

# EIR

Executive Intelligence Review

December 7, 2001 Vol. 28 No. 47 [www.larouche.com](http://www.larouche.com) \$10.00

IMF Admits It's Time For Bankruptcy  
Enron's Pride Went Before A 'Happy Fall'  
Argentina's Seineldín: 'Freedom For The Resistance'

**Russia's Scientists Focus on  
LaRouche And Vernadsky**



# LA ROUCHE

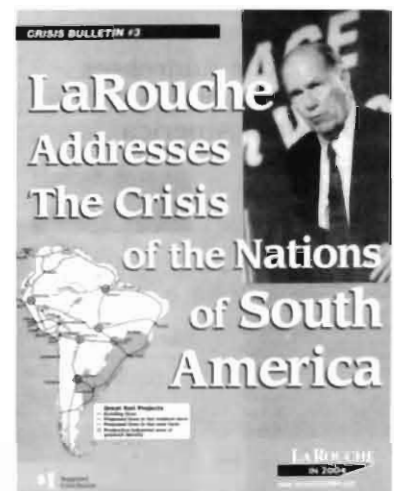
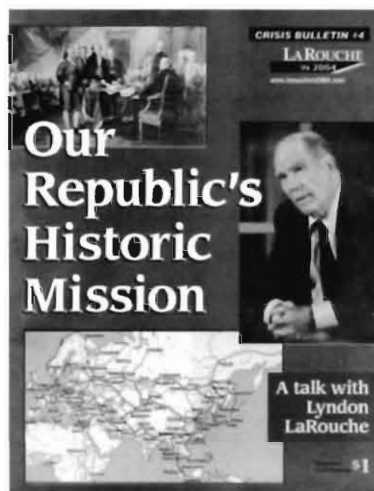
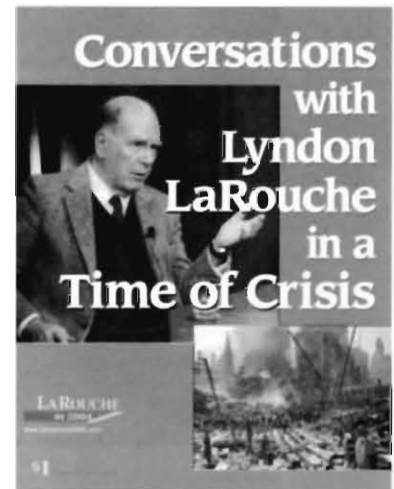
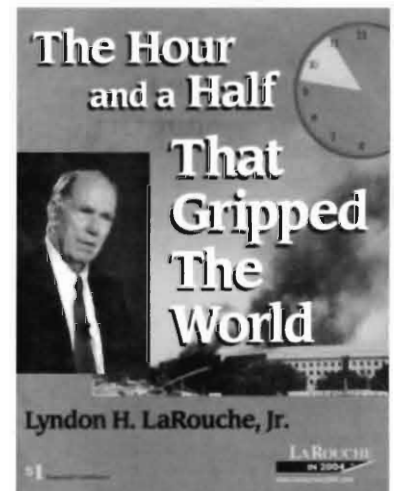
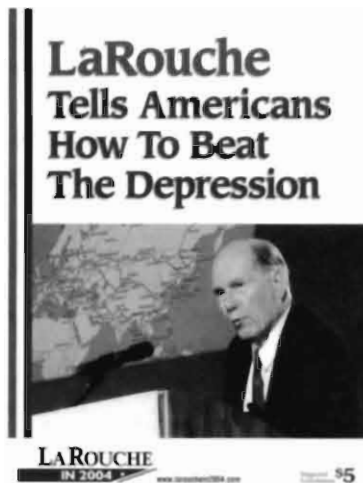
IN 2004 ★

www.larouchein2004.com

## In the Midst of This National Crisis

Read and circulate these Crisis  
Bulletins put out by Lyndon  
LaRouche's Presidential  
campaign committee

- ★ ***LaRouche Tells Americans How To Beat the Depression***
- ★ ***Crisis Bulletin 1. The Hour and a Half That Grippped the World***
- ★ ***Crisis Bulletin 2. Conversations with Lyndon LaRouche in a Time of Crisis***
- ★ ***Crisis Bulletin 3. LaRouche Addresses the Crisis of the Nations of South America***
- ★ ***Crisis Bulletin 4. Our Republic's Historic Mission***



Suggested contribution:

**\$1** per pamphlet

Call toll free:

**1-800-929-7566**

WRITE:

**LaRouche in 2004**

P.O. Box 730 Leesburg, VA 20178

Founder and Contributing Editor:

*Lyndon H. LaRouche, Jr.*

Editorial Board: *Lyndon H. LaRouche, Jr., Muriel Mirak-Weissbach, Antony Papert, Gerald Rose, Dennis Small, Edward Spannaus, Nancy Spannaus, Jeffrey Steinberg, William Wertz*  
Editor: *Paul Gallagher*

Associate Editors: *Ronald Kokinda, Susan Welsh*  
Managing Editor: *John Sigerson*  
Science Editor: *Marjorie Mazel Hecht*  
Special Projects: *Mark Burdman*  
Book Editor: *Katherine Notley*  
Photo Editor: *Stuart Lewis*  
Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Counterintelligence: *Jeffrey Steinberg, Michele Steinberg*

Economics: *Marcia Merry Baker, Lothar Komp*

History: *Anton Chaitkin*

Ibero-America: *Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

*Rachel Douglas*

United States: *Debra Freeman, Suzanne Rose*

INTERNATIONAL BUREAUS:

Bogotá: *Javier Almaro*

Berlin: *Rainer Apel*

Buenos Aires: *Gerardo Terán*

Caracas: *David Ramonet*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Melbourne: *Robert Barwick*

Mexico City: *Marivilia Carrasco, Rubén Cota Meza*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

United Nations, N.Y.C.: *Leni Rubinstein*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

*EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and the last week of December, by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 3rd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451, or toll-free, 888-EIR-3258.*

*World Wide Web site: <http://www.larouchepub.com>  
e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)*

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

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

**In Mexico:** EIR, Serapio Rendón No. 70 Int. 28, Col. San Rafael, Del. Cuauhtémoc. México, DF 06470. Tels: 55-66-0963, 55-46-2597, 55-46-0931, 55-46-0933 y 55-46-2400.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

Copyright © 2001 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Periodicals postage paid at Washington D.C., and at an additional mailing offices.

Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

**Postmaster:** Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

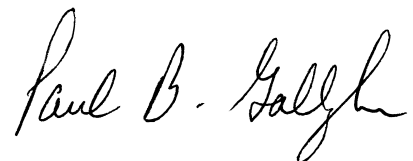
## From the Editor

**U**nder the surface of the strategic crisis which has anxiety so high in national capitals, is the reality of economic collapse, unchecked and unaffected by either bombs in Afghanistan or “stimulus” chatter in Washington. In the 20th Century, it was Depression which drove the world into fascist coups and global war; a repeat is threatened at the outset of the 21st.

Our leading coverage this week features fundamental economic changes under way. The *Feature* reports in depth a truly important event in Moscow: a conference in the Russian Academy of Sciences on the economic science breakthroughs of Lyndon LaRouche and Vladimir Vernadsky, developer of the concepts of Biosphere and Noösphere. The top levels of Russian scientists, in collaboration with government efforts, are now planning how the Eurasian Land-Bridges can be built, transforming the economies of Russia and her Eurasian neighbors according to the ideas of LaRouche.

As that conference began, the International Monetary Fund made a surprising admission at a Washington press conference, pointing to the necessity of the New Bretton Woods monetary arrangements and Land-Bridge recovery programs. Our *Economics* lead reports the background to the IMF acknowledgment, Nov. 26, that the equivalent of Chapter 11 bankruptcy protection for debtor nations will be required. This is an IMF confession that sovereign national debt all over the world is unpayable, and that “crisis management” bailouts no longer work, as Argentina and Turkey have made painfully clear. And which is the world’s biggest debtor nation? “Global monetary reform” schemes are suddenly circulating everywhere, but none functions except the New Bretton Woods policy of LaRouche, which starts from the fact that the monetary system itself is bankrupt.

It is in the context of these fundamental economic shifts, that our coverage of the strategic crisis—again, despite the Afghanistan war, centering on the threat of general war spreading from Middle East—is located. As if to press the point, the Israeli economy is now in a general collapse, with short-term strategic implications, described by Dean Andromidas in *Economics*. This is the standpoint from which only *EIR* will make the strategic stakes clear.



# EIR Contents

## Cover This Week

*Lyndon H.  
LaRouche, Jr.  
speaks to scientists  
at the Institute of  
Physics of the  
Russian Academy of  
Sciences in  
Moscow, June 28,  
2001.*



### **16 Russia's Scientists Focus On LaRouche And Vernadsky**

Moscow's Vernadsky State Geological Museum held a Nov. 27-28 scientific conference, "The Realization Of The Concept Of The Noösphere In The 21st Century: Russia's Mission In The World Today."

### **22 Relations With Europe As The Crisis Deepens**

Schiller Institute representatives took part in the annual Ambassadorial Reception, held by the Russian organization Federal Appraisal Foundation.

### **23 The Legacy Of Mendeleev And Vernadsky: The Spirit Of Russia's Science**

A paper by Lyndon H. LaRouche, Jr., submitted to the conference on "The Realization Of The Noösphere Concept In The 21st Century: Russia's Mission In The World Today."

## Economics

### **4 IMF Admits Bankruptcy; Wall Street Alternatives A Fraud**

IMF First Deputy Managing Director Anne Krueger has called for new laws allowing countries with unpayable debts, to seek bankruptcy protection. But the IMF "plan" is really an confession of its own bankruptcy.

### **7 Egypt Again Connects Africa to Eurasia**

### **9 Egypt Assesses 'New Silk Road' Policy**

### **10 In Midst Of War Drive, Israel's Economy Falls**

### **12 IMF Promises Mexico A 'Bailout In Advance'**

### **13 PIDIREGAS, The Trojan Horse Of Energy Privatization In Mexico**

## International

- 46 Bush And Putin Have Joined Forces For War Avoidance**  
The coup d'état against the Bush Administration, on behalf of the "Clash of Civilizations," has been suppressed but not crushed. Both Presidents face significant opposition to their war avoidance effort.
- 48 Crimes Against Humanity: The Case Of Ariel Sharon**
- 50 Philippines President In Tightrope Diplomacy**
- 53 Argentina: Seineldín: 'Freedom Now! For The Resistance'**
- 54 LaRouche, In Rome, Addresses Members Of Parliament, TV Debate**
- 55 Lyndon H. LaRouche, Jr.: Western Europe's Role In The World Crisis**
- 59 Impressions In Warsaw: Poles Uneasy About 'New Empire' Drive**
- 61 British Transport Is 'The Worst In Europe'**

## National

- 62 Can The Brzezinski-Wolfowitz Cabal's War Game Be Stopped?**  
The "Wolfowitz cabal" is in a desperation drive to hijack Bush Administration policy into a "clash of civilizations" war, after Secretary of State Colin Powell was given a mandate by President George Bush on Nov. 19 to organize for Middle East peace.
- 65 The 'LaRouche Factor' In Enron's Demise**
- 68 Military Tribunals Are Dangerous In Ashcroft's Hands**
- 70 In Memoriam: Harrison A. Williams, Jr. (1919-2001)**

## Departments

- 72 Editorial**  
Great Pride Went Before A Fall.

### Photo and graphics credits:

Cover, EIRNS/Karl-Michael Vitt. Pages 5, 63 (Brzezinski, Perle), EIRNS/Stuart Lewis. Page 7, Egyptian government photo. Pages 8, 17, 18, 21 (Kobyakov), EIRNS. Pages 19, 37, EIRNS/John Sigerson. Page 20, EIRNS/Rachel Douglas. Pages 21 (Tennenbaum, Glazyev), 57, EIRNS/Christopher Lewis. Page 21 (Cherkasov), EIRNS/Laurence Hecht. Page 24 (Vernadsky and associates), Courtesy of the History of Geology Department, Vernadsky State Geological Museum, Russian Academy of Sciences. Page 26, Bundesbildstelle. Pages 30, 40, www.arttoday.com. Page 44 (Mars), NASA. Page 47, Russian President's homepage. Page 51, Malacañang Photo. Page 60, EIRNS/Anna Kaczor Wei. Page 63, (Wolfowitz), DoD photo/R.D. Ward. Page 66, EIRNS/Karon Long. Page 70, Courtesy of Senator Williams.

## IMF Admits Bankruptcy; Wall Street Alternatives A Fraud

by Kathy Wolfe

Admitting that the debts of its post-1971 floating rate financial casino cannot be paid, the International Monetary Fund (IMF) has called for new laws allowing countries with unpayable debts, to seek bankruptcy protection under the IMF to avoid “chaotic default.” “There remains a gaping hole” in the financial system, IMF First Deputy Managing Director Anne Krueger told the National Economists Club in Washington on Nov. 26: “We lack incentives to help countries with unsustainable debts resolve them promptly and in an orderly way.” There are “too many countries with insurmountable debt problems.” With the 1990s mushrooming of the bond market, each debt now has too many creditors to coordinate, allowing uncooperative “vulture” creditors to create panic. Agreed rules for international bankruptcy, Krueger said, could prevent “unnecessarily heavy costs” for “the international community.”

This is a “dramatic admission that the IMF system has failed,” *EIR* Editor Lyndon LaRouche said on Nov. 28. The same day, the nation of Argentina, with \$120 billion in foreign debt, was declared bankrupt by creditors, and Japan’s banks, the world’s largest with almost \$3 trillion in assets, were declared “crippled” by Moody’s and Standard & Poor’s debt raters.

The IMF plan, in fact, is a confession, not a plan. It is one of many Anglo-American schemes now popping up, with one, panicky aim: to convince angry leaders in Asia, Ibero-America, Russia, and elsewhere, to “stay on the IMF ship *Titanic*.” Promising “IMF reform,” Wall Street spokesmen such as former Federal Reserve Chairman Paul Volcker and Lazard Frères banker Felix Rohatyn — and Wall Street’s “critics” like former World Bank chief economist Joseph Stiglitz and Harvard’s Jeffrey Sachs — have recently hosted a profusion of conferences, committees, and new institutes to “fix

the system.” A group of well-meaning Third World scholars convened by Volcker and former U.S. Treasury official C. Fred Bergsten, for example, released a 48-page report on IMF reform on Nov. 5, “Rebuilding the International Financial Architecture.” A new Center for Global Development “dedicated to reducing global poverty and inequality,” featuring Stiglitz and Sachs, was founded in Washington on Nov. 27.

Rohatyn, Volcker, et al. will try anything to forestall demands for the real solution: *the IMF system itself must be shut down, and replaced by something completely new.*

### LaRouche’s Alternative

The only workable alternative is the policy of LaRouche to shut down the supranational IMF, and have sovereign nation-states take back their economies. In speeches around the world, from the Russian and Italian parliaments to global press interviews, LaRouche has said that today’s entire dollar-based monetary system is completely bankrupt. The IMF’s coy “we’re partly bankrupt” admission should break the dam and free national leaders to follow LaRouche’s lead. Why should they accept IMF diktats, when far more equitable proposals exist? Since 1991, LaRouche has repeatedly called for an “orderly bankruptcy reorganization” of all global debt, similar to Franklin Roosevelt’s 1933 U.S. bank holiday — but under the control of sovereign nation-states, not the IMF’s “world government.”

In February 1996, LaRouche proposed a “New Bretton Woods” international monetary conference on the model envisioned by Roosevelt before his death in 1945, to eliminate colonial empires. This would create a new, fixed-exchange-rate monetary system, which is only feasible after the debt is reorganized. Based on gold, foreign exchange, and long-term, low-interest trade credits, it would industrialize the Third



*The IMF acknowledged on Nov. 26 that “some” sovereign national debts are unpayable. The specter of “bankruptcy reorganization for nations” proves that Lyndon LaRouche was right in his Aug. 31 challenge to Wall Street fixer Felix Rohatyn, that a “New Bretton Woods” means abolishing the IMF and the bankrupt system it controls.*

World. Perhaps most important, LaRouche’s 1991 Eurasian Land-Bridge plan, the “New Silk Road,” proposes to use large-scale, high-speed rail and associated “development corridor” projects as a “science driver.” Only something of this magnitude can stimulate the leap in exports for the United States and other industrial nations needed to get the world out of the current depression.

To counter the international discussion of LaRouche’s policy, the London *Financial Times* of Aug. 20 floated Felix Rohatyn’s essay “Back to Bretton Woods,” which proposes minor reforms in the IMF dictatorship (see *EIR*, Aug. 31, 2001, “Rohatyn Must Not Duck The Issue,” by Lyndon LaRouche, Jr.).

### **IMF Dead-Ends**

Krueger’s Nov. 26 speech, in midst of the devastating news from Argentina, Japan, and Enron Corp., was the latest IMF/Wall Street attempt to parody parts of LaRouche’s proposals (while blacking out LaRouche’s name altogether) to save the very system which is destroying the world economy. LaRouche’s “competition” has also conveniently buried its own miserable track record. As Fed Chairman, Volcker shut down 20% of America’s industrial base and created the savings and loan disaster. As czar of the 1975 New York City bankruptcy, Rohatyn destroyed the city’s infrastructure. As the IMF’s enforcer in 1990s Russia, Sachs’ “shock therapy” and “shareholder reforms” viciously looted the Russian economy; he is widely accused in Moscow of “genocide.”

Since September 1997, in discussion of LaRouche’s program to break the IMF stranglehold on national credit and economies, *EIR* has repeatedly been told of “counter-proposals” from the Volcker-Stiglitz crowd. In October 1997, after

Malaysian Prime Minister Dr. Mahathir bin Mohamad established exchange controls to guard his country from the run on Asian currencies, the *Asian Wall Street Journal* warned that he would be labelled a pariah for “implementing the ideas of extremist Lyndon LaRouche.” After Washington crushed the Japanese-Malaysian idea for an Asian Monetary Fund (AMF) in 1998, *EIR* was told by one Tokyo source: “LaRouche has good ideas on a New Bretton Woods, but I’ve been asked by Dr. Stiglitz to help him reform the World Bank first.” Asked to address an *EIR* conference on the New Bretton Woods in March 2001, a Korean author of the AMF plan said, “LaRouche is right, but I’ve just been invited to speak on monetary reform at a Harvard forum organized by Jeffrey Sachs on the same weekend as your conference.”

### **‘Brand X’ Schemes**

These schemes have the common, insane assumption that only developing nations are bankrupt, and thus require “IMF oversight” on loans, case by case — while the Group of Seven industrial countries are never subject to the same rules of reality. Under this double standard, the net bank and bond credit inflows of \$50-150 billion a year into East Asia during the second half of the 1990s, is used to justify claims that Asia “over-borrowed” and got the crisis it deserved in 1997. Yet during this same period, U.S. corporate debt rose by \$800 billion or more *per year*, and total U.S. private household debt rose by \$400 billion or more *per year*. Meanwhile, the growth of speculative derivatives casino betting by major U.S. and European banking centers nearly doubled, to \$140 trillion, between 1995 and June 2001. This doesn’t even mention the trillions which went into the Dow, Nasdaq, and London stock bubbles, now burst.

In fact, Asia and other developing areas have been making *net repayments* of \$20-100 billion a year to New York and London markets since 1997, a form of welfare for Wall Street (*EIR*, Nov. 16, 2001).

In February 1996, when LaRouche proposed his New Bretton Woods, he predicted the “Asian Tigers” would descend into crisis due to withdrawal of speculative hot money, and he endorsed the Asian Monetary Fund. In June 2000 came “Brand X,” as Asian officials reported that Volcker’s “Bretton Woods Commission” was founding a committee of Third World economists to promote “the same thing which Mr. LaRouche is advocating.” In July 2000, Japanese officials reported that NATO’s Atlantic Council was organizing a “New Bretton Woods” conference to try to stop formation of an Asian Monetary Fund.

While organizing a highly successful conference for May 5, 2001 on LaRouche’s New Bretton Woods in Berlin, *EIR* learned of no less than three counter-events organized by IMF and critics from the IMF’s “loyal opposition,” all proposing discussion of unspecified “new international financial architectures.”

Then came Sept. 11. As *EIR* organized a second conference in Berlin for Nov. 5, featuring LaRouche’s New Bretton Woods, it was learned that the Volcker-Bergsten “Emerging Markets Eminent Persons Group” (EMEPG), originally scheduled for Sept. 17, would be rescheduled for—Nov. 5. On that day, the Volcker EMEPG presented its report, “Rebuilding the International Financial Architecture” at Washington’s National Press Club. The EMEPG report discussed at length a proposal for “establishment of an international legal mechanism for restructuring sovereign debt contracts similar to the Chapter 11 proceedings under the U.S. bankruptcy law,” already under discussion at the UN Conference on Trade and Development (UNCTAD). That proposal accepts the IMF system, but asks for fairer treatment of individual loans, case by case—nothing like LaRouche’s policy that the bankrupt monetary system itself be put through Chapter 11. And the EMEPG admitted: “Consensus within the international community on the creation of an agreed and binding insolvency framework for sovereign debtors is not expected in the foreseeable future.”

Not surprisingly, the EMEPG report was funded by a \$500,000 grant from the Ford Foundation, and the document written at Britain’s Oxford University by Prof. Valpy FitzGerald, the group’s rapporteur. In addition to Paul Volcker and C. Fred Bergsten, its Advisory Board also includes Joseph Stiglitz and Ernest Stern, former Managing Director of the World Bank, now a top gun at J.P. Morgan.

## Wall Street Still Against Any Bankruptcy

Krueger’s proposal to place such a bankruptcy plan into the hands of the IMF is a similar attempt to control the agenda. Although the media characterized Krueger’s approach as a “Chapter 11” or “bankruptcy” approach, she herself did not

call it this, but rather a “sovereign debt restructuring mechanism.” This plan has *absolutely nothing* to do with American-style Chapter 11 bankruptcy, because it puts nations under IMF diktat.

The IMF claims it does not want to allow large write-offs of foreign debt, but rather to allow “troubled” countries to apply for a short break in paying debt service, not more than a few months, while negotiating a deal with creditors. During the negotiations, temporary capital controls could be imposed. The IMF would play the key role as a supranational arbiter in such bankruptcy procedures, to “ensure the debtor behaved appropriately.”

Said Krueger, “It will not be enough to pass laws in a few leading countries. In practice, the mechanism must have the force of law universally.” She said the IMF wants to stop “rogue creditors,” who “prefer a disorderly process allowing them to buy distressed debt more cheaply,” or who go to court to demand full payment rather than participate in a restructuring. She pointed to the role of U.S. marshals in private bankruptcies, who make sure that creditors abide by the rules, and tried a joke: “To my knowledge the IMF is not yet proposing its own military wing.”

Such a plan could not be implemented for years. It requires new laws to pass over 100 IMF member-country legislatures, which could take decades to implement. It would not apply to today’s debt, but only to new contracts negotiated afterwards. “None of what I have to say tonight has implications” for any existing loans, said Krueger, “to Argentina and Turkey, for example.”

Washington and London bank lobbyists would likely kill the plan in the shell. Goldman Sachs, J.P. Morgan, and other Wall Street top guns denounced it. “This is the Chicken Little approach,” a Goldman spokesman said. “It’s like shouting ‘The sky is falling!’ And it will only choke off capital flows to nations from Turkey to Nicaragua.”

