What do we mean by God? Obviously, did anyone ever shake God's hand? Well, except in the case of Christ, and those who knew Him personally, one wouldn't say that one had shaken God's hand. One does not have a personal relationship with God in that sense. Certainly not a *sensible* one. What do we mean, then? We mean exactly



Left to right: Moses Mendelssohn (1729-1786), Iranian President Mohammed Khatami, Pope John Paul II. The three represent the ecumenical commonality among Judaism, Islam, and Christianity, which makes possible a “dialogue of cultures” —rather than Samuel Huntington’s “Clash of Civilizations.”

what the first Book of Moses, the first chapter of Genesis says, man and woman made equally in the image of the Creator of this universe.

What do we mean by “image of the Creator”? Well, that means some quality of man, man and woman, which is different than any animal. That man is not a product of animal life. Man has many of the attributes of animal life, but he’s not an animal. What’s the difference? No animal ever made and communicated a validated, experimentally validatable discovery of a universal physical principle. Only man has done that. Only man can communicate such discoveries to his fellow man, by replicating, inducing them to replicate the same discovery that he or she made.

So, by this means, and only this means, our species has been able to increase its power in and over the universe, reflected in a higher standard of living, all the things that go with that. That man’s power over the universe, though gradual and slow, is nonetheless efficient, just as life, in its taking over the abiotic planet, over billions of years, to create a biosphere—our oceans, our atmosphere, our soils, our sediments, and so forth, all the things that life depends upon, were created by living processes, slowly, over billions of years. Human life, cognition, the discovery of ideas, takes over more and more power in the universe, gradually, but very efficiently and persistently.

And thus, we can say that we see in this ability of man, this ability to make those kinds of discoveries, and implement them, and show the power, the efficiency of these discoveries, in man’s relationship to nature, that man has a quality which is distinct from that of the animal, a quality which is not to be found as rooted in non-living processes. That is, you’ll never get an idea from a machine. You’ll never get life from a machine. You get life from life, and cognition from cogni-

tive beings.

And thus, we say, in a sense, that is where the idea of God comes from. It’s a reflection, when you look into the eyes of another person, in terms of a cognitive experience of ideas, you see the image of God is reflected in the exchange of eyes, because of knowing what’s going on in the mind behind.

Now, this has a deeper meaning, too. Think about, what is our power as a culture? All the things that we have, that we know, that we take for granted, that have been transmitted to us by thousands of years, millions of years, of culture. These things have been transmitted to us. These all represent *discoveries* of universal physical principles—either principles of abiotic systems, or living processes, or cognition itself. And, it’s these things that give us our power, today, in the universe, and over the area around which we live.

What is this? How do we get this transmission of these ideas? Well, we have to *exchange* these ideas with people like, say, the ancient Archimedes, or other people who lived thousands of years before, or hundreds of years before, or languages whose roots were developed by mankind, tens of thousands of years, or longer, ago. So, we have a relationship to the past, not in terms of our senses, but in terms of the transmission of these *ideas*, to us, to our generation, on which our life depends. And presumably, we’re going to add something to this store of knowledge, and pass it on to future generations.

So, we have a sense of ourselves as: Yes, we’re mortal, we’re like animals, we’re mortal; we’re born, we’re going to die. But what does that mean? Because, since the ideas that we receive, the ideas we transmit, the ideas we generate, connect the distant past and the distant future, ideas which are important in shaping not only the condition of man in the universe, but the universe itself. Therefore, we are at the same

time, immortal as well as mortal. We're immortal in the sense of the immortality of this power. And we recognize that, in this phenomenon, in this characteristic, which has sometimes been called by theologians, the "simultaneity of eternity," that we see a reflection in ourselves, of the image of God. And, therefore, we know that.

The idea of Christ, Christ is the image of God's child coming to us, to awaken in us this quality, this perception of ourselves, and to transmit that message to coming generations. And to transmit that *attitude*, not only to convert people to Christianity, but to transmit that *attitude* concerning man, man's nature, and God, to other people, whether they're Christians or not. And that becomes a functionally essential part.

How can someone die for their nation? How can someone put their life on the line for humanity? Unless they think that their living, and their willingness to put their life at risk, is worth it, is in their self-interest. Because it's something they have to do, to give lasting meaning to their having lived. That's where true courage comes from. I think that's where true morality comes from. If you don't have that kind of courage, you don't have it.

So, those of us who *do* have that sense, of what immortality really is, our function is to try to transmit and awaken that in many of our fellow beings, who don't quite have that view. It's what a great commander does, a military commander does in war, is to awaken in the troops, for whom he's responsible, to awaken a sense of their identity, as something which is worth putting life at risk for. Or anyone who does a courageous act. For example, some of the firemen going into that building in New York City: They're putting themselves on the line. They're expressing the meaning of their life, by putting it at risk, for the purpose of doing good. That's where we've lost a lot of it, in the counterculture, in the degeneration of our culture over the past 35 years in particular, even longer.

In my experience of life, this is the essence of the point on which the moral degeneration of our nation and its people has turned. We've gotten away from that sense. I think a lot of people who consider themselves religious make a mistake of just trying to say it's a matter of blind faith, that they believe certain words from the Bible. To me, that's a mistake, because that's something you've learned, it's not something you *know*.

**Stockwell:** Then, can you experience God?

**LaRouche:** I think so. I do. But, in this way, not in some fantastic way, some mythical way. You find in yourself a passion to do good, and you recognize that. You know, the wonderful thing about Kepler was, and I've pointed this out to many people many times, about his use of the word "intention," in describing the characteristics of the planetary observations which led him to the discovery and definition of the principle of gravitation. He described it as an *intention* of the planet, which could not be explained by statistical study of the behavior of the planet. *Intention*, which is another word for *passion*.



*A rescue worker at the Pentagon on Sept. 14, 2001. Those who put their lives on the line, during the events of Sept. 11, expressed the meaning of their life, for the purpose of doing good.*

One of the great sterilities in education of mathematicians—a mathematician is a person who goes to the blackboard who gives you the opinion of the dead, because he describes things, on the blackboard, in which there is no passion.

## What's Wrong with American Education

**Stockwell:** That's the sum total of education in America today.

**LaRouche:** That's right. That's what's wrong with it. *There's no passion.* The universe is full of passion. You know, what we call universal physical principles, or the principle of life. I mean, you've seen it, you've seen life expressing its struggle to express itself, as distinct from dead matter. *Intention. Passion.* And we call it "passion." Kepler calls it "intention." We call it objectively, "physical principle."

Or, take a great musical composition. What's the quality of it? The dead notes on the score? Or is it the *intention* which is expressed by the composer, which the performer grasps,



and conveys to an audience. Intention.

So that, when we are doing good, and know what is truthful and good, we experience a certain kind of joy, a very special kind of joy. And those of us who think about it, and think about what the Christian experience is, call that the sensibility of the presence of God.

**Stockwell:** When you see what's happened in our culture, this lack of passion, this lack of intention, being replaced by something more like, "Well, what's in it for me?" "What can I get out of this?" "What *feels* good?" "What do I want to do at the moment that will get me out of the pain that I'm in, emotional, physical, or otherwise?" Rather than that expression of that passion of life, that compels us to be our brother's keeper, without compulsory means; to take care of one another not because we have to, but because we see in that the true meaning of a passionate life, that we would, in fact—something we saw much more so in World War II than we probably would see today, that would lead us to the ultimate sacrifice of laying down one's life for another.

**LaRouche:** The problem here is, it's a pervasive corruption of society, which is called, in philosophical terms, it's called existentialism. It's the existentialism of Immanuel Kant, of Karl Jaspers, of that Nazi philosopher Martin Heidegger, or of Heidegger's follower, Jean-Paul Sartre. The Nietzschean view of life. The H.G. Wells view of life.

What people say today is, there is no truth. They say, there is only opinion. For example, Al Gore would insist upon that, in his rather savage attack on the Prime Minister of Malaysia some years back, back in 1998, he attacked him—defended the interaction of many opinions, billions of little opinions, expressed about money—i.e., George Soros and company, on the exchanges. And Mahathir, by interfering with what Gore called free trade, was interfering with this opinion, as opposed to some kind of coherent moral intention. I pick on Al because he's typical; he's perfectly justified, he deserves it. But, he's only typical of the existentialist view which we know is the attitudes of Theodor Adorno, or Hannah Arendt, or Hannah Arendt's boyfriend there, the Nazi philosopher Martin Heidegger. The existentialist view, which says, "We don't *know* anything, we only have *opinions*." And it's this kind of decortication, which has become a characteristic of the society, as we went from pragmatism to outright existentialism—from William James and John Dewey, to outright existentialism—this is the moral degeneracy of America, which takes over the pulpit.

I sometimes watch some of these Bible-thumpers on the television screen. I see existentialism. I see an absolutely profound immorality, expressed in just exactly this way. It's a lot of noise, and fuss, but no substance to it. Because people have lost a sense of truthfulness, that we must find the truth, and we must find something which is not considered truthful because the news media says it's truthful, or because a textbook, or some multiple-choice questionnaire says it's truthful, but because we *know* it's truthful, in that way.

**Stockwell:** You served in World War II, and you—now, for my audience's benefit, you're knocking on 80, aren't you?

**LaRouche:** Yeah, sure!

**Stockwell:** You're almost there.

**LaRouche:** Well, I expect to do a lot better. To the great dissatisfaction of Henry Kissinger, who's two years younger than I am, I'm in much better health than he is, especially mental health.

**Stockwell:** [laughs] Well, you have some experiences from the Depression, and the mind-set of Americans back then. And, you served in World War II, I believe you were in India?

**LaRouche:** I was in India, Burma—

**Stockwell:** Okay. And, then you have had various political and economic interests and persuasions since then, as you've kind of discovered the meaning of your own existence. What do you see as a typical American mind-set today? As opposed to what it was, say, just prior to World War II?

I mean, we're sitting here virtually on a powderkeg. I mean, we could be—World War III may already have started, and we don't know it. Or, it could speed up here quickly in the next few months, where we could say, we are now officially in World War III. Now, what I'm looking for is some kind of a comparative observation here, between the mind-set of the typical American, 1938 to 1941, as opposed to right now.

**LaRouche:** Well, I think the change was 1933, with Roosevelt. We were terrible, generally, from the 1920s. This was the Flapper Era. We had an immorality which was pervasive in the 1920s—particularly, I can report on the late 1920s, where I was in a position to record my observations, to the present time. Which is comparable, probably not as bad, as now, but comparable to it.

We have degenerated greatly. I'm reminded of the famous writing of Cotton Mather, writing at the beginning of the 18th Century—Cotton Mather, one of the great figures of New England—saying we have *shrunk* until we are almost *nothing*. We had shrunk till we were almost nothing in the 1920s, and we have shrunk until we are almost less than nothing, today. That's the difference, particularly the past 35-odd years.

What happened, essentially, was, that when Roosevelt came along—I don't know how brilliant he was. He was obviously very intelligent, very well educated. He was a true advocate of the American tradition, the American Intellectual Tradition—which came from his great-great-grandfather, who was a collaborator of Hamilton. But, he inspired the American people at a time they needed inspiration. He inspired it first, when he spoke in his campaign for the Presidency in West Virginia, of the "forgotten man." And suddenly, people who had gone gray, with the effects of depression, picked up their eyes, and said, "Someone cares." Then he, entering the Presidency, he spoke of, "We have nothing to fear as much as fear itself." And that was his policy. So that, the change was, that an American who was stricken by the *fear* of the Depression

and its effects, confident that there was some *hope*—it was often a begrudging hope, but a hope that we’re going to do better—and that carried forward into the war, and toward the end of the war.

I think that when Roosevelt died, we were already in a crisis. I recall vividly—I happened to be in India at that moment—and a bunch of GIs asked me to meet with them. Just an ordinary mixture of GIs, because I was some kind of figure then, in my own way. They said, “What’s your opinion of the significance of the death of Franklin Roosevelt?” And I said, “I’m afraid for our nation. I’m afraid for the effect of turning the government over, from a great man, to a very little one.” And, I was right.

And that happened. We began to degenerate.

But we didn’t lose it all at once. I think the thing that really wrecked us, the turning point in our destruction, was a combination of the [Cuban] Missile Crisis, followed by the assassination of Kennedy, the entrance into this hopeless Indochina war, and so forth. These things produced a demoralization, which fed into the counterculture, and the long slide downward toward Hell, which we’ve been embarked upon ever since about that time.

That’s the way I see it. And I see that the problem is—and I see it from my childhood, even before these events—is that, children, even today, as then, do not believe in truth. Not really. Because, as I’ve said many times, what I recall from my parental household, and schoolmates, and so forth, from childhood, is, my parents, when company came, lied all the time. Company lied all the time. It was called, polite lying. And then, when the company would leave, they’d talk behind the back of the company that had just left. And having said to them on the way out, “Let’s do this again. It was fun.”

And that’s the way my schoolmates behaved. That’s the way the teachers behaved. Some not, but most did. And the fact that most of the people I knew, were willing to give up morality, for what’s called public opinion. To try to be in step with public opinion. This corruption, this weakening of their moral stamina, opened them up to submitting to the kind of influences which have, in a sense, disoriented them.

**Stockwell:** Yeah, I see that, I see that same pervasive influence, in the churches today, of this polite, quiet, lying. Hold on a second, I’ve got another traffic update here. [Traffic break.]

## Do Good For Others

**Stockwell:** My guest, Lyndon LaRouche, live from Germany on the air with me right now. And we’re just kind of talking about the basic state of affairs of man today, and this demoralizing aspect that has come across us as a nation, as a people. This polite lying that you were talking about there a few moments ago, Lyn, I see that in church all the time. People who are in denial, people who are in pain, but you know, they’re there because they chose to be there. We’re looking



*When President Franklin D. Roosevelt assumed leadership on behalf of the “forgotten man,” “suddenly, people who had gone gray, with the effects of depression, picked up their eyes, and said, ‘Someone cares.’”*

for hope, here, Lyndon. No matter how desperate things get, I think even in the worst of the Dark Ages, before the Reformation began, when everybody served some higher power, and they were lucky enough just to find enough food in the dirt that day to eat—it’s a miracle that mankind survived anyway, during those situations—but they, I don’t think were looking for hope any more than we are today. We want some way out of this. A lot of us are looking for ways out of it, that negate the necessity of personal responsibility. [LaRouche: Uh-hum.] We want somebody else to do it. [LaRouche: Uh-hum.] We want somebody to come along, and turn that switch, give us that magic bullet, or shoot the magic bullet, that will somehow deliver us from our pain and our sorrow, without having to become personally responsible.

**LaRouche:** Sure, there’s a simple answer to that.

Most people make a very simple mistake. They wonder how to take care of their self-interest, and how to make life *feel* good. They forget that the way you take care of your self-interest, involves two steps. Step number one, is, do good for others. Especially your nation, for people, for humanity. Step number two: Fight to make sure you have the ability to deliver that result.

In other words, our interest is our defense and development of our capacity to do the good which is our mission, that is, what we perceive to be the special mission that we have. Sometimes because of the events cast in front of us, like, you see a terrible accident, you’re there—you never intended to be there at that time, but somebody needs help, and you’re there. And you just hope you have the resources to be of some



*Roosevelt's funeral at Hyde Park, April 15, 1945. LaRouche, then in India in military service, was asked by fellow GIs what the significance of Roosevelt's death would be. "I'm afraid for our nation," he told them. "I'm afraid for the effect of turning the government over, from a great man, to a very little one."*

use at that time.

That's a sense of mission, in a simple way. And people have that sense about life: that, you're here, it's on a short ticket, when you look at history, and particularly if you study history. And therefore, what's important? You say, I'm going to live and I'm going to die—I don't expect to die soon, but we all will, you know. And therefore, the question is: What is my *interest*, if I'm going to die, and I'm not going to take anything with me, except what I leave behind? That is, what I give. And to find that, doing that, is one interest.

Like, I take a certain amount of risk. People tell me I take a lot of risk in what I say sometimes. Well, so what? Someone has to say it. It's my mission, and I'm just happy to have the means to be able to do some of that. I wish I could do more. But that keeps me fairly happy, and optimistic, even in some fairly bad situations. And I think that what people lack, is they lack a *sense of mission*, and sometimes I think, it's they lack—their friends and neighbors don't accept the fact that maybe, they have a mission in life. I mean, there's something they should do! Something to do to make life better, in some little way, or some way, more important way. And that performing that mission—

A teacher, a teacher in a school. A very important function, if they do it well. A teacher performs a *precious* function for these children. And if a teacher does it well, the children will become better people, as a result of that work. And the teacher, therefore, will fight, with the educational system, to

give an honest education, according to need, to these children. And that will give the teacher the sense of satisfaction in life, that, when they die, they will have delivered something which is precious to generations yet to come.

What we deprived our people of, is both a sense of mission, and we have ridiculed, and put into disrepute, the idea that you should live with a truthful choice of a sense of mission for one's own life. It may change, but you always must have a truthful sense of a mission, which *you* are supposed to perform. And if you're doing it, or you're struggling to do it, you feel pretty optimistic about yourself, and living. And you have the strength to tell the truth.

**Stockwell:** Happiness will flow from that. Intention will flow from that.

**LaRouche:** People looking for someone to make them happy, when the point is, they should make themselves happy. And sometimes—*often*—the solution to make oneself happy, is to do something good for others.

**Stockwell:** In a sense that extends beyond just planning your little Disney vacation for the family and the kids.

**LaRouche:** [laughs] You know, as you probably have noted, that the most dangerous time in life for working people, is sometimes when they go on vacation. Not because of accidents, as much as heart attacks and similar things tend to hit them, when they go on vacation. I observed this years ago.



*In a time of crisis like the present, older people become extremely valuable as a model for others, because they have a life experience that helps them to understand the paradigm-shift for the worse that has occurred in America from 1966 on. "I've said, never retire, it'll kill you. Retirement is deadly," says LaRouche.*

Older people approach retirement age, who have been hard-working men, and so forth, most of their life, in some skill or something, and you'd hear a year or two after their retirement, they'd die. And you'd sense that somehow their mission in life had been taken away from them, and that this was a dangerous time for them.

**Stockwell:** I wonder. Yes. I have patients in my clinic that I take care of, who retired either from the military, or some kind of government thing, 10, 15, 20 years ago, but then got into business for themselves. And they had the retirement pension stuff coming in. But on top of that, they went out and built a business, and are some of the happiest, healthiest people I've ever run across.

**LaRouche:** Absolutely.

**Stockwell:** And they're in their 70s, and their 80s.

**LaRouche:** Why not?

**Stockwell:** Well, we're going to go right now to the *Wall Street Journal* report for just a few moments, and then we'll come back, and finish with my guest, Lyndon LaRouche, live from Germany today. [Break.]

## A Sense Of Mission

**Stockwell:** All right. We're back. We're back with Lyndon LaRouche, live from Germany.

In the few moments that we have left here, Lyndon, you know I was thinking about—you were mentioning a sense of mission, and such. George Washington had a clear sense of mission. Abraham Lincoln, JFK. But these characters are almost mythical to the average guy on the street. How does one average Mr. or Mrs. American, develop a sense of mission, regardless of their age at this point, who may have felt that somewhere they missed the boat, when the missions were passed out?

**LaRouche:** Well, they have to find in themselves, something of value. I think a lot of people—you've probably seen this business with retired people, the retirement shock, which hits fairly soon in most people, after they retire. I've watched it. I've said, never retire, it'll kill you. Retirement is deadly.

Because, not only do they—their cardiovascular activity levels go haywire. When they were leading a working life, organized and so forth, they probably were living a healthier life, in the sense of the way they digested food, and moved around, and so forth. But they lost a sense of a purpose in living. First, there was the sense of freedom from work: They could do this, they could go here, they could go there, and so forth. But then, that didn't work any more. Life became less interesting. A little excitement, titillation here and there, but the value of it—they just sensed that this was not as important any more. That their life wasn't that important any more.

And I saw, I've seen people give up their fragile grip on life, simply because it wasn't fun any more. Living wasn't fun any more.

When a crisis comes along, and I happen to see in my peculiar way of living, I've seen people come alive because they had a sense of mission. We're now going into the worst imaginable crisis—economic and related crisis—in which younger people, generally, don't know what it was like back then. They don't know what it was like, when lessons were embedded in history, which have to be turned to now to find models, examples, to show what we could do. In which people who are older, in particular, become extremely valuable now, because they did have an experience, which, if they think about it, and they think about the present situation, and see what the nature of the crisis is—if you discuss with them, how did we get into, 35 years ago and so on, how did we make the mistakes which have led to the destruction now? Why is it we had an economy that worked, with all its faults, between

1945 and 1963, '64, and an economy which has been going down the road to Hell, step by step, from 1966 on, to the present time? What mistake did we make? What's wrong? What lessons can we draw from comparing these two periods of American history? And then, with periods before them?

Well, I think people of my generation, and some younger, may have some valuable insight into that. And therefore, they may have a very important *political* role to play, as well as a social role, or discussing with members of their own family and friends, in trying to get an appreciation of what is happening to this nation. They might find in that, a sense that, they have some knowledge, some skill, which may be valuable in contributing to mobilizing our people, as a people, to put this nation back on the right pathway toward getting out of this mess before us.

**Stockwell:** Well, I've got two minutes of this interview here, to kind of wrap things up. I would really like to develop this a lot further, this kind of an idea. But, you are known as an economist, and as a political figure, who has been held down extensively, within your own country; but welcomed, immensely, and graciously, by leaders of state of other countries, and their various financial interests, who are very enamored with this idea of the New Bretton Woods. This idea of being able to put the development of productive and mental capabil-

ities back on track. Without a mission, without a sense of hope and purpose, without "intention," without recognizing our cognition as something that separates us from the animals, and presents us right before the throne of grace, these things would seem almost an impossible, an impossible event.

Ladies and gentlemen, I would invite you to read some of Mr. LaRouche's writings in this regard. You will find something here that is much deeper, and a greater expanse of thinking, and reasoning, than can just be simplified to a kind of "we, against the oligarchy" kind of mentality.

I want to thank you, Lyndon, very much for the time you've taken to do this, and the expense that's involved.

**LaRouche:** Oh, it's good to be with you, Jack.

**Stockwell:** Greatly appreciate this, and it was very meaningful for me, it's very meaningful for a lot of my listeners as well. I'm going to free you up, set you loose, and let you go, and hopefully we can do this again, before much longer.

**LaRouche:** Yes, absolutely.

**Stockwell:** In a situation where we have a much more clear intention in our own minds. That's my purpose on this show, is to try to bring some intention.

Thanks a lot, Lyndon, we'll talk to you later.

**LaRouche:** Thank you.

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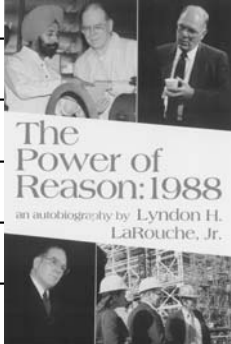
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## The World To Be Seen From Sunday

by Lyndon H. LaRouche, Jr.

October 12, 2001

As far back as Henry A. Kissinger's reign as U.S. Secretary of State, during late 1974 and the beginning of 1975, the leadership of our association was studying a U.S. strategic option which bore the name of "breakaway ally" syndrome. In the case that that syndrome erupted into practice, Israel would apparently break free of its customary Anglo-American leash, to launch a mad-dog war against some neighboring Arab state, or states. Those in U.S. "breakaway ally" Israel who would launch such a "preemptive" war, would then say to the U.S., in effect: "We have started the war; now you are going to have to fight it!"

The danger of such a "breakaway ally" increased over the course of the 1980s. To prevent an Israeli attack on Iraq, the British monarchy, in 1990, enlisted U.S. President George Bush to conduct a war against Iraq, in such a way that the deadly, chain-reaction effects of an Israeli launching of a direct attack on Iraq might be avoided.

We see a similar situation at the moment. The present situation in Afghanistan is a result of such strange, deadly logic. Madmen like Richard Perle and his cronies, are pushing the U.S. to either go for destruction of Iraq, or risk an Israeli "breakaway ally" trigger for what could be a generalized war beyond the possibility of U.S. or European control. Hence, the conflicts within the current Bush Administration over issues directly related to this.

With the state of increasing tension between the present U.S. Bush Administration and the kill-crazed, present leadership of Israel's military command, the world situation has reached the combustible state of affairs, in which something like the old 1970s "breakaway ally syndrome" can not be considered as unlikely.

A sudden Israeli attack on Iraq, would fill the requirements for such a syndrome, today. However, there are presently other options to the same general effect. The issue is not Iraq itself; the issue is finding some targettable nation or nations as the bridge to provoking generalized warfare. Under the combined circumstances, of the presently accelerating greatest monetary and financial collapse in the history of mankind, the mass insanity reigning in desperate, leading financial circles, and the state of tension added by the recent terror-attacks on New York City and the U.S. capital, we have either reached, or even crossed the threshold at which previously impossible, speculative strategic scenarios become, suddenly, probable, if not yet inevitable ones.

What makes the Middle East cockpit so crucially important in world affairs today, is not the lunatic state of mind among an apparent majority of present Israelis. The crucial factor is what were better termed lack of mind, among a burgeoning mass of ostensibly English-speaking "Bible prophecy" lunatics, both in the U.S.A. and among the subjects of Queen Elizabeth II in the United Kingdom, Canada, Australia, New Zealand, and elsewhere.

I point to those tens of millions of half-witted, crazed Americans, such as the dupes of U.S. "Elmer Gantry" Pat Robertson, who see a worldwide, Middle East-centered holocaust as "God's Will."

However, it is a fact, that as a relative handful of Jewish settlers in the Middle East, are not the true source of the present danger, neither are a few tens of millions of half-witted "Bible thumpers." The true source of the danger comes from those more numerous and powerful forces, who encourage such pathetic lunatics as those "Bible thumpers," in playing with what may turn out to have been thermonuclear matches.



*Yitzhak Shamir (inset) was Israeli Prime Minister in 1982, when the attempted assassination of Israel's ambassador in London provided the pretext for then-Defense Minister Ariel Sharon's invasion of Lebanon. Shown here: Sharon briefs the press in New York City on the invasion. The danger of such a "breakaway ally" action is acute again today.*

That larger problem is to be found among most of what today's world, classes as those "Christian churches" which are outside looney-bins such as those of Pat Robertson. It is also to be found among all of those religious bodies and factions of such bodies, which have rallied against the ecumenical peace-mission of Pope John Paul II.

This is a subject which I addressed summarily during the second hour of my most recent radio interview with host Jack Stockwell [see *Feature* in this issue]. It is a subject to which I and my associates have devoted leading attention for now more than a quarter-century. Now, I turn to that subject once again, this time to point the finger of shame at many leading circles in what are nominally, at least, the Christian churches.

### **A New Pagan Pantheon**

At first glance, the root of the broader problem in the churches generally, is typified by the influence of the irrationalist Immanuel Kant in mapping the pathway to the widespread infiltration of nominally Christian churches, by the existentialist doctrines of Friedrich Nietzsche, Aleister Crowley, and kindred pro-satanic influences.

The spread of "single-issuism" among sundry varieties of nominally Christian churches, by such as the followers of the pro-racist Nashville Agrarian cult, is a bellwether of the tidal-wave-like spread of a modern neo-pagan cult of pantheism among the leading church organizations, and elsewhere today. Typical is the toleration of such explicitly evil circles of Kant followers as Nazi Professor Martin Heidegger, his crony

Hannah Arendt, Theodor Adorno, Heidegger acolyte Jean-Paul Sartre, and other prophets of that form of neo-Nietzschean existentialist cultism, which dominates the philosophical dogma of the U.S. and other universities of today.

In today's European culture generally, the leading contemporary expression of this pantheonic neo-paganism, is the copying, or other echoing of Kant's doctrinal insistence that knowable truth does not exist. The spread of this doctrine was the principal vehicle for creating the pro-Nietzschean, neo-Romantic cult of Nazism in Germany, as that cult was the subject of the teaching of Nazi Professor Martin Heidegger, the spiritual father of France's Jean-Paul Sartre. This has been the doctrine of existentialist Karl Jaspers, and of the circles of Arendt and Adorno in the U.S.A. The principal leaders of that movement relied upon the doctrine of Kant. Lately, during the recent quarter-century, the spread of this existentialist cult-belief has taken a radically positivist form, corrupting our U.S. public schools as well as leading universities. More and more, our public schools become a kind of allegedly democratic saturnalia, where reigning positivist maenads shriek: "There is no truth; there is only opinion."

This denial of the existence of truth, permeates our presently corrupted U.S. Justice system. It also permeates our churches, of all nominal confessions. It is often expressed as the substitution, as mere opinion, of doctrinal "single issuism" as a replacement for actual Christianity. This phenomenon, as spread through those churches, is presently a leading contributing factor in the world's slide toward not only general-



*It is not the lunatic state of mind of an apparent majority of present Israelis that makes the Mideast crisis so dangerous today, so much as the "Bible prophecy" lunatics in the United States and elsewhere. Here, a rally of Christian fundamentalists in Washington in 1997.*

ized warfare, but also a threatened dark age for all humanity. Those who accept the existentialist denial of cognitively knowable truth, as distinct from merely deductive argument, must be recognized as plainly not Christians, whatever confession they may claim to represent.

Once that existentialist influence is spread into the leading religious bodies, a certain consequence is implicitly inevitable. I describe it.

Ancient pagan Rome addressed the problem of managing an empire composed of the subjects of numerous axiomatically incongruent forms of religious or religious-like belief. Religion was degraded to a kind of collection of carnival sideshow exhibitions, all arrayed, as if in a circle, under a big tent called a "pantheon." The function of the Roman Emperor was therefore rooted in his essential law-decreeing role as "Pontifex Maximus." It was this organization of legally tolerated religious cults into a pantheon, under a Roman Pontifex Maximus, which was the essence of the Roman law, and of the Roman Empire as a legal institution.

This was the characteristic of every known empire of the Middle East, and of a Greece corrupted to the point of virtual self-destruction under the Olympus and Apollo cults. The

essential function of the pantheons, in all cases, was to establish and maintain rule over the subject peoples by playing the devotees of the cults against one another. If you accepted the emperor's terms, including certain prescribed adjustments in your cult's belief-system, you could be adopted as a legalized cult of the empire; so it was among the Jewish hierarchy of Judea, under the Emperor Tiberius' son-in-law, Pontius Pilate.

In a pantheon, the legalized, purely arbitrary opinion of each cult is acknowledged as the doctrinal authority of the cult over its members, as this pantheonic doctrine of Roman law was used to accomplish the legalized murder of Jesus Christ. Thus, the cults are each and all arrayed in potential religious warfare among one another, as it may suit the imperial authority to pit them so, against one another, in some bloody arena. So it is with the evil and obviously deranged Zbigniew Brzezinski's zeal for a "Clash of Civilizations" between Islam and the West.

That is the key to Israel's assigned role in any "breakaway ally" scenario.

Such is the ancient imperial game of pantheonic religion being played again today. So, once again, the only efficient way in which to establish a world empire, is through reducing certified religious beliefs to the legal status of chartered entities of a pantheon. The essential result, is to base imperial military strategy on the playing against one another, of cultures and cults from inside and outside the existing imperial form of pantheon. Thus, the normal, often-repeated form of collapse of great empires into new dark ages, occurs as the lawful consequence of the attempts to manage a form of imperial role through the devices of a managed pantheon, as is being done today.

The influence of Kant's denial of the existence of truth, is at the core of today's global problem of this sort. The study of Kant's argument and influences, as a model for such forms of existentialism as that of the Nazi Martin Heidegger, is also an efficient guide to study of the way in which a converging hostility to truthfulness springs, more or less inevitably, from empiricism in general, or American pragmatism of William James and John Dewey in particular.

## **Ecumenicism**

The world's recognized leading voice against a degeneration of religion into a new pantheon, is Pope John Paul II. In everything I have observed him to say and do on this account, I have found nothing which is not fully consistent with my own ecumenical outlook as expressed over more than a quarter-century to date. So far, the hope of peace hangs chiefly on the thread of his frail body.

My long-standing philosophical arguments to this effect, provide a complementary, and much more broadly applicable expression of that same ecumenical approach to the current world situation. I summarized my view on the matter of reli-



gious belief, in the second half of the most recent radio interview with Jack Stockwell. Jack asked me to summarize those views there, because he and others are familiar with the great amount of practical, in addition to literary, work I have done on this subject over decades.

To make it very short. I, like Plato's Socrates, and like Moses Mendelssohn, believe in the efficient principle of cognitive truthfulness. I, like Mendelssohn, have my own belief, but I am also ecumenical. I believe that we must tell the truth about ourselves and our beliefs to others. If someone says, tell me, most simply, "How do you know Jesus Christ?" I reply, "I was there when the congregation assembled for the experience of J.S. Bach's setting of the Passion according to Matthew." I can then say, as I have said truthfully many times over past decades: "Trust me because I am truthful. Let us work today, united by devotion to the same cognitive principle of truthfulness which is typical of experimentally validated discovery of universal physical principle, to address the common problems and aims of all mankind." Do what I do, as John Paul II does what he does.

The essential truth is that we are human, and must love one another as the members of that unique species made in the likeness of the Creator of this universe. There is no problem which is not obliged to be solved by application of the Socratic principle of cognitive truthfulness. Our lying mass media may disagree with me, but, in my life-long experience, really hide-bound liars usually do.

If you refuse that ecumenical approach, I think you will suffer the awful penalty you and your entire tribe will bring upon themselves, as fallen empires of the past have been doomed by their own like folly.

## Sharon Must Be Given An Ultimatum: Accept Peace

by Dean Andromidas

On Oct. 12, American statesman Lyndon H. LaRouche, Jr. warned, "With the state of increasing tension between the present U.S. Bush Administration and the kill-crazed, present leadership of Israel's military command, the world situation has reached the combustible state of affairs, in which something like the old 1970s 'breakaway ally syndrome' can not be considered unlikely." LaRouche's warning refers to Henry Kissinger's 1970s scenario in which Israel would launch a war against its neighbors, aimed at dragging in the United States, and thus provoking generalized warfare—in effect saying, "We have started the war; now, you are going to have to fight it."

Five days after LaRouche's warning, on Oct. 17, Israeli right-wing extremist and Sharon government Tourism Minister Rechavam Ze'evi was assassinated outside his room at the Hyatt Hotel in Jerusalem, claimed by the anti-Arafat Popular Front for the Liberation of Palestine (PFLP). The assassination puts the Middle East on the brink of war, precisely as the Bush Administration stands poised to sink into a Central Asian quagmire as it hunts for Osama bin Laden in the mountains and deserts of Afghanistan.

Without a moment's hesitation, Israeli Prime Minister Ariel Sharon blamed the assassination on Arafat. The Israeli government's expected brutal response to the assassination against the Palestinian Authority could lead to an even wider war, should Israel retaliate against Syria, Lebanon, or Iraq. And if the Bush Administration, in concert with Europe and Russia, does not deliver an message for peace to Sharon—and one that sticks—there will be no stopping a war that could become a "Clash of Civilizations," stretching from the Middle East deep into Central Asia.

### The Assassination Trigger

Ze'evi was no ordinary Tourism Minister: he was an Israeli Defense Forces (IDF) veteran, a Major General, who had played a leading role in Israel's covert assassinations of Palestinians in the 1970s known as "Terror Against Terror." He was also the advocate of the mass expulsion of Palestinians from the Occupied Territories (see accompanying article).

Ze'evi, and fellow National Union party member Avigdor Lieberman, had resigned from the Sharon government on Oct. 14 in protest against Prime Minister Sharon's apparent "capitulation" to the Bush Administration's demand that IDF tanks be withdrawn from the Palestinian territories on the West Bank. Ze'evi's resignation was intended—with the backing of significant war-monger forces in the U.S. government and U.S.-based Israeli lobby—to stop the U.S. and European insistence that Israel return to peace negotiations. George Bush had even gone "so far" (in their eyes), as to state on Oct. 11, his support for a Palestinian state. "I believe there ought to be a Palestinian state," said Bush, "the boundaries of which will be negotiated by the parties, so long as the Palestinian state recognizes the right of Israel to exist, and will treat Israel with respect and will be peaceful on her borders." Bush made his statement during the same week that Egyptian President Hosni Mubarak called for a Palestinian state, and Italian Prime Minister Silvio Berlusconi called for a Palestinian state to be created *with* a "Marshall Plan" for economic development. With these developments, the international pressure was on Sharon to get to peace talks, especially after Israeli Foreign Minister Shimon Peres had gone public with the accusation that forces inside the IDF are planning to assassinate Arafat.

When Lieberman and Ze'evi resigned, Lieberman made no secret that their aim was to stop this pressure for peace. On

Oct. 14, he told the press, “Today the holy challenge that Israel faces is how to foil the American initiative . . . [where] the starting point would be at which the Camp David talks ended with [Prime Minister Ehud] Barak.” He added, “Obviously so long as Shimon Peres is in the Foreign Ministry . . . there is no possibility either to oppose or foil the American initiative.”