All this announces the fraud involved in the inauguration on Nov. 27, of the Center for Global Development (CGD), “dedicated to reducing global poverty and inequality.” This latest countergang to LaRouche was set up at C. Fred Bergsten’s Institute for International Economics. Its board features, again, Dr. Stiglitz, Bergsten, Jeffrey Sachs, and many other longtime colleagues of Krueger in the “Third World handler” mini-industry. “Events of the past two months make clear that promoting growth, reducing poverty, and preventing states from failing are national security objectives as well as moral imperatives,” said Nancy Birdsall, Executive Vice-President of the Inter-American Development Bank (1993-1998), who is president of the new Center. World Bank President James Wolfensohn made opening remarks. Stiglitz proposed a “world bankruptcy workout institution.”

The CGD’s program is simple: “We’ll discuss anything, if Third World countries agree to stay in the IMF system.” Now is the time to leave it.



# Egypt Again Connects Africa to Eurasia

by Hussein Al-Nadeem

Almost unnoticed by international media fixated on the “war on terrorism” in Afghanistan, two events with major strategic and political implications took place in Egypt in October and November. The first two bridges built in decades over the Suez Canal, linking Africa to Eurasia, were inaugurated on Oct. 9 and Nov. 14. The events marked the 28th anniversary of the Oct. 6, 1973 war, when the Egyptian army crossed the Suez Canal to liberate Sinai from the Israeli occupation.

The first of the two, “The Mubarak Peace Bridge,” was inaugurated by President Hosni Mubarak and former Prime Minister Ryutaro Hashimoto of Japan, on Oct. 9. This suspension bridge for car traffic has a 630-meter span which rises 70 meters above the Suez Canal, allowing gigantic ships such as oil tankers to pass through the canal unhindered. The bridge as a whole extends 9 kilometers (5.5 miles), linking the western bank of the Suez at Al-Qantara, about 25 kilometers north of Al-Ismailia City, to the Sinai Peninsula.

## Egyptian-Japanese Project

The idea was presented by President Hosni Mubarak to the Japanese government in 1995 in Tokyo. The Japanese government financed 60% of the project through a grant. Con-

struction began in 1997 to “build this bridge between Africa and Asia,” according to the Egyptian daily *Al-Ahram*. Hashimoto was invited to the inauguration, because he was prime minister at the time the decision was taken. He described the bridge as “great both in beauty and magnitude; [it] deserves to be called the appropriate bridge to connect nations and cultures in the continents of Asia and Africa.” Egyptian Minister of Transport Ibrahim El-Demiri said at the ceremony that the bridge is indicative of the deep-rooted relations binding the peoples and governments of Japan and Egypt. He added that the giant project was part of a master plan.

The project, including a nearby rail bridge of the same height, is part of efforts to encourage Egyptians to move out of the narrow Nile Valley, where most of Egypt’s 67 million people live. “With the opening of this bridge, life will change on both sides [of the Suez Canal] in that new inhabitants in the area can exploit its natural resources, which have been waiting for a new generation of Egyptians,” Demiri said. He added that this “will entail an increase of the population in Sinai to 3.2 million by 2017” (from 340,000 now).

The second major event took place Nov. 14, when Mubarak inaugurated the Al-Ferdan railway bridge, making the 101 km (60 mile) rail connection from Ismailia to Beir El-Abd in the Sinai Peninsula. It will help increase domestic trade, reconstruct the Sinai and connect it with the motherland. Construction of the new Al-Ferdan bridge was part of the 1994 National Project for the Development of the Sinai, requiring linking the banks of the Suez Canal between the Nile Valley and the Sinai. The new bridge is considered the main pivot of agricultural, industrial and urban development in the Sinai, especially after the digging of the Al-Salam irrigation canal to open up new cultivation there. The Al-Ferdan location was chosen to coincide with a 225 km railway being built from Ismailia to Rafah, passing by Al-Arish.

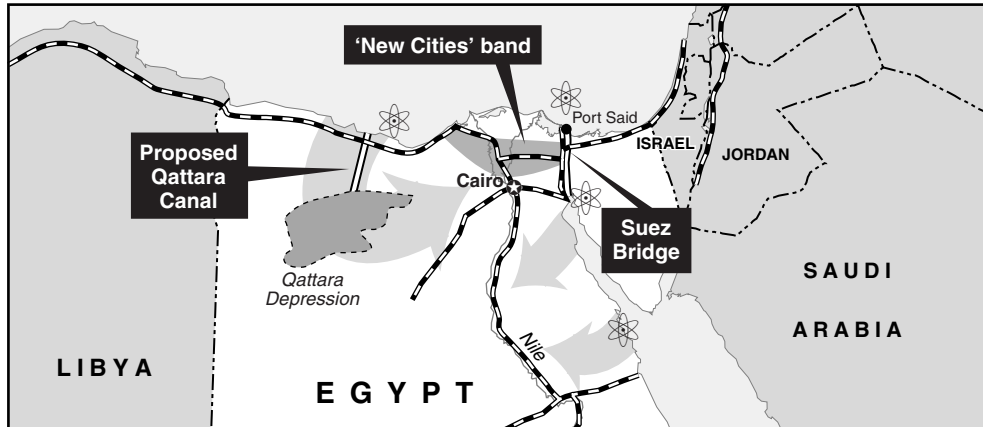
According to *Al-Ahram* weekly, the Al-Ferdan Bridge is 640 meters long, making it the world’s longest rotating steel bridge (the bridge opens by rotating two arms toward each shore, thus allowing ships to pass). Project director Mina Nashed says the bridge was constructed by a consortium of Egyptian, Belgian, and German companies, beginning in November 1997, and is now essentially complete. By mid-May, a computerized system controlling the bridge will be evaluated, and its rotation tested. The Al-Ferdan Bridge Consortium comprises the German Krupp Stahlbau and Krupp Fordertechnik firms, Besix of Belgium, and Orascom of Egypt.

This bridge carries a single rail line and two traffic lanes, which are to be open from 9 a.m. to noon and 11 p.m. to 3 a.m. daily. The first train crossed the bridge on Nov. 14, carrying President Mubarak and reporters, from Al-Ferdan on the west bank of



*The first of the bridges across the Suez Canal, a joint project of Egypt and Japan, is opened on Oct. 9. The Mubarak Peace Bridge was inaugurated by Egyptian President Hosni Mubarak (right) and former Japanese Prime Minister Ryutaro Hashimoto.*

## Suez Bridges In Egypt's Development



*The Egyptian government considers opening the Suez bridges part of a development plan: creating migration away from the Nile Valley into new cities areas; linking Egypt, Sudan, and northwest Africa by rail toward Eurasia: the Orient Express.*

the canal to Al-Qantara Sharq on the eastern bank. According to Osama Ogeen, director of the bridges department at the Egyptian Railway Authority, the train will go 50 kilometers north from Al-Ferdan, and then follow the Mediterranean coast east across Lake Bardawil until it reaches Rafah on the Egyptian-Israeli border.

Ogeen says construction work on 8 of the 14 stations on the line has already been completed. "However, due to the current setbacks in the peace process, the railroad will terminate at El-Arish," she added. "The extension on to Europe will also be on hold until the region reaches a peaceful settlement."

### 'The Route From North Africa To Europe'

"On the whole, the bridge and the railroad will work as a main part of the Northern Coastal Highway, a land transportation route between North Africa and Europe," stated Dr. El-Demeiri. The second phase of the project, which will run from the northern Nile Delta town of Damietta to Al-Salloum, on the Libyan border, was inaugurated last year by President Mubarak. The Railway Authority's Ogeen adds that with the railroad traversing the Sinai, it will nurture the growth of communities along the way. A spur has been constructed to connect the railroad with the new port at East Port Said, to serve the industrial zone newly established there, in cooperation with China.

Al-Ferdan Bridge was made famous by the legendary Orient Express, which used to cross the bridge en route to Europe early in the 20th Century. The railroad used by the Orient Express was first built in 1883 to serve the British troops occupying Egypt in 1882. The trip to Rome used to take 75 hours, beginning at Al-Qantara East and passing through Rafah, Palestine, Lebanon, Syria, and Turkey until it reached Italy.

This is the fourth time this bridge has been built. As a witness to the ugly politics of the 20th Century, the bridge was destroyed three times; in 1943 during World War II;

in 1956 during the Anglo-French-Israeli aggression against Abdul Nasser's Egypt; and in 1967 in the Israeli-Arab war. Reflecting on this fact, President Mubarak told reporters after the inauguration ceremony: "To those Israelis who cast doubt upon the peace with Egypt, I would say, 'Do we make peace between Egypt and Israel and build a bridge that costs 400 million Egyptian pounds [\$100 million] and a railway which costs more than a billion, so they would be bombed?'" He emphasized that "this project is the best proof that Egypt is walking on the road to peace. We are against war, and would not fight, unless we are being attacked."

Mubarak also stressed that this is not merely a local Egyptian project: "When we think about a project such as this railway, we don't look at it in a short-sighted way. We don't want this train to stop at Bir Al-Abd. No. It should continue to Al-Arish and Rafah, and later, when the situation is stable again, to Israel and its neighbors, to Istanbul. And from Istanbul, the Orient Express would become reality again. This shows how keen Egypt is to achieve peace. I heard that the Germans want to help build part of [the Orient Express]."

This project has become part of the government's conscious planning for Egypt to become the bridge between Africa and Eurasia. The domestic development factor is of enormous significance, turning the Sinai and the New Valley—through the transfer of water and building of new urban centers in the Sinai and west of the Nile Valley along the Toshka canal—into modern agro-industrial centers.

These centers are along the main arteries of the Afro-Eurasian Land-Bridge, extending from Southwest Asia and Europe across the Near East to the Sinai; from there crossing the Suez Canal to Port Said in the north and along the Mediterranean coast to North Africa and Spain. To the south, it will expand through Sudan to the Horn of Africa, East Africa and the Sub-Saharan Africa. Under just international economic-financial relations, such a project becomes the best kind of vehicle for peace and development.

# Egypt Assesses 'New Silk Road' Policy

by Hussein al-Nadeem

As Egypt opened its new Suez Canal bridges, Cairo University's Center for Asian Studies (CAS) published *The New Silk Road*, a book-length Arabic study of the Eurasian Land-Bridge policy. The book undertakes a rigorous study of the nature of this global project and its impact on Egypt's economic future. It is a sign of Egypt's decision to play a leading role in the Middle East and Africa in promoting this kind of development perspective, as a means for building peace and stability. It also reflects Egypt's historically pivotal position as a bridge between two continents and different cultures.

Edited by Prof. Mohammed Selim, chairman of the CAS, Prof. Gaber Said Awadh, and Dr. Norhan El-Sheikh, this book grew out of a seminar in the Mediterranean city of Port Said, on April 15-17, 2000 (see *EIR*, May 26, 2000). That seminar, "The New Silk Road and Its Impact on Egyptian Interests," was an initiative of the CAS to clarify all the aspects of the Eurasian Land-Bridge, which is also often referred to as the "New Silk Road." Fears had been raised in Egypt, that this project would become a competitor to the trade through the Suez Canal, and would deprive Egypt of a significant source of its national income. The April 2000 conference was important to clear up that "zero-sum game" assumption about trade and economy. Hence, its educational importance for Egyptian and Arab policymakers, and citizens as well.

## The Two Major Land-Bridge Initiatives

This book bears witness to the deep impression the ideas of American economist Lyndon LaRouche and *EIR* have made on the intellectual and political debate in this country. In their introduction, the editors state that "a new era in the history of international relations and Eurasian integration has emerged" since the fall of the Berlin Wall. They describe how, during that decade, two major initiatives, "with highly elaborated and crystallized projects," have taken shape. One is the Chinese initiative to revive the Silk Road and connect the Chinese port in Lianyungang in the East to the European ports in Rotterdam in the West, across Siberia and Central Asia, through a network of high-speed railways that cross more than 40 nations. The Chinese government organized an international conference in Beijing in May 1996 to discuss this great project, with representatives of 34 nations (see *EIR*, June 14, 1996). The other, the editors call "The LaRouche Project," widely publicized through the 1997 *EIR Special Report*: "The Eurasian Land-Bridge: The 'New Silk Road' —

Locomotive For Worldwide Economic Development."

The book's second chapter is a study by Dr. Gaber Saied Awad of the *EIR Special Report*. Giving the historic and strategic context, he indicates that "the idea of building continental land-bridges and transport corridors goes back to the American economist Henry Carey who played a key role in building the first continental bridge in the world in the United States in the 1860s." Dr. Awadh describes how this idea was replicated across Eurasia, but was regarded by the British Empire as a major threat to its maritime hegemony. Because of this British opposition, he writes, "It took a century to build the next Eurasian continental bridge."

The contribution of historian Dr. Galal el-Hafnawi is a guided tour through 2,000 years of the history of the Old Silk Road. Other sections, by academicians and political analysts, deal with the attitude of nations — China, Russia, Iran, Central Asia, Georgia, Western Europe, and the United States — toward this great project, and how it will affect each one.

For some time, the debate in Egypt around the New Silk Road has focussed on the "conflicting interest" between the rail-based transport of goods from Asia to Europe, and the maritime shipping of goods through the Suez Canal. Chapters 9 and 10 take on this specific issue with a detailed study. Mohammed Rizk from the Suez Canal Authority describes all the practical and technical aspects, and concludes that, for "especially container transport between Asia and Europe, the sea routes would still have the upper hand"; but, he emphasizes that the Egyptian state should "improve the connections between the strategic ports on the Suez Canal and Port Said, and the new, planned railways and roads, because this will, in fact, increase the revenues of the Canal, and would be beneficial to the economy as a whole."

LaRouche's idea of the Eurasian Land-Bridge is the building of "development corridors," and not merely a road for transporting goods. Dr. Mohammed Selim elaborates this idea in the final chapter, describing the impact of the New Silk Road on Egypt's economic and strategic interests. Selim rebukes those who believe in the "zero-sum game theory," and concludes that "this road will be beneficial to the Egyptian economy, if Egypt defines the right policies to benefit from this project. Egypt has indeed started building the 'Orient Express' to connect its transport network to the eastern Arab states and the New Silk Road." The CAS recommends the Land-Bridge not only as a transportation route, but also as part of a comprehensive national plan, aimed at developing every part of the country, by bringing water, roads, and a qualified labor force from the Nile Valley to the desert.

Although Egypt has been facing very difficult financial conditions, it has kept its commitment to these projects as a matter of "life or death," and with significant support from other Arab states, such as the United Arab Emirates and Saudi Arabia. It is, therefore, no exaggeration to state that the building of the bridges across the Suez Canal and the publication of this book have significant strategic implications.

# In Midst Of War Drive, Israel's Economy Falls

by Dean Andromidas

When he came to power, Israeli Prime Minister Ariel Sharon launched a bloody campaign to force the collapse of the Palestinian Authority. After a year of closures and sieges against the Palestinian towns and cities, the fragile and impoverished Palestinian economy has been brought to its knees. But Israel's own economy is undergoing its worst crisis in nearly 20 years, with no recovery in sight. Well on the way to collapse, the economy could prove the Achilles' heel of Sharon and his generals.

With all economic indicators for the third quarter far worse than expected—including record unemployment, negative growth rates, collapse of entire sectors of the economy, and widespread labor unrest—Israel is now officially in “recession.”

Hopefully this economic crisis will drive home to Israelis the existential imperative of peace through development in the Middle East. Lyndon LaRouche's Oasis Plan for the region, could shape initiatives not only to forestall war, but even to allow the Middle East to become a powerful focal point for regional economic development: expanding and developing the region's water resources, and building a system of regional infrastructure that could turn the Middle East into the “Land-Bridge” between Eurasia and Africa.

## Reality Shock

The release of the disastrous economic figures for the third quarter, along with widespread labor unrest in the past weeks, have created a reality shock for most Israelis. The causes are the state of low-intensity war, and the collapse of the global economy. Sharon is fully culpable for the first, and incapable of dealing with the second.

Labor strikes swept the country in late November, bringing various sectors of the economy to a standstill. A four-week strike at the National Insurance Institute left the vast majority of Israel's pensioners without their monthly stipends. An airport customs workers strike created more chaos at Ben-Gurion International than a bomb scare. The four-week strike of lecturers closed Israel's leading university; employees of the Labor and Social Affairs Ministry and firefighters are striking.

Things could get worse if the government cannot broker a tripartite agreement with labor and the private sector, to establish an economic “recovery” program, including a wage freeze and job-creation programs. If an agreement is not reached by Dec. 21, the entire public sector could strike, says

the Histadrut labor federation.

The labor unrest is driven by high unemployment. The Israeli Bureau of Statistics (CBS) reports that official unemployment has reached 234,500 for the third quarter—a rate of 9.3%. The Finance Ministry and the Bank of Israel central bank expect over 10% unemployment by the first quarter of 2002. If those who have given up looking for work are included, the jobless figure would be at least 350,000 now. Unemployment is particularly high among new immigrants (11.5%) and among Israeli Arabs (24%). But there is also a serious problem of underemployment, as witnessed by a 13% increase in the number of part-time workers. In a country where one in every five families, and one in every four children, lives below the poverty line, this unemployment, combined with high levels of anxiety about the security situation, can have a socially explosive effect.

## Industry Falls Across The Board

But even these government figures are rose-colored. Israel's Manufacturers Association has warned that by the end of the year, 14,000 layoffs can be expected in the industrial sector, which at the current level of 398,500, is Israel's second largest employer. Since the collapse of the Nasdaq bubble in the United States, more than 150,000 jobs have been lost in Israel's “high-tech” sector.

Industrial production is expected to shrink by 4% this year compared with last, according to the CBS. The number of employees in the industrial sector will drop by 3.5%, while work hours per employee will drop by 4.5%. The sharpest fall is in electronics, aircraft, and pharmaceuticals, which combined have experienced a 26% drop in production. Still harder hit is tourism, which normally brings in \$2 billion annually, which shrank by 51% from 2000 to 2001. Charter flights are gone; even regularly scheduled flights have been cut back, as passengers are now only Israelis.

Israeli Aircraft Industries (IAI), Israel's most important aerospace corporation, saw its profits collapse as a direct result of the Intifada and the downturn in the global aviation industry. European and American companies cancelled the transfer of planned projects to Israel, and international companies cancelled transfers of aircraft for maintenance, concerned that their aircraft could be targeted for attack, if war breaks out in the region.

Israel's GDP shrank 2.8% in the third quarter, after contracting by 0.1% in the second quarter. This is the sharpest percentage contraction since 1953.

Residential construction, which has been historically a key driver of the economy, collapsed by 17.6% this year, reflecting both increasing relative poverty, and a collapse in immigration to Israel, which offers only a harsh security situation and few opportunities.

Exports of goods and services have fallen by 12% over the first nine months of 2001, compared to 2000. The banking sector has been hit hard. Israel Discount Bank, the third largest bank, has reported growing losses for the last two quarters,

and a doubling in “doubtful debts” on its books. The profits of two other large banks, FIBI and Bank Hapoalim, dove, after the Bank of Israel demanded all banks increase their reserves to cover these non-performing loans.

The high-tech bubble had been a panacea for the Israeli economy, up through its 6.2% growth rate for 2000. The bursting of that bubble has had a devastating effect, and brought many back down to reality. Israel was particularly heavily involved in the telecom sector, where it was providing both hardware and software for all the world’s major international telecom firms, which have since lost many billions of dollars. This has left hundreds of bankruptcies and heavy losses among Israel’s holding and investment companies such as Discount Investment Corp. (which lost more than \$200 million in the third quarter, on top of losses of \$100 million in the second). The Israel Corporation and Koor Industries both suffered losses, thanks to the collapse of the telecom and “high-tech” bubble.

Abraham Tal, business correspondent for the daily *Ha’aretz*, wrote on Nov. 22 that the celebrated 6.2% growth rate for 2000 can be attributed to illusory effects of the high-tech bubble, and that, fundamentally, Israel’s economy has been in decline for more than five years.

The economic collapse could very rapidly lead to a political crisis in the pending fight over the 2002 budget. The Treasury and the Bank of Israel are demanding massive budget cuts. They are, in particular, demanding the suspension of so-called private bills of individual members of Israel’s parliament, the Knesset. These bills call for allocations of funds to various projects outside the government budget—anything from support for yeshiva religious schools, to financing the purchase of schoolbooks. Such a budget fight could push the small, special-interest parties that make up the swing factor in the government coalition, into initiating a government crisis: The Likud-led government of Benjamin Netanyahu fell as a result of just such a budget dispute.

## **Fall Of The World’s Most Subsidized Economy**

Israel is an economy like none other. Although it is ranked first among nations in per-capita income, it receives the most economic aid of any country in the world. Israel is the top recipient of aid from the United States, receiving an annual dole of over \$3 billion of economic and military aid and long-term credits. U.S. military aid accounts for 20% of Israel’s annual defense budget. This has not only allowed Israel to absorb hundreds of thousands of immigrants, but has enabled it to maintain an extremely large military-industrial complex.

Moreover, Israel is the beneficiary of gargantuan capital flows from the billionaires among the Diaspora. The political as well as economic weight of this capital is particularly strong on the political right, in funding the Jewish settlements in the West Bank and Gaza Strip, and above all, in backing Sharon’s war policy.

This flow of billions of dollars is not simply “charity.”

Israel is on the Group of Eight’s blacklist of the world’s top money-laundering centers. Along with the so-called “Jewish Mafia,” there is the Russian Mafia and so-called “tycoons,” many of whom claim Jewish descent, such as Boris Berzovsky and Vladimir Gusinsky. With a 25% holding in the Israeli daily *Ma’ariv*, the latter is business partner of the notorious Israeli arms dealer and former Iran-Contra figure Ya’akov Nimrodi. These more colorful donors all have been quick to get Israeli passports. In the latest money-laundering scandal, Switzerland has slapped sanctions on the Swiss branch of Israel’s Bank Leumi for involvement in the alleged money-laundering of former Peruvian security chief Vladimiro Montesinos. The Swiss banking authorities demanded that Meir Gruss, Bank Leumi’s general manager in Switzerland, step down.

If Israel does not change its banking laws to prevent money laundering, as the Group of Eight demand, it will face sanctions, along with such “black money” holes as Panama, Cyprus, and the Bahamas.

Putting aside their great political influence, these cash cows of Israel’s economy are also suffering from the global financial collapse. If their “generosity” begins to fade, the floor will drop out.

## **War Or Economic Survival**

Israel under a Sharon government hasn’t the slightest hope of economic recovery. Less well-known than Sharon’s terrible war record, is the economic catastrophe that this war policy has wreaked on Israel. Although Israel has always had high inflation, the 1980s Lebanon war, under then-Defense Minister Gen. Ariel Sharon, helped to drive the Israeli economy into three-digit hyperinflation. In 1983, inflation hit 191%; in 1984, 445%; and in 1985, it threatened to soar into four digits. Only after Israel withdrew from most of Lebanon, did inflation begin to decline, and then only after the government instituted an “Economic Stabilization Program” which called for crushing austerity. Its “success” was primarily due to a \$1.5 billion aid package from the United States.

Sharon has publicly stated that he is not interested in a peace treaty with any Arab state. He holds on to the illusion that all the Arab states will collapse economically and politically over the next ten years, and Israel, with its “dynamic” economy, will reign supreme in the Middle East. But his policy could utterly bury the Israeli economy, even before he launches general war.

Nonetheless, a glance at Israel’s geographic reality demonstrates the crucial role it could play in a regional economic growth program centered on the development of water resources and transportation infrastructure. Lying on a narrow strip on the eastern coast of the Mediterranean, it is endowed with two excellent harbors and lies along what would be the north-south axis of any future rail corridor between Eurasia and Africa. Indeed, without this integration, Israel will never become anything more than a foreign-subsidized crusader state in Samuel Huntington’s “Clash of Civilizations.”

# IMF Promises Mexico A 'Bailout In Advance'

by Rubén Cota Meza

"Mexico will find itself in a situation similar to that of Argentina, if Congress refuses to approve this tax reform," declared Guillermo Ortiz, president of Mexico's Central Bank, on a prominent radio program on Nov. 5. Ortiz was referring to the new law President Vicente Fox's government had sent to Congress, which would impose a new, 15% Value-Added Tax (VAT) on food, medicine, and education. Through it, the government hopes to obtain 120 billion pesos more in revenues (some \$13 billion). Legislators from the opposition parties and the government's own National Action Party (PAN) have rejected the proposal.

Ortiz's statement was a crude attempt to pressure Congress with the specter of an Argentine-style default, but that "specter" is already a reality in Mexico. Exactly as is happening in Argentina, Mexico's tax revenues are falling in tandem with the collapse of the economy. Revenues from existing VAT taxes were 2.9% less this September than a year ago. Tax revenues from the state companies were down by 6.1%, and tax revenues from imports collapsed by 27.8%, as imports fell by 11%.

In response, Treasury Secretary Francisco Gil Díaz announced that another \$370 million in federal expenditures would be cut, in order that the deficit not exceed 0.65% of GDP, in Mexico's version of Argentina's zero-deficit policy. This was the third budget cut of the year, bringing total cuts to \$1.45 billion—and Gil Díaz warned of yet another cut.

Meanwhile, the Treasury Department reported that GDP was flat in the second quarter, and fell by 1.6% in the third quarter. Industrial production fell by 5.4%; services, by 0.4%. Exports to the United States (which are 90% of Mexico's total exports) collapsed by 13.3%, and those to Canada by 18.3% in September, below August levels. Income from crude oil sales to the United States was down by \$1.679 billion in the first ten months of 2001.

The *maquiladora* cheap-labor assembly "industries," the "flagship" of the economic model imposed under the North American Free Trade Accord (NAFTA), which had grown at a rate of 10% per year since 1994, cut production by 11.8% in the first nine months of the year. Some 150,000 *maquila* workers were fired, more than 10% of the total employed in the sector. The *maquiladoras* account for 48% of Mexico's exports, but the impact of these cuts is far greater than upon exports, as the economies of some cities along the U.S. border are 70% dependent on the *maquiladoras*.

In the face of this desolate panorama, the International Monetary Fund (IMF) stepped up its pressure on Mexico to accept a contingency credit line of more than \$16 billion, made available as a shock-absorber only to "well-performing" economies. The IMF set up the contingency credit facility three years ago, and elected Mexico as the country to receive one. The previous Mexican government, that of Ernesto Zedillo, refused the credit because "it was not necessary," and because "it would send bad signals to the markets."

Now, the IMF insists that Mexico should accept this new "financial armor." In April 2001, Treasury Secretary Gil Díaz reported that Mexico had again received an IMF "offer" that it use this refinancing. On Nov. 18, at the IMF Ministerial meeting held in Ottawa, Canada, IMF Managing Director Horst Köhler reiterated that Mexico "could have immediate access" to the credit line.

Claudio Loser, IMF Western Hemisphere director, stated the Mexican Congress's approval of Vicente Fox's tax reform "is not a condition for the credit line to be approved," although he emphasized its importance. Loser made reference to ominous future "requirements" for more resources to meet "the demands of the coming years . . . in terms of certain payments and the bank bailout."

## 'Full Throttle Into The Iceberg!'

The IMF's anxiety to provide "financial armor" to Mexico is increasing, in recognition of the growing pressures in Mexico for the country to abandon the free-trade model, and focus its efforts instead on "reconstructing" a domestic market.

Yet, President Fox stubbornly insists that "we will not vary our course, because this is not by caprice or ideological stubbornness." Business leaders during August and September, began insisting that Mexico precisely needs to "change course." Fox claimed "changing the ship's course is not easy." The pressure has not eased, however. Fernando Correa Mena, president of the National Association of Mexican Importers and Exporters (ANIERM), pointed out on Nov. 15 that "under NAFTA, imports have been promoted more than exports," nor did the free-trade agreement with the European Union create an export market: "More was exported to Europe without the treaty, than under this one." He added that unemployment is 22%, not the official figure of 2.9% [!], "and it is clear that the economic contraction is not the result of the Sept. 11 attacks, but that it began in the last quarter of 2000."

But Fox's government is clinging to the *Titanic*. In the 28th National Convention of the Maquiladora Export Industry, Undersecretary of Economics Rocío Ruiz Chávez proclaimed that "the *maquiladoras* will continue to be the axis of economic development." Labor Secretary Carlos Abascal Carranza also defended the slave labor of the sweatshops as a "model of the new culture of labor," and said that the government will now reform federal labor laws to eliminate excessively "rigid" requirements for hiring labor and paying employees, changes he called "vital to attract investment."

# PIDIREGAS, The Trojan Horse Of Energy Privatization In Mexico

by Ronald Moncayo Paz

Since the explosion of the Mexican debt bomb in December 1994, the international financial oligarchy has been rather open about its obsession with seizing Mexico's oil resources. In addition to their interest in owning the country's vast oil deposits outright, these forces have also been intent on privatizing, deregulating, and dismantling Mexico's entire energy sector—and in particular, the state oil company Pemex—as a means of ensuring that Mexico will not be able to carry out sovereign economic development.

The main obstacle to the financial oligarchy's takeover design has been the Mexican Constitution of 1917, which establishes that "the state is responsible for the guidance of national development"; that "the public sector will have, under its exclusive charge, the strategic areas" of the economy; and that these strategic areas encompass "oil and other hydrocarbons."

Unable to enter through the front door, the London and Wall Street bankers have pried open the back door, through the mid-1990s adoption of several laws and regulations on investment, which have paved the way for the full privatization and deregulation of the Mexican energy sector. Despite the fact that these laws were unconstitutional, the Ernesto Zedillo government (1994-2000) imposed these new laws, at Wall Street's behest.

For example, the "National Program for Financing Development, 1997-2000" (Pronafide), as presented by the government in 1997, states: It is necessary "to take advantage of modifications of the legal framework, which allow access to new forms of financing. Therefore, the preference will be on the side of budgetary investment, as well as projects promoted by the public sector, but using private financing."

Just what are these "new forms of financing"?

"Investment projects promoted by the public sector with private financing, will be carried out within the framework of reforms to the Budget, Accountability, and Federal Public Expenditure Law, and to the General Law of Public Debt, approved in December 1995. With this, infrastructure projects will be carried out which do not require public resources during the construction phase, and thus will not have an effect on the budget until the public sector receives the infrastructure to operate."

In December 1995, Article 30 of the budget law was modi-

fied, as was Article 18 of the debt law. With these changes, private entities were given the right to build infrastructure projects, which would only begin to be paid for at the point that they are delivered to the state. The name given to this new legal construct was the "Project of Deferred Impact on Expenditure Accounts" (PIDIREGAS).

## Disguised Privatization

Let us take a closer look at the PIDIREGAS. In the Pronafide document of December 1995, it is stated that PIDIREGAS projects "are self-financing, through a future revenue flow that they are expected to produce through the sale of the goods and services they generate. Thus, from the moment they become part of the public sector, the expected flow will allow for the amortization of private and bank financing, and will strengthen the finances of the public sector. Due to these characteristics, projects financed in this way (highways, electricity generation, and hydrocarbons, for example) will be concentrated in public companies and entities, particularly those of the energy, communications, and transport sectors, since that is where productive projects which permit repayment through their own income, as required by law, are typically to be found."

That is, through the PIDIREGAS, veiled private domestic and, especially, foreign participation in the Mexican energy sector, is now permitted. Although a violation of the Mexican Constitution, this plan does meet the stipulations of the North American Free Trade Agreement (NAFTA), which requires, Ricardo García Rosas revealed in his study "The Destruction Of The Mexican Energy Sector" (see *Resumen Ejecutivo*, September 2001), that "all bids carried out by the signator governments be submitted to international bidding." To this same effect, Chapter 10 of NAFTA refers to "purchases by the public sector," where supranational legislation is established which clearly favors the strongest bidders, i.e., the large multinationals. This NAFTA directive also violates the Mexican Constitution, which specifies that, where bidders are equally qualified, the contract must be given preferentially to Mexican firms, and not to foreigners.

According to García Rosas, in 1995 there were 20,000 Mexican engineers involved in the Federal Electricity Commission's (CFE) engineering projects. Today, there are only

2,000. Similarly, the engineering and technological schools are turning into administrative schools, or, as a professor from the San Juan del Río Technological Institute said, “They are forcing us to produce sheep for the *maquiladoras*.”

While it is the case that the Mexican Constitution acknowledges that the private sector (both foreign and national) has an economic role to play — *albeit under strict government regulation* (see box) — the international financial interests are determined to use this to establish their top-down control. To this end, they are pushing for the “privatization” and “deregulation” of the economy’s strategic sectors, especially energy. For example, President Ernesto Zedillo declared in the Implementation Report on his 1996 National Development Plan: “The federal government continued the process of deregulating economic activity, begun in 1995, in the context of the Alliance for Economic Recovery . . . to legally sustain the first package of deregulation agreed upon by the Council for Economic Deregulation.”

### **Pemex Is The Primary Target**

The 1996 National Development Plan discussed the “development and restructuring of the energy sector,” and defined a strategy for achieving “private investment in the construction of infrastructure for the generation of electricity and in oil activities not reserved to the state.” Zedillo later said that Pemex was the key target: “Pemex has encouraged the establishment of alliances with national and international private companies. It has emphasized the participation of the private sector in the construction of water treatment plants for the six refineries, which when finished will be operated by the owners, and Pemex will only pay for the service.”

That is, the state removes itself from the new investment, hands it over to private entities, and commits itself to pay for both the project and for the service it provides.

Once the December 1995 reforms which gave rise to the PIDIREGAS were implemented, the next step was to establish the so-called “long-term productive infrastructure projects.” In effect, a new category of project was created under the rubric of the PIDIREGAS. On Aug. 20, 1996, the Budget, Accountability, and Federal Public Expenditure Law was modified once again, specifically Articles 38-A and 48-B, in order to “regulate, in a timely and transparent fashion, the operation of these projects and the recognition of the corresponding liabilities.” A “long-term productive infrastructure project” is defined as “a project whose execution is given to private and social sector companies, through public bidding.” These companies often obtain their financing from abroad, meaning that the door is thereby opened to foreign financial control over a strategic economic sector, something the Mexican Constitution expressly prohibits.

Once the project is completed, “the payment obligations corresponding to due dates of current and forthcoming expenditures, are considered the direct liability of the public sector,

## **From The Mexican Constitution**

The Mexican Constitution of 1917 establishes, in Article 25, that “responsibility for directing national development lies with the state. . . . The public sector will have exclusive responsibility for the strategic areas named in Article 28, Paragraph 4, of the Constitution, with the federal government always maintaining ownership and control over any agencies which may be established as needed.”

In its Paragraph 4, Article 28 states:

“The functions which the state exercises exclusively in the strategic areas to which this rule applies, will not be construed as monopolies: mail service, telegraphs, wireless telegraphy and satellite communication, oil and other hydrocarbons, basic petrochemicals, radioactive minerals and the generation of nuclear energy, electricity, and railroads. . . .

“The state will have at its disposal whatever agencies and companies that are required for the efficient management of the strategic areas for which it is responsible, and in the activities designated as of a priority character where, according to the laws, it itself participates, or does so with the social and private sectors.”

whereas the remainder is registered as a contingent liability. Payments . . . are made, using the flow of revenue that the projects themselves generate.” Further, these payments have preference over any new investment.

A series of norms have also been established to qualify a project as a “long-term productive infrastructure modality.” The most important of these norms establishes that “the revenues generated by the sale of goods and services be sufficient to cover contracted obligations.” In other words, the private investor risks absolutely nothing, and even receives benefits, such as managing the completed project, which services but one client: the state itself. Quite a deal.

With “long-term productive infrastructure projects” so established, they are then divided into two categories:

1. Long-term productive infrastructure projects through direct investment. In these, the public entities (CFE or Pemex) assume direct responsibility for acquiring “certain productive assets built to their specification by private companies.” That is, the state is not obliged to acquire *all* the assets; it can leave some of these in private hands.

2. Long-term productive infrastructure projects through conditional investment. In these, acquisition of the assets by



TABLE 1

**Mexico's Oil Sector: Public And Private Investment**

(Billions Of 2001 Pesos)

Year	Public Budget Investment	Private Financed Investment	Amortization
1991	34.8	0	0
1992	33.5	0	0
1993	31.3	0	0
1994	33.4	0	0
1995	35.7	0	0
1996	44.1	0	0
1997	45.6	7.5	0
1998	42.1	35.1	0
1999	29.8	43.5	0.2
2000	35.5	47.5	2.8
2001	35.7	56.9	5.9

Source: Presidential Report 2001, Statistical Appendix, Mexico.

government entities is “the result of the materialization of some eventuality in a contract for supply of goods or services.” That is, the state is not obliged to buy the project, unless some “eventuality” occurs in the “supply.”

This approach yielded the following results: Between 1997 and 2000, construction of 56 projects under the “direct investment” mechanism was authorized, at an estimated cost of \$36 billion, and 22 “conditional investment” projects were authorized, for \$8 billion.

That is, there are 78 “monetarily profitable” and strategic projects which are already in private hands. Who are the beneficiaries? In the majority of cases, they are international consortia which, in some cases, have even received loans from their governments, as in the case of Spanish and Japanese investors, for the projects.

**Usury Enters The Budget**

There exists an additional aspect to the PIDIREGAS, because the state amortizes the capital cost of the project and also schedules the interest payments, which thereby enter into the public debt cycle.

Thus, in each year's budget, there are funds which are “set aside” to cover amortization, and interest payments as well. For example, one government study states that, “given that some of the projects authorized . . . in 1997-2000 will begin operation in 2001, the [2001] Budget Plan includes planned expenditures of about 7.3 billion pesos [about \$730 million] in investment costs to cover amortizations . . . and 6.9 billion pesos [some \$690 million] in non-programmed expenses, to cover the financial cost of the same.”

TABLE 2

**Mexico's Electricity Sector: Public And Private Investment**

(Billions Of 2001 Pesos)

Year	Public Budget Investment	Private Financed Investment	Amortization
1991	30.2	0	0
1992	28.7	0	0
1993	24.4	0	0
1994	23.9	0	0
1995	18.4	0	0
1996	17.0	2.9	0
1997	20.1	4.3	0
1998	25.0	12.3	1.5
1999	25.4	10.4	4.1
2000	22.0	17.6	3.1
2001	19.6	23.6	4.5

Source: Presidential Report 2001, Statistical Appendix, Mexico.

For 2001, President Vicente Fox requested authorization to spend 66.9 billion pesos (\$6.7 billion) for new direct investment projects, and another 13.3 billion pesos (\$1.3 billion) for conditional investment projects.

Recall that the state does not have to purchase the conditional investment projects.

For the moment, only CFE and Pemex projects qualify as “long-term productive infrastructure.” The amount assigned to this category of projects is called “financed investment.” Let us see how this has evolved in the case of Pemex.

**Table 1** shows that the public share of total investment in oil has already begun to decline, while private participation is rising. The amortization of the debt is also rising, as are interest payments — which do not appear here.

The case for the CFE is similar (**Table 2**). If we compare budget investment and financing, we see that, here, too, the state is stepping out of the investment role more and more, leaving the greater part in private hands.

The PIDIREGAS Trojan Horse is working exactly as intended: The Mexican energy sector has begun to be privatized, and handed over to foreign interests.

★ LAROUCHE IN 2004 ★

[www.larouchein2004.com](http://www.larouchein2004.com)

Paid for by LaRouche in 2004.

## Russia's Scientists Focus On LaRouche And Vernadsky

by Rachel Douglas

Moscow's Vernadsky State Geological Museum held a Nov. 27-28 scientific conference, "The Realization of the Concept of the Noösphere in the 21st Century: Russia's Mission in the World Today," at which Lyndon LaRouche's economic science was the center of attention.

Co-sponsored by the Museum (part of the Russian Academy of Sciences) and the Schiller Institute, the conference heard LaRouche's new paper, "The Spirit of Russia's Science" (published below). Russian economist Andrei Kobayakov, of Moscow University and the journal *Russian Entrepreneur*, read aloud an abridged Russian translation, which then figured in discussions throughout the two days.

With Schiller Institute representatives Jonathan Tennenbaum and Karl-Michael Vitt participating, two central themes of LaRouche's ongoing dialogue with the Russian intelligentsia were debated. First, was Russia's mission in current world history, as a uniquely Eurasian nation and one of the few powers whose leadership thinks of shaping events on a world scale. Second, and bound up with the first, the legacy of the great Ukrainian-Russian scientist Vladimir I. Vernadsky (1863-1945); this legacy is essential to Russia's fulfillment of that mission. Vernadsky coined "Biosphere," and "Noösphere," the sphere of activity of the powers of the human mind.

The meeting hall of the State Geological Museum, located in central Moscow close to the Kremlin, was filled by some 50 leading Russian scientists, including physicists and biologists. Among them were many students and collaborators of the late Pobisk G. Kuznetsov, the maverick chemist and industrial-organization specialist, who inspired a generation of Soviet and Russian scientists to think in unconventional ways. Kuznetsov, who was LaRouche's friend, passed away just one year ago. Dr. Sergei Glazyev, chairman of the Committee on Economic Policy of the State Duma (Parliament), gave one of the main presentations on the first day of the conference.

The "Noösphere" conference focussed on building the infrastructure projects



*Lyndon LaRouche's work is the subject of intense scrutiny in Russia. Here, he speaks at an event in June, at the Lebedev Institute of Physics of the Russian Academy of Sciences.*

of the Eurasian Land-Bridge. As a road to the future, it stands in stark relief against today's world financial meltdown, made more dangerous by the prospect of a "Clash of Civilizations" after the terror attacks of Sept. 11 and the war in Afghanistan.

---

## **Land-Bridge: The Noösphere Realized In The Economy**

---

Dr. Tennenbaum, who opened the conference and greeted the participants, spoke during the first session, on "Eurasian Infrastructure Development and the Noösphere Principles of Physical Economy." He presented LaRouche's conception of the Eurasian Land-Bridge in the context of the global economic crisis and the need for reform of the monetary system—all, from the standpoint of the Noösphere, the domain defined by human cognitive activity. Tennenbaum discussed Vernadsky's concept of the Noösphere, from the advanced standpoint of LaRouche's Science of Physical Economy, focussing on the apparently simple idea, the human increase of "potential relative population density," which is really one of the most profound concepts in science. "The creation of a network of infrastructure corridors in Eurasia—and analogous projects in other areas of the world," Tennenbaum stressed, "cannot be seen merely as a commercial undertaking. In combination with certain measures to stimulate scientific and technological progress, these projects provide the

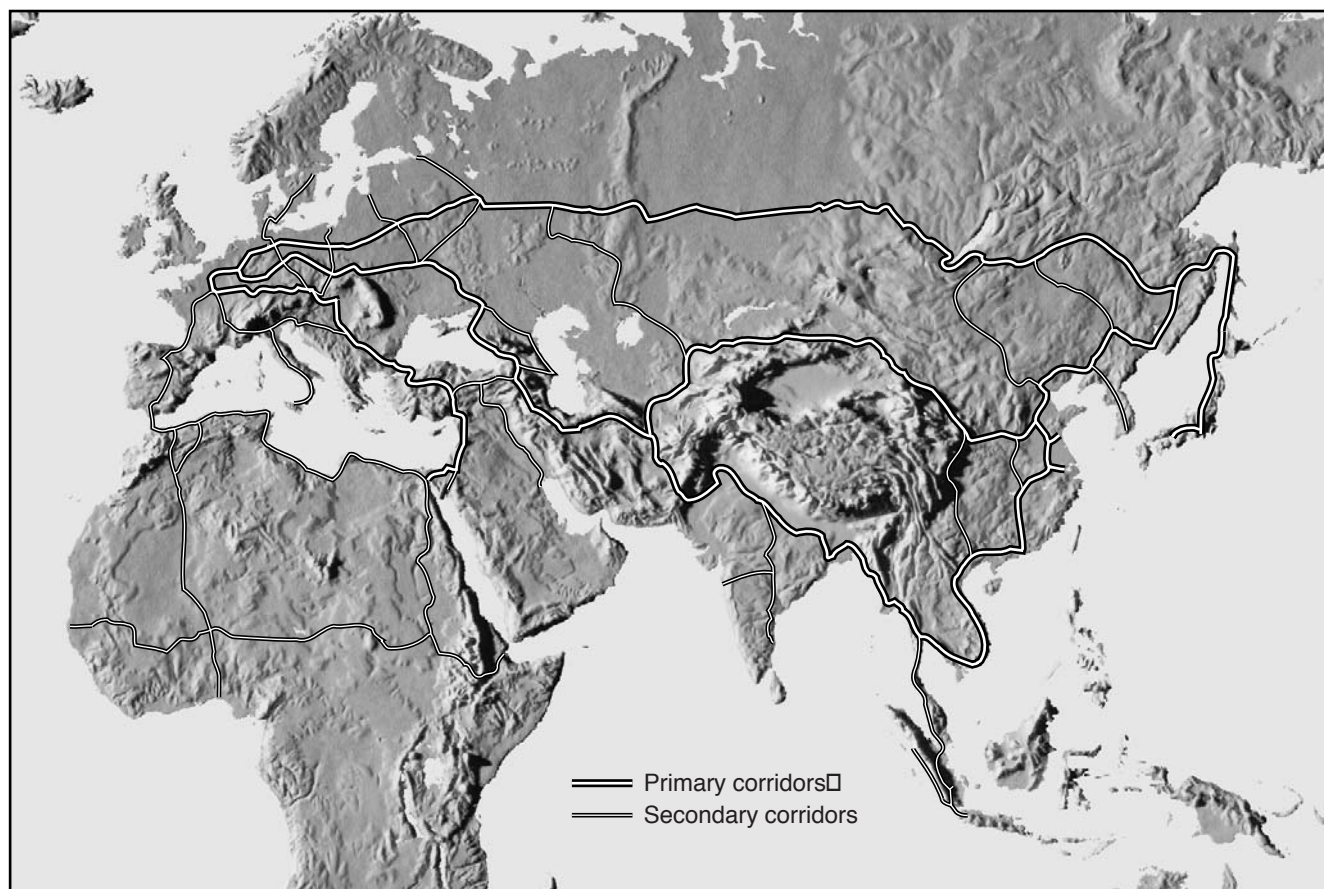
most efficient means to reverse the current 'entropic' degeneration of most of the world's physical economy, and to restore real growth in agreement with the requirements of the Noösphere."

Two prominent Russian speakers then took up the Eurasian infrastructure corridors. On Nov. 27, V.G. Popov of the Moscow State Railways University forecast "The Role of International Railroad Transportation Corridors in the Modernization of Russia in the 21st Century." Of the different available economic strategies available to Russia, he said, the one chosen in the 1990s was the wrong way, leading to the looting of capital and loss of manpower from the Russian economy. In order to reverse that process and shift back to economic development, Popov said, the modernization of infrastructure plays an essential role. Exemplary is the Trans-Siberian Railroad (TSR), which has a key function in the Russian economy and can be best looked at in the context of Eurasian development. Among the potentials of the TSR discussed by Popov, and also mentioned by President Vladimir Putin at the recent Asia-Pacific Economic Cooperation Forum (APEC) in Shanghai, is Russia's interest in accepting greater freight flows from the United States through Russia's Pacific ports.