But within hours of Ze’evi’s death, Sharon announced closure (lockdown) of all Palestinian territories, and cancelled all contacts between Israel and Palestinian officials. Ze’evi was the first Israeli cabinet minister assassinated by Palestinians since Israel captured the West Bank and Gaza Strip in the June 1967 war. One leading Israeli commentator told *EIR*, “Ze’evi has accomplished in his death what he could not accomplish while alive”: the end of the peace process and a full-scale attack on the Palestinian Authority.

### Far-Reaching Consequences

Ze’evi’s assassination—claimed by the PFLP in revenge for the assassination of its chairman, Abu Ali Mustafa, on Aug. 27—is just another bloody confirmation of how far the situation in the region has deteriorated. More than a year after the beginning of the Al Aqsa Intifada, few Palestinians believe that the Sharon government will ever agree to the formation of a viable Palestinian state. Nor do they have much faith in the diplomatic maneuverings of the Bush Administration.

After the Sept. 11 attacks on the United States, Sharon and his security chiefs all but ignored Bush Administration requests to move toward solidifying a cease-fire and implementing the May 2001 Mitchell peace plan. This led to behind-the-scenes threats delivered to Israel from Washington, after Sharon denounced Bush as “an appeaser.” Sharon, in fact, had escalated the policy of assassinations, closures, military attacks, and occupation of Palestinian-controlled territory in the West Bank and Gaza Strip, despite Bush Administration requests.

But the seeds of this disaster were found in the Bush Administration’s policies, one of the biggest weaknesses of which has been Washington’s tacit approval of the Sharon government’s plan, to systematically take out all Palestinian leadership in the name of “preventive assassination” as a means to fight terrorism. That assassination policy can lead only to disaster.

A senior Israeli intelligence source underscored for *EIR*, that the assassination of an Israeli was predictable after Israeli forces had assassinated PFLP Chairman Abu Ali Mustafa, considered to be from the moderate wing of the PFLP. As the head of the organization, Mustafa’s position was analogous to Arafat, and his murder signalled the intention of the Sharon government to assassinate any senior Palestinian political leader, including Arafat. Also, given the fact that the PFLP has strong ties to Syria, where a faction of its leadership is

based, the Mustafa assassination was a clear threat to Damascus as well. The source underscored that, being among the more radical factions, the PFLP would predictably strike back. Indeed, at Mustafa’s memorial service, PFLP leaders said that revenge could be expected. Although this source rules out that Syria in any way supported the attack, Israel could use the PFLP’s ties to Syria as a pretext to attack Damascus.

The source further stressed that this dangerous situation is the result of a refusal on the part of the Israeli political class, and the Bush Administration, to make the hard decisions that have to be made if peace is to be achieved. They include the establishment of a viable Palestinian state, evacuation of the Jewish settlements, and regional economic initiatives. Unless these decisions are made now, the attempt by the Bush Administration to simply reduce the level of conflict between Israel and the Palestinians, will not only fail but lead to the widespread war they hope to avoid.

### The ‘Breakaway Ally Syndrome’

Whether Ze’evi’s death will be used as a pretext for the “breakaway ally syndrome” about which LaRouche warned, is the central issue.

In this respect, the Ze’evi assassination brings to mind the assassination attempt on the Israeli Ambassador to London in 1982, which served as a pretext for the Israeli invasion of Lebanon. That attempt was made by Palestinian “terrorist for hire” Abu Nidal, whom many believe was under contract to the Israelis themselves.

Ze’evi was the embodiment of some of the most extremist views, including for the “transfer” of the Palestinian population from the West Bank and Gaza Strip to other Arab countries. His party, the National Union-Yisrael Beitenu, represented the most radical elements in the Jewish settlers movement. Ze’evi was also one of the key architects and organizers, along with Sharon, of the Jewish settlements, and allegedly used connections he enjoyed with the Israeli mafia to fund the projects. Two days before his assassination, he and Lieberman resigned in protest over what they claimed was Sharon’s “caving in” to pressure by the United States to cooperate with the Palestinians on a cease-fire plan.

PFLP spokesman Ahmed Maher, in an interview with Al Jazeera television from Damascus, said his organization took responsibility for the attack. “We announced that the PFLP would react to the crime and that the blood of Abu Ali Mustafa was very precious to us and will not be spilled in vain. . . . The resistance will continue, there is an occupation and a legitimate resistance.” He said the cease-fire between Israel and the Palestinians was “a farce we will not abide by.”

By contrast, the Palestinian Authority officially denounced the assassination. Palestinian cabinet member Ziyad Abu Zayad declared that the Palestinian Authority is “interested in the cease-fire and in returning to the negotiations

table.” He also said that the Palestinian Authority would arrest the assassins. Under tremendous international pressure from the United States and Europe, Arafat has declared the military wing of the PFLP to be illegal and has conducted several arrests.

But these demands put Arafat in an impossible position. To the Palestinian public, there is no difference between the assassination of an Israeli politician by a Palestinian group and an Israeli helicopter gunship killing a senior Palestinian leader sitting at his desk in an office in Ramallah, as in the killing of Mustafa. Even senior Israeli security officials know that Arafat is in no position to crack down on Palestinian militants without losing his credibility—a fact that Sharon and his generals are well aware of.

### **Will Sharon Assassinate Arafat?**

Sharon immediately moved to cast the Ze’evi assassination in the same light as the Sept. 11 attacks on the United States, as part of transparent ploy to get U.S. support. Sharon constantly refers to Arafat as Israel’s Osama bin Laden, a comparison the Bush Administration has rejected. Nonetheless, Sharon used the anti-bin Laden rhetoric of the Bush Administration, stating before the Knesset (parliament), “Everything has changed,” and “the situation is different today, and will not again be like it was yesterday.” Calling on the “Almighty to avenge his blood,” Sharon threatened Arafat, by declaring him personally responsible for the assassination.

Despite Sharon’s declaration, the response from President Bush, and other international leaders has been to press even harder for Israel to get to the peace table.

As of this writing, violence has escalated. Israel issued an ultimatum to the Palestinian Authority to arrest and extradite the assassins, and to suppress the PFLP and other Palestinian organizations. Within hours of the ultimatum, Israeli helicopter gunships assassinated three Palestinian militants on Oct. 18. Israeli forces have moved in strength into Area A, under Palestinian control, killing a ten-year-old schoolgirl in the West Bank.

But Sharon is only implementing what he intended to do *prior* to the assassination. In an Oct. 15 meeting with the Yesha Council, representing the Jewish settlements, Sharon became more and more angry as the settlers accused him of capitulating to American pressure to negotiate with Arafat, until he blurted out: “I haven’t changed my mind about that murderer Arafat for the last 30 years.” According to media reports, he raged, “Write this down!” and proceeded to declare that he would never allow the Palestinian Authority back into East Jerusalem nor give up the Temple Mount/Al-Haram Al-Sharif, “the holy of holies.” He told the settlers, “Friends, you are heroic in this campaign. You’ve been through a difficult year. But the army—despite your impressions—has broad room for maneuver. It has no limits. . . . My way is to go for small, consistent actions at three levels: a reaction to every

attack, special operations like Beit Jalla or Abu Sneina [this refers to occupying Palestinian territory bit by bit], and focused preventive attacks [assassinations].” He cautioned that broader moves could bring the Egyptians into Sinai and create the danger of a regional conflict.

When settlers confronted him for saying he supports a Palestinian state, Sharon replied, “What I didn’t say [publicly] is that state would be demilitarized, that we would have responsibility for its border crossings, there will be limits on its air space, and we’ll still hold security areas. Those areas we don’t hold—like Nablus, Ramallah, Kabatiyeh, Jenin, or Jericho, they’ll control.”

Earlier, Sharon was equally blunt. Senior Israeli military commentator Ze’ev Schiff, in the Oct. 18 issue of *Ha’aretz*, revealed that in early October, Sharon convened a meeting of his senior security and military chiefs, where it was decided to step up “targetted prevention, the term used for liquidating Palestinians involved in terrorism.” And the Israelis have a “long and detailed list of targets.” So extreme were the measures and the dangers they would create, that the head of the Shin Bet domestic security service felt compelled to declare, “I want it to be clear . . . that terror against Israel will then increase!”

According to Schiff, Sharon himself made the most extreme proposals, declaring “action must be taken against Yasser Arafat.” The proposals were so radical that most of those present refused to support them. Schiff underscored that this meeting took place long after the Sept. 11 attacks in the United States, and was part of Sharon’s intention to increase his harsh measures against the Palestinians, despite U.S. pressure.

The scenarios whereby Israel operates as a “breakaway ally” are numerous and horrible. It is in order to avert that disaster that Lyndon LaRouche released his warning on Oct. 12 (see p. 26). For decades, British-connected operatives in the United States, such as Henry Kissinger, who is now a member of the U.S. Defense Policy Board, have run simulated “war-games,” counting on the insanity factor in Israel’s military coming to the fore as the “breakaway ally.” They know Sharon could use the PFLP excuse to launch a strike against Damascus, or against Lebanon, where the PFLP has bases. Sharon could also launch a full-scale assault on the Palestinian Authority. They also know that the *threat* of such Israeli actions could tip the balance in the United States where, within the Bush Administration, extremists led by Deputy Secretary of Defense Paul Wolfowitz are calling for attacks against Iran, Iraq, Syria, and Lebanon as supporters of international terrorism.

And the “war-gamers” know that any of these actions would galvanize massive protests throughout the Arab and Islamic world, and even lead to the overthrow of key Arab governments, such as Egypt. Either way, if the United States does not take action as prescribed by Lyndon LaRouche, generalized war will be inevitable.

# Gen. Ze'evi Lived And Died By The Sword

by Scott Thompson

On Feb. 27, 1988, early in the first Intifada, retired Israeli Defense Forces (IDF) Gen. Rechavam Ze'evi formed the "Committee for the Mass Expulsion of Arabs" (CMEA). Through the CMEA, General Ze'evi became notorious for his "transfer" policy to remove all Palestinians ("lice," to the general) from Israel *and* the Occupied Territories. One CMEA spokesman ranted: "Israel must act toward the Arabs the same way Germany acted toward Poland in World War II." By 1995, after the Oslo peace accord, Ze'evi's "Nazi transfer" rhetoric was widely believed to be part of the atmospherics that led to the assassination on Nov. 4, of Israeli Prime Minister Yitzhak Rabin—by fanatical elements within the settlers movement, the IDF, and the domestic intelligence agency, Shin Bet.

Born in Jerusalem in 1926, the future IDF Maj. Gen. Ze'evi (a.k.a. "Gandhi") served in the Palmakh and Haganah during the Israeli War of Independence. He remained in military service till 1974, rising through the ranks to becoming Chief of the IDF Operations Division.

From 1974-77, Ze'evi was adviser to Israeli Prime Minister Menachem Begin. Between 1974 and 1976, he advised the Prime Minister on Warfare Against Terrorism (a.k.a. "Terror Against Terror"). He set his office up at the Lion of Judah Post, keeping live Ethiopian lions at the entrance. Reliable sources report that Ze'evi not only carried out "preventive" assassinations, but threw Palestinian prisoners out of helicopters into the Mediterranean. Among the terror squads he deployed at that time were, allegedly, those of Rabbi Meir Kahane, himself later assassinated.

Leaving official Israeli government capacities in 1977, General Ze'evi established the business front known as the Consultative Agency for the Fight Against Terrorism in Ecuador. In South America, he was deeply involved, with Ariel Sharon, in deals with cocaine traffickers operating inside and outside governments. Arriving in Ecuador with his former military subordinate, Betsalel Mizrahi—reportedly one of the "godfathers" of the Israeli Mafia—Ze'evi tried to sell big-ticket arms like the Kfir jet, just months after the Pentagon had vetoed Israeli Defense Ministry (IDM) attempts to sell the jet to Ecuador.

Between 1977 and 1980, Ze'evi was frequently in Central and South America arranging arms deals on behalf of the IDM to several nations. In August 1980, after the coup d'état in Bolivia by the "Cocaine Colonels," Ze'evi negotiated a huge arms package with the government, which controlled the co-

caine traffic. Ze'evi was alleged, through such operations, to be in league with the Israeli mafia. He worked closely with Gen. Ariel Sharon, for example in a big 1980 arms sale to Honduras.

These Israeli arms-for-drugs deals were later part of the Nicaraguan Contra operations overseen by Vice President George H.W. Bush under Executive Order 12333.

Ze'evi returned to Israel in 1980, becoming a consultant to the Justice Ministry and the Police Department—despite protests from Israeli police-linked journalists and Knesset (parliament) member Ehud Olmert, that Ze'evi was one of the "godfathers" of the Israeli mafia. His operations in Ibero-America continued. On Sept. 18, 1989, the security services of Colombia, investigating the assassination of Colombian Presidential candidate Luis Carlos Galán, requested the extradition of Israeli Reserves Lt. Col. Yair Klein. Klein, among others, had been documented as having trained the Medellín cocaine cartel's assassination squads that killed Galán. Ze'evi was one of the foremost of the active and former IDF leaders linked to Klein's business front Hod Hyanit ("Spearhead"), that had contracted with the Medellín Cartel.

In 1988, Ze'evi entered politics, forming the Moledet ("Homeland") Party, and was its elected representative in the Knesset, on the racist policy of ridding Israel of the "Arab lice."

## 'Deep Moral Contamination'

In January 1992, Ze'evi was appointed by Prime Minister Yitzhak Shamir as Minister Without Portfolio, assigned to form a ministerial committee on defense and security issues. The French daily *Le Monde* reported that Benny Begin, the son of Menachem Begin, called the appointment of Ze'evi a "deep moral contamination." But Ze'evi's call for mass transfer (expulsion) of Palestinians was shared by then-Housing Minister Gen. Ariel Sharon. On July 30, 1997, when Benjamin Netanyahu was Prime Minister and twin bombings had taken place, killing 18 Israelis, *SNS News* in Jerusalem reported Moledet Party leader Ze'evi calling for immediately building a Jewish housing project in Arab East Jerusalem's Ras al-Amud area. The project had been planned by Meyer Lansky's onetime bagman, Irving Moskowitz, a U.S. multimillionaire.

On April 22, 1998, Prime Minister Netanyahu "sent a message" indicating his hard-line policies by asking Ze'evi to join his coalition government.

In the 1999 elections, Ze'evi was elected on the joint National Unity ticket, which held seven seats in the Knesset. And, in March 2001, Prime Minister Sharon appointed him Minister of Tourism. He was a determined opponent of peace, and of a Palestinian state; as reported in the Oct. 2, 2001 *New York Times*, Ze'evi was quoted about Palestinian President Yasser Arafat: "I don't say we eliminate him physically, but send him a one-way ticket to Tunis. . . . If he resists and his capture requires physical elimination, I'm not a vegetarian."

# Support For LaRouche Grows In The Arab World

While the escalating war in Afghanistan is triggering dangerous political developments, rational voices in the Arab world are calling for careful examination of what really happened inside the United States on Sept. 11. Particularly in Egypt, the leader of the Arab world, the analyses and strategic evaluations of Lyndon LaRouche have been circulating in all the major media, including government television and press.

In *Al-Ahram Al-Arabi*, on Oct. 13, Brig. Gen. Hosam Swelem (ret.), who is the leading Arab military strategist, wrote an article entitled, "The Arabs And The American War Schemes." Swelem wrote: "The Arab states no longer need to stress their official and real stances opposing terrorism, the terrorism which these states have been fighting on all levels for 30 years." He stressed the need now "to assess the current, mad political and media campaign against the Arab states by leaders in the U.S. Administration and the Congress." The despicable media campaign to tarnish all Arabs and Muslims as terrorists, is not worth discussing, wrote Gen. Swelem. He emphasized that "the objective is clear, which is to mobilize the American and European peoples against Muslim and Arab nations, and to find the justification for a new crusade."

Most significantly, General Swelem launched a harsh attack on the "Clash of Civilizations" advocates in the West, including Harvard Prof. Samuel Huntington, Francis Fukuyama, and former President Richard Nixon. Swelem said that the groundwork was prepared for the Sept. 11 attack by these theories.

General Swelem went on to discuss LaRouche's assessments of the global strategic situation since Sept. 11. "In a dialogue with the American economist and Presidential candidate Lyndon LaRouche, he wondered: Who could have the capability to perform such a sophisticated operation?" Swelem described many of the important points which LaRouche has been raising since the beginning of the attacks. Quoting extensively from among LaRouche's various interviews, he emphasized the following points: the rogue element within the United States, pushing the United States into a clash of civilizations, behind the Israeli Defense Forces; the geopolitic element; the evil role of CNN et al. in brainwashing the American population; and the danger of repeated attacks from the lurking enemy within.

## LaRouche's Views On Eurasian Development

Also in Egypt, a new Arabic-language book was released, on LaRouche's concept of Eurasian development. An enthusiastic review appeared in *Al-Bayan*, in the United Arab Emir-



*Dr. Muhammed El-Sayed Selim (right) of Cairo University is one of a number of scholars and activists in the Arab world actively popularizing Lyndon LaRouche's policy ideas in the current tense Middle Eastern situation.*

ates, on Oct. 15. The book, published by the Cairo University Asian Studies Center, headed by Dr. Muhammed El-Sayed Selim, is entitled, *The New Silk Road*, and is the proceedings of an April 15-17, 2000 seminar in Port Said (see "Egypt Seminar Takes Up LaRouche, New Silk Road," *EIR*, May 26, 2000).

The reviewer, Ahmed Murad, wrote: "This project of the century, which will link the Chinese port of Lianyungang on the Pacific Ocean to Rotterdam in Holland on the west coast of Europe through Central Asia, will bring nations together through cooperation and reduce the dangers of war."

The reviewer reported that the first chapter of the book details the historical background of the Silk Road and how it played the role of "the bridge between cultures and religions for more than 22 centuries." The second chapter "details the currently proposed projects to revive the Silk Road. It includes two sets of extremely clear and crystallized projects. The first are the Chinese initiatives, which emerged during an international conference held in the Chinese capital, Beijing, in May 1996. The second is the project, which was included in the report which was published by the *EIR* magazine in 1997, envisioning the ideas of American economist Lyndon LaRouche."

The publication of the book coincided with the inauguration in early October of the two major bridges over the Suez Canal linking Africa to Asia and Europe.

The article was the third to be published in one week in this leading daily in the United Arab Emirates, covering the efforts and views of LaRouche and his movement to prevent a New Dark Age.