Keynoting the second day of the conference was Academician V. Myasnikov, the noted Sinologist from the Academy of Sciences Institute of the Far East, who also heads the History Division of the Russian Academy of Sciences as a whole. Prefatory to his presentation on the Eurasian Land-Bridge

FIGURE 10

## Some Main Development Corridors Of The Eurasian Land-Bridge



today, Academician Myasnikov drew attention to the close relationship between Count Sergei Witte (1849-1915), the father of the first Eurasian Land-Bridge (i.e., the TSR), and Vernadsky. Both were members of the Academy of Sciences at St. Petersburg, and though Vernadsky was a generation younger, he experienced significant influence of Witte's work upon his philosophical views.

### Progress Means Rail Rebuilding

Today, said Myasnikov, the clash between wars and extremism, on the one side, and the unity of mankind, on the other, must be solved by means of progress, and railroad-building is a key instrument of progress for economic revival. He listed an array of projects, from the prospective link-up of the Korean Peninsula's railroads to the TSR, to the soon-to-be-built rail bridge from Sakhalin Island to the mainland. The TSR is already being upgraded, including with increased electrification (Russia has the greatest mileage of electrified train lines in the world). The recently constructed rail bridge at Khabarovsk is another feat of engineering. By the TSR, freight can be shipped from the Pacific port of Nakhodka to

Brest, in 11 days. Satellite monitoring allows the location of any container at any moment. Myasnikov expressed confidence that the Korea hook-up will go ahead, despite political controversies around it.

Myasnikov also developed the importance of the North-South Corridor, agreed upon by Russia, Iran, and India, and the Second Transcontinental Eurasian Land-Bridge from Lianyungang in China to Europe. Neither of these lines represents a "contradiction" or a competitive threat to the TSR, he said, polemicizing against a view that is widely held in Russia.

Beyond these projects, Myasnikov said that railroad-builders should go for new technologies. Magnetic-levitation train lines all the way from Asia to Europe, will pull the vast regions in between, into the process of development. These projects require costly investments, he acknowledged, but the Schiller Institute is right to say that they are the pathway to the future. There should also be a rail line across the Bering Strait, as was discussed between Soviet Russia and the United States in the early 1920s, and is now being revived as a project. There is also a plan for another south-north rail corridor, Hong Kong-Beijing-Zabaikalsk, which Myasnikov pointed out will

bring the Association of Southeast Asian Nations more into the Eurasian development process. He also reported on the role of Iran in Eurasian infrastructure, and on the upgrading of the Baikal-Amur Mainline.

Myasnikov's concluding remarks, about how these prospects may be jeopardized by the Russian government's continued pursuit of various privatization schemes (i.e., the policies of Economic Development and Trade Minister German Gref, in particular), referred to the break-up of the Railways Ministry, aspects of the planned reorganization of the Academy of Sciences, and other such schemes. His conclusion touched off an agitated discussion at the conference. Some participants questioned whether the infrastructure projects themselves were not part of a plot from abroad: Aren't railroads being built only to loot resources? Didn't building the TSR trigger the Russo-Japanese War? Didn't Hitler have a grandiose scheme for Eurasian rail development? Aren't foreigners planning to seize these regions? Myasnikov calmly replied, that he knows these regions very well, and that anyone serious about maintaining and increasing a Russian population there, must back these plans for economic development.

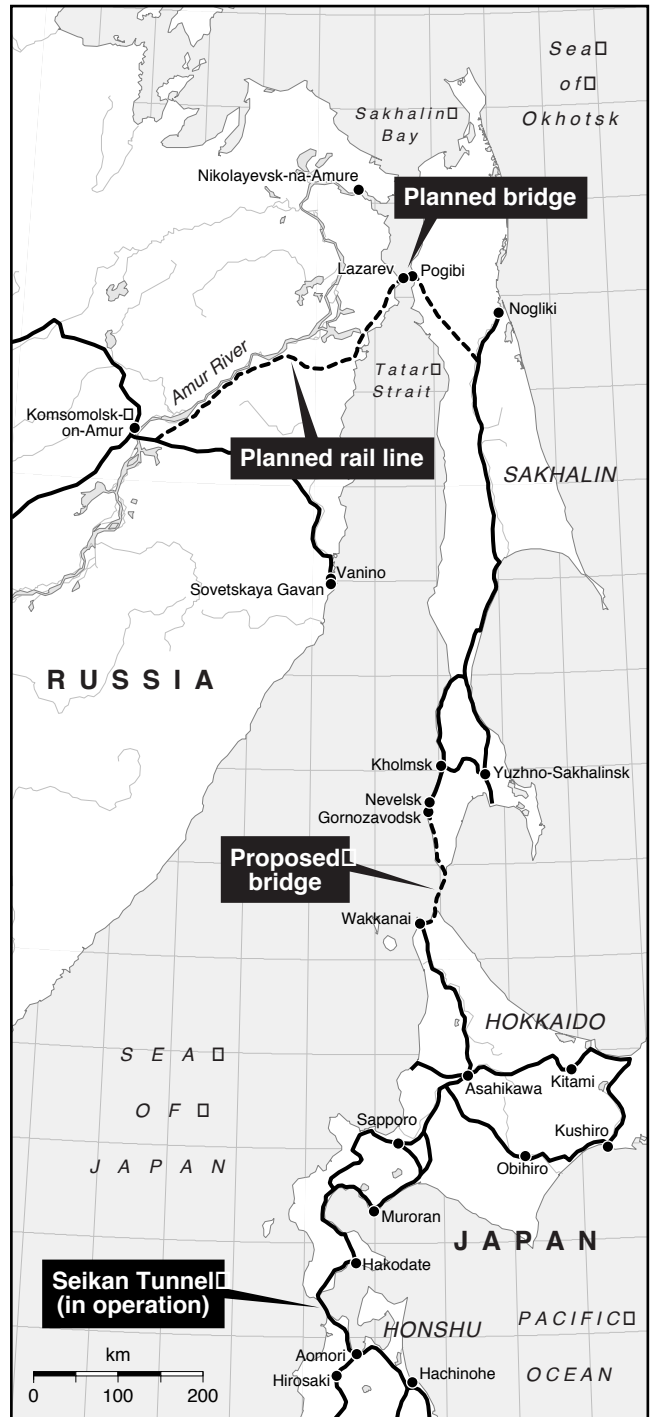
### The Curses Of Monetarism And Malthusianism

Throughout the conference, the need to fight for cultural optimism, in the face of the devastation Russia has experienced in the past decade, was discussed. What is the nature of economic development, what are its limits, and are there levels or rates of development that are impractical to strive for? These debates began from the very first presentation by Oleg Kuznetsov, who is President of the Russian Academy of Natural Sciences and Rector of the Dubna University of Nature, Society, and Man. He spoke on "Principles of a Theory of Sustained Development of Socio-Natural Systems." Dr. Kuznetsov looked at the Noösphere as the domain of generating programs of technological development. He reported that the works of LaRouche are being closely followed at his university, with special attention to the essay "Letter to a Russian Friend: Russia's Relation to Universal History" (*EIR*, Nov. 29, 1996), which has been circulated on the Russian Internet during the past year.

D.V. Rundkvist, head of the Vernadsky State Geological Museum, and his associates G.V. Kalabin and Sergei Cherkasov, then gave a shocking overview of the situation of natural resources in Russia, since the time when decisions were made to make the Russian economy serve chiefly as a raw-materials exporter. They documented the ravages of privatization. Their geological survey of Russia's resources—where they are produced and where they are used—revealed the collapse of domestic consumption of raw materials; they are exported instead. The State Geological Museum team called for creation of a new national agency, to regulate the use of raw materials.

The discussion of Russia's prospects in the 21st Century

FIGURE 20  
Sakhalin Island, Future Bridge Between Japan And Eurasia



John Sigerson / EIRNS 2001



*During LaRouche's first visit to Moscow, in April 1994, he addressed Pobisk G. Kuznetsov's "President" program, at the Russian Academy of Sciences. Here, Kuznetsov (right) listens to LaRouche's presentation. Kuznetsov, who passed away a year ago, inspired a generation of Russian scientists, including many of those in the audience at the Nov. 27-28 conference on the Noösphere.*

grew intense when a senior scientist, whose father had worked with Vernadsky and who himself, as a boy, had known Vernadsky, introduced a critical note. He suggested that Vernadsky believed "too much" in human reason. After all, he said, there is a "positive Noösphere" and a "negative Noösphere," the latter being demonstrated in the often destructive effects of human activity. Vernadsky ignored the "negative Noösphere," he asserted, because he and his whole generation worshipped Science, almost as if it were a deity. Jonathan Tennenbaum replied by noting that Vernadsky's discussions of the Noösphere, brimming with optimism, were written during World War II, during Russia's life-and-death struggle against fascism! How comes it, he asked, that our generation—which has *not* lived through that devastating process, succumbs more easily to cultural pessimism, in contrast to the optimism of Vernadsky?

### **Russia's Mission**

Dr. Sergei Glazyev, Chairman of the Russian State Duma's Committee on Economic Policy, visited the conference on Nov. 27 to make an impassioned speech on Russia's mission in the world. Glazyev greeted the conference on behalf of the State Duma, noting that the results of this event will be taken under advisement by the Russian parliament. Turning to the mission of Russia, Glazyev recalled that Russia has more than once been the nation that "saved the world from chaos"—as during the Napoleonic Wars, and in World War II. Despite the damage of the past decade, Russia is still a great nation, and its economy is one of the world's largest.

Glazyev then blasted globalization and the attempt to eliminate the sovereign nation-state, deriving profits by looting national economies. The huge financial pyramid, built up since 1971 through the U.S. Federal Reserve System's printing of dollars, is no longer stable; any serious shock may crash it. LaRouche's forecast of a gigantic financial crisis this Autumn was right, Glazyev said, but the events of Sept. 11 prevented groups of nations from taking action to deal with it. Moreover, he warned, some of the key nations that have campaigned for a multi-polar world, are now being targetted as "terror"-sponsoring countries. He said that a world order, subservient to this sick financial system, would be a move away from the Noösphere, destroying nations and precluding normal economic activity.

The task of overcoming the crisis is difficult, because there are powerful interests behind the present financial order, but we must deal with it, Glazyev said, and move to "an economy of scientific and technological progress," wherein knowledge is the primary resource. He argued that Russia has a cultural affinity to such concepts as "the Noösphere" and "the common good," because of the primacy of the spiritual over the material in Russian culture. We must come through this turbulent period, Glazyev said, and Russia has a great role in determining a future, which is more successful than what has come before.

Asked what should be done, "if the U.S. dollar crashes tomorrow," Glazyev replied that the dollar's crash might not come "overnight," but it is inevitable, and therefore, already now, it is appropriate to begin to use national currencies and



Conference participants (left to right) Dr. Sergei Cherkasov of the Vernadsky State Geological Museum; Dr. Jonathan Tennenbaum of the Schiller Institute; Dr. Sergei Glazyev, chairman of the Committee on Economic Policy of the Russian State Duma; Dr. Andrei Kobayakov, of Moscow University and the journal *Russian Entrepreneur*.

restore sovereignty. He said that Russia has certain relations with Europe, which are relevant in this regard, but there is also potential for a ruble-yuan-yen currency zone of cooperation. On the question of new sources of financing, Glazyev brought up the idea of a Russian Development Bank.

---

## Frontiers Of Science

---

Dr. B.M. Vladimirovsky from the Crimean Astrophysical Observatory in Ukraine, took the conference to the frontiers of physical science. He asserted that current scientific work will lead to momentous experimental discoveries, whose impact should begin to be anticipated now.

Vladimirovsky identified three such areas: 1) The discovery of a far closer relationship, than previously recognized, between the immediate environment of the Earth, i.e., the solar system, and processes taking place outside the solar system or even extra-galactic processes. There is evidence of a continuous exchange of matter between the solar system and the areas outside the solar system; thus, the solar system is not the set of balls moving in a vacuum, which most people imagine. 2) The effects of very low-frequency oscillations in the Earth's magnetosphere, on the biosphere, and on human health. It is increasingly recognized, Vladimirovsky said, that an organism responds to extremely small changes in the magnetic environment—so small, that according to generally accepted physics, they should have no effect on anything. 3) The correlation of processes in the biosphere, with various solar cycles (including sunspots, solar flares, storms in the Sun, and the behavior of the planets). Vladimirovsky called for a new conception of these relationships, invoking Kepler's demonstration of the solar system as a harmonic system. The biosphere is a part of that harmonic system, he said.

A team from Dubna University sparked controversy with a presentation on new water-treatment technologies, which they maintain will lead to vastly increased productivity in

agriculture. Objections from the floor, along the lines of "That's impossible!" led to a discussion about looking at such processes differently for living systems, than in non-living matter. These presenters attacked the Club of Rome, calling for great increases in food production. They cited LaRouche's memo, "The Vernadsky Strategy" (*EIR*, May 4, 2001), and, when they showed a graph of the leaps in agricultural productivity and economic function, projected on the basis of introducing their techniques, they used the unit "La"—the "LaRouche," introduced by Pobisk Kuznetsov some years ago to express potential relative population density for a given economy.

Dr. G.V. Naumov of the State Geological Museum, speaking on "The Axioms of the Concept of the Noösphere," took up the theme of cultural and scientific optimism, which he demonstrated with quotations from Vernadsky. He developed Vernadsky's concept of scientific method, according to which empirical "facts" mean nothing, except as they are subject to scientific conceptions. And, scientific conceptions change. With a scientific revolution, the same "facts" obtain new meaning. An example is the revolution in the concept of radioactivity, which Vernadsky lived through.

Naumov then went through Vernadsky's ideas:

- the unity of nature, and the truth that each of its parts, even a raindrop, reflects the whole Cosmos;
- the distinction of living and non-living matter—Naumov stressed that the space-time in which living matter exists is *still* not understood, even many decades after Vernadsky posed this question;
- man as a geological force (he noted that while volcanic activity brings 25 cubic kilometers of matter up from the core of the Earth each year, 100 cubic km is removed by human mining activity);
- the nature of human intelligence, which is neither matter nor energy, but acts as if it were;
- the importance of being a student of nature, and searching for the truth.

During the wide-ranging further discussion of the Noösphere in the 21st Century, LaRouche's work was invoked many times. The noted physicist Lev Golubchikov, who administers Russia's fusion energy research program for the Ministry of Atomic Energy, rose to make an intervention about the importance of technological revolutions. Addressing the considerable debate that had taken place over the "precise scientific definition" of the Noösphere, Dr. Golubchikov said that the place to get the answer to that question was in the new book *The Economics of the Noösphere*, by Lyndon LaRouche, which he held up. This is a book, he exclaimed, which everybody must read.

Debating the question of "sustainable development" (Russian: "stable, or sustained, development"), some Russian scientists objected to the intention to invest in new energy sources. This is not necessary, one of them argued, since there would be plenty of fuel available, if existing resources were merely used more efficiently. Tennenbaum replied by reminding them that man is a creature of cognition, who *must*

live in a world of scientific discovery; and that engagement in scientific discovery is the necessary environment for the human species, without which human society cannot prosper. Many of the Russian participants were very touched by this polemic.

In rebuttal of the notion of an inevitable "Clash of Civilizations," the October 2001 appeal from Schiller Institute founder Helga Zepp-LaRouche (*EIR*, Oct. 26, 2001) for an international correspondence on the "Dialogue of Civilizations," was read aloud to the conference in Russian. Academician Myasnikov also spoke to this point, referring to recent productive, high-level talks among Russia, India, and China.

The first day of the conference concluded with a concert, given by musicians from the Moscow Conservatory. A Haydn trio for oboe, flute, and 'cello was followed by various piano pieces, and songs by Mozart and Rossini, as well as traditional Russian songs. The conference adopted a resolution, which attacks monetarism and Malthusianism.

## Relations With Europe As The Crisis Deepens

Schiller Institute representatives Jonathan Tennenbaum and Karl-Michael Vitt also took part in the annual Ambassadorial Reception, held by the Russian organization Federal Appraisal Foundation (FFO) on the evening of Nov. 28. This year's topic was "The Development Of Financial Relations Between European Countries And Russian Business Circles," on the eve of introduction of the cash euro. Bankers, businessmen, and representatives of other institutions, including several foreign embassies, were in attendance.

James Wright, representative of the European Commission in Russia, briefed them on the inauguration of the euro. Following Wright, Andrei Kobayakov of *Russian Entrepreneur* gave a devastating account of the international financial crisis, which is driven by the U.S. Federal Reserve's liquidity-pumping.

Tennenbaum devoted his remarks to the importance of regional economic cooperation, including in the monetary realm, in support of real economic activity. He outlined long-term cooperation through development of the Eurasian Land-Bridge. Given the dimensions of financial defaults already under way, it is clearly time to move to a new system, such as LaRouche has put forward. Within this, Tennenbaum said Russia has plenty of room for coop-

eration with Europe, but also with the nations of Asia, and with the United States—since the Fed's policies are destroying the U.S. economy, too.

Dr. Sergei Glazyev spoke here, as well, on the inevitability of world financial collapse. The leading Duma economist said that the military mobilization after Sept. 11 had temporarily stabilized the dollar, but not for long. The Federal Reserve System's practice of unlimited cash emissions inevitably leads to hyperinflation. But, Glazyev warned, the situation immediately ahead cannot be reduced to a fight between the United States and Europe, in which Russia should somehow jockey for position. The fight is not between the United States and Europe; it is between the oligarchy and the interests of all mankind. The Federal Reserve System does not represent the national interests of the United States, but is the tool of a clique of financiers.

As for the euro, Glazyev said that shifting into use of the euro has its proper place—in the denomination of trade between Europe and Russia. (Glazyev has previously called for conducting such trade in euros and in rubles, making the ruble into a "reserve currency on the scale of Eurasia.") In general, there should be a return to the use of national currencies. The Chinese yuan is a stable currency, and is gold-backed. The Indian rupee is a stable currency. Asian moves towards the establishment of stable currency relations should be welcomed.

Calling for a "just order" in economic affairs, Glazyev stressed again that the Federal Reserve System is a supranational institution, and that the American population will be a chief victim of the dollar crash.



# The Spirit Of Russia's Science

by Lyndon H. LaRouche, Jr.

Oct. 29-Nov. 12, 2001

*This paper was prepared for the international scientific conference, "The Realization Of The Noösphere Concept In The 21st Century: Russia's Mission In The World Today," held at the Vernadsky State Geological Museum of the Russian Academy of Sciences in Moscow on Nov. 27-28, 2001. The event was cosponsored by the Museum and the Schiller Institute.*

The most awesome notion to be found among known cultures, is that associated with the best use of the word "spirit." In those cases that that word is spoken as a matter of the science of Kepler, Leibniz, Riemann, or by me, it signifies a unique quality of existence. It refers to a specific quality of existence which affects, and is affected by abiotic and living existences, but which is neither derived from, nor contained within either or both of those domains.<sup>1</sup>

In the history of the development of physical science in Russia and Ukraine, that scientific notion of the existence of spiritual identities, is to be recognized in the work of the geobiochemist Vladimir I. Vernadsky. Vernadsky defines the principle of existence expressed by what he named the *Noösphere* from the standpoint of a rigorous scientific method.<sup>2</sup> For this purpose, Vernadsky relied upon a rigorously scientific notion of such existence, using the same method of modern experimental physical science which was employed by a predecessor and teacher, Dmitri I. Mendeleev, in the latter's discovery of the so-called periodic table.

As I have explained repeatedly on past occasions, I did not derive my own definition of what Vernadsky termed the *Noösphere*, from his work. During the interval 1948-1953, I came to a notion of the human individual's unique place in the universe which turned out to be significantly congruent with his, but from a different starting-point, and with some

---

1. In other words, we are speaking of a multiply-connected, three-phase-space Riemannian differential geometry, in which the terms abiotic, life, and cognition ("spirit") are respectively distinct, but multiply-connected sets of experimentally definable universal physical principles. This is a Riemannian definition of what Vladimir I. Vernadsky identifies as a *Noösphere*. In theology, the act of cognition is termed "a spiritual exercise."

2. Cf. Lyndon H. LaRouche, Jr. *The Economics of the Noösphere* (Washington, D.C.: EIR News Service, 2001).

significantly different conclusions included. Despite those divergences, my work included results which are congruent, in many essentials, with the notions of the practice of modern experimental physical science associated with Vernadsky's definition of that *Noösphere*.

One of the specific differences unique to my own approach, is that it provides a rigorous notion of what we ought to understand as that definition of "spirit," which must be adopted when that term is employed in the deliberations of physical science. Here, in defining a crucial feature of Russia's strategic role in the present world crisis-situation, I pivot my outline of a proposed policy, upon a summary of the bearing of my own original contributions, as that more adequate appreciation of the work of Vernadsky, which is required to define the spirit needed for guiding the policy-shaping of Russia's and other governments today. I emphasize the strategic-economic importance for Russia itself, of viewing Vernadsky's development of the notion of a *Noösphere*, as a reflection of the deeper implications of the method typified by the leading discoveries of Mendeleev.

As I have argued in other, earlier locations, the present moment of world history, and the prospects of Russia in that history, are to be situated in the following terms. On this occasion, today, I examine these specific matters of the scientific spirit, in light of their strategic implications for the present world in crisis.

Some circles in Russia have recently stated, that the recent months have brought the world to the brink of a radical, systemic change in relations among states.<sup>3</sup> I agree

---

3. For example, the statement issued in preparation for a recent Berlin conference, by Dr. Yuri Gromyko:

"It is now clear that the world put together after the Second World War, at Dumbarton Oaks, Yalta, and Potsdam, has disintegrated. Therefore, the whole array of international institutions constructed during the past 50 years—financial, economic, and political institutions—are no longer adequate. These institutions were not intended to support or to promote the development of the world as a whole. They were deliberately introduced for the purpose of suppressing some nations, to the profit and gain of others. Their main purpose had to do with preserving the political and financial status quo that had been achieved. They were connected with the doctrine of neo-colonialism, in the period of Cold War rivalry between the Soviet Union and the U.S.A.

"It was very important for the superpowers to locate bridgeheads and staging grounds, in various geopolitical niches. This does not mean that these international institutions and their possibilities should be neglected. They



V.I. Vernadsky (1863-1945) and associates, ca. 1911. From left, seated: V.V. Karandeyev, Vernadsky, P.I. Aleksat; standing: G.O. Kasperovich, A.E. Fersman. Inset: Dmitri I. Mendeleev (1834-1907). Writes *LaRouche*: "I emphasize the strategic-economic importance for Russia itself, of viewing Vernadsky's development of the notion of a Noösphere, as a reflection of the deeper implications of the method typified by the leading discoveries of Mendeleev."

with that estimate, which I reformulate, as follows, in my own terms.

### History As Geometry

Whereas, the range of possible behavioral adaptations among the inferior living species, is bounded by the so-called "genetic" characteristics of specific breeds, mankind is distinguished as the only species which can invent and introduce the genetic-like cultural characteristics which distinguish one culture and its current stage of development from others. These distinctions remind us of the process of generation of the *ostensibly abiotic* periodic table, in the work of Mendeleev,<sup>4</sup> or the evolutionary emergence of classes and species

---

can be very important in stopping a war, for example, but when it comes to proposing new perspectives, they are useless.