# Zepp-LaRouche Urges 'Dialogue of Cultures'

*The following call was issued on Oct. 15, 2001 by Helga Zepp-LaRouche, president of the Schiller Institute in Germany. It was entitled, "Invitation To Participate In An International Correspondence For A 'Dialogue Of Cultures.' "*

The horror-vision of a "Clash of Civilizations" has, unfortunately, since the attacks in the United States and the military strikes against Afghanistan, already begun to become a reality. Whatever may be uncovered as the truth behind the attacks, any further spiral of violence will cause a collapse of humanity into a New Dark Age.

In this situation, it is all the more urgent, to define anew the basis within reason and universal principles, which instead make possible a "Dialogue of Cultures" and an ecumenical understanding among the religions on the highest level. Such a dialogue were also necessary if, after a period of continuous violence, and decades or even a century of war, the community of peoples is to be reconstructed and nation-states to be rebuilt from the ruins.

But in order to avert such unspeakable misery of many millions of people, let us hope, that such a dialogue can help to deepen the understanding between cultures, in time to prevent the worst.

Even though there are many differences between the situation in 1453, when Constantinople was conquered by Mo-

ammed II, and today's attacks, and although the background to the attacks in the United States represents a completely different phenomenon, the reference to this date is, from one important viewpoint, reasonable.

At a moment when lesser spirits were screaming for revenge and retaliation, Nicolaus of Cusa, the 600th anniversary of whose birth we celebrate this year, wrote, under the impression of news of the horrors, his magnificent piece *De Pace Fidei* (*On The Peace Of Faith*). This dialogue, in which Nicolaus had representatives of 17 religions and nations participate, can, also today, show us the way.

Nicolaus begins *De Pace Fidei* with the following words: "The news of the atrocities which have recently been perpetrated by the Turkish King in Constantinople and have now been divulged, has so inflamed a man, who once saw that region, with zeal for God [Nicolaus is talking about himself and his journey to the city], that amongst many sighs he asked the Creator of all things if in His kindness He might moderate the persecution, which raged more than usual on account of diverse religious rites. Then it occurred that after several days—indeed, on account of lengthy, continuous meditation—a vision was manifested to the zealous man, from which he concluded that it would be possible, through the experience of a few wise men who are well acquainted with all the diverse practices which are observed in religions across the world, to find a unique and propitious concordance, and through this to constitute a perpetual peace in religion upon the appropriate and true course."

Nicolaus then presents the representatives of the 17 religions and nations in a dialogue with the "Word of God," as all conflicts among them always erupted in His name. As most people lived in poverty, in great drudgery, and in slavish dependency upon their masters, they would by no means have



*Helga Zepp-LaRouche and Cardinal Nicolaus of Cusa. Cusa lifted up his mind from the horror and despair around the 1453 fall of Constantinople, to grasp in a new way the reason shared by men of all faiths, as the principle of ecumenicism and of the "peace of faith."*

the leisure to use their free will and to develop their own cognitive powers. The concerns of daily life would divert them too much from the search for the Hidden God. But if an assembly of wise men of the different religions could come together, then the solution would be “simple.”

Nicolaus’ solution is conceived from the standpoint of *coincidentia oppositorum* (the coincidence of opposites) “from above.” One fault would be, to fail to distinguish between the prophets and God Himself, and otherwise to mistake the traditions, to which one is accustomed, with the truth. In that God addresses the representatives of the religions, as wise men, He easily succeeds in convincing them, that there is only *one* wisdom and *one* truth.

The oldest of the participating representatives of the religions, a Greek, asks, how to bring together the diversity of religions, since they would hardly accept one new united religion, as they had defended their own with their blood. The Word of God answers, that they should not introduce any new religion, but that the true religion lies *before* all other religions. The peace bringing new unity of religion is not a synthetic, new belief, but rather what is reasonable to reason, as soon as reason becomes conscious of its premises. The Greek representative reacts enthusiastically over the “spirit of reason” (*spiritus rationalis*), who is “capable of wonderful arts” (*capax artium mirabilium*), from which comes human perfectability. If this spirit is oriented toward wisdom, he can approach her more and more. He will never reach absolute wisdom, but come closer and closer to her, and to him she will taste as an eternal food. The unity is then attainable, if all spirits are oriented toward wisdom and truth, and this truth is recognized as primary and basic.

The Cusan approach is therefore totally different from the modern pantheistic or phenomenological forms of ecumenical dialogue, in which the existence of the one knowable truth is denied, in favor of a democratic plurality of religious opinions. This dialogue can only have success, if all participants start from a view of man, which understands man as a “living image of God” (*imago viva Dei*) whose likeness to God consists in the fact that his potentially infinitely perfectable cognitive capabilities can always better understand the lawfulness of the order of creation, and with the application of this cognition, can improve the living standards of all men, and increase the population potential of the Earth.

Pope John Paul II has, after all, by his most recent journeys, stressed, that there is no alternative to such an ecumenical dialogue on the highest level.

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## Six Million Afghans Threatened By War

by Mary Burdman

As the massive U.S. and British bombing of Afghanistan continued for the second week, the possibility that *many millions* of Afghani people will starve, and die of hunger, cold, and disease in the rapidly approaching Winter, becomes more real by the day. This catastrophe is not the immediate result of the relentless bombing campaign. Afghanistan has suffered 22 years of continuous warfare and one collapsing government after the other; it has been, during that time, reduced to one of the poorest nations in the world. The average life-span in Afghanistan is now just 40 years; a child born there is *25 times* more likely to die before it reaches age five than if it were born in the United States or Europe.

Afghanistan is a nation where 85% of the population depends upon agriculture to survive. In the past three years, the worst drought in living memory has destroyed grain and fruit production and animal husbandry: This year, in many areas, there was total crop failure. Overall, the harvest was 50% below normal. People have been sacrificing their herds, and have no future livelihood. Opium production and trafficking, and weapons trafficking to the opposing Taliban and Northern Alliance forces, are almost all that is left of economy in this country of 24 million people.

The looming catastrophe is no surprise. This past June, the United Nations World Food Program (WFP), warned that 5 million people in Afghanistan would soon face starvation. Crops dependent upon rainfall were failing, while the essential irrigation system — which dates back, in some areas, more than a thousand years — was collapsing. The country already had a grain shortfall of more than 2 million tons, and the herds of sheep, camels, and other livestock were also facing starvation.

The already-impoorished population was rapidly being reduced to destitution. Famine conditions were emerging all over the country, the WFP reported; millions of people could survive only if they got international aid. In Afghanistan, the WFP was already feeding 3.8 million people last Summer, twice as many as a year ago, and ever-more urgent efforts were necessary to get food into the country for the Winter. More and more people were fleeing their homes, to seek whatever food and shelter they could find, either in the cities, or across the borders. There were already some 1 million internal refugees in Afghanistan, and this number will rise again this Winter. Due to the years of warfare, there are already 2 million Afghan refugees in Pakistan, and 1.4 million in Iran, all des-

FIGURE 1



perately in need of food and other aid.

Most urgent is the situation in drought-struck Faryab province, where 400,000 people could run out of food before the end of October, and many tens of thousands are already living on grass, which will poison them. By the end of the Winter, another 1.5-2 million people in Afghanistan will have no food at all. Some 500,000 of these people, living in remote areas, for the most part do not have the means, or the strength, to leave their homes and become refugees. If food does not get to them, there is little chance of their survival.

### **'It May Already Be Too Late'**

The international aid agencies, including the United Nations' agencies, and such groups as Islamic Relief, Oxfam, and Christian Aid, are all now urgently calling for a halt to the bombing, to allow food convoys through. Whatever the limitations of UN and other agencies from a political standpoint, they do have years of experience in this region, and know of what they speak.

On Oct. 12, UN High Commissioner for Refugees Mary Robinson called for suspending the air strikes, to avert disaster. On Irish state radio, Robinson said, "The desperate urgency now is to use this window until about the 15th or 16th of November, when the Winter snows will prevent access, and the people will freeze and starve to death because they will have neither food nor shelter. We must have a pause in order to enable huge humanitarian access and to allow a number of Afghans to come across the borders." Robinson said that the situation is "desperate" for 2 million Afghans.

In the following days, spokesmen for all the leading aid groups working in the region around Afghanistan echoed Robinson's call. On Oct. 16, Anthony Morton-King, Emergencies Coordinator for Christian Aid, wrote to the London

*Guardian* newspaper, that "aid corridors must be established" in Afghanistan, if the food is to reach its destination in safety. However, he warned, conditions in Afghanistan are so bad, that "it may already be too late" to prevent mass deaths.

"Even if military action were to be put on pause tomorrow to allow aid into Afghanistan, non-governmental organizations would still need to step up their activities by almost 200 times if the impending humanitarian disaster is to be averted," wrote Morton-King.

The WFP estimates that it is necessary to build up a stockpile of 250,000 metric tons of food in just the coming five weeks. This would require an enormous logistical effort, Morgon-King wrote, deploying 715 trucks per day to transport the food. On some days in the second week in October, only four trucks were arriving in Afghanistan.

Even without the bombing, the conditions in the country, especially of the roads, are so bad, that it is not likely such a level of truck transport can be achieved.

The WFP has said it would resort to an airlift and food drops, including in the snow, if all else fails. But if all of Afghanistan's airports have been destroyed by bombing, this operation, already a "last choice," would be extremely difficult.

The day before, Eric Laroche, an official with the UN Children's Fund (UNICEF) in Islamabad, Pakistan, warned that "as many as 100,000 more children will die inside Afghanistan this Winter, if aid does not reach them in sufficient quantities in the next few weeks. The reason I say 'more' is because almost 300,000 Afghan children already die each year, largely of preventable causes." More than half the children in Afghanistan are already malnourished, he said.

### **Millions Of Lives At Stake**

When U.S. President George Bush, on Sept. 20, confirmed that the United States was going to focus its entire "anti-terrorism" war against Osama bin Laden, thereby ignoring the real danger that rogue military and intelligence forces inside the United States had carried out the Sept. 11 attacks, the international aid agencies had to withdraw their non-Afghani staff. Enough internal staff and infrastructure remained, however, to provide some level of food distribution.

Food convoys, suspended in late September, were resumed during the second week of October, but not on any level which could meet the need. WFP director Catherine Bertini, warning that "millions of lives are at stake," said that the military assault meant that the United Nations had to urgently re-shape its efforts, and get 52,000 metric tons of food into the country in the four weeks before mid-November." Yet, this 52,000 tons is only 10% of the overall food aid which the WFP had already estimated would be needed in Afghanistan until the end of Winter, by March 31, 2002, she said.

The greatly increased pressure on Afghanistan, due to the bombings, means that during the Winter, at least 6 million



people will have to get food aid, and it is feared that an additional 1.5 million refugees will flee the war, and will need food. They will either gather on the now-closed borders with Pakistan, Iran, Turkmenistan, and Tajikistan, or, as many are already doing, cross the borders illegally under extremely hazardous conditions, flooding the already-overstrained refugee camps.

The situation is made all the more difficult, by the conditions in surrounding nations. The devastating drought has also hit Iran and Tajikistan. Iranian wheat production this year was down by one-fifth due to drought, and Tajikistan, itself an extremely poor nation, will also urgently need food aid. Grain production was down 36% this year from five years ago, and 1 million people are facing famine in remote areas. In western Pakistan, where crop production is down 15-20%, the lack of water is causing unrest and tensions with neighboring nations, including Iran.

### Afghanistan's Potential

This ancient nation, far from being a backwater, lies in one of the most strategic positions in Eurasia. For millennia, it was the crossroads between Central and East Asia and the Indian Subcontinent. It was the pathway for the exchange of Greek, Indian, Persian, Chinese, and Muslim cultures, which has shaped Eurasian history. It was also the route used by conquerors, from Genghis Khan to the British Empire — some

more successfully than others — between Central and South Asia. This is why Afghanistan, from the 1970s, became the base from which the U.S. Carter-Brzezinski Administration first launched the “mujahideen” operations, which precipitated the Soviet invasion, and, eventually, the rise of the Taliban scourge.

Yet this great historic crossroads, still has not one rail line. Many times, this problem could have been solved. In 1960, wrote British Prof. Arnold Toynbee during a tour of Afghanistan, the city of Kandahar was the busy site of road construction. The Soviets were building a road to their closest rail terminus, in Kushka, as well as a road from the Afghan bank of the Amu-Darya River, north via the Salang Tunnel. The Americans were also building a road, from Kandahar, to Chaman, the northwest terminus of the Pakistani rail system.

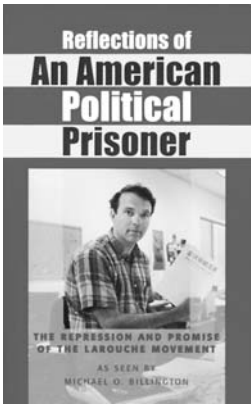
In 1978, as a former UN diplomat then stationed in Kabul has related, delegations from both France and China were visiting the city, with proposals for developing rail connections into Afghanistan. Their missions were brought to an abrupt stop, by the April coup against Afghan President Sardar Mohammed Daud. Then, in 1994, some circles in Pakistan were discussing building a railroad through western Afghanistan to Central Asia, but this was ditched in favor of the sudden launching of the Taliban to power — with support from the Pakistani ISI, Saudi Arabia, and the United States.

The terrible conditions in which Afghanistan has been forced to exist, must be changed. There must be great water projects in Central Asia, to begin to resolve the drought problem. Large water projects were being built in Afghanistan, often with U.S. assistance, in the 1950s and early 1960s.

Rail projects in Afghanistan and in the region, are essential. To get the urgently needed food to this threatened nation, all existing resources of the Eurasian rail system must be used. The UN WFP has developed a logistics plan, to bring food from as far as the Baltic, to Afghanistan. Supplies are being shipped from such ports as Riga, in Latvia, 4,000 kilometers over Russian and Kazakstan rail lines, to Tajikistan, where it has to be transferred to truck, or even donkey transport, to get into Afghanistan.

Food is also being sent from the Iranian port of Bandar Abbas — over rail lines, many of them just built in the last five years — via Mashad in Turkmenistan. From here, it can be taken to the Afghan border, or to Afghanistan's northern border, with Uzbekistan and Tajikistan. If political conditions would allow, the city of Termez in Uzbekistan, site of an important bridge across the Amu-Darya River to Afghanistan, could also become an important food supply center. Termez used to be a key trade post with Afghanistan. The connection from Pakistan's port of Karachi, by rail to Zahedan in eastern Iran, is also a transport route to be used for the Afghan food crisis.

All of these, are central routes along the Eurasian Land-Bridge. Saving the people of Afghanistan is one immediate task of that project; saving the rest of the humanity, is the next.



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# War Makes Fissures In Many Countries

by Muriel Mirak-Weissbach

Despite repeated statements by President George Bush's administration that the war in Afghanistan is not an attack against Islam, it is causing sharply increasing tensions within many Islamic—and other—nations. As the war moved into its second week, demonstrations continued to grow from East Asia into the Asian subcontinent, and throughout the Middle East. Two Asian nations—Indonesia and Malaysia—now publicly oppose the U.S. war.

Oct. 12 was the first Friday after the U.S. aerial war had begun. Following Friday prayers, demonstrations broke out across the Islamic world, with violence and casualties. Seven people died in Bangladesh, when a bus plowed through a protest march, and 50 were injured. Fifteen were injured and 12 arrested, when Indian police fired water cannons of marchers in Hyderabad. Tens of thousands shouted support for Osama bin Laden, in New Delhi. A march to the U.S. Embassy, planned by a group of 50,000, was banned by the government.

A critical situation is developing between Pakistan and India, since deadly terrorist violence in Indian Kashmir has *increased* since the United States and Pakistan began “cracking down on Taliban terrorism”! Secretary of State Colin Powell's statements on Kashmir, while visiting Pakistan on Oct. 18, have made the situation worse. A significant escalation of India-Pakistan tension has resulted, shattering the ten-month-old Kashmir cease-fire and causing troop alerts in both countries.

At the same time, the escalation in anti-U.S. demonstrations throughout Pakistan itself, led the government of President Gen. Pervez Musharraf to take extreme measures, including mass arrests. On Oct. 14, authorities took more than 250 activists from the Jamiat Ulema Islam (JUI) into preventive custody, because they planned to demonstrate at the Jacobabad airport—where U.S. planes, helicopters, and troops are reported to have landed. One demonstrator was killed by police, who cordoned off the entire city of Jacobabad. In Newshehra, authorities apprehended four local leaders of the JUI, to prevent a rally. In Karachi, a Pakistani soldier was killed in clashes with protesters; seven were wounded, and more than 70 detained.

International wires reported that Oct. 13 was the fifth day in a row of Indonesian demonstrations at the U.S. Embassy, burning the flag. In Malaysia, 3,000 demonstrators en route to the U.S. Embassy were hit with water cannons, and 10,000

occupied a major communications artery. Nigeria saw bloodier clashes, after a demonstration against the war in the city of Kano turned violent, and ethnic conflict among tribal groups reportedly exacerbated tensions. There were 18 confirmed deaths, and other reports spoke of hundreds of casualties.

There were also demonstrations in Turkey, and protests in Europe, growing in size and significance. As reported on Oct. 14, in London, there were 20,000 demonstrators; in Berlin 25,000; Stuttgart, 10,000; and many thousands in cities in Switzerland, Sweden, and Italy: In Bern, there were 4,000; Göteborg, 2,500; Malmö, 1,000; and so on. Serious tensions are developing over the war in the governing coalitions of both France and Germany, and between the two countries.

The largest European demonstration was in Italy, where the annual Perugia-to-Assisi “St. Francis” march drew 200,000 this year, due to the ferment against the Afghan war. Demonstrators included Catholic organizations and leaders of all the opposition political parties.

## Splits In Arab World

In addition to mass protests, critical fissures are being created by the war, in the political structures of many Arab states, among them, close allies to the United States. As reported by a Russian Mideast specialist, “What is particularly important, is the extremely, extremely nervous situation in Saudi Arabia and Kuwait,” where “there is a growing sentiment of anti-Americanism, anti-dynasty, and anti-monarchy.”

At the same time, British Prime Minister Tony Blair was not allowed to visit Saudi Arabia, for fear his presence would spark further tensions. It was reported on Oct. 16, in the German daily *Frankfurter Allgemeine Zeitung*, that a split was growing, between the Saudi royal family and the radical clergy, including the leading imams. Sheikh Saud al Sharim, imam of the great mosque of Mecca, called for his brothers in Afghanistan to be spared, whereas the imam from the capital city Riyadh, issued a call for jihad against the infidels. Just days earlier, Saudi Arabia's Interior Minister, Prince Nayef bin Abdul Aziz, publicly complained about the U.S. air strikes, saying he wished the United States had “succeeded in forcing the terrorists to leave Afghanistan without resorting to the bombardment.”

In neighboring Kuwait, similar, unprecedented tensions are emerging. As the Russian area specialist reported, “The oil minister—who is also a member of the ruling al-Sabah family—just gave an interview to the newspaper *As-Sharq al-Awsat*, which is widely read in the Arab world, in which he attacks the [Kuwaiti] leadership. And this happens, while the Emir is in the hospital, after a stroke. What is unfolding, is a power struggle, and the situation in both Saudi Arabia and Kuwait is extremely difficult, and dangerous.”

Who in Washington has thought through the consequences, of possible drastic changes in leadership in Saudi Arabia and Kuwait?

# Venezuela's Chávez Launches Defense Campaign For International Terrorists

by Gretchen Small

Venezuelan President Hugo Chávez appears to have made a decision to move now, to place himself and his government openly at the head of the Ibero-American division of a new "Terrorist International." While many world leaders urgently seek means to keep the world from careening into global war and anarchy, Chávez and his government launched a defense campaign for one of the greatest terrorists-for-hire of the 1970s and early 1980s, Illich Ramírez Sánchez, better known by his *nom de guerre*, "Carlos the Jackal."

Ramírez is most famous for leading the 1976 takeover and kidnapping of 70 participants in an Organization of Petroleum Exporting Countries (OPEC) oil ministers meeting in Vienna (killing three in the process), and, that same year, hijacking the plane that ended with the famous raid in Entebbe, Uganda by Israeli commandos. He certainly makes no pretense of innocence about his terrorist acts, nor has he repented. The French newspaper *France Soir* reported that he told them he felt "relief" over the Sept. 11 attacks in New York and Washington. In a 1998 interview with the same media, he wished good luck to Osama bin Laden.

Chávez took up the defense of "The Jackal" when he took office in 1999, going so far as to write him a warm personal letter, albeit so existentialist it was largely unintelligible. To revive a campaign for his defense in the wake of the Sept. 11 attacks in the United States, and during a state visit to France, is, however, the classical act of an agent provocateur. This was clearly a decision taken with full knowledge aforethought of the potential international consequences.

Chávez's actions are those of a head of state who is preparing to brush aside all pretense of being a responsible, if fiery, defender of his nation's independence, and putting his state on the side of a continental-scale Jacobin insurgency, with the United States, and civilization itself, as its target of hatred.

The cannon fodder available in Ibero-America for such an irregular war is growing. The prior political map of Ibero-America is being ripped apart, as rage explodes against the genocide brought about by the free trade policies pushed from Washington, compounded by the imperious orders coming out of circles in the Bush Administration, of the type, "You do what I say, or else."

That upheavals are coming up fast in the region, was seen

most dramatically in the smashing victory won by "spoiled ballot" in the Oct. 14 Congressional and provincial elections in Argentina. Voting is required by law in Argentina, but this year, 42% of the electorate either didn't vote, or cast blank or spoiled ballots. The greatest number spoiled their ballots, and that most rudely, as people stuffed everything from ham sandwiches to pornographic pictures into their ballot envelopes. The Peronist opposition won a majority of the posts, but the message delivered was that the entire political class is going to pay the price for the destruction of the country.

## Only A Terrorist If He Attacks Me?

Ramírez, a Venezuelan citizen, is serving out a life sentence in a French jail for killing three people; five other cases are pending against him. For two years, Chávez's government has been trying to get him extradited to Venezuela, on the bogus grounds that he had been illegally kidnapped by French agents when he was deported from Sudan and sent to France in 1994, and therefore his French trial was illegal.

Coming out of his meeting with French President Jacques Chirac on Oct. 9 in Paris, Chávez said that the repatriation of "The Jackal" was not raised in their meeting, because it was not a matter to be dealt with at the level of Presidents, but that Venezuela "has a commitment" to him, and will "guarantee that his human rights are respected."

From Caracas, Acting Foreign Minister Gen. Arévalo Méndez (ret.) stated flatly that Ramírez is not a terrorist, because "Venezuela could not consider someone to be a terrorist who has not committed these types of criminal acts within its territory." Ramírez's murder conviction is under appeal, and "I, Arévalo Méndez, am not going to be judging anyone called 'Carlos' as a terrorist, a non-terrorist, or even as a pick-pocket." Defense Minister José Vicente Rangel concurred. Although, he said, Venezuela was not seeking Ramírez' extradition, should "Carlos" be sent to Venezuela, he would walk free, because "he committed no crime in Venezuela," he stated.

Seven days later, from Vienna, Chávez came to the defense of other terrorists, this time those of Colombia, the drug-running Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN). I'm not going to

be “classifying, qualifying, or naming names” as to whether these are “freedom-fighting movements, or terrorists,” Chávez told a press conference. He demurred that his government only serves as an “intermediary” between the Colombian government and “guerrillas,” and isn’t that what Europe is doing, too?

## We Told You So

Chávez’s international belligerence accompanies threats to unleash terror at home. In various public interventions in the days before he left on his 20-day world tour on Oct. 7, Chávez threatened to expropriate local media which attack his government, and to jail their owners. He lashed out at the “enemies of the revolution,” threatening one of his opponents, Caracas Mayor Alfredo Peña: “You’re going to be beaten, and beaten, and beaten.” Indicative of his whipped-up state of mind, Chávez declared that he will not end up like Salvador Allende in Chile, or leaders of other revolutions which failed because they were not armed. “This revolution does have arms, guns, tanks, and soldiers.”

The hardening of the Chávez regime comes as no surprise. As *EIR* documented from the time of his original election campaign, Chávez was a “known entity,” placed in power by circles in London and Wall Street who intend to hold onto global power precisely by fomenting wars, anarchy, and bestiality. Chávez, who believes himself to be a reincarnation of a cross between Independence leader Simón Bolívar and Cuba’s Fidel Castro, with the mission of liberating Latin America from U.S. oppression, was built up, by foreign financial forces, as the new leader of the enraged oppressed, not to lead them to freedom, but to take revenge.

Chávez has the same function, and functions as part of the same operation, as Colombia’s drug-running FARC, a matter which neither he nor the FARC hide. FARC leader, the former banker, “Simón Trinidad,” said as much to *Tiempos del Mundo*, in an interview in its Oct. 4-10 issue: “Anyone who fights U.S. imperialism as the first enemy of the peoples of the world, which is the premise of Bolivarian thought, has our support, our sympathy, and we wish to work with him. . . . We have no points of difference with Chávez.”

As *EIR* has documented since 1992, Chávez and the FARC are among the core leadership of a centralized, continental narco-terrorist apparatus known as the São Paulo Forum, founded 11 years ago by Cuban intelligence and the Brazilian Workers Party (PT). Yet, reports of São Paulo Forum operations have been systematically suppressed in the Western media, while its “political” leaders have been promoted in Washington and Ibero-American capitals by the Inter-American Dialogue, the premier Anglo-American think-tank for the Western Hemisphere, deploying them as the “New Democracy” shocktroops who can crack national institutions reluctant to accept free trade and limited sovereignty.

Thus built up and fostered, Chávez, the FARC, et al. have

no intention of playing negotiations and political horse-trading games. They see the current economic breakdown crisis as their opportunity, and they are out to seize leadership of the millions thrown suddenly upon the scrapheap by government policies.

To understand the mind-set of these forces, consider the witch-like revelling in the deaths of those killed in the United States on Sept. 11, by fellow São Paulo Forum leader Hebe de Bonafini, the much-promoted Argentine “human rights leader,” head of the Mothers of Plaza de Mayo, supporter of the Spanish Basque terrorist group, ETA, and held up regularly by the *New York Times* as an exemplar of new “democratic” forces. In one of several interviews given on the Sept. 11 attacks, Bonafini told Buenos Aires’ Radio 10 on Oct. 9: “What should I say: that I am not going to be happy because, for once, blood is going to be avenged? Yes, it made me happy, and I will repeat it again. For the first time, the United States was made to pay for what it has done for all its existence.” Those who died at the World Trade Center were heads of companies and financial bodies responsible for poverty, she said, and “it made me happy that, for once, the barrier of the world, this filthy barrier, full of food, this barrier of gold, of wealth, fell down upon them.”

## Will Washington Fight A Winning Battle?

Some in Washington have woken up to the reality that Lyndon LaRouche and *EIR* have been warning about, that a continental terrorist force threatens the Western Hemisphere, and action is required to crush it.

Ambassador Francis Taylor, U.S. State Department Coordinator of Counter-Terrorism, has been most outspoken of late. “Today, the most dangerous international terrorist group based in this hemisphere is the Revolutionary Armed Forces of Colombia, or FARC,” he told hearings of the House Committee on International Relations’ Subcommittee on the Western Hemisphere on Oct. 10. Breaking years of State Department insistence that the FARC be treated as a popular-based political movement seeking peace, Taylor elaborated:

“Included on the State Department’s list of Foreign Terrorist Organizations (FTO), the FARC have murdered 13 Americans since 1980 and kidnapped over a hundred more, including three New Tribes missionaries, kidnapped in 1993 and now believed dead. FARC leaders not only welcomed the Sept. 11 attacks. Afterwards they reiterated their periodic call for the targetting of Americans for murder and abduction. In addition, we have seen in recent months evidence of an apparent relationship between the FARC and the Provisional Irish Republican Army (PIRA) and possibly the Basque separatist group ETA as well.”

Questioned at an Oct. 15 Organization of American States press conference as to whether the United States had just dumped its long-standing policy that U.S. aid could only go to its allies’ counter-drug operations and not to those fighting “insurgencies,” Taylor replied, and sharply, that those groups

that are listed as terrorists, are terrorists—and that includes the Colombian groups—and shall be treated as such.

There are also signs, however, that the Bush Administration may be setting itself up to make blunders similar to those that got the United States into the Afghanistan quagmire. The principle of sovereignty is the issue which underlies the two policy errors which must be corrected to actually win the battle with the terrorists.

First is the discussion mooted of a direct U.S. military deployment into South America, starting with Colombia. Whether any such action were taken alone, or under the cover of establishing some regional “coalition” military force, the result would be the same: to throw mass forces in Ibero-America *behind* the FARC, Chávez, et al. They would wave the banners of “narco-nationalism,” and get a significant following. This would not only include peasants and unemployed, but also significant chunks of national military forces, fed up with the hypocrisy of Washington and London’s two-decades-long assault on their national militaries.

Taylor opened the door to discussion of this possibility in his Oct. 15 appearance at the Organization of American States, when he said that all elements at the United States’ disposal shall be used in the anti-terror campaign in the Western Hemisphere, including, “where appropriate, as we are doing in Afghanistan, the use of military force.” Colombian Army Commanders Gen. Fernando Tapias and Gen. Jorge Mora were quick to reject any foreign military deployment. Colombians can do the job, provided Colombia’s military receives the intelligence, training, and equipment aid it requires, they emphasized.

Similarly, if the Bush Administration continues to dictate that a coordinated anti-terrorist offensive requires that the nations of the hemisphere bow to Wall Street’s free-trade agenda, and accelerate dollarization and the establishment of the Free Trade Accord of the Americas, they will create a backlash that would destroy any possibility of collaboration.

U.S. patriots must face up to the fact that it was Wall Street forces which fostered and built up the terrorist capability in the first place. LaRouche and *EIR* have been right, when they admonish that terrorism will not be defeated, until the “Grasso factor” is removed, i.e., Wall Street’s support for terrorism so nakedly displayed by New York Stock Exchange President Richard Grasso’s 1999 public invitation for the FARC to sign up at the New York Stock Exchange.

**Check Out This Website:**

**[www.larouchespeaks.com](http://www.larouchespeaks.com)**

## French Attack London’s ‘City’ Money Laundry

by Christine Bierre

As Britain’s Tony Blair parades as the leader of the fight against “Islamic terror,” French authorities have launched a flanking operation against Britain in the form of a Parliamentary report denouncing the City of London—as well as other Crown dependencies—as a “fiscal, banking, and financial paradise for criminals.”

Attached to that report is a full study on the “economic environment of bin Laden.” The French are still waiting for the extradition of Rashid Ramda, the “Islamic” terrorist arrested in Britain in 1996 for having orchestrated the 1995 wave of terror in France.

Entitled “The City Of London, Gibraltar And The Crown Dependencies: Offshore Centers And Havens For Dirty Money,” the report denounces the City’s great vulnerability to money laundering, but also the British authorities’ total lack of political will to engage in the fight against financial crime. “The government of Her Gracious Majesty claims to be leading the fight against terrorism, but it should first clean its own house,” stated Arnaud Montebourg, special rapporteur of the Parliamentary commission which issued the report. To the question of why the British government is not willing to impose transparency in its financial transactions, Montebourg replied unambiguously that the City of London is the very heart of world finances and that Britain’s own power derives from that financial power. In the year 2000, the gross domestic product of the City was close to \$37.7 billion—13% of Greater London’s, and 3% of that of the United Kingdom.

The French report was issued by the Parliamentary commission against money laundering, created in 1999. The commission has already published three reports focussing on Liechtenstein, Monaco, and Switzerland.

### City of London Attracts Money Launderers

The City of London study focusses first on the susceptibilities of the City due to its role as “premier financial market in the world.”

Beyond its long historical experience, what makes the City of London so attractive to money launderers is the process of financial deregulation which has occurred over the last 30 years. The City “recovered its financial importance after World War II, in particular in 1958, with the relaxing of exchange controls and the development of a Euro-bond market [dollar-denominated bonds issued in Europe] in the 1960s.



The abolition of exchange controls in 1979 further boosted the City, a process amplified in 1986 by a series of deregulation measures (the Big Bang). Deregulation and banking secrecy attract banking establishments from throughout the world. Its 481 foreign banks (twice the number of New York or Tokyo) manage nearly half of the banking assets deposited in Britain, for a total of \$2.4 trillion.

On the international level, with \$3.5 trillion in banking assets, the City is the strongest financial market, closely trailed by New York (\$3.4 trillion). The City is the world's leading center for currency trading, and with stock from some 500 companies representing 60 different countries traded at the London Stock Exchange, it is the most international of the stock exchanges. London is also number one in the specialized markets (oil, precious metals, etc.).

### The City's Code Of Silence

To this difficulty the report adds another one: the fact that the City of London is a "state within a state. Sometimes called "the square mile," it has its own local authorities as well as justice and police representatives. The City is run by the "Corporation of London," whose powers are important. One of its main tasks is to promote the financial center. The head of the Corporation is also its ambassador to foreign countries and has a mandate to defend the interests of British finance internationally.

The City possesses its own police force under the authority of the Corporation of London, which collaborates in principle with the London police. In reality, says the Parliamentary report, "as certain French magistrates were able to confirm directly, the City police is the best guardian of banking secrecy." French Judge Van Ruymbeke reported to the Parliamentary commission that an Italian judge, who had re-

ceived no response to his investigative requests for six months, decided to go to Britain and question the head of the suspect bank directly. "He was taken into an office where there were seven or eight people and where the following sequence unfolded: He asked a question to the London policeman, who asked the same question to the City of London policeman, who then asked the same question to the bank's lawyer, who then turned to the bank official. The latter responded through the same circuit. . . ."

The report concludes, "The City thus clearly constitutes an impenetrable fortress with its particular statutes, its rituals, and its habits. A closed universe in which each financier, banker, or businessman has first of all chosen to remain silent."

Following a certain amount of scandal—the Lloyds Names, the bankruptcy of Barings, the Bank of Commerce and Credit International (BCCI), the Robert Maxwell affair, and others—Blair was forced in 1997 to create more instruments of regulation. The Financial Services Authority (FSA) was created to be the sole organism of control and regulation of financial services, specifically named to lead the fight against money laundering and endowed with reinforced disciplinary powers. One should note that prior to the creation of this agency, the City of London relied practically entirely on self-regulation. A 1992 wire from Agence France Presse (AFP) reports on the Lloyds scandal. David Coleridge, the president of Lloyds, merely denied all the accusations, claiming "that an investigation was not necessary, and that the market . . . had always self-regulated among people of good company"!

Following the creation of the FSA and other measures taken in the 1990s, Great Britain adopted on paper, legislation quite similar to that of other G-8 countries. There is no political will, however, to enforce that legislation, something which is confirmed by the small number of people deployed to this effect. The National Criminal Intelligence Service (NCIS), which centralizes this, only deploys some 30 people to check over 15,000 cases yearly of suspected laundering by financial institutions. In ten years, between 1986 and 1996, only 100 cases for laundering were tried. During the same time frame, Italy prosecuted 538 cases and the United States, 2,034. In the year 2000 in France, 154 dossiers were transmitted to the judiciary, 80 leading to prosecutions that very same year.

The report concludes that the "modesty of the British results is all the more scandalous when compared to the power of London. The premier financial market in the world, which every day registers several tens of millions of financial and stock transactions, has not seen more than 10 convictions per year for money-laundering. The policy of liberating capital movements and of deregulating financial markets went along with a deliberate absence of all control and all sanctions."

### Interior Ministry Blocks All Demands

The French Parliamentary commission met with nothing but complaints against Britain's complete lack of cooperation

with law enforcement officials worldwide. French Judge Van Ruymbeke is categorical: "Great Britain is a flagrant case of non-cooperation [in the fight against laundering] . . . and without a word of explanation! I don't mind somebody explaining to me that one cannot execute a request for information because it creates a major problem with national interests, or because it is badly formulated or because there is a juridical problem. But these things should be said! That total silence after one, two, even three years, in spite of reminders, that's unacceptable."

The Interior Ministry's central service in charge of judiciary aid is accused of blocking all requests. "This service is identified by many operationals, including the British, of being the essential element blocking the system. [The] Ministry is unavoidably more sensitive to issues of internal security of the United Kingdom than to the success of collaboration with foreign countries." This explains its "reticence to extradite certain Islamic activists" in order to "preserve the British territory from that type of terrorism."

French prosecutor Jean Pierre Dintilliac describes the "constant demands for precision and more information on dossiers, which end up by tying up the magistrates, through endless demands to present the requests in a different manner, to translate, to add texts of law." Jean Claude Marin, chief of the economic and financial division of the Paris prosecutor's office, states that the British procedure is "imperialist: everything must be done by details. Thus, one must justify that the signature in the requests is indeed that of the judge, and one practically needs an affidavit to certify that so-and-so, a first judge or an instructing magistrate, are indeed judges."