"It is also rather important to see that the rivalry of the three main political projects of the 19th and 20th Centuries has come to an end: the conservative-traditionalist (anti-progressive), the liberal, and the communist projects, which dominated the whole 20th Century. Of course, all of these mass political projects served as means to implement a well-defined policy. But, it is interesting to see that the liberal project, which involved the orchestration of palliatives and represented compromises between the communist and traditionalist projects (as Wallerstein has also emphasized), having achieved victory, is actually situated in a vacuum, and is decaying and self-destructing through its own impulses to continue expanding." (See *EIR*, Nov. 30, 2001, for the full text of Dr. Gromyko's presentation.)

4. As emphasized in passing, later in this report, the universe is composed of three known, distinct, but multiply-connected phase-spaces: the ostensibly abiotic, living processes, and cognitive processes. None of the three ever existed or acted in isolation from the existence of the other. One should be

of living types within the Biosphere. These willful changes in the relatively specific kinds of voluntary behavioral characteristics of persons or entire cultures, should be compared to the choice of a new, distinct set of "definitions, axioms, and postulates" of a synthetic physical geometry, such as that of Bernhard Riemann.

For reasons I have given in various locations, the notion of "geometry" which may be usefully applied to the study of such variations in cultural characteristics, is that which I have adapted from Bernhard Riemann's statement of the general principles of design of the differential geometries corresponding to sequences of multiply-connected physical-geometric manifolds. This report restates and applies those notions to the purpose of assessing the impact of the notion of a Noösphere introduced by Vernadsky.

Usually, the changes in axiomatic-like assumptions of populations, correspond to breaking-points of change of direction, in the history of a nation, nations, or some stratum within society. Unfortunately, because of the incompetence of virtually all officially certified education, in Europe and the Americas currently, for example, the teaching of history, or so-called "political science" and "social studies," has been treated apart from the recognition and study of the inseparable character of the axiomatic foundations of such essential features of historical development as the Classical forms of practice of physical science, artistic composition, and so on. As a

---

reminded, as I note below, of the Classical Greek notion of an axiomatically *hylozoic* universe.

result of this prevalent present custom, most among the recent generations of our populations, including the most educated classes, are functionally illiterate respecting those essential functional aspects of historical change which were either neglected topics, or fraudulently represented, in their education and most customary professional practice today.

Therefore, such of today's typically, highly educated such illiterates in the subject, who have not actually considered history as a lawful process, would tend to overlook the decisive role played by those historic changes of the following general types, the which have dominated the Twentieth Century and the beginning of the Twenty-First. To understand economic processes, and political notions of national or other special interest, one must, as I do now, consider the following series of changes as of the axiomatic quality I have just referenced.

Since the beginning of the Twentieth Century, Russia has passed from a Czarist, to a nominally Communist, to a so-called "liberal," "post-modernist" form of political-economy, and, is now entering some yet-to-be-determined choice of form of post-liberalism, post-post-modernist, economy. This specific experience of Russia, overlaps a succession of crucial, post-1945 changes in the world economy as a whole.

During the 1945-2001 interval, the world as a whole has been dominated, successively, by three phases. I situate the implications of Vernadsky's work within the present implications of that interval of modern history.

1. From 1945, until the events of 1989-1990, the post-war world was dominated by a certain system of relations among states, a system which blended the contradictory elements of nuclear-weapons conflict and détente.

2. That interval of history was succeeded, during 1989-1991, by the emergence of a post-Soviet world order, in which the English-speaking rentier-financier powers of the planet, worked to establish what was intended to become an uncontested, imperial form of world-rule consistent with that prescription for a world government in H.G. Wells' 1928 *The Open Conspiracy*, which has been the doctrine of Wells, Bertrand Russell, and their followers to the present day. That attempt at world-rule was modeled, speaking broadly, upon not only the ancient Roman Empire, but a virtual copy of the form of post-Rome imperial maritime power represented by Venice's rentier-financier oligarchy.

3. Approximately a decade after the collapse of Soviet power, the 1989-2001 world order is now in the process of disintegrating, under the impact of a self-induced, global breakdown crisis of the world's present, "globalized" form of post-1971 international monetary and financial system. The world is now writhing, in its struggles to disentangle itself from the death-agonies of a system based upon such deadly delusions of neo-Malthusian economic "liberalism," as the doctrine of "fiscal responsibility."

Although the outcome of that presently accelerating world financial collapse, is not yet predetermined, certain

challenges posed by that crisis are clear. In a world of the near future, which had, hopefully, escaped from the worst possible outcome of the presently onrushing crisis. Russia must adopt a new kind of role in history for the period to come. If a successful choice of that national identity is made, the lessons of the successive experiences of Czarism, Communism, and a disastrous dalliance with radically positivist forms of liberalism, warn us, that no one should ignore the reality of Russia's experience from those pages of Twentieth-Century history.

In the case, that a successful choice of Russia's functional national identity is adopted, Russia's role in physical science will be a crucial feature of its economic and other relations, both within Eurasia, and the world at large. On this account, there must be a clarification of Russia's scientific mission, of Russia's place in the emerging scientific and related economic development of the world's economy at large. This understanding of Russia's new mission, must be shared among a leading group of nations world-wide.

The successive Eurasia initiatives of Russia's former Prime Minister Primakov and President Putin, toward Eurasia-wide cooperation for economic progress and mutual security, are the setting in which I situate the proposed sense of special science mission which history has now proffered to Russia during the decades ahead.

Looking toward the past, the succession of the most crucial among the shared features of the shared method expressed in leading discoveries of Mendeleev and Vernadsky, offers the conception of "Russian science" which best fits the role which Russia should play in world-wide scientific progress during the decades ahead. This is a crucial aspect of the role which Russia will play in any happy outcome of the historical maëlstrom which grips the planet as a whole at the present moment. I point here to what are, for me, the most crucial implications of the common thread of fundamental scientific progress; that contributed by those two great minds from the past. I speak, therefore, of "the spirit of Russia" for the decades presently ahead of us.

On this account, we must consider the global historical setting of today's Russia, not only from the standpoint of relevant axiomatic features of the discovery and application of universal physical principles, but in terms of certain, inseparable connections of ideas respecting physical science, to principled notions of social and political interest.

*The latter includes also the notions which govern the individual's sense of his or her mortally brief place within the continuity of those larger developments, which, respectively, have preceded his or her mortal existence, and precede times to come. It is that sense of "world-historical identity," or the lack of that sense, which regulates the intention of the individual's role in life, as Kepler employs intention as the impulse expressed by discoverable universal physical laws.<sup>5</sup>*

---

5. *New Astronomy*. For more on this subject, see below.



Russian President Vladimir Putin (left) with German Chancellor Gerhard Schröder, in Berlin on Sept. 25, 2001. Putin's initiatives toward Eurasian cooperation, are the setting in which LaRouche locates the special science mission which history has proffered to Russia.

---

## 1. Science And The Nation-State

---

Let us understand the term “modern science” as the effort to master mankind’s relationship, as a society, to the universe, and to do so in the terms provided by the discovery of experimentally validated universal physical principles. That pursuit has ancient roots, but the emergence of a more or less unified body of such knowledge, dates from the same period in which the modern sovereign nation-state first emerged, during Europe’s Fifteenth Century. This is modern science, in that sense of the term which was begun by Nicholas of Cusa’s *De Docta Ignorantia*, as this was developed after him by such among his notable, professed followers as Luca Pacioli, Leonardo da Vinci, and the founder of the first approximation of a modern comprehensive mathematical physics, Johannes Kepler.

Kepler’s original discovery of a universal principle of gravitation, breaking free from the axiomatic ivory-tower assumptions which fatally crippled the efforts of Ptolemy, Copernicus, and Brahe, is documented in his 1609 *The New Astronomy*. This and related discoveries by Kepler, are to be recognized as the true predecessors of the experimental method of experimental demonstration of discovered universal physical principles, as expressed by that work of Mendeleev in defining the periodic table of elements, and the work of Vernadsky in defining, successively, both the *Biosphere* and *Noösphere*.

That is to say, that the same method of scientific thought used by Kepler, to define a principle of gravitation which is independent of mathematical explanations made at the black-

board, is echoed in the referenced discovery of principle by Mendeleev, and in the experimental method employed by Vernadsky to show that life and cognition (*noësis*) are ontologically independent, universal principles, which interact with the abiotic universe, but which each come into existence independently of abiotic principles as such.

At this point, I must take the preliminary step of clarifying what I recognize as the uniqueness of Vernadsky’s work; I must also show how his discoveries both complement, and yet differ from my own.

The core of Vernadsky’s net achievement, in defining the *Noösphere*, is that he defines the existence of what he calls *noëtic* processes of the mind, as reflecting respectively distinct kinds of universal physical principles, each distinct from the principle underlying the evidence both of other living processes and of a presumably abiotic universe.

From the standpoint of mathematical physics, the crucial omission within Vernadsky’s achievement on this account, is his lack of a developed statement of the fact, that a universe corresponding to the existence of the respectively distinct universal principles underlying life and cognition (*noësis*), respectively, as Vernadsky defines them, must be, conceptually, of the pro-mathematical form of a Riemannian, *specifically anti-Euclidean* differential physical geometry.

From a formal standpoint, both Vernadsky’s discoveries and my own signify two conclusions. First, that the principle of life is not derived from a reductionist notion of an abiotic universe. Life expresses an original principle, whose existence as a principle is independent of any assumed dependence upon an axiomatically assumed quality of abiotic prin-

## Vernadsky On The Noösphere

*The following is an excerpt from Vladimir I. Vernadsky's "Problems of Biogeochemistry II: On The Fundamental Material-Energetic Distinction Between Living And Non-living Natural Bodies Of The Biosphere" (1938). The full text is translated in 21st Century Science & Technology, Winter 2000-2001.*

From the standpoint of the biosphere, the individual living organism is usually lost from view; in first place comes the aggregate of organisms—living matter. In biogeochemistry, however—in some strictly defined cases—at times it is necessary to pay attention to the discrete organism, to its individuality. It is indispensable to do this in those cases, where the activity of Man appears as a geological factor, as we see happening now, and the individual personality sometimes becomes vividly apparent and is reflected in large-scale phenomena of a planetary character. The human personality changes, accelerates, and causes geological processes of enormous significance through its presence in the biosphere.

We are living in a brand new, bright geological epoch. Man, through his labor—and his conscious relationship to life—is transforming the envelope of the Earth—the geological region of life, the *biosphere*. Man is shifting it

into a new geological state: Through his labor and his consciousness, the biosphere is in a process of transition to the *noösphere*. Man is creating new biogeochemical processes, which never existed before. The biogeochemical history of the chemical elements—a planetary phenomenon—is drastically changing. Enormous masses of new, free metals and their alloys are being created on Earth, ones which never existed here before, such as aluminum, magnesium, and calcium. Plant and animal life are being changed and disturbed in the most drastic manner. New species and races are being created. The face of the Earth is changing profoundly. The stage of the noösphere is being created. Within the Earth's biosphere, an intense blossoming is in process, the further history of which will be grandiose, it seems to us.

In this geological process—which is fundamentally biogeochemical—a single individual unit, out of the totality of humanity—a great personality, whether a scientist, an inventor, or a statesman—can be of fundamental, decisive, directing importance, and can manifest himself as a *geological force*. This sort of manifestation of individuality in processes of enormous biogeochemical importance, is a new planetary phenomenon. It emerged, and began to manifest itself ever more sharply and profoundly in the course of time, *during the most recent tens of thousands of years*, on the background of billions of years of the prior history of the biosphere, when this phenomenon did not exist.

ciple. Similarly, second, the universal physical principle of cognition, is as distinct from both life as such, and from abiotic principles, as life is distinct from the abiotic. Cognition is also as original to the universe as any notion of abiotic or living principle.<sup>6</sup>

Therefore, when Vernadsky's proofs are viewed both from the standpoint of a Riemannian differential physical geometry, and also my own view of the function of cognition,

6. Vernadsky makes significant reference to Riemannian geometry in his crucial "On the Fundamental Material-Energetic Distinction Between Living and Non-Living Natural Bodies of the Biosphere" (in Lyndon H. LaRouche, Jr., *The Economics of the Noösphere* [Washington, D.C.: EIR News Service, 2001], pp. 275-318). Note, especially, the section "III. Supplementary Explanations," pp. 312-318. "Anti-Euclidean," rather than "non-Euclidean." An "anti-Euclidean" geometry, as Gauss's teacher Abraham Kästner defined this, challenges each and all of the assumptions of a Euclidean, quasi-Euclidean, or so-called "non-Euclidean" geometry, as Riemann does in the opening of his 1854 habilitation dissertation. As noted, in his later writings, Vernadsky indicates his peripheral awareness of Riemann's work as a relevant topic, but the relevance of Riemann's method is not found in any of Vernadsky's writings known by me, or reported to me. On this account, some of Vernadsky's advocates have been misled to suppose that Vernadsky's definition of "energy" can be brought into coincidence with the pathetically reductionist notions of Clausius, Grassmann, Kelvin, Boltzmann, et al.

Vernadsky is to be appreciated as arguing, that what we call life or cognition, are phenomena which correspond to certain long-term effects of specific, universally principled forms of persisting action, by the universe, upon both its abiotic and living self. In other words, the implication of Vernadsky's discoveries, is not merely that the universe is *hylozoic*, as some ancient Greeks proposed. Vernadsky goes beyond the conventional reading of *hylozoic*; the universe is also cognitive (*noëtic*) in its essence. This echoes Plato's implicit insistence upon such a conclusion; that is to say, cognition (*noësis*) represents a universal physical principle which is distinct from either abiotic processes or life as such.

Vernadsky's discoveries respecting the Biosphere, have ancient and other precedents. That does not diminish his achievement, but, rather, illuminates it more brightly. The hylozoic view was already famously defined by Plato, as, notably, is implicit in his *Timaeus* dialogue.<sup>7</sup> The treatment of the proof of the uniqueness of the so-called Five Platonic Solids, as this topic is reflected in the last three books of

7. My own discoveries were rooted in the legacy of Plato as transmitted to me through the work of Gottfried Leibniz, and my defense of Leibniz's notion of a monadology against the dogma of Immanuel Kant's *Critiques*.

*Euclid's Elements*, already implied a physical universe of a *hylozoic* geometry, in which the physical laws of the universe are bounded in their performance by a non-abiotic principle we call "life." However, as in the *Timaeus*, Plato also defines universal cognition (*noësis*) as a universal principle.

This feature of Plato's heritage was taken up, famously, by Nicholas of Cusa, Luca Pacioli, and by Leonardo da Vinci, and emerges as the kernel of Kepler's principal discoveries in mathematical physics. The notion of the demonstration of the existence of universal physical principles, although a central feature of Plato's dialogues, for example, is a conception which arises as a functionally efficient idea only through reflection on the implications of modern experimental physical science, as the case of Kepler's discoveries, and those of Leibniz and Riemann after him, illustrates this point most aptly.

We should not have been surprised, therefore, that this working approach to a general theory of what might be subsumed under the title of a "general theory of Platonic and derived crystalline structures," should have led to the most celebrated discoveries of Mendeleev and Vernadsky. Contrary to some celebrated speculators, life did not begin in the universe as a germ infecting the abiotic, but was always an existing universal principle, which came to express itself in such modes as those forms of existence we recognize as living.

In other words, as is suggested by the evidence of universal anti-entropy in the universe, the principle which distinguishes living from presumably non-living processes, always existed as an efficiently present principle in the universe as a whole. From the standpoint of the differential physical geometry of Riemann, this conception poses no problem for the physical scientist. Consequently, the included effect of the action of that universal anti-entropic principle, generates a kind of Leibnizian *monad* we recognize as a living process per se, and therefore presents no conceptual problem. Similarly, a principle of universal cognition, also anti-entropic in essential character, may, at some point, adopt a developed, appropriate form of living creature as a cognitive individuality.

These conceptions pervade the work and argument of Plato, and of such modern scientific intellects as Cusa, Pacioli, Leonardo da Vinci, Kepler, and Leibniz. They are implied in the work of Riemann.

Similarly, for the same strong epistemological reasons, cognition is not to be defined axiomatically as a by-product of living processes in general, but is a superimposed principle which has organized the existence of cognitive beings, human beings, from within the domain of living processes.<sup>8</sup>

8. The epistemologically unavoidable conclusion, that the principle of life existed prior to any living organism known to have lived at some time past, must be invoked here. The same must be argued as a conclusion implicit in Mendeleev's notion of a process of generation of the existence of the Leibnizian monads of the periodic table. The problematic, popular variety of classroom or textbook error to be avoided, is to be recognized as the

It is to be doubted that Vernadsky could have conceived of his specific notion of human *noësis*, had this not occurred to him through his reflections on the implications of the method he developed in the course of his definition of the Biosphere. Vernadsky was able to conceive of *noësis*, because of his viewing the paradoxes arising in the contrast of human to other living processes from the same standpoint he had defined the Biosphere.

That a principle, life, should exist, shown to be efficiently independent of the notions of universal principles of an abiotic universe, was the breakthrough which led Vernadsky to recognize the evidence of that experimentally demonstrable distinction between human and non-human living processes, the distinction which sets mankind's cognitive processes apart from, and above life. The method which Vernadsky applied to this effect, parallels the geological and related evidence which showed life to be a universal principle independent of, and functionally superior to the modern reductionists' notion of an abiotic universe.

To conceptualize the idea of a discovery of universal physical principle, we must begin by understanding this as a challenge to our ability to conceptualize the generation of an experimentally verifiable hypothesis, that done within our own, sovereign cognitive processes. To restate the crucial argument: *The concept of noësis, as Vernadsky termed it, depends upon the ability to generalize the notion of efficient human noësis in a way which is comparable to proof of the efficiency of a universal principle of life, distinct from abiotic action, in shaping the geological history of our planetary Biosphere.*

Vernadsky's approach to the subject of *noësis*, should be compared with my own application of Leibniz's anti-Kantian notion of cognition, to the way in which crucial experimental proof-of-principle, subsumes the definition of those technologies by means of which the productive powers of labor are increased, in terms of a physical process, per capita and per square kilometer. It is in treating the cognitive act of discovery of a universal principle as a subject of consciousness, in Vernadsky's case, as in my own, that the concept of the essential nature of the human individual, and therefore of the human species, is apprehended as a scientific conception of what should be named "human nature."

*In Vernadsky's geology-based definition of the Biosphere,*

---

presumption that material existence is originally of the form which naive sense-certainty expresses as an aprioristic form of geometry or algebra. What we recognize as life, empirically, is living organisms and the processes associated with them. However, crucial experiments adducing an underlying universal principle of life, show a principle of generation of a type which we rightly identify as universal anti-entropy, in contrast to the entropy which the empiricists attribute to abiotic processes. The principles which underlie life and cognition, are, respectively, anti-entropic principles of ordering. In a Riemannian differential physical geometry, generation in an abiotic phase-space, such as a periodic table, could not have occurred without "external" intervention from anti-entropic principles of the type associated with life and cognition.

a relatively weak (“bioenergetic”) force, the principle expressed as life, has been able to effect increasing power within, and over what is ostensibly the providence of a more powerful force, that of abiotic principles. Similarly, for him, as for me, a relatively weak force of cognition, is able to effect increasing power within the domain associated with what are, ostensibly, the relatively more powerful forces expressed as living and abiotic principles.

Here lies the key to the achievement of Vernadsky, relative to the earlier, more limited discoveries of Louis Pasteur, et al. It was the definition of the Biosphere as the outgrowth of a very long process of geological development, which provided the basis in experimental outlook, for recognizing, subsequently, that a principle which he termed *noësis*, distinguished cognitive processes from what were otherwise merely living ones.

To this, the theologian might respond: “You see: science shows that God always ruled the universe, and that cognitive man and woman have been made equally in the cognitive image of that God.” Here lies the place of the notions of *spirit*, and related notion of universally efficient *intention*, within physical science, and within the attempt to comprehend human history in a truly scientific way.

### Noësis As A Matter Of Principle

To appreciate the implications of the discoveries of Mendeleev and Vernadsky on such counts, we must focus more sharply on my own, alternative choice of approach to the area of inquiry which Vernadsky defined as the Noösphere.

From the standpoint of my own view of the history of scientific knowledge, I must insist that science begins when blind faith in sense-certainty ends. The human sense-perceptual apparatus is not a more or less transparent window through which to see the actual objects existing beyond our skin. The sense-perceptual apparatus is, essentially, the experience of our biological interface with the universe in which we exist; it does not, in itself, represent explicitly a form of knowledge of any objects outside that “skin,” so defined.

*Knowledge is not a quality of sense-perceptual experience, but is, rather, the fruit of a cognitive criticism of our own sense-experience.* Contrary to the modern logical positivists, as also to their reductionist predecessors the empiricists, the case of the discovery of existent monads, such as electrons, within the smallness of the domain of atomic and sub-atomic microphysics, illustrates that point most forcibly.

The significance of that distinction, is illustrated by the first successful modern discovery in microphysics as such, the proof of the Ampère angular force, by Carl Gauss’s collaborator Wilhelm Weber. Weber’s experimentally adduced constant, on the scale of the electron-orbit, was the first knowledgeable penetration of the interior of the atomic domain, the domain clearly beyond the powers of so-called sense-perception.

The chief root of modern European science, was, there-

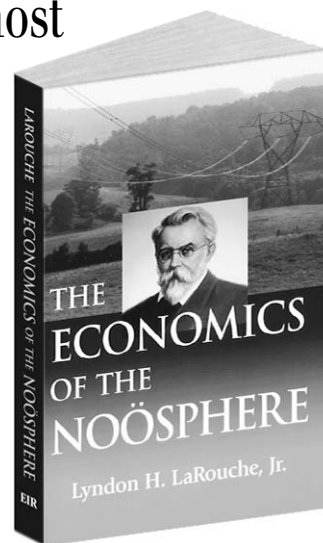
fore, the collection of the dialogues of Plato. Experience confronts us with certain unevadable paradoxes, of which the most significant are those designated as *ontological paradoxes*. Kepler read his meticulously reexamined evidence of the observations of the orbit of Mars, to show, not only that the estimates of Claudius Ptolemy, Copernicus, and Brahe, were the errors caused by reliance on the substitution of ivory-tower ideas about mathematics, for physical science. Only some principle, some efficiently acting *intention*, external to the mere statistical portrayal of observed trajectories, could account for the experimentally anomalous evidence of the Solar orbits.

*This notion of intention, as defined by Kepler for the discovery of universal gravitation, is the only rational definition of universal physical principle today. All notions of universal physical principle, and Riemann’s related general notion of an extended magnitude, are of the same essential nature as the import of this discovery by Kepler.*

Similarly, consider the paradoxical picture obtained by comparing reflection with refraction, which led Fermat to a notion of a universal principle of relativistic least time, rather than shortest distance.

Thus, from such critical experience with paradoxes presented to our senses, our powers of cognition, sometimes identified by theologians with “spiritual exercises,” generate

Why Lyndon LaRouche is  
the world’s most  
successful  
economic  
forecaster of  
the past four  
decades.



Order from:

**Ben Franklin  
Booksellers**  
P.O. Box 1707

Leesburg, VA 20177

Or call, toll-free, **1-800-453-4108**

Or 1-703-777-3661

**\$20**

plus shipping  
and handling:

Shipping and handling: \$4 for first book, \$.50 for each additional book.



*The humanist conception of man in Classical Greece is expressed in the vibrant sculpture on the right, the Winged Victory of Samothrace. The Roman statue of the goddess Ceres, on the other hand, with its lifeless, static quality, bespeaks the oligarchical mind-set.*

what we rightly called knowledge, especially knowledge of universal physical principles. That is to say, knowledge of the efficient *intentions* of the universe. Thus, what Riemann accomplished, as in his famous 1854 habilitation dissertation, was simply to throw out of science the polluted baggage, respecting matters of mathematical physics, left over from the accumulated ivory-tower ideologies of the sundry varieties of reductionists.

After Riemann's 1854 habilitation dissertation, self-respecting scientific practice was left with no morally acceptable choice, but to reject, and to exclude all presumably "self-evident," ivory-tower definitions, axioms, and postulates from science. Therefore we must delimit the use of the term knowledge, to denote experimentally validated discoveries of principle which had been prompted by relevant paradoxes of experience, especially those ontological paradoxes which lead, like Vernadsky's referenced discoveries, to an experimentally verified hypothesis.

Admittedly, we can trace the origins of such science to certain prehistoric and later astronomical calendars, and, within historic times, to the school of Pythagoras, the Ionians, and Plato's Academy at Athens. However, although modern civilization's debt to those sources is clear, the practice of modern experimental science is both novel, and a product of the special conditions under which the ancient and medieval systems of imperial rule began to be superseded by the notion of the modern sovereign form of nation-state.

By use of the very term "modern history," both Russia and western Europe reference the qualitative changes in social processes, which were unleashed during post-Fourteenth-

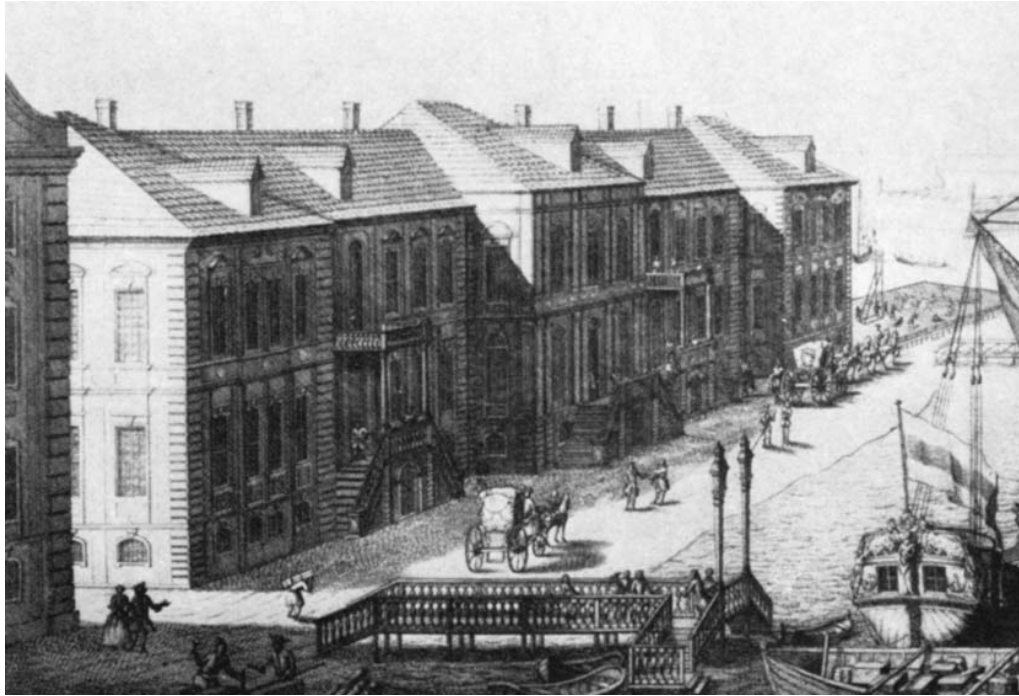
Century Europe's emergence from that preceding dark age which had begun with the Second through Fourth Crusades, and which had extended through the Fourteenth-Century bankruptcy of the Lombard usurers. By modern European civilization, we signify the relationship of the Fifteenth-Century emergence of the modern nation-state within Europe to the world at large.

Prior to that time, in ancient Mesopotamia, for example, or in the emergence of what became the Roman Empire, since the aftermath of the Second Punic War, there was no efficient political conception of man as anything but another form of beast.

Ancient and feudal societies were ruled by oligarchies and their lackeys, and the remainder of humanity was treated as collections of either domesticated or wild beasts. Out of such bestial relations of the oligarchy and its lackeys toward the subject populations, those social systems adopted a notion of practice which treated man, including the oligarchical predators themselves, as but another beast. Although what is known as the humanist conception of man, struggled for expression in ancient times, as the case of Classical Greece best typifies this ancient struggle, prior to the Fifteenth Century, the ruling social and political institutions usually succeeded in restoring the supreme authority of a contrary, bestial practice.

*Today, speaking from the standpoint of scientific method, we would rightly equate the humanist conception of man, to that quality of the human individual which Vernadsky identified as the noëtic function. It is that universal physical principle, expressed functionally as the distinctive nature of the human individual, which sets mankind into a category apart*





*Peter the Great's (1682-1725) opening to Western scientific and technological progress led to the founding of the Russian Academy of Sciences in St. Petersburg, with the help of the great German philosopher and statesman Gottfried Leibniz.*

*from, and above the beasts.*

Since then, despite the horror of those religious wars by aid of which rentier-financier Venice's influence continued to dominate 1511-1648 western Europe, there has been a trend of growth in population and improvements in the demographic conditions of life, a trend of a quality without precedent in the known earlier existence of our species. The key to this and related quality of increased progress in the human condition, is the interdependent relationship between the emergence of the modern form of sovereign nation-state and of state-fostered, modern, experimentally-based discovery and use of universal physical principles.

This includes those universal principles of Classical artistic composition, and study of history, which are discovered through the same *noëtic* processes of the mind which produce discoveries of the principles of physical science in general.

The initiative for this revolution called the modern sovereign nation-state republic, came chiefly from the followers of Dante Alighieri in Italy, but the first successful steps toward the modern sovereign nation-state, were taken in Louis XI's France and Henry VII's England. The crucial change in the form of the state, was from the imperial form in which an emperor ruled over a pantheon of ethnic cultures and religions, in the capacity of what the Romans named a *Pontifex Maximus*, to a new form of society, in which the moral authority to govern was limited to those governments which efficiently promoted the general welfare of the entire population and its posterity.

In the history of Russia, this new view of the role of scientific and technological progress dates, in terms of leading

institutions, from approximately the beginning of the Eighteenth Century, as expressed by the establishment of academies dedicated to promoting such progress.

This change, from the oligarchical state as the ruler over human cattle, to a state responsible for the progress of the general welfare of the entire population, was the impetus for the growth of the practice of what became modern science. This way of looking at a national government's sovereign responsibility for the general welfare of the nation and its posterity as a whole, created a new notion of the functional meaning of the terms "nation," "nation-state," of government in general, the notion of a principle of progress, and of the essential, universal nature of the distinction between mankind and lower forms of life.

Nonetheless, despite such progress, the oligarchical legacy was never completely uprooted, up to the present date. The old feudalistic tradition of Habsburg imperial rule, is more or less in the past, excepting a scattering of the nostalgic pretenses of scattered groups of modern Don Quixotes, such as the mentally deranged Carlists of Spain. However, the tradition of the imperial maritime power of a Venetian financier oligarchy, has lived, and tended to dominate much of the world's affairs, from within centers such as the Netherlands, the British monarchy, and the lower Manhattan, Boston, and Washington financial-power centers, to the present time. *The Fifteenth-Century revolution establishing the sovereign form of nation-state, was a great revolution, but it has remained, to date, an uncompleted revolution, with many set-backs in between.*

Since approximately the middle of the 1960s, with the

first Harold Wilson government of the United Kingdom, and the 1966-1968 U.S. Presidential-election-campaign of Richard Nixon, there has been a generally accelerating effort to turn back the clock, toward times before modern history, to times as horrible as Europe's mid-Fourteenth-Century "new dark age." As typified by the doctrine of "controlled disintegration of the economy," introduced to U.S. official policy and international practice by the Zbigniew Brzezinski-impelled U.S. Carter Administration, the changes which began to be introduced by the pro-racist Nixon election campaign of 1966-1968, sought, as Nixon did in March 1971, to reverse the physical-economic progress accomplished in most of the Americas and Europe during the 1945-1964 interval.<sup>9</sup>

As long as the Soviet Union remained a powerful strategic factor, the ability of that anti-humanist Anglo-American faction to turn back the clock of history in the direction of feudalism, was limited. With the collapse of Soviet power, over the 1989-1991 interval, the process of ending agro-industrial scientific progress in the general welfare of populations, was accelerated, as measures of so-called "globalization" were introduced; pro-Malthusian measures which had the stated intent of destroying that institution, the modern sovereign nation-state, on which the continuation of progress depends absolutely.

These changes of the 1966-2001 interval generated a long-term, systemic process of disintegration of the world economy. The planet-wide economic, as well as monetary and financial crisis, which has erupted with increasing force, since 1996, has led the planet to the point, that the disintegration of the present world monetary-financial system was immediately inevitable. We have now passed that point, when that existing political-economic system could be continued by mere internal reforms within the boundaries of the presently existing monetary and financial system. We are at the point, that either that 1966-2001 system is replaced, and the 1966-2001 policy-trends reversed, or the prospect of descent into a planet-wide dark age beckons.

This is not to suggest that the 1945-1963 Bretton Woods monetary-financial system did not contain some evils and other follies. It is to emphasize the contrast between that period and the follies of the 1966-2001 process. The latter process must be contrasted to the net economic success of the economic recovery from world depression and war, under the 1945-1963 conditions. We can not, and should not simply repeat 1945-1963 history; we should learn and apply the lessons to be adduced from comparing the successful economic

---

9. It was the combination of Nixon's 1971 launching of the so-called "floating-exchange-rate" world monetary system of 1971-2001, and the Carter Administration's launching of the radically monetarist intent of U.S. Federal Reserve Chairmen Paul Volcker and Alan Greenspan, to bring about "controlled disintegration" of the present U.S. and world economies, which have been the leading factors in monetary and financial policy responsible for the presently onrushing terminal phase of systemic collapse of the present IMF and World Bank system.

policies of 1945-1963, to the systemic self-destruction inhering in the post-1965 trends of accelerated reversal of the President Franklin Roosevelt reforms.

Looking backward, from the so-called "new dark age" of Europe's mid-Fourteenth Century, to the present, there is no practical alternative available, but to affirm those kinds of systemic, institutional changes, which had been responsible for all notable progress during the recent six centuries. This requires restoring the supremacy of the principle of the sovereign nation-state, with its dedication to the general welfare, and with its emphasis on the essential role of scientific and technological progress applied to the effect of increasing the physical productive powers of labor, per capita and per square kilometer.

For Russia, the example of the work of the great Mendeleev is a case in point. We must remember not only his fundamental discoveries of scientific principle, but the essential connection between his principal discoveries and his work to further the development of railways and industry.

### **The Nation-State As A Personality**

The concept of the modern nation-state, as defended by Nicholas of Cusa in his *Concordantia Catholica*, implicitly defines the nation as an integrated, sovereign form of individual personality, within the body of humanity as a whole.

This is not a descriptive image of the nation-state, not a statistical concoction; it is a conception with the functional significance of a universal scientific principle. As I shall indicate, *the establishment of a modern nation-state republic, premised upon the self-governing principle of the general welfare, represented the establishment of a body of practice informed by a discovered universal physical principle.* This principle defines a species of society, whose distinction is the fact, that its entire functional existence is expressed as an underlying *humanist*, rather than a bestial quality of intention. This is an *intention* in the same sense as Kepler's notions of a Solar System governed by a single set of universal physical principles.

The case of Russia's character as a distinctively Eurasian nation, is a case in point. The role which Russia is potentially capable of playing in the currently unfolding history of mankind, is the role which should be adduced from the appropriate apprehension of the character of a Russia under the law of the general welfare, as a distinct personality of distinguishing characteristic intentions. Russia will be able to act effectively as a nation, to the degree it is able to direct and sustain its efforts under the governance of a properly selected intention consistent with its personality as a well-defined quality of sovereign nation-state. That definition of Russia's role as a nation of science, is an essential, integral feature of its nature and efficient historical role as a sovereign nation-state personality, at this juncture in world history.

Notice, but then put to one side, such exceptional cases from ancient society as Solon's reforms at Athens, and the

implicit specifications for a state supplied in Solon's famous poem. Treat the more typical societies of Solon's time, and earlier, as organized according to a bestial conception of man.

As the point is illustrated by the contrasting cases of ancient polymorphous idolatry, none of the established empires existing prior to the Fifteenth Century based the concept of a nationality, or state, on a definition which separated man from the beasts. The functional forms of relations, which were characteristic of those empires, and of the ultramontane currents of European feudalism, treated the relationship of the ruling oligarchy to the generality of mankind as a relationship between bestialized predators and their bestialized prey.

Typical of these points of distinction, is the case of Roman imperial law. It is the so-called Romantic tradition, including the bestial tradition of Roman law — which is to say the tradition of the cultural characteristics of pagan Rome — which continues to be the principal form of moral, intellectual pollution infecting the populations and leading educational institutions of globally extended European civilization today.

In Roman culture, as for such modern Romantics as Immanuel Kant and his existentialist followers later, there was no conception of truth. Rather, each people was distinguished from others by its own idiosyncratic, current form of "popular opinion" (*vox populi*). The sundry bodies of arbitrary popular opinion typical of the legacies of ancient society, were associated with the contrasted elements arrayed in a pantheon; the personality of the emperor, as in the form of the Roman *Pontifex Maximus*, provided the function of the arbiter of a perverted, so-called "rule of law" among the various religious and related cultural customs. Even empires whose imperial authority was physically weak, ruled by orchestrating some sections of the pantheon, or its equivalent, against others. Religious and kindred forms of warfare, such as the "Clash of Civilizations" and kindred geopolitical doctrines of the past century to date, are typical of that tradition of a pantheon-based notion of imperial law.

Thus, under the sundry imperial systems, the only law-giving authority of the universe, was the currently incumbent occupant of the position equivalent to that of a pagan emperor. Under ancient law and its modern echoes, the terms "emperor," "imperial authority," and "world rule of law" connote the arbitrary authority attributed to a pantheonic figure performing the function of *Pontifex Maximus*.

The emergence of the conception of the modern form of sovereign nation-state, was an axiomatic departure from those imperial forms. The conception of man upon which the notion of the general welfare (or, common good) was premised, was now the newly instituted principle of law, rejecting and overturning all relics of the tradition of the law of pagan imperial Rome.

Typical of this change, was the increasing importance of trends toward universal education of all young members of society. These trends converged upon the methods of what is often identified as Classical humanist methods of education,

as illustrated by the teaching practices associated with the influence of the Brothers of the Common Life over a period from the late Fourteenth Century. This, despite the effective suppression of that teaching order by the obscurantists of the Venice-orchestrated, anti-Renaissance reaction, during the middle of the Sixteenth Century. All of my own special discoveries in the field of economics, are premised upon my recognition of the crucial significance of those methods of education in developing a superior quality of cultured adult personality.

The most efficient way in which to clarify this point, is to compare the coincidence and differences between my own and Vernadsky's conceptions of *noësis* on this point.

The general form of the act of cognition, or what Vernadsky terms *noësis*, is that exemplified by the reenactment of the Socratic dialogues of Plato. I have elaborated the relevant argument at varying length within numerous among my published writings.

The discovery of those ideas which distinguish the human individual from the beasts, begins with an experimentally-defined *ontological paradox*. Such paradoxes, which overturn preexisting axiomatic forms of belief, can not be solved by deduction, but only by a *spirit* of insight, which Vernadsky termed *noësis*, a *spirit* which is functionally unique to the sovereign cognitive powers of the human individual. The solutions to such paradoxes, so generated, is what is termed an *hypothesis*. The discovery of a crucial form of experimental proof of that hypothesis, then produces knowledge of a newly discovered universal physical principle.<sup>10</sup>

The only source of the ability of the human species to willfully increase its species' potential relative population-density, is the discovery of such principles in that Socratic way. What we may regard as the valid aspects of any *culture*, is an accumulation of such reenacted experiences of discovery, as transmitted over successive generations.

Although the principles contained in one culture, may be essentially the same verified principles known to another, it is often, even usually the case, that the same solution appearing in one culture is generated along a different pathway of experience than has occurred in a different culture. Peoples with different historical experiences may come to knowledge of identical principles through a different specific set of cognitive experiences, experiences which leave their trace in the way in which the principle has become known and is used.

On this point, I emphasize, that to know a principle discovered earlier, one must replicate the experience of the original discoverer. Such a replication is usually made in terms of

---

10. More precise than the commonly used "crucial experiment," is Riemann's notion of a unique, or universal experiment. Mendeleev's principle of generation expressed by the periodic table, and Vernadsky's experimental approach to the universality of the distinctions of life and cognition, are examples of a unique, or universal experiment: a principle proven experimentally to be a universally valid hypothesis.

the culture in which the replication is undertaken, but the result bridges the difference between that culture and the culture of the original discoverer. Thus, the person who comes to know such a replicated conception knows it in terms of the cultural setting in which that person is situated. Hence, national cultures, properly so defined, have that significance, a distinction which defines the characteristic thought specific to some sovereign nation, as the thought with the color and other characteristics of a sovereign personality.

### Why 'Riemannian'?

A society organized under the rule of promotion of the general welfare, can only be a society which is organized around the notion of a growing accumulation of experimentally verified hypotheses, experimentally verified discoveries of universal physical principles. It is only through the general application of such discoveries, that an improvement in the potential relative population-density of the human species, or of a specific culture, can occur.

This means that we must focus attention upon the process by which the experience of such original acts of discovery is replicated, again and again, through succeeding generations. It is not to be allowed, to substitute textbook learning, or mathematical deductions at the blackboard, as a proposed substitute for actually replicating the mental action of cognitive insight (*noësis*) performed by Archimedes, for example.

The method of education through the student's re-experiencing the mental experience of discovery and verification of a principle, is what is rightly named a Classical humanist form of education. This includes not only those ideas narrowly associated with the name of physical science. It includes knowledge of political, social, and artistic history. Although each must experience the act of discovery in his or her own frame of social-cultural reference, he or she must also experience a reconstruction of the society-culture in which the original experience occurred. Such is the properly defined historical method, in which all knowledge is assimilated from either the past or other contemporary cultures. The transmission of ideas in this same mode, defines Classical artistic composition, as distinct from such Romantic, modernist, or post-modernist artistic work.

To the extent that the education of a present generation approximates the requirements of a Classical humanist method of re-creating the discoveries of principle from the past, the mind of the individual is a living accumulation of the living experience of the acts of discovery from predecessors even long deceased. This provides not only a specifically, uniquely human connection of presently living generations to those of both past and future, but defines the basis for innovative cooperation in use of principles within present society. No animal knows such an experience; only the human species. This is where I have placed the emphasis, respecting the practical implications of the differences between my own approach and argument, and that of Vernadsky.

The view of the human mind seen in the terms I have just described, can be represented only in a way which is congruent with Riemann's notion of the manifold defined by a differential (physical) geometry.

Accordingly, in the language of a Riemannian differential geometry, man's special power in and over the universe, constitutes a kind of physical phase-space. This phase-space has the form of a multiply-connected Riemannian domain, in which only experimentally validated universal physical principles, have relevant functional significance in determining the increase or decrease of the potential relative population-density of a society. The progressive development of such a manifold, corresponds exactly to what Vernadsky identifies as the expression of the power of *noësis*'s actions on the combined domains of the abiotic phase-space and Biosphere combined.

Thus, only educational methods which emphasize reenactment of original Socratic acts of discovery of experimentally verified universal physical principles, are consistent with the essential quality of human relations. Teaching students to learn, in the manner one teaches a dog to do tricks, does not produce knowledge, but only students who know almost nothing, even if they have learned much about retrieving approved answers, as information, to questions thrown to them on a multiple-choice academic examination.

Against the background of those summary definitions, the "common good," or "general welfare" can refer only to those improvements in the potential relative population-density, which occur in a manner consistent with that Socratic notion of knowledge, as opposed to the popular delusion called learning. The notion that a government is obliged to promote the general welfare of all of its present population and their posterity, implies a corresponding functional relationship between the government and the population in the law-making process. It also implies the government's congruent accountability to the future population as much, or even more than the present one, and a certain special kind of accountability to the previous generations, too.

This relationship between the processes of government and the combined past, present, and future population of that nation, defines the institution of the sovereign nation-state republic and its proper law-making processes. This cognitive relationship among the past, present, and future participants in that nation, defines the sovereign nation-state republic as a personality in the strictest meaning of that term: a sharing of a unifying state of mental outlook on the general business of that society. This distinction is not a quality inhering in the raw nationality as such, but depends upon the development of the quality of cognitive relationship to ideas within that population which is typified by a Classical humanist mode of education.

For purposes of comparison, we should consider the cases in which a nation is mobilized to accomplish relative miracles under conditions it sees its existence threatened, or is inspired



*“Teaching students to learn, in the manner one teaches a dog to do tricks, does not produce knowledge,” says LaRouche, “but only students who know almost nothing, even if they have learned much about retrieving approved answers, as information, to questions thrown to them on a multiple-choice academic examination.” Here, an etching by Francisco Goya, titled “Might not the pupil know more?”*

by some celebrated achievement. Admittedly, sometimes this excitement of the national will serves the wrong purpose; but, even those cases do provide an important illustration of a point. The issue is: How is a people to be mobilized for a sound choice of purpose, rather than what proves to be an ultimately destructive one. The solution to that element of risk, is to be found in the quality of the deliberation within the population; the solution is to work to establish the relatively highest standard of communication we associate with a Classical humanist standard for universal education.

What, then, of the relations among sovereign nation-states? Shall we treat the world as a kind of pagan pantheon of national cultures, each based upon some essential irrational choice of a body of arbitrary mere opinion; or, is there not

some available process by means of which nation-personalities may remain distinct as personalities, yet have relations among themselves which are as cognitively rational as the relations among members of a national society should be? Simply said, nations must act in concert on behalf of the general welfare, just as a good national government acts on behalf of the general welfare of past, present, and future generations alike.

This change in the axiomatic basis of the social relationships constituting a society, represents a new, cognitive quality of the form of social organization of human existence. This change rests upon the discovery of a universal physical principle: the need to accept the fact that mankind as a species, is distinct from the existence of all animal species, and, that human relations within nations, and between nations must be constructed on the basis of that discovered principle, a principle which defines the functional notion of a nation-state personality.

---

## 2. A Global Community Of Principle

---

Contrary to the wishful myths of the inventors of general nuclear warfare, H.G. Wells and Bertrand Russell, nuclear weapons are not absolute weapons.<sup>11</sup> Nonetheless, absolute or not, the sense of horror they evoke, serves to illustrate a very important point. The progress of science and technology has brought the world into a time at which the power expressed by technological progress must prompt us to reexamine, and reject, the Hobbesian assumption that war is a naturally permanent hazard of the existence of nations or religions. The time has come, when military capabilities are to continue to be perfected to ensure the capability of avoiding unnecessary wars, rather than hoping to fight one. Indeed, as recent events have shown, the most efficient promoters of peace are often the best-trained, traditionalist military leaders, who warn against the foolish wars which defective statesmen are all too willing to unleash.