As a result, of the 392 international requests transmitted by France between January 1996 and June 1999, the British had not responded to 53% of the cases concerning financial delinquency, nor to 83% of the cases of money laundering!

### **The Queen's Crown Dependencies**

The report includes a whole section on the offshore Crown dependencies, targeting the direct authority of the Queen over these territories which the United Kingdom uses as back-offices for money laundering.

The report first goes one by one through the juridical status of those dependencies: Gibraltar — since 1713 Gibraltar is "a dependency of the United Kingdom of which the Queen of England is the head of state"; The Isle of Man — "as for Gibraltar, the head of state is the Queen of England"; Jersey Island — "is also an autonomous territory whose head of state is the Queen of England but which is not part of the United Kingdom"; Guernsey has the same status. These territories have been engaged since the 1960s in a rapid strategy of "development," offering a complete array of banking and financial services to a clientele of multinationals or top fortunes.

The Parliamentarians target specifically the creation of offshore companies created and managed by lawyers, or by firms specialized in creating those types of companies in offshore havens, operating totally out of the boundary of law

both in Britain and in the offshore havens. They provide a screen between the real money-launderers, for which they create and manage the company, and law enforcement authorities. Total confidentiality is offered to the real owners of the companies.

The report quotes a former money launderer in Gibraltar: He had set up seven companies which had been all created and were managed by a very well-known law firm of Gibraltar. These companies allowed him to "open up accounts, make transfers, make payments. . . . There is a lot to pay with checks and wires; you cannot pay everything in cash. . . . Those companies were registered with my lawyer's firm with whom I entertained excellent relations. . . . In a sense, it was my office in Gibraltar!"

If the bureaucratic blocking in Britain against any investigation is outrageous, that in the Crown dependencies is even worse. The report stresses, however, that the fight against those offshore centers is the responsibility of Britain. "The multiplication and the dynamism of those offshore centers lead one to question the real political will of the United Kingdom to use all its weight vis-à-vis those territories."

The report concludes by noting that the progress made by Britain since 1997 is flimsy, and that "the British government manifests no real political will to regulate professions such as those of agents creating companies which today totally escape the authority of the FSA." It calls for a determination to close down the offshore territories altogether.

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## LaRouche Knows How To Get The U.S. Out Of This Mess

by Paul Gallagher

The extent of the country's denial of reality was expressed on Oct. 18 in a solemn announcement of "the latest" on Washington, D.C.'s all-news radio station, delivered with a straight face and a sincere tone: "U.S. industrial production has fallen for the twelfth straight month, as a result of the Sept. 11 terrorist attack."

No journalist in any of the other "major media" would have seen anything wrong with this unintentionally hilarious and absurd report. They were all beating that same war-propaganda horse day after day, only falling short of the level of accidental irony achieved by the Washington news announcer. Fear, and media-orchestrated denial, had driven "public debate" in the United States back to—and even below—the level of the 2000 Presidential campaign. Then, Lyndon LaRouche, a candidate for the Democratic Presidential nomination, was completely censored from debates and coverage, so that the other major candidates could avoid any and all mention of the U.S. economic depression of which LaRouche was warning Americans.

In the agitated crisis atmosphere driven by the underlying breakup of the U.S. economy, LaRouche's 2004 Presidential campaign has grown dramatically in size and influence, despite continuing virtual media censorship of it in the United States. The reasons are clear: the candidate's completely vindicated track record of economic forecasts and warnings of global economic breakdown; his knowledge of *what to do* to get the United States out of this mess; and LaRouche's calm, reasoned leadership which has radiated from every appearance since his live interview with K-TALK radio the morning of Sept. 11, an extraordinary discussion and analysis of the New York and Washington attacks *as they were occurring*.

No other leader could do this, and most other Democratic "leaders" have effectively disappeared since Sept. 11, except

for repeated, nervous assurances of their patriotism. They have fawned at every appearance of that discredited, stamping "Rumplestiltskin"—as LaRouche refers to him—Federal Reserve Chairman Alan Greenspan.

### The World Listening To LaRouche

Attendance at LaRouche campaign meetings doubled and tripled all over the United States during September and October. The distribution by volunteers across the country, of the candidate's campaign pamphlets, each containing the text of one of his major international addresses on radio, cable TV, or video-conference, has reached the extraordinary level of 25-30,000 daily, since Sept. 11.

Since LaRouche is an international leader, known for the New Bretton Woods proposal and Eurasian Land-Bridge development ideas which are the way out of the depression, it is the great density of his international events and appearances since Sept. 11, which is most noteworthy. Organizations and media all over the world have asked for LaRouche's analysis of the crisis, and what the United States and other nations should do.

This short, incomplete listing, gives an idea of "the world listening to LaRouche" since Sept. 11—and of the contrasting virtual "war-time media censorship," in the United States, of his campaign.

**Sept. 11:** LaRouche interviewed by Jack Stockwell, radio station KTKK-AM, Salt Lake City, Utah. Also broadcast worldwide, live on the Internet.

**Sept. 12:** LaRouche interviewed on WGIR-AM radio, New Hampshire, by Woody Woodland.

**Sept. 12:** LaRouche interview with CFRB radio, Toronto, Canada.



**Sept. 12:** Italy's AISE News Agency published a translation of LaRouche's comments to KTKK radio.

**Sept. 13:** LaRouche interviewed by Radio ABC, a large national radio station in Mexico, broadcast from the state of Chiapas. "The President Needs To Do What I Am Doing Now."

**Sept. 13:** *Monitor Mercantil* (Brazil): "U.S. Economist Lyndon LaRouche's Statements That What Happened Was Not Terrorism But A 'Covert Strategic Operation.'"

**Sept. 14:** *El Sol de México:* "The Attacks, Similar To A Coup D'État: Lyndon H. LaRouche, Jr.," an article based on two interviews which LaRouche gave to ABC Radio.

**Sept. 14:** *Al Arab International*, London, published an Arabic translation of LaRouche's Sept. 11 and 12 radio talks.

**Sept. 15:** *Diario del Yaqui* (Sonora, Mexico), editorial column entitled "Everyone Wants To Know What LaRouche Thinks."

**Sept. 15:** LaRouche interviewed on Philippines radio station DZXL, Zona Libre, Manila.

**Sept. 16:** *Libero* (Italian daily) quotes LaRouche on "A Covert Operation To Launch The U.S. Into A War."

**Sept. 16:** *La Opinión*, of Corrientes Province, Argentina published a translation of LaRouche's Sept. 12 New Hampshire radio interview.

**Sept. 17:** LaRouche interviewed on Peru's number-one national radio station, by Radio Programas del Perú's top anchorman, Guido Lombardi. Simultaneously broadcast on RPP radio and Channel 6 TV.

**Sept. 17:** Argentine Internet news agency Urgente Digital sent out wire containing a slightly shortened translation of LaRouche's "Shoot the Neighbor's Cat" statement.

**Sept. 17:** *Philippine Tribune* op-ed by Herman "Mentong" Laurel covered LaRouche radio broadcast in the Philippines.

**Sept. 18:** LaRouche interviewed for "The LaRouche Connection" cable television program by *EIR* Managing Editor John Sigerson. "A Conversation With Lyndon LaRouche In A Time of Crisis."

**Sept. 18:** *El Litoral* (Corrientes Province, Argentina) published "LaRouche: The Opinion Of A Presidential Candidate," based on the Sept. 11 Utah interview.

**Sept. 18:** *Prensa Sindical Internacional* (Buenos Aires, Argentina) published LaRouche's "Shoot the Neighbor's Cat" statement in its entirety.

**Sept. 20:** *El Litoral* published the text of the Sept. 12 New Hampshire interview.

**Sept. 20:** LaRouche interviewed on Italian radio station Radio Radicale, broadcast from Rome on Sept. 20 and again Sept. 23. Radio Radicale is the official radio station of the Radical Party.

**Sept. 21-22:** *La Hora de Guatemala* published two articles by Carlos Enrique Wer, "Put England On The List Of States That Sponsor Terrorism," reporting on LaRouche's statements.

**Sept. 22:** Televisa in Guanajuato, Mexico covered a press conference given by local LaRouche associates on LaRouche's warning that "panic doesn't win wars."

**Sept. 23:** Jordan's semi-official daily *Ad-Dustour* published the Arabic full translation of "Shoot the Neighbor's Cat," following it the next day with a commentary on LaRouche by editorial writer George Haddad.

**Sept. 23:** Middle-East-Online.com, London, published Arabic translation of LaRouche's "Shoot The Neighbor's Cat!" headlined "LaRouche Denounces CNN And Henry Kissinger."

**Sept. 23:** *Dayton Daily Defender* website had posted LaRouche's Sept. 12 New Hampshire radio interview.

**Sept. 23:** LaRouche's speech delivered at the Catholic University in Milan (July 5) was printed by the Association for the Development of Banking and Stock Exchange Studies of Milan, for distribution to 1,000 economic, banking, and financial institutions all over Italy.

**Sept. 24:** United Arab Emirates daily *Al Bayan:* LaRouche's analysis of the Sept. 11 events quoted by University of Qatar professor and diplomat Dr. Ahmed al-Kedidi.

**Sept. 24:** LaRouche's book *Now, Are You Ready To Learn Economics?* reviewed in Belgrade economic journal *Ekonomska Politika*, by the head of the renowned Institute of International Politics and Economics, Prof. Blagoje Babic.

**Sept. 25:** LaRouche interviewed on "Revista 110," the popular morning news and commentary TV program of the Dominican Republic. The interview was simulcast on Radio Trópico, and rebroadcast for several days.

**Sept. 26:** LaRouche's Sept. 11 interview reported at length in the major Peruvian daily *Expreso:* "LaRouche's Opinions: An Attack Against Whom?"

**Sept. 28:** "The LaRouche Connection" interview translated in the Russian weekly magazine *Zavtra*.

**Oct. 2:** LaRouche delivered a video-conference address before a large audience of members of the Society of Economic Engineers, *EIR* subscribers, and others in Lima, Peru: "What Is To Be Done In The Face Of The World Financial Collapse?"

**Oct. 2:** LaRouche interviewed by Sergio Romano, the host of the "Editor's Desk" news show on Telemax TV and radio, in Hermosillo, Sonora, Mexico.

**Oct. 5:** Interview with Lyndon LaRouche aired on Makedonska TV, Macedonia's national prime-time news program.

**Oct. 5:** On Al-Jazeera Satellite Channel, Qatar, Egyptian parliamentarian Mohammed Hishmat cited LaRouche on the Sept. 11 attacks, on the most popular TV program in the Arab world.

**Oct. 7:** LaRouche interviewed on Venezuela's Radio Mágica in Caracas.

**Oct. 9:** LaRouche interviewed again on KTKK radio in Salt Lake City, by Jack Stockwell, on "Our Republic's Mission In History."

# 'Wolfowitz Cabal' Is An Enemy Within U.S.

by Michele Steinberg

On Oct. 14, the London *Observer* published one of the now familiar—and totally false—propaganda scare stories, entitled “Iraq ‘Behind U.S. Anthrax Outbreaks.’” The story gave credence to the ravings of “American hawks” who say there is “a growing mass of evidence that [Iraqi President] Saddam Hussein was involved, possibly indirectly, with the Sept. 11 suicide hijacks.” If confirmed, said the *Observer*, “the pressure now building . . . for an attack [on Iraq] may be irresistible.” One of these “hawks,” an unnamed U.S. “administration official,” told the *Observer* that British Prime Minister Tony Blair is a “faithful ally” in the war against terrorism and that “*if it means we are embarking on the next Hundred Years’ War, then that’s what we are doing*” (emphasis added).

The “next Hundred Year’s War”? Who are the U.S. maniacs who use such language, and are they not as dangerous as Osama bin Laden’s *jihads*?

Here we will name the names of the fanatics in this anti-Iraq grouping who have become known as the “Wolfowitz cabal,” named after Assistant Secretary of Defense Paul Wolfowitz. According to the *New York Times*, which published a leak about their activities on Oct. 12, this grouping



*Assistant Secretary of Defense Paul Wolfowitz, the administration’s mad-dog-in-chief.*

wants an immediate war with Iraq, believing that the targeting of Afghanistan, already an impoverished wasteland, falls far short of the global war that they are hoping for. But Iraq is just another stepping stone to turning the anti-terrorist “war” into a full-blown “Clash of Civilizations,” where the Islamic religion would become the “enemy image” in a “new Cold War.”

The “Clash of Civilizations” theory, developed by Harvard professor-turned President Jimmy Carter’s National Security Adviser Zbigniew Brzezinski and his protégés, including Harvard Prof. Samuel Huntington, defined the Arab and Islamic world as an “arc of crisis” from the Middle East to the Islamic countries of Central Asia in the then-Soviet Union. Brzezinski wanted to use the “Islamic card” against the Soviet Union, and in so doing, began the policy of promoting Islamic fundamentalists against moderate and pro-Western Arab and Islamic governments. After the end of the Cold War, the Brzezinski/Huntington crowd updated their “arc of crisis,” declaring that the Islamic religion is the enemy, in a new war in which religions, rather than political systems, inevitably battle each other. However, trained by British and U.S. special intelligence services and the CIA, and armed by Israeli military networks, the very terrorist drug-runners in the Islamic world who were launched by Brzezinski and “adopted” by the Iran-Contra networks run by Lt. Col. Oliver North, under the elder George Bush’s Executive Order 12333, have become the main suspects in terrorist attacks against the United States.

## A Network Throughout The Government

The adherents of the so-called “Wolfowitz cabal,” pushing the “Clash of Civilizations” theory, are nothing less than “an enemy within” the United States, a network that cuts across the Defense Department, the State Department, the White House, and the National Security Council. This report is not a “good guys” versus “bad guys” description of the Bush Administration; rather it is a warning that this cabal is a close-knit rogue network that is trying to hijack U.S. policy, and turn the current Afghanistan mess into a global war. The cabal bears a dangerous resemblance to the “secret parallel government” of North and Gen. Richard Secord’s “Project Democracy” operation that ran Iran-Contra. In fact, some of the cabal members now in the Bush Administration are convicted criminals as a result of their activity in North’s “Enterprise”!

On Oct. 12, the *New York Times* revealed deep divisions in the Bush Administration, describing how the cabal plots policy behind the back of Cabinet officials, such as Secretary of State Colin Powell, in the name of the U.S. government. The group wants to obliterate Iraq, put Palestinian Authority President Yasser Arafat and the Palestinian Authority on the terrorism list (if not the obituary list), and declare war on nation-states.



Among those broadly grouped in the “Wolfowitz cabal” are (left to right) Richard Perle, Henry Kissinger, and Samuel Huntington.

The *Times* revealed that a key section of the “Wolfowitz cabal,” is the 18-member Defense Policy Board, which met for more than 19 hours on Sept. 19-20 to “make the case” against Saddam Hussein. The meeting pushed for a renewed war against Iraq as soon as the war against Afghanistan had concluded its initial phase. It discussed overthrowing Saddam Hussein, partitioning Iraq into mini-states led by U.S.-funded dissidents who would steal the proceeds from the Basra oil revenues for their quisling government. The meeting discussed how to manipulate information so as to pin the Sept. 11 attacks on the United States on Saddam Hussein.

According to the *Times*, Secretary of Defense Donald Rumsfeld attended the meetings for only “part” of both days, and on Sept. 22, President George Bush rejected the Policy Board’s recommendation to declare war against Iraq. But to the “Wolfowitz cabal,” Bush’s decision didn’t really matter—senior members of the Policy Board had been selected for their broad international connections, especially to the United Kingdom and Israel, allowing them to force changes in U.S. policy through an “outside-inside” operation. If unable to change policy through advising, the network could also run covert operations as a “government within a government,” as they had maneuvered during Iran-Contra.

The chairman of the Defense Policy Board is Richard Perle, the former Reagan Assistant Secretary of Defense for International Security Affairs, now based at the neo-conservative American Enterprise Institute.

Perle, nicknamed “The Prince of Darkness” because of his nuclear Armageddon views during the Cold War, is, more importantly, an asset of Conrad Black’s Hollinger International, Inc., which grew out of British Empire Security Coordinator William Stephenson’s efforts to secure arms for Brit-

ain during World War II. At present, Hollinger owns the British Tory Party-linked Telegraph PLC, whose International Advisory Board is headed by former British Prime Minister, now Lady Margaret Thatcher. Hollinger also owns the *Jerusalem Post*, another war-mongering press outlet.

The “heavy hitters” on the Defense Policy Board are the worst of the Anglo-American-Israeli geopolitical fanatics from the last several decades, including: former Secretary of State Henry A. Kissinger, who is also a member of Hollinger’s International Advisory Board; former House Speaker Newt Gingrich; former Clinton Administration Director of Central Intelligence R. James Woolsey; former Deputy Chairman of the Joint Chiefs of Staff Adm. David E. Jeremiah; former Vice President Dan Quayle; former Defense and Energy Secretary James R. Schlesinger; and former President Carter’s Defense Secretary Harold Brown.

Though Perle was only recently appointed to head the Defense Policy Board, he and Wolfowitz have been collaborators for more than two decades, as agents-of-influence of the right-wing Israeli war faction. In 1985, when it was clear that Jonathan Jay Pollard, an American convicted that year of spying for Israel, could not have been working alone in stealing such high-level U.S. secrets for Israel to sell to the Soviet Union, top-level intelligence officials told *EIR* that an entire “X Committee” of high-level U.S. officials, was being investigated. Wolfowitz and Perle were on the list of “X Committee” suspects, and Israeli spying against the United States was so thick that investigators told *EIR* they had found “not moles, but entire molehills.” Pollard and his Israeli defenders later claimed that Pollard “had to” spy against the United States because the Americans were soft on Iraq and other Arab countries.

The “Wolfowitz cabal” is determined to push the United States in the direction of the most dangerous Israeli right-wing policy, including a possible Israeli nuclear attack on an Arab state. They are implementers of the very “breakaway ally” scenario about which 2004 Democratic Party Presidential pre-candidate Lyndon LaRouche warned in his statement of Oct. 12 (see *International*).

### **Plan B: Wagging The Dog**

The “Wolfowitz cabal” is out to destroy any potential for a Middle East peace, and simultaneously is determined to crush Eurasian economic development centered around cooperation among Europe, Russia, and China. After being rebuffed after the marathon Defense Policy Board meetings, the Wolfowitz cabal set various operations in motion to plant propaganda stories, falsify reports of U.S. policy, and carry out other maneuvers, whereby the tail would “wag the dog.” Unapproved statements are made by cabal members, interviews misrepresenting U.S. policy are planted around the globe, and intelligence reports are altered or manufactured to further the policy goals.