Within historic times, justified and other wars have occurred chiefly as a reflection of the continuation of sundry forms of oligarchical society, or, in the struggle of sovereign nation-states to resist the malice which all oligarchical society has toward their existence. Therefore, there are two precondi-

---

11. See author’s foreword, in H.G. Wells, *The World Set Free* (Omaha: University of Nebraska Press, 2001; reprint of 1914 edition). Wells, working from the lectures of Rutherford’s collaborator Frederick Soddy, proposed the use of radium-based nuclear weapons as a means for compelling the world to accept a world-government utopia. The theme is repeated in many locations, including Wells’ principal political treatise, *The Open Conspiracy* (London: Victor Gollanz, 1928), and Russell’s various proposals for use of “preventive” nuclear warfare as a way to bring the world’s powers to abandon their national sovereignty, in favor of the notion of world government set forth in Wells’ *The Open Conspiracy*.

tions for overcoming the risk of general warfare. First, this presumes that oligarchies have either vanished, or persist only as zoo-like relics. Second, that we have established some relationship among sovereign nation-states which amounts to a generally accepted community of principle among all, or, at least, most of them.

The present economic situation in Eurasia, typifies the problems which must be addressed and overcome, if we are to realize a cooperative community of principle, a principle which may tend to arise naturally from the juxtaposition of the complementary self-interests of those autonomous societies.

Now, that rentier-financier form of oligarchical society, which has dominated the world in the form experienced during the recent three-and-a-half decades, has brought itself into the presently terminal phase of a general economic breakdown crisis. *The present world economy, as a physical economy, could be revived; but, the present design of monetary and financial system could not. Any attempt to perpetuate that monetary-financial system, or, as the foolish Felix Rohatyn et al. have proposed, to merely "reform" it, must either simply fail of its own logic, or, in the alternative, plunge the world as a whole into a generations-long new dark age.*

The required types of reforms of the monetary-financial order, are relatively obvious from study of relevant earlier revivals of economies in the aftermath of great wars and general economic depressions. These types of general reforms will succeed, only on the condition that they are applied appropriately to the physical problems to be overcome. Without overlooking the importance of the Americas and Africa in a general economic revival of the planet, the case of physical-economic cooperation in Eurasia points the way to global solutions.

The physical-economic challenge in Eurasia, is chiefly twofold. First, providing for the needed rates of increase of the per-capita productive powers of labor of the densely-populated regions of Asia. Second, the development of the area and natural resources of Central and North Asia, as a bridge between the contributions to be made from Europe and the great population-centers of East, South, and Southeast Asia.

The immediate form of our general tasks, is to: a.) increase the rate of supply of modern technology, from regions which have the potential to fill that need, to regions in which external sources must supply a crucial margin of the technology which must be supplied to increase the net productivity of the population as a whole, per capita and per square kilometer; and b.) meet the vast amount of infrastructure development this cooperation requires. For Japan and Western and Central Europe, this means that the markets in Asia are the principal opportunity for economic recovery in those European economies themselves. For Asia, this means the increased inflows of technology on which those nations depend for meeting the future needs of their growing populations.

*Here, especially in Central and North Asia, we face great scientific and engineering challenges which lend a sense of*

*urgency to the pioneering work of Vernadsky on the subjects of the Biosphere and Noösphere. We see similar challenges in the continents of Africa and South America. Here, the implications of the work of Vernadsky find their leading place in the policy-shaping of both Russia, most emphatically, and the world at large.*

Thus, we have a situation in which the need for cooperation defines the true self-interest of each and all of the nations of Eurasia, and beyond. Yet, these needs can not be met except by defending the most immediate interest of each of the nations involved: its vital interest in being a truly sovereign national personality, a truly sovereign nation-state economy.

It is sufficient for the subject at hand, that I merely summarize what I have addressed in earlier locations: the indispensable function of the nation-state, in creating the economic preconditions for large-scale, long-term physical-economic growth. The point is, that without an economically sovereign nation-state republic, as U.S. Treasury Secretary Alexander Hamilton defined this, it is impossible to sustain the supply of long-term, low-price credit needed for a general recovery of the type projected for Eurasia today.

The most useful precedent for such a notion of new relations among sovereign nation-states, is that given by U.S. Secretary of State John Quincy Adams, in prescribing the doctrine of "community of principle" underlying the U.S. adoption of the 1823 Monroe Doctrine.<sup>12</sup>

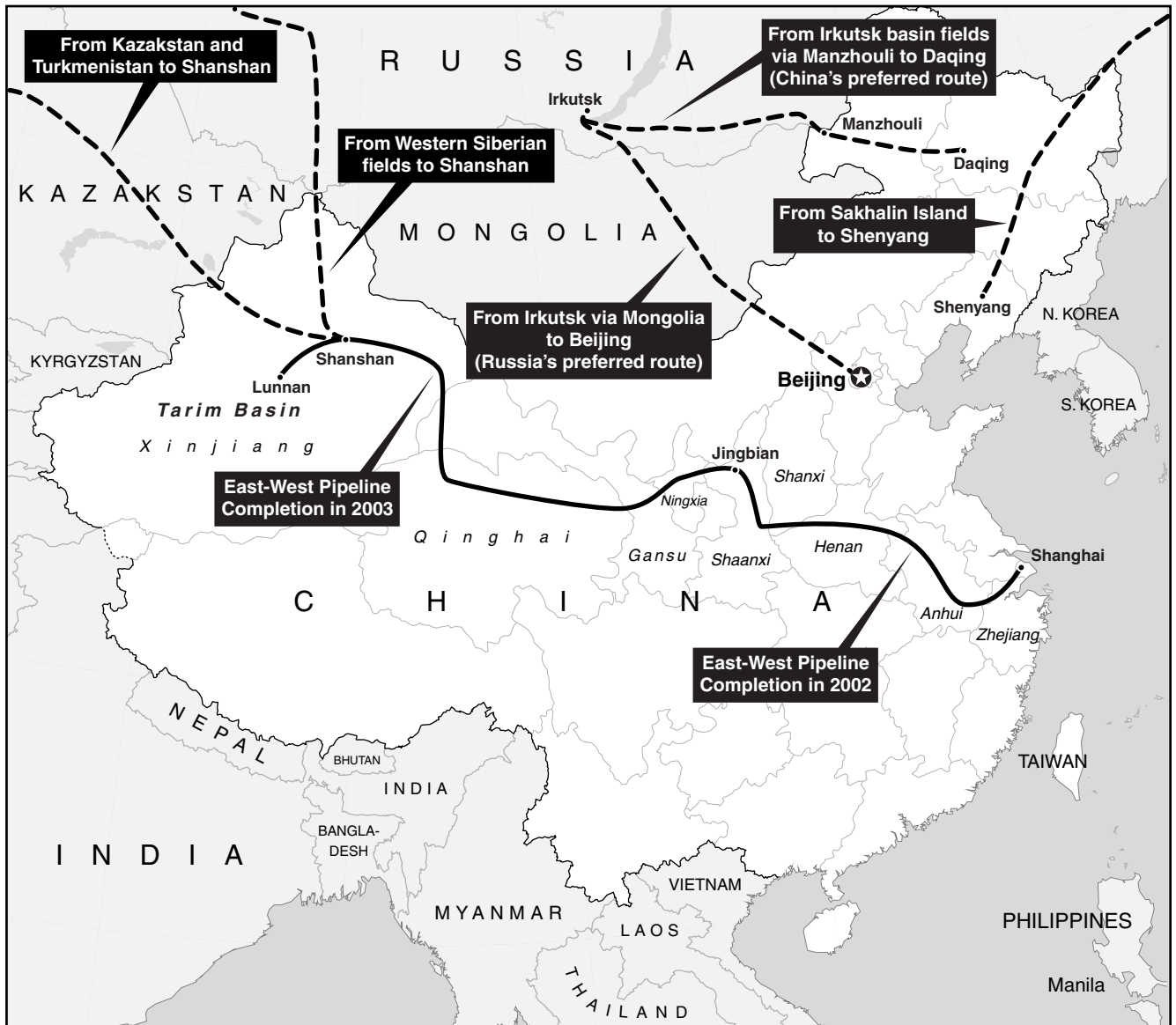
Today, the only available route of escape from a presently threatened, planet-wide new dark age, is the establishment of a form of "community of principle" among perfectly sovereign nation-states which is consistent with the urgent needs of each and all of those nations. Presuming that the financially bankrupt world of today, is superseded by general bankruptcy-reorganization, it will be necessary to establish a new global monetary and financial system, more or less totally replacing, top-down and sideways, all of the characteristic features of the combined IMF and World Bank system of the present instant. Any rational approach to that sweeping reform, will model itself upon the most essential of the suc-

---

12. The Monroe Doctrine is often misdefined in Russia, and elsewhere, where the circumstances of its adoption, and Adams' argument are ignored, in favor of ignorant prejudices on the matter. With the Duke of Wellington's successful placing of the British puppet, France's Bourbon Restoration monarchy, in power in France, Europe was dominated by a growing rivalry between the two principal predatory powers of Europe and the Atlantic Ocean, the British monarchy and Metternich's Holy Alliance. Adams warned his President not to accept an alliance with Britain, warning that British minister Canning's proposal ensured that the U.S.A. would degenerate into a mere "cock boat in the wake of a British man of war" in Britain's looting of the former Iberian colonies of Central and South America. Adams insisted that U.S. policy must be a long-range commitment to expelling both the British and Habsburg predators from the Americas, as soon as the U.S. had gained the military power to liberate those emerging nations from all colonial-imperial overlordship. The U.S. must commit itself to ensure the perfect sovereignty of each and all of these new republics, under a doctrine of "community of principle."

FIGURE 1

**China's West-East Pipeline Project, And Planned Links Into Russia**



John Sigerson / EIRNS 2001

*“Especially in Central and North Asia, we face great scientific and engineering challenges which lend a sense of urgency to the pioneering work of Vernadsky on the subjects of the Biosphere and Noösphere.”*

Successful features of the 1945-1963 Bretton Woods monetary system, this time including all nations which volunteer to participate as sovereign equals in such a form of partnership.

With the presently onrushing collapse of the existing, 1971-2001 world monetary-financial system, we have entered a state of affairs in which the level of current production is insufficient to meet the needs of even simply maintaining the present levels of human existence in general. Under this condition, all efforts at balancing accounts by fiscal-austerity

measures are willful mass-murder, and nothing different than that. Only a wiping the slate clean of dubious financial claims, combined with the creation of new sources of long-term, low-cost credit within a fixed-exchange-rate system, would permit the world to avoid a presently threatened plunge into a planet-wide, new dark age. Any contrary opinion is a homicidally foolish one.

This presently required new arrangement can not be a purely legalistic, utopian, or otherwise formal construct. It

must be rooted axiomatically in certain highly practical, specific intentions. This requires a fixed-exchange-rate system, akin in its functioning to the protectionist, gold-reserve system of 1945–1963. The similarities to that precedent, include the necessary role of those economies which are suppliers of high-technology capital goods of production and infrastructure, to sectors of the world economy which have an important deficit in their ability to produce such goods. On that account, the new monetary and financial system must be designed to provide a stable flow of long-term credit, at rates not in excess of between 1% and 2% annual simple interest, for long-term investments in development and maintenance of basic economic infrastructure, agriculture, manufacturing, and development of science-driver capabilities.

Such a system of long-term fixed exchange-rates will succeed only to the degree that two conditions are satisfied. First, the arrangements must be strictly enforced; that is the precondition for bringing currencies into agreement with assigned long-term relative exchange-values. Second, there must be high rates of investment in global improvements in basic economic infrastructure, and in physical progress in the productive powers of labor per capita and per square kilometer.

The goal is to accomplish, through such forms of cooperation, an indispensable result which can not be accomplished otherwise. Thus, nations which are jealously sovereign, and yet know that they need one another's assistance, will cooperate in service of that common interest expressed by the intended common benefit.

## A World Without Hobbes

In modern history, the notion of a community of principle has been presented in two opposing ways. First, falsely, by approximation, as Immanuel Kant argued for perpetual peace. Kant outlined a practical basis for simply negating the Hobbesian argument of such as former Secretary of State Henry A. Kissinger, that universal conflict, rather than cooperation, is the basis for relations among states.<sup>13</sup> Second, as I do here, by identifying cooperation as a matter of a universal physical principle, as in experimental proof of any universal physical principle. I limit myself here to the latter argument. I summarize that argument in terms of four listed principles, as follows.

First, *mankind's relationship, as a species, to the universe, is expressed as a function of the application of an increasing accumulation of experimentally validated discover-*

---

13. Typical of Kissinger's argument to this effect, is his May 10, 1982 public address to London's Chatham House, in which he avows himself a foe of what he terms the "American intellectual tradition," and places himself on the side of former British Prime Minister Winston Churchill, an opponent of President Franklin Roosevelt, in insisting that the relations among people in general, and states in particular, are intrinsically Hobbesian. Kant's notion of "universal peace," is of the purely negative quality which Kant himself defines, in the dialectic of his *Critique of Practical Reason*, as the method of treating the negation of a negation as positive.

*ies of universal physical principles to that universe.* These principles each and all express efficient intentions, as Kepler defines *intention*: as equivalent to experimentally verifiable universal physical principles, which do not exist as willful knowledgeable action by any species other than mankind.

Second, *the development of shared such discoveries and their application among societies, is of related forms of benefit to all societies participating in such exchanges.*

Third, *for specifically related reasons, it is required, in the interest of each and all, that the foregoing relations be cognitive, rather than deductive-reductionist in their most characteristic features.*

Fourth and last, more profoundly, *the realization of the meaning of individual life of any human individual, is, on principle, in proportion to the efficient accumulation of discoveries and use of valid discoveries of principle which he or she represents to humanity generally.* This defines a unity of true self-interest, first, within a specific nation, and, second, among nations.

The first three conditions require little explanation. It is the clarification of the fourth which occupies us at this point.

The importance of this fourth consideration, is best illustrated by considering its bearing upon the often crucial leading role performed in history by the exceptional individual personality. The principle of Classical tragedy, from the ancient Greek Classical tragedies, through Shakespeare, Schiller, and other most notable examples, centers upon the relationship between the tragic principle, and that issue of the principle of the *sublime* role of the exceptional individual in history, the role which is so famously addressed by Friedrich Schiller.

That notion, of the *sublime*, points to a characteristic feature of the human species, a feature which corresponds directly to the same, essential difference between mankind and beasts associated with Vernadsky's notion of the Noösphere. That notion of the *sublime* expresses a universal physical principle, which is located by a process which begins with a relevant ontological paradox of the following type.

The experimental proof, that the relationship of the human species to the Biosphere, is not that of another animal, depends upon the class of experimental evidence associated with what I have defined as *potential relative population-density*. Given the physical costs of producing and maintaining a typical human individual of certain demographic characteristics, what determines the relative physical productivity per capita and per square kilometer of that population as a whole? This standard of proof coincides with what I have pointed out as the quality of crucial scientific method employed by Kepler, Leibniz, Gauss, Riemann, Mendeleyev, and Vernadsky.

In respect to the increase of the potential relative population-density of society, the function of individual *noësis* is not statistically biogenetic. Productivity is not a quality of the genetically determined potentialities of the biological individual human being; it is a reflection both of the quality of



cognitive development of the individual, and also of the development of functional forms of associated social-cognitive relations in society.

Restated: the relatively greater *noëtic* efficiency of one individual, relative to others, is not a function of an imputable genetic heritage, but, rather, a function of the cognitive development of that individual, and of the relations within the society with which he or she is associated. The significance of this fact becomes clear when we consider the matter from the axiomatic standpoint of cognition (*noësis*) as such.

*The problem-solving power of the individual, and of the society, relative to pre-existing physical conditions, is a function of the accumulation of memory of the original, or replicated spiritual exercise of generating verifiable discoveries of universal physical principle.* This accumulation of memory of successful cognitive experiences, is not a mere aggregation of isolable individual discoveries; the entirety is a multiply-connected manifold of such principles, each with a definable cognitive-functional relationship to the others. This manifold supersedes genetic determination, in ordering the evolutionary moral and intellectual superiority of certain cultures, as species, over others which they surpass. Herein lies the science of the idea of progress.

The memory of the cognitive experience of generating each and all of those principles known by the individual in that way, has a physical consequence for man's relationship to nature, a quality of memory of a spiritual exercise which parallels the work of living processes in the transformation of the abiotic domain within the Biosphere. *In that sense*, these cognitive memories accumulated within the individual personality, have the apparent significance for human behavior, that genetic determination has for the behavioral potential of the inferior living species.

The paradox is, that although this genetic-analogous function of cognitive ideas occurs, as the form of action of a cognitive spiritual exercise, within the biological medium of the human individual, the bio-physical nature of that interaction *per se* is not known, but only the crucial-experimental certainty that it can be known to exist, and that it is a fully efficient quality of knowledge.

As an example of this: thinking back to Kepler's discovery of gravitation, we have conclusive empirical knowledge, that cognitive action exists as a universal physical principle, one outside the domain of other living processes; this existence is expressed as a manifestly efficient *intention* of the process considered. However, as of this present date, we have yet to lay hands on the correlated physical transformations within the biological mental processes of the human individual.

We can not expect to discover the biological psycho-physical substrate of cognition as if it were, epistemologically, an evolutionary derivative of the lower forms of living processes. We can expect, however, to identify physical processes of the living human mental processes which occur only as, uniquely, products which are correlatives of the act of cognition. We

have certain hints from the specific realm of "non-linear" processes of optical biophysics, which might help us progress toward such discoveries.

Once we have said that much on the matter of the biophysical substrate of cognitive processes, we may resume our focus upon the implications of the role and nature of the sublime in the shaping of history. Turn back to the relationship between the tragic principle and the sublime in the composition and performance of Classical forms of tragedy, such as the Classical Greek, Shakespeare, and Schiller. These are not to be considered as mere fiction, but as scientific studies of the principles of history.

Contrary to the specifically Romantic misrepresentation of such Classical tragedy, the fault in the society presented by the tragedy, is not the fault usually associated with some central figures; the force of tragedy is the pervasive folly of the entire society, its typical leaders included. A society so corrupted dooms itself, as did the Europe of the 1618-1648 Thirty Years War, by its selection of leaders who reflect the corruption pervading the population and institutions generally. That is the essence of the tragic principle, not only of the Classical stage, but of the real-life history which the dramatist presents in a distilled form to the audience, by means of the stage.

The *sublime* enters upon the Classical stage of real-life history, when some exceptional individual, such as Schiller's presentation of the essential case of Jeanne d'Arc, acts to move the course of history along a pathway of escape from the doom, the tragedy, the society and its leading institutions are otherwise bringing upon themselves. The mode of action which brings about that escape from the grip of the customary tragic principle, is typified by the collection of Plato's dialogues. This is made clearer, when those dialogues are recognized as dramatic presentations of the principle of cognition, not fiction.

In each and all of the latter dialogues, the tragic element is represented by the follies of belief attacked by the figure who exemplifies the sublime, Socrates. Follies are exposed to be follies, through the mechanisms of ironical juxtaposition of the elements of ontological paradoxes, as is done in all Classical metaphor. This is the Platonic method on which modern experimental physical science was premised, the method of Nicholas of Cusa's *De Docta Ignorantia*. In each Socratic dialogue of Plato, a crucial ontological paradox is presented, and a *sublime* solution achieved. This is the crucial point of difference between the explicit intention of most of the pre-Socratic Classical Greek tragedies, and the method of the sublime expressed by Plato and by the noblest works of Shakespeare, Lessing, and Schiller, for example.

In real history, as on the Classical stage, the society is imperilled by its own prevailing popular opinion, and therefore by the role of leaders who express the qualities which popular opinion seeks in them. Typical is the real-life Spain of Philip II, as presented by Schiller's *Don Carlos*. Each



*The great tragedian Miguel Cervantes addresses the self-doomed Hapsburg-ruled Spain of the two fools unfit to rule, Don Quixote (left) and the glutton Sancho Panza.*

and all of the figures, excepting the knowing Queen—who, unfortunately, had no authority within that society—is a fool of one sort or another, just as the insightful, great tragedian Miguel Cervantes addresses the self-doomed Hapsburg-ruled Spain of the two fools unfit to rule, Don Quixote and the glutton Sancho Panza. Sixteenth-Century Hapsburg Spain is doomed, because it is tragically rotten, morally and culturally throughout, both on the stage and in real history, a legacy of folly from whose effects the real Spain has not recovered fully to the present day.

In the case of Jeanne d’Arc, both in real life, and on Schiller’s stage, we have the sublime expressed. She is the inspired peasant girl who transforms a fool, the nominal king, into a real king, against his foolish will, and thus makes possible the France of Jacques Coeur’s Louis XI and the England of Henry VII and Sir Thomas More. Jeanne is not a tragic, but a sublime figure; the manner of her death is horrible, but her life is not wasted by the consequences of that choice of her actions which led to her death at the hands of the gnostic, inquisitorial evil of the Plantagenets.

Hide-bound Romantics will disagree with that. Romantics reveal their moral decadence by their insistence upon arguments such as the proposal that Jeanne made a tragic mistake, a mistake which cost her her life. So, Romantic fools, still today, see the assassination of Wallenstein (in both real

history and Schiller’s Trilogy) as the result of his personal folly in dealing with his foolish Hapsburg monarch. Fools see tragedy in the apparent lack of personal success achieved on behalf of narrowly defined personal self-interest, by the central character. Fools substitute the issue of personal success in individual mortal and related goals of so-called “self-interest,” for the successful historical outcome, for society, of the central figure’s having lived. So, some Romantics insist that it must have been a tragic error which led Jesus Christ to the Crucifixion; cowardly fools argue as if to say, “If you are right, why aren’t you successful?” Wise men and women heed the warning: “You have but one mortal life to spend, which, in the end you must spend, in any case. If you are wise, it is in your most fundamental self-interest to spend it well, for both humanity past and yet to come.” The greatest of all lives is that expended, like the brief mortal life of Christ, in fighting for the future victory of truth over the moral degeneracy of currently prevalent existing institutions and popular opinion.

Tragedy is the silly Kaiser Wilhelm of 1914 committing the world to World War I, by his infantile impulse of affection for the cause of the even sillier Hapsburg monarchy of that time. Kaiser Wilhelm was not the cause of the tragedy; the institutions of Germany were foolish enough to be controlled by a Kaiser’s regime which led them into the trap prepared for them by the associates of England’s Edward VII. Such, also, were the fools among Germany’s military leadership of late January 1933, who allowed President Paul Hindenburg to oust Chancellor von Schleicher, and bring Adolf Hitler to power.

In each case in real life, or on the Classical stage, a sublime intervention leads a nation from the doom its prevailing institutions and popular opinion had chosen for it, the role of the exceptional personality is crucial. It is, in that way, the lack of the suitable exceptional individual in place at the relevant moment, which is rightly seen as the crucial factor in all real-life and Classical tragedy.

This means, that the most deadly danger to society comes from the lack of such exceptional personalities in place at the time their role is indispensable. Either they have not been developed, or the foolish society dooms itself by preventing them from assuming the part they must play were the society to outlive the folly it had brought upon itself.

These cases, from the repertoire of Classical tragedy and from the actual history from which Classical tragedy has been distilled, point to a deeper and broader problem: What is wrong with the quality of development of the populations and institutions of nations, up to the present moment? Why is the need for absolutely exceptional leading personalities so desperate as it is today? How did we allow this to happen to our nations?

The answer to that question is, summarily, twofold. The answer is, on the one side, technical, and, on the other side, moral. However, in the end, the two sides converge to become as one, as follows.

## The Sublime Versus The Neurotic

There are, as I have emphasized in the immediately foregoing discussion, two opposing notions of individual self-interest, the one popular, the opposite sublime. On that account, the tragic outcomes in history show that the better name for “popular,” were “neurotic,” or even “psychotic.” The issue so posed, is the contrast of the notion of self-interest expressed by cognition, to the bestial notion of self-interest which mislocates the essential within the confines of sense-certainty.