The pattern is becoming crystal clear.

In the first such instance, shortly after the attacks of Sept. 11, Wolfowitz declared that the United States will “end states harboring terrorism,” and insisted that under the principle of self-defense, the United States could act alone, without the United Nations, or cooperation from any other country. He wanted to establish the “doctrine” that the United States would hit a country “anywhere, anytime” based on secret evidence. But, Wolfowitz was forced to retract his statements, in a visible rift with the White House. Some days later, NATO allies at its Brussels headquarters snubbed Wolfowitz, and refused to formalize cooperation with the United States under NATO agreements at a meeting where Wolfowitz represented the Bush Administration.

In the same vein, on Oct. 7, the day the Afghanistan bombings began, the cabal again attempted to provoke a rift between the United States and members of the UN Security Council, especially Russia and China, by altering the text of a letter from U.S. Ambassador to the UN John D. Negroponte. (Not coincidentally, Negroponte was a notorious insider in the Iran-Contra operation, who was accused of collaborating with narcotics-linked military death squads in Honduras in the 1980s.) The changes in the letter were made without notifying Negroponte’s boss, Secretary of State Powell.

In the letter, Negroponte echoed Wolfowitz’s so-called gaffe, writing, “We may find that our self-defense requires *further action with respect to other organizations and states*” (emphasis added). The statement implicitly targetted Iraq, Syria, and Sudan, all countries which are on the State Department’s list of countries that support terrorism. The statement violated promises the United States had made, that it would limit “coalition” action to redressing the attack of Sept. 11. Upon learning of the statement, from the press, Powell report-

edly “hit the roof.” The insertion was drafted by Stephen J. Hadley, who is the Deputy Adviser to the National Security Council. The stunt may have been planned at the Defense Policy Board meetings.

Then there’s the case of former CIA director R. James Woolsey, whose defined role is as the Policy Board member who is most public in demanding the overthrow of Saddam Hussein. The Knight-Ridder newspaper chain reported on Oct. 11, that Woolsey had been authorized the prior month to fly to London on a U.S. government plane, accompanied by Justice and Defense Department officials, on a secret mission to gather evidence linking Saddam Hussein to the Sept. 11 attack. In a Sept. 18 press conference by *Defense Week*, Woolsey called for creating a “no-fly and no-drive zone” in the north and south of Iraq, so that the Kurds and the Shi’ites, respectively, could better fight Saddam. “The watchword of the day,” Woolsey said, is, “It’s the Regimes, Stupid!”

Since the Oct. 5 death from anthrax of Bob Stevens, the *Sun* tabloid photo editor, from anthrax, Woolsey has been the world’s leading finger-pointer at Saddam as being behind the anthrax attack. His so-called evidence is dated, prejudiced, and completely unreliable.

It was no accident that Woolsey role-played a prominent character—CIA Director—in the New York Council on Foreign Relations 1999-2000 scenario the previous year, “The Next Financial Crisis: Warning Signs, Damage Control, and Impact,” that acted out a virtual coup d’état coming on the heels of a combined financial crisis and terrorist attack. In the CFR war-game, the U.S. President would be taken out of the picture, leaving the country under the control of a crisis management dictatorship.

Also dispatched to London to propagandize for a “rolling war” that would attack Afghanistan, then Iraq, then country after country until revenge is exacted, was fellow Policy Board member Newt Gingrich. Talking to the London *Times*, owned by top British-Israeli propagandist Rupert Murdoch, Gingrich said that the United States is “at war” with “organized, systematic extensions of terror, supported by nation-states.” He said that targetting the Afghan Taliban without defeating Iraq would be “like defeating Imperial Japan and leaving the Nazis alone.” Gingrich threatened that countries judged not cooperative against terrorism would face the consequences: “The U.S. and the coalition forces will assist your own people in removing you.”

Setting the pace for his team, Perle was the joint initiator with neo-con William Kristol of the Rupert Murdoch-funded *Weekly Standard*, of an open letter to President Bush, that, while ostensibly supporting the President in the war against terrorism, was, in fact, an ultimatum to support a “Clash of Civilizations” Thirty Years’ War in the Middle East. Among the non-negotiable demands set forth in that letter was the overthrow of Saddam Hussein, “even if evidence does not link Iraq directly to the [Sept. 11] attack.”

There is no doubt that the Wolfowitz/Perle duo is at the heart of the network that can use Israel in the “breakaway ally scenario.” Indeed, Wolfowitz is one of great hopes of right-wing extremists in Israel, including among the radical settlers movement, who are demanding the assassination of Arafat and the expulsion of all Palestinians from the Occupied Territories (see coverage in *International*). But, Wolfowitz and Perle are *not* “Israeli agents.” Rather, they are second-generation operatives both mentored by the RAND Corp.’s Albert Wohlstetter, a former Trotskyite communist turned nuclear strategist. Nor are the cabal war-mongers *Seven Days in May* militarists.

A key member of the cabal is Richard Armitage, the number-two man in the U.S. State Department, who was investigated in the Iran-Contra scandal, and who is a longtime collaborator of Wolfowitz in the targeting of Iraq. The cabal also has high-level operatives at the National Security Council (NSC):

**Gen. Wayne Downing**, former Commander in Chief of the Special Operations Command, was just appointed as Director of Combatting Terrorism for the Homeland Defense Board, headed by former Pennsylvania Gov. Tom Ridge. In 1997-98, Downing drew up a military plan to overthrow Saddam, by assassination, if necessary. The plan hinged on heavily arming dissident gangs of Iraqi Shi’ites in the south of Iraq, and Kurdish fighters in the north. Invasion by U.S. Special Forces ground troops was not ruled out. The promoter of the neo-Conservative yahoos in Congress and the think-tanks was Wolfowitz, then head of the Paul Nitze School of Advanced International Studies at Johns Hopkins University. Unable to ram this plan through the Clinton Administration, Wolfowitz shopped the plan to Perle, an expert in “chain-letter” pressure politics, who garnered signatures. Now at the NSC, Downing has the ready-made plan to hit Iraq.

**Richard Clarke**, Adviser to the President for Cyberspace Warfare. Clarke, who was originally with the State Department during the elder Bush’s Administration, was demoted for covering up Israeli violations of the Arms Exporting laws. In August 1998, Clarke was one of the key figures who planted false information about Sudan’s involvement in the East Africa U.S. Embassy bombings, which led to U.S. cruise missile attacks on a Sudanese pharmaceutical company in Khartoum. Clarke shopped in disinformation from British-Israeli covert operations stringer Yosef Boddansky that targetted Sudan.

**Elliott Abrams**, NSC staff. Abrams, who was convicted in the Iran-Contra scandal, was quietly placed on the NSC as a specialist in “religion and human rights.” He is a longtime member of the right-wing Zionist networks that infiltrated the U.S. security establishment. He worked closely with Secord and North in Central America, also providing a link to the Israeli gun-running networks that delivered arms to Khomeini’s Iran.

# Ashcroft’s ‘Emergency Laws’ Are Rushed Toward Passage

by Edward Spannaus

In a manner similar to that in which the Nazi emergency measures, the *Notverordnungen*, were put into effect in 1933 Germany on the pretext of the Reichstag Fire, Attorney General John Ashcroft is using the Sept. 11 attacks, along with the recent wave of bioterrorist scares, as his own “Reichstag Fire” justification for ramming “anti-terrorist” laws through Congress which will give the Justice Department widely expanded powers of surveillance, detention, and prosecution.

As we have previously pointed out (see *EIR* Oct. 5), Ashcroft is using the opportunity to force through Congress many provisions and powers which the Justice Department has been seeking for years, but which Congress has, up to this point, refused to give them.

## McDade Repeal Sought

Furthermore, the Justice Department and its supporters in the Senate are making another, even more cynical move, having quietly inserted into the Senate anti-terrorism bill, a repeal of the 1998 McDade-Murtha law. That law, co-sponsored by Pennsylvania Reps. Joe McDade (R) and John Murtha (D), was passed in October 1998, after a major nationwide campaign led by the LaRouche movement. The provision enacted was one part of the broader Citizens Protection Act of 1998 (known as the “McDade-Murtha bill”), the portion declaring that Federal prosecutors should be subject to the same laws and rules of conduct as any other lawyers.

Even though the other parts of the McDade bill, which would have given teeth to the ethical-standards part, were stripped out, the Justice Department still went to work to repeal the portion that was passed. Bills to repeal it have been introduced in each session, but have stalled. There is strong opposition to repeal of McDade in the House—where it had passed overwhelmingly in 1998 by a 345-82 vote—and in the House Judiciary Committee in particular.

On Sept. 19, Sen. Patrick Leahy (D-Vt.) introduced into the Senate, what he called the “Professional Standards for Government Attorneys Act,” to repeal the McDade law. Leahy claimed that the McDade law is wreaking havoc in Federal law-enforcement investigations, and that it “seriously threatens to impede” the investigations into the Sept. 11 at-



*Attorney General John Ashcroft is using the Sept. 11 attacks as a pretext to seize dictatorial powers.*

tacks. Subsequently, Leahy's bill was incorporated into the Senate's version of the anti-terrorism bill (the "U.S.A. Act"), passed in the Senate on Oct. 14 with only one dissenting vote, that of Sen. Russ Feingold (D-Wisc.).

### **Pass It, But Don't Read It**

The McDade repeal is not included in the House version of the anti-terrorism bill, which was voted up by a 337-79 vote on Oct. 12. Under intense pressure from the White House, and in a crisis atmosphere colored by the FBI's warning of possible new terrorist attacks issued the previous day, the House leadership dumped its own bipartisan version of the anti-terrorism bill—which had passed the House Judiciary Committee by a unanimous vote—and instead hurriedly voted up a bill much closer to the version passed by the Senate and desired by the Justice Department. Many House members were outraged by the procedural maneuver, and complained that almost no one had even had a chance to read the substitute version.

Some of the key provisions of the House bill, which still has to be reconciled with the Senate bill, are that it:

- Allows a nationwide search warrant to seize certain electronic records, such as e-mails, rather than having to obtain a separate warrant in each jurisdiction;
- Allows "roving wiretaps" to cover multiple phone lines used by a suspect;
- Gives authorities greater power to seize voice-mail messages and to monitor Internet traffic;
- Permits prosecutors to share secret grand jury information with intelligence agencies, and, as well, allows information obtained from "national security" wiretaps and electronic interceptions to be used in criminal cases (this is considered the biggest and most significant change by many observers); and
- Allows the Immigration and Naturalization Service (INS) to detain a foreigner up to seven days, before deciding whether to file charges or seek deportation. Currently, there is a two-day limit, but the Justice Department was seeking the power of indefinite detention.

The House passed a separate bill on Oct. 17 with anti-money-laundering provisions similar to those contained in the Senate anti-terrorism bill. On this issue, pressure against those provisions is coming from banks and some Republicans—such as Rep. Dick Armey of Texas, who claims that legislation which would crack down on offshore tax havens, is actually just a guise for raising taxes.

Even while the House was adjourned due to the anthrax incidents, House and Senate conferees were attempting to hammer out a compromise version of the bill, in discussions, as well, with the Justice Department. On Oct. 18, Ashcroft announced that agreement had been reached on a number of key provisions, including those for wider use of national-security wiretaps, roving wiretaps, and sharing of grand jury information. Other reports indicated that the administration had agreed to accept a four-year sunset provision, and that the compromise bill will include money-laundering provisions, with final language still to be worked out.

### **Other Justice Department Measures**

Even without the bill being passed, the Justice Department has carried out a roundup of suspects, witnesses, and others since Sept. 11, which is unprecedented in modern times. At least 700 persons have been picked up and detained, many without access to a lawyer, and without being allowed to communicate with family or friends. Some sources believe that the number of detainees is much higher than is officially acknowledged. Many of those detained are being held under conditions of total secrecy, without any record in a court docket or a log of prisoners, which is normally available to the public.

Moreover, Attorney General Ashcroft has made additional moves to restrict public access to government records under the Freedom of Information Act. Over Justice Department objections, the Clinton Administration had broadened public access to records, and also hastened declassification of older records. Attorney General Janet Reno had told government agencies in 1993 to maximize release of records, and she advised the various agencies that the Justice Department would only defend a decision to withhold records if release of the records in question would be harmful. But on Oct. 12, Ashcroft issued a new memorandum revoking the Reno policy, and directing government agencies to be much more cautious in releasing records to the public. This goes well beyond records involving national security, which are already highly protected, and includes commercial and business information, and internal government deliberations.

The mentality behind all these moves was rather obviously displayed in late September, when White House spokesman Ari Fleischer warned that, in times like this, "all Americans . . . need to watch what they say, watch what they do." However, in what some called true Big Brother fashion, the White House then removed the words "watch what they say" from the official transcript of Fleischer's press briefing.

# Anthrax Scares Intensify The 'Irregular War'

by Marcia Merry Baker and Carl Osgood

As more cases of infection and exposure are confirmed from the anthrax attacks, what was knowable right from the very first instance of the lethal anthrax letter in Florida, is clear: We are witnessing an intensification of *irregular warfare* already under way against the nation. Besides the acts of terrorism, there are the media hype, “psy-ops,” and institutional crises that add up to classic irregular warfare methods of subverting a population into a state of desperate fear. Congress is dislocated; the House of Representatives recessed from Oct. 17-23, for their facilities to be cleared; the Senate planned a three-day weekend too. Major broadcast media have been hit, including NBS, CBS, ABC, and the tabloid publisher American Media Group, Inc.

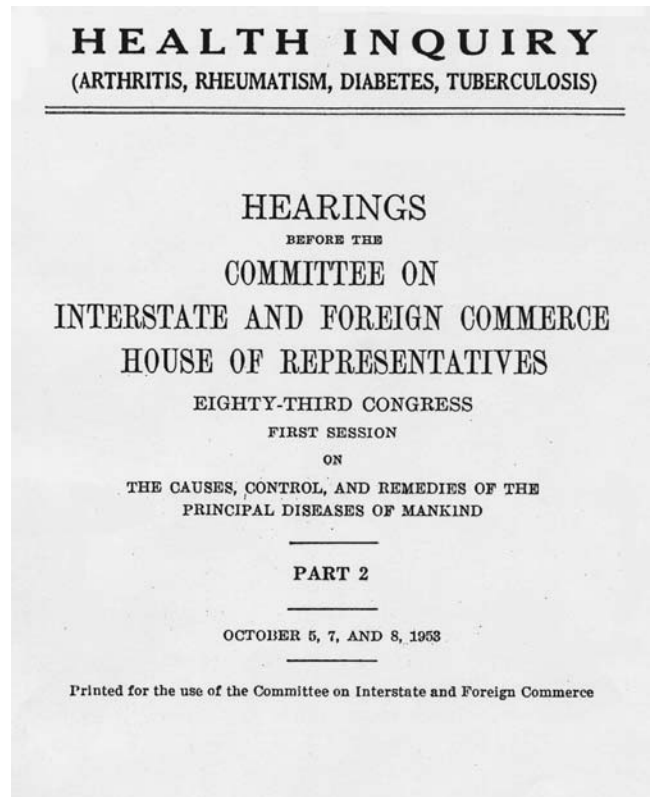
What is required in the matter of anthrax specifically, or any other “weaponized” disease threat, is enabling the public to calmly understand the medical science involved (the epidemiology, testing, treatment). They should understand, as well, how the U.S. public health system and medical research were allowed to languish over the last several decades of “market-based” social services.

## Alibek: Think About The Science

Dr. Kenneth Alibek, the former First Deputy Chief of the civilian branch of the former Soviet Union’s offensive biological weapons program in the 1980s, stressed to the Oct. 18 *Wall Street Journal* that causing illness was only the fifth-ranked goal of the Soviet bio-weapons program. First, was inciting panic and fear; then, paralyzing the nation; overwhelming medical services; and causing severe economic damage.

On Oct. 16, Alibek gave a briefing on Capitol Hill on the “science” involved in the anthrax threat. He observed how the United States has lost the commitment it had in the 1950s and ’60s to analyze and fight infectious diseases. The graphic illustrates his point. It shows a page of the *Congressional Record* from the 83rd Congress (1954), when the House Committee on Interstate and Foreign Commerce held a series of hearings on “The Causes, Control, and Remedies of the Principal Diseases of Mankind.”

“There’s no reason to panic,” was the message to the Congressional staffers from Alibek. His Oct. 16 briefing was sponsored by the Congressional Bipartisan Task Force on Nonproliferation, co-chaired by Reps. Chris Shays (R-Conn.) and Ed Markey (D-Mass.). Alibek, who came to the United



States in 1992 and is now a consultant for bio-defense programs under contract to the U.S. government, emphasized that while there are reasons why anthrax has sparked interest as a weapon, it should also not be overestimated as a threat.

Its potential as a weapon, comes from the fact that it’s highly stable, able to survive for years in the soil, and the longer it takes to identify it in an infected person, the lower that person’s chances of survival. Anthrax also is a complex infection with two or three stages of development, depending on the virulence factors of the strain involved.

However, once the nature of the threat is identified, it’s very easy to defend against. It takes 8,000 to 50,000 spores—again, depending on the strain—in its inhalational form, to actually cause an infection. Alibek said the moisture and heat of a steam iron is sufficient to kill anthrax spores like the form involved in the recent incidents. He also described how gamma radiation (such as used in food irradiation) can be used to screen and sanitize large volumes of mail.

Dr. Alibek described, in some detail, how analysis of the powder in the recent anthrax incidents, can be used to identify the level of sophistication of those who are responsible for these incidents. Results of analysis can show such factors as other ingredients in the powder that may enhance its virulence; the stage of development of the spores; the size and form of the particles; and so forth. He said that if there are specific substances in the powder, then its source can be identified.

## Aviation Security Passes Senate, Stalls In House

On Oct. 11, the Senate passed an aviation security bill by a vote of 100-0, the central feature of which is the Federalization of 28,000 airport security workers. The bill, as passed, would put responsibility for baggage and passenger screening in the hands of the Justice Department. It includes provisions for strengthening cockpit doors, putting more air marshals on airline flights, and Federalizing airport perimeter security. The bill also establishes a Deputy Secretary of Transportation for Security.

The unanimous vote doesn't reflect the tortuous path the bill took to final passage, however. One issue that slowed down the bill was GOP complaints that Senate Majority Leader Tom Daschle (D-S.D.) had no intention of taking up energy policy in this session; they tried to force the energy issue before they would allow the aviation security bill to come to the floor. However, they couldn't get past John McCain (R-Ariz.), who worked closely on the bill with Commerce, Science and Transportation Committee Chairman Ernest F. Hollings (D-S.C.).

Once the bill came to the floor, the Republicans blocked an amendment by Jean Carnahan (D-Mo.) that would have provided aid to airline and airport workers who have lost their jobs since Sept. 11. Carnahan withdrew the amendment after it came up four votes short of the 60 needed in a cloture vote.

The bill's trials haven't ended, however. After the Senate vote, House Transportation and Infrastructure Committee Chairman Don Young (R-Ak.) said that he has no intention of considering the Senate bill in his committee. Instead, he said that he will be introducing his own version, supported by the House GOP leadership. Instead of Federalizing airport screen-

ing, his bill would create a "public-private" partnership between the Federal government and private security companies. He claimed that this is the "successful" model used in Europe.

House Democrats aren't satisfied with that approach, however. On Oct. 16, Peter DeFazio (D-Ore.) said that the information used by the GOP to justify their proposal was provided by a representative of the private security companies. He accused the GOP of taking a "blinding ideological position" against passenger screeners being Federal law enforcement agents.

## House Committee Passes Stimulus Package

On Oct. 12, the House Ways and Means Committee passed a bill which is an attempt to keep the global financial bubble going a while longer. The \$100 billion bill, masquerading as an "economic stimulus bill," reduces the capital gains tax rate from 20% to 18%, increases the business deduction for capital losses from \$3,000 to \$5,000, and provides a tax rebate for workers who did not earn enough in 2000 to receive the \$300-600 checks that went out earlier this year. It also repeals the corporate alternative minimum tax, and includes \$21 billion in international tax breaks which would benefit companies such as Citigroup and insurance giant American International Group. Committee Chairman Bill Thomas (R-Calif.) claimed that the bill provides incentives for firms to buy equipment and facilities to spur production.

The bill came out of the committee on a 23-14 party-line vote after Democrats failed to include measures such as extended unemployment insurance benefits and a subsidy for health insurance for workers who have lost their

jobs since Sept. 11. Both measures were rejected on party-line votes. Senate Majority Leader Tom Daschle (D-S.D.) told reporters that the bill did not represent a bipartisan compromise. "I'm disappointed that the House is going off on all of its tangents once again," he said. "I think the President is prepared to work with us, and I think at some point we're going to have to demonstrate a capacity for working through these issues."

However, the bill is larger than what President George Bush had originally asked for. Earlier in October, Bush had specified a package of \$60-75 billion, all in the form of tax cuts. White House spokesman Ari Fleischer indicated on Oct. 16, that Bush is confident that a bill will eventually emerge from conference committee that can get bipartisan support, that will be "big enough to provide a boost to the economy, but not so big that it has any impact on long-term [interest] rates."

## Anthrax Incident Disrupts Congressional Business

On Oct. 15, an envelope containing what was later to be confirmed as anthrax spores was opened in the Senate office of Majority Leader Tom Daschle (D-S.D.). Daschle was apparently not in the office at the time, but 31 people did test positive for exposure, including two people from Sen. Russ Feingold's (D-Wisc.) office, which is next door to Daschle's. The following day, Capitol Police closed an entire wing of the Hart Senate Office Building, where Daschle's office is located, and all staffers from those offices and 12 Senators were being given preventive antibiotic treatments.

The question was raised as to whether Congress should finish its business quickly and get out of town,



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because of the increased threat which the incident represents. Senate Minority Leader Trent Lott (R-Miss.) told reporters that "there is a growing feeling that as soon as we can get our work done, that we should recess for the year." On the other hand, there's so much work to get done that the Congress would be lucky to be finished by Thanksgiving.

Daschle had a different take. He said that the notion of getting out of town "assumes that it's less dangerous somewhere else. . . . Leaving town is no longer a panacea." The Congress should "not run away from these problems, but address them, confront them, try to live our lives, do our work, and carry out our responsibilities."

On Oct. 17, House Speaker Dennis Hastert (R-Ill.) announced that the House would shut down for complete environmental screening, and remain closed until Oct. 23. He also said that a suspicious package had been received at his office on the fourth floor of the Capitol Building, and that the entire suite had been quarantined. Daschle then announced that the Senate office buildings would be closed on Oct. 18 and 19, also for complete screening.

## **T**rade Bill Moves Forward In House

On Oct. 9, the House Ways and Means Committee passed, by a vote of 26-13, a bill to give President George Bush fast track trade negotiating authority. The bill includes goals for labor and environmental standards and mandates the creation of a Congressional consulting group, which would act as advisers to U.S. trade negotiators. The bill was introduced on Oct. 3 by Ways and Means Committee Chairman Bill Thomas (R-Calif.); included among

its co-sponsors were a number of Democrats, chiefly of the "Third Way" variety. This gave the bill the veneer of bipartisanship, now seen as essential in the aftermath of the Sept. 11 attacks.

The Democrats that count, however, oppose the bill. In a joint statement, Charles Rangel (D-N.Y.) and Sander Levin (D-Mich.), both free-traders, complained that the Thomas bill "does not meet the test of broad bipartisanship especially necessary during this challenging period for our country." They introduced a Democratic alternative which goes much further than the Thomas bill, making the International Labor Organization's core labor standards the objective to negotiate for, as well as stronger environmental standards. House Minority Leader Richard Gephardt (D-Mo.) said, on Oct. 4, that he didn't think the trade issue "is at the top of anybody's list as what we need to do right now to address the problems from Sept. 11."

While the bill seems likely to pass the House, its fate in the Senate remains a question mark. On Oct. 16, Senate Majority Leader Tom Daschle (D-S.D.) told reporters that he would put trade promotion legislation in the same category as energy legislation. In other words, he'll put it on the schedule when emergency-related and appropriations legislation is all taken care of.

## **S**pending Bills Blocked Over Judicial Nominations

The appropriations process ground to a halt on Oct. 15, when Senate Republicans succeeded, in a procedural vote, in preventing consideration of the fiscal year 2002 Foreign Operations appropriations bill. The GOP has grown

dissatisfied with the pace at which judicial nominations are being processed. So far this year, the Senate has confirmed only eight judges out of 60 nominated; there are 109 vacancies in the Federal court system. Republicans are threatening to halt floor action on all types of legislation until more nominations are moved.

Such tactics are angering Democrats. Majority Whip Harry Reid (D-Nev.) warned Republicans, "All of the cajoling and threatening they do on the other side will not get them any more judges." He claimed that the holdup on nominations emanated from the Executive branch, which is moving slowly on background investigations and other paperwork required before the Judiciary Committee can even hold hearings.

In contrast, the process is working remarkably smoothly in the House. On Oct. 11, the House passed by a vote of 373-43 a bill that funds the Labor, Health and Human Services, and Education departments. As David Obey (D-Wisc.) pointed out, this is only the second time in seven years that a bipartisan Labor-HHS bill has passed the House. On Oct. 17, the House also passed conference reports on the Interior Department and Military Construction bills. The House has passed 12 of 13 bills, whereas the Senate has passed eight.

## **P**elosi Elected House Democratic Whip

On Oct. 11, Rep. Nancy Pelosi (D-Calif.) became the highest ranking woman in Congressional history when she defeated Rep. Steny Hoyer (D-Md.), by a vote of 118-95, to become the next Democratic whip. She will replace Rep. David Bonior (D-Mich.), who is stepping down in January to run for governor of Michigan.

# *Dramatic Moment For Shanghai Summit*

The Asia-Pacific Economic Cooperation Forum (APEC) meeting in Shanghai sits at a dramatic turning point in the worldwide economic and strategic crisis; the meeting contains the seeds of escape from the current threatening global disaster, or of the tragic unleashing of it. The Presidents of the United States, Russia, and China are meeting on Oct. 20-21 at a summit where, because of the intensity of the crisis, no policy should be considered a matter of routine; all should be on the table for reconsideration. It is these three nations, above all, which could launch an economic recovery from the depression, based on agreement on the Eurasian Land-Bridge “projects of the Century,” and on a peace-by-development strategy for the Mideast. This is Lyndon LaRouche’s policy, and it is well known and considered within both Russia and China.

There are two axiomatically-opposed paths diverging from this rare summit; one pointing to slow, hard-won human progress, the other descending quickly toward chaos.

President Putin will present Russia’s “Eurasian mission” at the APEC summit. This means expanded trade and economic cooperation with China and India, first of all; but with the bigger purpose of creating transportation “bridges” and corridors for rail transport, energy, and communications across Eurasia, from Europe to all parts of the Pacific and Indian Ocean coasts. It includes unifying the Koreas and bridging from Siberia to Japan with such development corridors. China shares this perspective, and adds to it the largest water-management and hydroelectric projects in the world; the only large economy in the world still growing. The pre-summit coverage in the Russian and Chinese press, of their own leaders’ statements, makes it clear that at Shanghai, both countries intend to stress these great projects, in coordination with each other, as the potential “economic locomotives” for a global economic recovery.

If President Bush is seeking a way out of the accelerating collapse of the American economy—one which, at the same time, opens up a new and peaceful path to

dealing with all the nations of Eurasia, including the Mideast—he will seize this “Land-Bridge” development policy like a drowning man a plank. Then the three Presidents could agree on something vital—as opposed to “communiqués on fighting terrorism” to which each of the many nations ceremoniously signing, attributes its own, radically different meaning.

This is the happy option which LaRouche’s influence makes possible in such a crisis, as unlikely as it may seem to an observer guided by “the media.”

The opposed, disastrous path which the APEC forum may be temporarily compelled to take, is the forced-march defense of the indefensible U.S. dollar by all of the Asian nations attending. Strong pressure is being brought to bear by some parts of the U.S. administration, to insist on this impossible course. It would force the Asian nations to reduce the question of the global depression to the absurd choice of being “for the U.S. dollar or the Sept. 11 terrorists.” They would be demanded to buy whatever huge quantities of dollars Alan Greenspan’s Fed continues to print, and to further “open up” their national economies to “free trade” and investment looting: all under the threat that otherwise they will lose whatever remains of their exports to the collapsing U.S. economy.

Should this short-term panic course be forced through at the Shanghai summit, the result will be a catastrophe worse than terrorism. The inevitable dollar crash will then take down with it parts of the Eurasian Land-Bridge recovery potential—the very “economic locomotive” which is also the only hope for a U.S. recovery from its economic collapse.

President Bush’s choice is most stark. He is the tragic actor at the last turning-point of choice in the drama. Having launched *external* war, against what are really *internal* threats and the skeletons of the United States’ own policies, he is watching the red warning flags of wars triggered by his actions, going up in the Mideast and the Asian Subcontinent; he is stumbling toward the “clash of civilizations” he professes to abhor and avoid.

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• AMSTERDAM  
Time Warner Ch.16  
Thursdays—4:30 pm
- BROOKHAVEN  
(E. Suffolk)  
Cablevision Ch.1/99  
Wed., Sat.—10 am  
Sundays—11 am
- BROOKLYN—BCAT  
Time Warner Ch. 35  
Cablevision Ch. 68  
Sundays—9 am
- BUFFALO  
Adelphia Ch. 18  
Tuesdays—7 pm
- HORSEHEADS—Ch.1  
Mon., Fri.—4:30 pm
- HUDSON VALLEY  
Cablevision Ch. 62/90  
Fridays—5 pm
- ILION—T/W Ch. 10  
Saturdays—12:30 pm
- IRONDEQUOIT—Ch.15  
Mondays—7 pm  
Thu.—9:30 am & 7 pm
- ST.PAUL (city)  
SPNN Ch. 33  
Saturdays—10 pm
- ST.PAUL (NE burbs)\*  
Suburban Community  
Ch.15
- ST.PAUL (S&W burbs)  
AT&T Ch. 15  
Tue & Fri—8 pm

- ROCKLAND—Ch. 71  
Mondays—6 pm
- SCHENECTADY—Ch.16  
Tuesdays—10 pm
- STATEN ISL.—Ch.57  
Thursdays—11 pm  
Saturdays—8 am
- SUFFOLK—Ch. 25  
2nd, 4th Mon.—10 pm
- SYRACUSE—T/W  
City: Ch. 3  
Suburbs: Ch. 13  
Fridays—8 pm
- TOMPKINS COUNTY  
Time Warner  
Sun.—9 pm (Ch.78)  
Thu.—6 pm (Ch.13)  
Sat.—9 pm (Ch.78)
- TRI-LAKES  
Adelphia Ch. 2  
Sun: 7 am, 1 pm, 8 pm
- UTICA—Ch. 3  
Thursdays—6 pm
- WATERTOWN—Ch. 2  
Tue: betwn. Noon-5 pm
- WEBSTER—Ch. 12  
Wednesdays—8:30 pm
- WESTFIELD—Ch.21  
Mondays—12 Noon  
Wed., Sat.—10 am  
Sundays—11 am
- W. MONROE  
Time Warner Ch. 12  
4th Wed.—1 am
- W. SENECA—Ch.68  
Thu.—10:30 pm

- NORTH CAROLINA  
• MECKLENBURG  
Time Warner Ch. 18  
Saturdays—12 Noon
- OHIO  
• AMHERST  
Amherst City Cable\*
- FRANKLIN COUNTY  
Ch. 21: Sun-6 pm
- OBERLIN—Ch.9  
Tuesdays—7 pm
- REYNOLDSBURG  
Ch. 6: Sun.—6 pm
- OREGON  
• CORVALLIS/ALB.  
AT&T Ch. 99  
Fridays—4 pm
- PORTLAND  
AT&T Ch. 22  
Tuesdays—6 pm  
Thursdays—3 pm
- SALEM—ATT Ch.28  
Thursdays—10 pm  
Thursdays—8 pm  
Saturdays—10 am
- SILVERTON  
SCANNV Ch. 10  
Alt. Tuesdays  
12 Noon, 7 pm
- WASHINGTON—ATT  
Ch.9: Tualatin Valley  
Ch.23: Regional Area

- RHODE ISLAND  
• E. PROVIDENCE—Ch.18  
Tuesdays—6:30 pm
- STATEWIDE  
R.I. Interconnect\*  
Cox Ch. 13  
Full Ch. 49
- TEXAS  
• EL PASO—Ch.15  
Wednesdays—5 pm
- HOUSTON  
Houston Media Source\*  
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Mon, 10/29: 9 pm  
Wed, 10/31: 5 pm  
Sat, 11/3: 10 am  
Mon, 11/5: 6 pm  
Tue, 11/6: 5:30 pm  
Sat, 11/10: 10 am
- UTAH  
• GLENWOOD, Etc.  
SCAT-TV  
Ch. 26,29,37,38,98  
Sundays—about 9 pm
- VIRGINIA  
• ARLINGTON  
ACT Ch. 33  
Mondays—4:30 pm  
Tuesdays—9 am
- CHESTERFIELD  
Comcast Ch. 6  
Tuesdays—5 pm
- FAIRFAX—Ch.10  
Thursdays—12 Noon  
Thursdays—7 pm
- LOUDOUN  
Adelphia Ch. 23/24  
Thursdays—7 pm
- ROANOKE—Ch.9  
Thursdays—2 pm
- WASHINGTON  
• KING COUNTY  
AT&T Ch. 29/77  
Sundays—6 pm
- SPOKANE—Ch.14  
Wednesdays—6 pm
- TRI-CITIES  
Falcon Ch. 13  
Mondays—Noon  
Wednesdays—6 pm  
Thursdays—8:30 pm
- YAKIMA—Ch. 9  
Sundays—4 pm
- WISCONSIN  
• KENOSHA—Ch.21  
Mondays—1:30 pm
- MADISON—Ch.4  
Tue-2 pm; Wed-11 am
- MARATHON COUNTY  
Charter Ch. 10  
Thursdays—9:30 pm;  
Fridays—12 Noon
- WYOMING  
• GILLETTE—Ch.36  
Thursdays—5 pm

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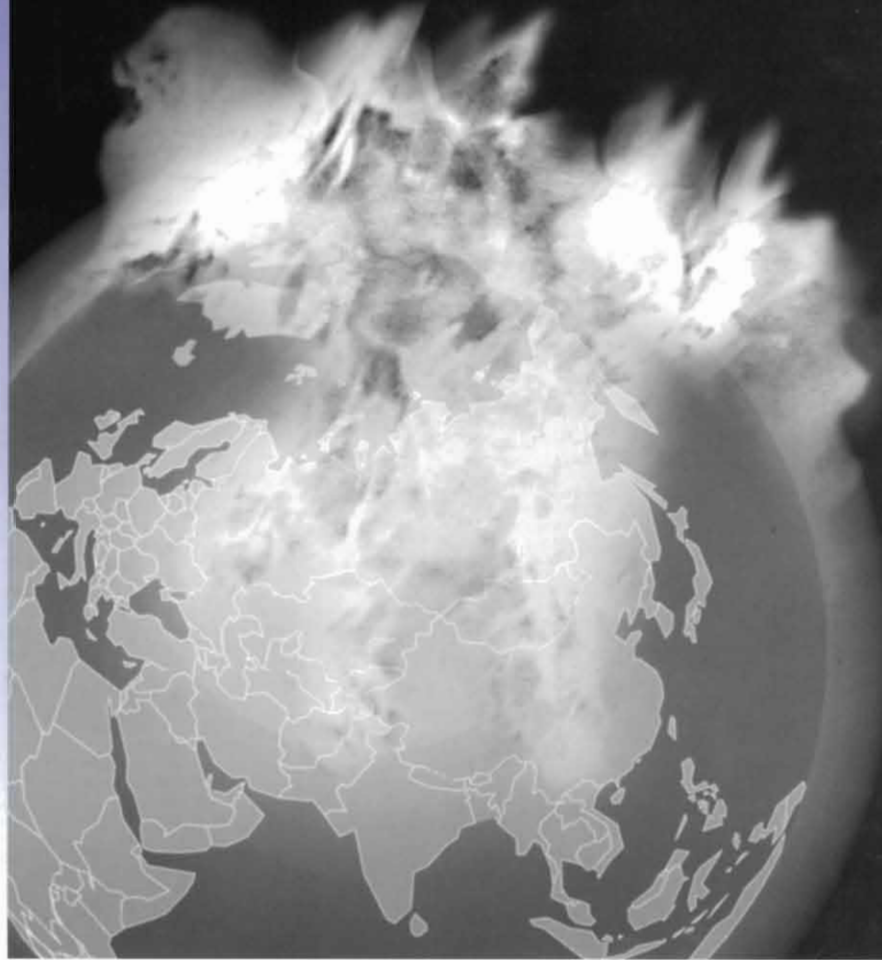
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