The mature sane individual, and society, locate their essential self-interests as sovereign personalities in the cognitive experience, in a Riemannian manifold of accumulated memories of experimentally verifiable hypotheses, experimentally verified experiences of discovery of universal physical principles. The essential feature of this location of sovereign self-interest, is not what might be regarded as an accumulation of academic knowledge; the essential self-interest lies in locating one’s identity in the unfolding historical process of a continuing unfolding of such a manifold of cognitive action.

The sane individual, which has been the exceptional personality so far in known human existence, locates his or her self-interest in the process of becoming, expressed by the action of cognitive discovery. He or she responds to each important challenge in life, with a resolution to react in a way consistent with the cognitive principle, rather than a learned sense of naive sense-certainty. The former reacts as a human being; the latter reacts as a learned beast, a neurotic; even, like the Wall Street speculators and their admirers of today, as a functionally dangerous psychotic. The exceptional, sane, individual responds to life’s experience as intrinsically a process of overcoming ontological paradoxes, and therefore seeks out that sort of paradox in each potentially tragic situation of personal mortal life and of society. The exceptional person has an exceptional ability to die decently, because he or she knows that mortal life must be spent, and should therefore be spent wisely, with the inevitability of death more or less clearly in view.

By the very nature of valid discoveries of universal physical principles, there is no limit to the discoveries ever to be made. It will always be the case, therefore, that the role of the individual in effecting and applying such discoveries to the general human condition will always be exceptional, and personally so. That could never change.

The change to be desired so urgently today, is in the limit of the number of needed exceptional individual personalities to such tiny handfuls, while the rest of humanity, including its leaders, remain essentially pathetic neurotics or worse. The change to be made, for the sake of all future humanity, is to bring humanity at last out of the condition of childishness, even pathetic infantilism, which abounds in high places, and popular opinion today.

This means, that securing the future of humanity requires a certain institutionalized habit of universal education, the

habit of universal Classical-humanist methods of education, both in educational institutions, but also in all aspects of family and public life. The prophets upon which the survival of society has so often depended so critically, were always too few, too vulnerable; the shortage, and vulnerability of such talent has been the greatest single source of peril to civilization. The danger has been, that the power to decide has been left usually in the hands of the infantile minds seized by a pathetic commitment to bestialized notions of sense-certainty.

---

---

*Wise men and women heed the warning: “You have but one mortal life to spend, which, in the end you must spend, in any case. If you are wise, it is in your most fundamental self-interest to spend it well, for both humanity past and yet to come.”*  
*The greatest of all lives is that expended, like the brief mortal life of Christ, in fighting for the future victory of truth over the moral degeneracy of currently prevalent existing institutions and popular opinion.*

---

---

On this account, the function of endless scientific and related progress, is not merely to produce the explicit benefits which can be obtained in no other way. The more essential interest is the urgency of promoting the primacy of cognitive experience as the prevalent way of life. The celebration of the achievements of scientific progress, more than those achievements as such, is thus the highest good in the practice of statecraft. It is the celebration of that unending, continuing progress of cognition, of *noësis*, which is the highest true self-interest of all mankind.

The individual whose closest friends include the living memory of acts of valid cognitive discoveries by persons often even centuries deceased, and who sees his or her relationship to the future unborn in a similar way, locates his or her personal identity in a different way than those who locate social relations primarily in the sensations and passions of current sense-certainty. That difference is the only true meaning of morality, the meaning of knowable truth. Any contrary opinion is pathetic, neurotic, or even much worse, as the existentialists express the principle of evil practiced for its own sake.

It is the unity sought in service of that notion of the true self-interest of each and all nations, which is the only true and faithful servant of the common self-interest of all nations, in the benefits contributed by one another.

Exceptional individuals must lead mankind out of the terrible morass which present world history has become. Let us learn the lesson of the perilous situation in which we find the nations today; let us recognize the urgency of lifting mankind out of the pathetic infantilism typified by generally accepted popular belief today.

---

### 3. Managing The Noösphere

---

As emphasized at the outset here, the characteristic features of so-called liberal economy, are essentially of Venetian origins. Venice, in imitation of ancient Phoenician Tyre, defined itself in practice as an imperial form of rentier-financier maritime power. Later, during the course of modern Europe's Seventeenth and Eighteenth centuries, Venice transmitted the characteristic features of a rentier-financier form of imperial maritime power, to the Netherlands and England of the tyrant William of Orange; this characteristic was expressed by the India companies of those two nations, especially Lord Shelburne's British East India Company. It was also expressed by that Company's Haileybury School, whence the economics and related dogmas of Adam Smith, Jeremy Bentham, Thomas Malthus, David Ricardo, and the like were inflicted upon the haplessly credulous of the world at large, to the present day.

In effect, from the accession of George I to the throne of the newly created British monarchy, the British monarchy has been what is fairly described as an hereditary form of parody of the post held by the Doge of Venice.

To understand that long-wave degeneration of the modern English monarchy, which began during the reign of the ostensibly sex-crazed Henry VIII, a number of factors must be taken into account. The best features of modern English society and its influence are typified, still today, by such forerunners of Percy Shelley and John Keats as Henry VII, Sir Thomas More, More's obvious intellectual heir William Shakespeare, and the scientist William Gilbert. The initial phases of that descent into degeneracy are marked by such figures of English influence as a pack of Venetian advisors, including putative Plantagenet heir Cardinal Pole, Thomas Cromwell, and Henry VIII's Venetian marriage councillor "Giorgi" of the family of Zorzi. The influence of the "mortalist" doctrinaire Pietro Pomponazzi, from Padua, is also notable among the Venetian influences causing the moral and intellectual degeneration of that monarchy, as of most of the culture of Sixteenth-Century Europe.

The later mis-shaping of Seventeenth-Century England was provided by the influence of the de facto Lord of Venice, Paolo Sarpi, and by Sarpi's household lackey Galileo Galilei. Important pro-Venetian influences included the English

translation of Giovanni Botero's model for the later Malthusianism of Giammaria Ortes, and of the plagiarist of the then-current English translation of Ortes' book, Thomas Malthus. To the present day, the essential principle of moral and intellectual corruption polluting England to the present day, since the influence of Sarpi and Galileo on English assets such as Sir Francis Bacon and Thomas Hobbes, is empiricism and its French complement, Cartesianism.

It is this form of empiricism, reenforced through such channels as William of Orange's Netherlands, which has defined what is generally liberally accepted, still today, as the perverted British definition of "human nature" associated with Hobbes, Locke, Mandeville, Hume, Adam Smith, and Jeremy Bentham. British liberalism, and its U.S.A. and continental European parodies, are typical expressions of this. So, the Mont Pelerin Society and its influence on both the U.S.A. and the circles of the late Yuri Andropov in Russia, define the contemporary meaning of "liberalism" still today.

Today, the prevalent form of perversion in globally extended European culture, can be traced liberally to such leading sources of the contemporary neo-Malthusian cults, as followers of the satanic confederates H.G. Wells, Aleister Crowley, and Bertrand Russell. The Harvard University Professor William Yandell Elliott, who created such official personalities as Zbigniew Brzezinski and Henry A. Kissinger, is typical of that collection of pro-racist Nashville Agrarians who followed Wells. Similarly, Josef Korbel, and his daughter, recent U.S. Secretary of State Madeleine Albright, have been explicitly protégés of H.G. Wells' following in the U.S.A., with policies of practice, like those of their confederate Brzezinski, to match. These are conspirators in the literal meaning of the term; not by mere "guilt-by-association" sorts of family and other connections, but by their adoption of common, axiomatic kinds of beliefs regulating the convergent tendencies inhering in their acquired behavioral traits.

These axiomatically pro-Malthusian degenerates, and their like, typify a current of traditionally oligarchical interest, an interest which relies upon two fraudulent assumptions of underlying belief. First, these types argue that there is no universal physical principle which is not a mere, axiomatically abiotic description of sense-certainty. Second, the contemporary logical positivists and existentialists also insist that there is no axiomatic difference between merely living processes and cognitive ones. The arguments, that human intelligence could be organized in a non-living system, or that there is no axiomatic difference between man and the apes, are examples of this.

Typical of the spread of the influence of the Wells-Russell cult, is the Unification of the Sciences conspiracy, which was backed by Robert Hutchins, but founded by Bertrand Russell, Karl Korsch, Rudolf Carnap, Margaret Mead, Gregory Bateson, and others, at the University of Pennsylvania, in 1938. Typical is that offshoot of the still continuing Unification of the Sciences cult, the Cybernetics Project led by Mead, Bateson, and others, through the Josiah Macy, Jr. Foundation,

during the 1940s and beyond. Typical is the influence of both the Unification of the Sciences and cybernetics/systems analysis cult at the U.S.A.'s Massachusetts Institute of Technology (MIT). Typical are the LSD-centered operations of Aldous Huxley, Bateson, and others, including the Lindisfarne role in fostering the so-called "ecologist" movement. Typical are the radically logical-positivist extremes reached by such personal acolytes of Bertrand Russell as Norbert Wiener and John von Neumann.

The influence of these circles upon world scientific and other intellectual currents of academic thinking today, typifies the extent of the moral-intellectual degeneracy of the pro-Malthusian current as a whole. This form of the pro-Malthusian current, is the kernel of the prevalent form of fascism spread internationally today, the form which Kissinger-associated Michael Ledeen described as "universal fascism."

Notably, the degree of success of the efforts of precisely these pro-Malthusian circles to penetrate the Soviet Union, is key to understanding the way in which the economies of both the Soviet Union and of post-1989-1991 Russia were ruined, up to a recent time. It is key to the self-induced destruction of U.S. society, and of that of western and central Europe as well.

The impact of these empiricist, logical positivist, and existentialist pathologies, often turns up in curious ways, even among professed admirers of Vernadsky. Although there are circles which have attempted, fraudulently, to integrate the work of Vernadsky into the current form of universal fascist ideology, *the pivotal feature of that effort is a neo-Physiocratic caricature of the work of Vernadsky, a morbid parody proffered, fraudulently, as an anti-humanist, cultural pessimist's defense of the Biosphere from the intrusions of the Noösphere!*

Typical of such trends, during the Nineteenth Century and beyond, to the present day, the leading feature of ideological warfare against modern society by pro-Malthusian oligarchical interests centered in the British monarchy, was to attack the Idea of Progress. This was expressed in many ways, including the promotion of novel, often Bogomil-like religious cults, which attacked Apostolic Christianity as hatefully "Promethean."<sup>14</sup> The focus of this attack by such pro-Bogomil cults, was against Prometheus' defense of mankind against the oligarchical pagan gods of Olympus; this was turned into an attack on the Mosaic doctrine of *Genesis* 1, an attack on the notion of man and woman as made equally in the image of the Creator of the universe, and assigned to rule in that universe.

---

14. The relevant impact of the Bogomil cult upon modern Europe, is traced from the regions of France around the Pyrenees, the Tarn, and the Rhône, where the Bogomils' Gnostic, neo-Manichean doctrine of the elect surfaced as a feature of sundry pseudo-Christian cults, and in both Dr. François Quesnay's doctrine of *laissez-faire* and Adam Smith's plagiarism of *laissez-faire* as the dogma of "free trade."

For such religious perverts as those, Vernadsky's scientific definition of the Noösphere was and is an anathema, and the efforts of some to claim to invoke Vernadsky against scientific progress, is clearly a fraud, if also an anti-scientific delusion.

## Vernadsky And Progress

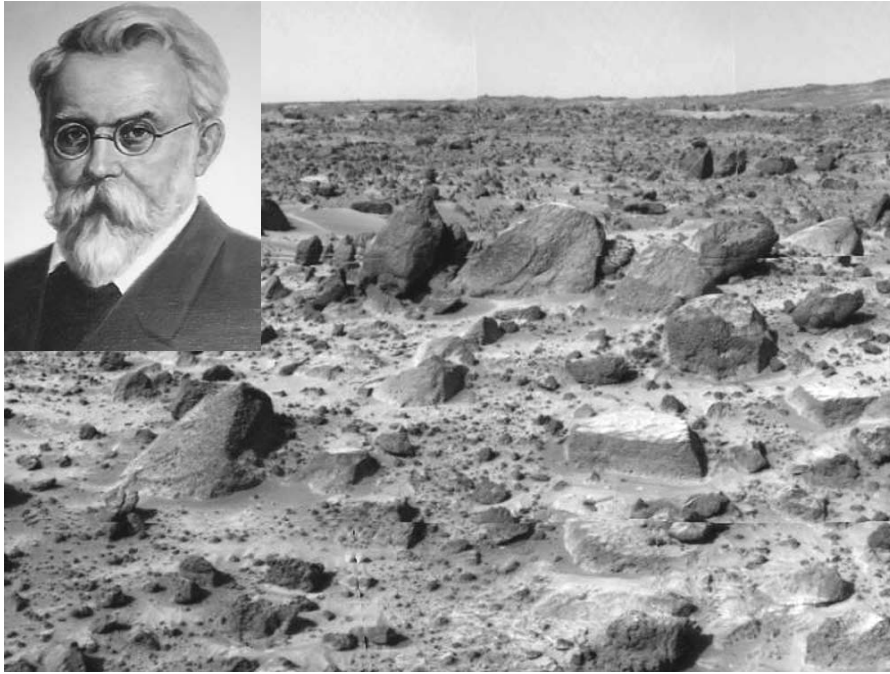
The significance of Vernadsky's work for Russia, in particular, today, has two leading, axiomatic facets. First, it represents the necessary guide to defining urgently needed forms of general economic progress. Second, it is a policy of practice which must be pursued for its own sake, without needing to consider further any immediate practical benefits it provides. On the first account, it provides indispensable material benefits. Nonetheless, on the second account, it fosters that specific, *sublime* quality of moral and intellectual development, on which the continued production of such material benefits depends absolutely.

The appropriate practical applications of the notions of Biosphere and Noösphere, include the notion of "terra-forming" of planetary bodies, to the purpose of generating from both the abiotic and living domains found there, the conditions of life needed to sustain human existence. This includes transforming the so-called "ecology" of our own planet, to cause that planet to generate an increased amount of those qualities of the Biosphere needed to sustain an increase in the potential relative population-density of our own species. All such measures are to be assessed as typical expressions of continuing the successive work of Mendeleev and Vernadsky. The realization of the potential benefits of central and northern Asia, depends upon scientific work in service of what I have defined as the presently updated notion of a science of physical economy.

That is not sufficient. The fact that we can measure the benefits of physical-economic progress in terms corresponding to increase of potential relative population-density, does not solve the most crucial of the problems of policy-shaping. Those facts show how progress has occurred, but does not show us how it should continue to occur. That confronts economists with a problem analogous to that faced by the Kepler contemplating the evidence of the non-uniform motion defining the orbit of Mars. How and why should economic progress happen?

Kepler observed that the planetary orbit, considered as a totality, was regular and predictable as a totality. However, it was seemingly impossible to determine the future position and velocity of the planet from statistical study of preceding short intervals of motion. This became the problem first solved by Leibniz's uniquely original discovery of the calculus.

On that account, Kepler asked, in effect: "What is the *intention* of the Creator, which governs the changes in non-uniform motion out of which the regularity of the closed orbit appears?" Kepler's study of the manifest such *intentions* of the Solar System, and other matters, are known to us today by



*The Martian landscape, as photographed by the rover Sojourner in July 1997. The appropriate practical applications of Vernadsky's notions of the Biosphere and Noösphere, says LaRouche, "include the notion of 'terra-forming' of planetary bodies, to the purpose of generating from both the abiotic and living domains found there, the conditions of life needed to sustain human existence."*

the name of *experimentally verified discoveries of universal physical principles*.

What is the nature of the physical principles which determine the necessity and possibility of continued progress in man's mastery of the universe? Restate this as: *What is the intention which mankind must adopt, to ensure the continued universality of human physical-economic progress?* The answer to that question is: *the practice of a universal policy of Classical humanist education, in which the discovery of previously discovered, and of unknown universal physical principles, ensures the self-developing state of mind out of which future progress is made inevitable. Shall we continue the presently prevalent practice, of running our educational institutions as zoos; or, shall we adopt cultural policies consistent with nothing but a Classical-humanist mode of universal education?*

For clarity, we must emphasize here once again, that a Classical-humanist mode of scientific education, makes no fundamental distinction in method between education in physical science, and education in Classical art-forms. By Classical art-forms, I mean both the Classical types of plastic and non-plastic art, and also the study of history, language, and the human mind itself, from the same standpoint in scientific method required for a Classical-humanist teaching of what is generally recognized as physical science, to the present day.

What Vernadsky terms the *noëtic* characteristic of the human species, the capacity for cognition unique to our species, is the only means by which our species obtains its power, to exist within, and over the universe. The three-fold characteristic of cognitive discovery of true principles, is expressed,

as I have described this, by the three-step process of *ontological paradox, hypothesis, and experimental verification of the hypothesis*. That is, as I have stressed, essentially an activity of the sovereign individual discoverer. However, the benefits of such discoveries for society depend upon a cooperative sharing of the cognitive experiences associated with such discoveries of principle. The methods appropriate for fostering cooperation in use of such principles among the members of society, all have the same essential form as Classical humanist forms of education and of Classical humanist forms of artistic culture.

For example, all Classical artistic composition, and its expression as performing art, are pivoted upon the role of irony, and of the form of irony known as Classical metaphor, in facilitating and standardizing the communication of the cognitive act of discovery. The application of the study of those artistic forms of communication to the subject-matters of statecraft and religious belief, produces the ongoing development of the arts of statecraft and theology. These studies, including the study of the development of the proper methods of Classical artistic composition and performance, are themselves subject-matters of the same cognitive method required for an individual discovery of a universal physical principle.

In addition, the universal principles which cognition adduces from the subject-matters of Classical art and statecraft, combine with universal physical principles as such, to define the boundaries within which a society, and humanity as a whole, acts upon the conditions of life in general. Since Classical art and statecraft define the axiomatic characteristics of decision-making in and by a society, these axiomatics have corresponding physical effects, just as the application

of discovered universal principles of the abiotic and living domains produce what Vernadsky identifies as “natural products” of the Biosphere. Moreover, these physical effects, whose causes lie within the domains of Classical art and statecraft, are themselves subject to studies of their physical effects, just as abiotic and biological principles present such residues of the natural products of their actions as—as Vernadsky emphasizes—the atmosphere, the oceans, and the soils.

It is the combined development of the individual’s knowledge of true principles of Classical art and statecraft, with addition of what are conventionally considered universal physical principles, which shows us the way in which to change, improve the progress of society and of humanity as a whole.

Thus, a Classical approach to the subject-matter of cognition, treating so-called physical science, Classical artistic composition, and Classical forms of statecraft as one body of knowledge, fosters the continuation and generation of those new discoveries, and those corrections of errors, on which progress depends. In other words, this Classical approach to the view of mankind, expresses the motivating *intention* upon which reasonable assurance of continuing progress of society depends, into even the distant future.

## A Science-Driver Economy

In the domain of what has been considered conventionally as science and technology, it should be readily recognized, that the principled source of all gains in net physical productivity of society, is derived from the discovery and developed application of universal physical principles. It is also known to all competent university instruction in so-called physical science, that the benefits of discovery of universal physical principles, are transmitted through a specific kind of by-product of a proof-of-principle experiment, a by-product conventionally termed a *technology*.

A technology, so defined functionally, points to those features of an experimental design which have crucial bearing on a successful proof of principle. This implies that such experimental approaches are required for each of several or more relevant media, and for any new combination of applied technologies. No competent firm would rely upon the use of what is currently called “benchmarking” as a substitute for the traditional function of crucial experimental designs in design engineering.

In fact, even limiting our attention, for the moment, to the popular notion of physical science, the accumulation of valid universal principles and their associated technologies, must be viewed, in the imagination, as a Riemannian multiply-connected manifold, rather than as a mere collection of principles aggregated in parallel to one another. It is the sense of such efficient, and also often problematic connections, within the developed individual mind of the scientist or design engineer, which that individual brings to bear, as expressed profes-

sional competence in addressing a relevant problem of experiment.

Thus, in general, the normal flow of scientific and economic progress would be from the well-developed university, through the combination of pedagogical and research experiment conducted as a leading component of that university’s activities, to special design laboratories, into design of products and processes for production, and, thus, into the general process of improved production.

Such, in summary, is the lesson of experience of the successful forms of practice of modern economy. That lesson should point our attention to a relatively obvious next step: to the notion of a *science-driver economy*. The example of the commitment to “indicative planning” for France’s Fifth Republic, by President Charles de Gaulle, is a relevant illustration of the point.

If we agree, to reorient our nations’ educational systems, according to Classical humanist methods and perspectives, and to foster the selection of primary and secondary national and global missions as the leading edge of the intentions expressed by both the educational system and the flow of public credit into new directions in large-scale, long-term investments in infrastructure, product-designs, and production, we would then have assembled the lessons from previous science-driver programs, such as the space program, into the form of national and international policy required to transform modern economy into a realized form of mission-oriented, science-driver economy.

If we take that step, then the importance of integrating such mission-orientations with the approach to the universe implicit in Vernadsky’s definitions of Biosphere and Noösphere, defines a fresh way of thinking about economy. By assigning a mission-orientation to the safe and sound revolutionizing of both the Biosphere and Noösphere, we will have made the next great leap forward in the efforts to perfect the functioning of both the modern sovereign form of nation-state, and new forms of mission-oriented cooperation among such states.

The most important thing, is to elevate the individual’s self-estimation of himself or herself, from a being reacting to a confined chronological and geographical setting, into a being whose witting, efficient, primarily cognitive connection to the deep past and distant future, has become his or her sense of personal identity. Persons so elevated in their moral character, leave themselves no choices of goals which are not far-reaching; the pervasive character of such personal goals, is an *intention* of commitment to the principle of endless human progress, for its own sake.

When we have transformed more and more of our young into the perspective of such a cognitive outlook respecting the meaning of their personal lives, we shall have, at long last, entered the moral adulthood of the human species.

Such is the importance shared, for Russia’s future, by the combined legacy of Mendeleev and Vernadsky.

## Bush And Putin Have Joined Forces For War Avoidance

by Jeffrey Steinberg

Leon Fuerth, Al Gore's wanna-be national security guru, curses under his breath about it. Zbigniew Brzezinski spends all his waking hours plotting its subversion—as does British Prime Minister Tony Blair. The subject of all this scheming is what American statesman Lyndon LaRouche, pre-candidate for the Democratic Party Presidential nomination in 2004, has described as “George Bush's Sept. 11 epiphany.”

When Russian President Vladimir Putin placed an emergency call to President Bush, shortly after the Sept. 11 attacks on the World Trade Center and the Pentagon, informing him that Russian military forces would not be placed on heightened alert, in response to the American security mobilization, and that Russia was prepared to help the United States in any way possible, a new chapter in history was opened. It could return the world to a strategic geometry not seen since the premature death of Franklin Roosevelt in 1945, or the period preceding the assassination of President William McKinley in 1901.

19th-Century American history, particularly during the Abraham Lincoln Presidency and the post-Lincoln era, featured a strong element of strategic cooperation between the United States and Russia. Its included purpose was to bring prosperity and peace to Eurasia, based on the American System of political economy, associated with individuals like Henry Carey, Friedrich List and the Russian Count Sergei Witte. To kill that prospect, the British murdered an American President and later set in motion World War I.

As the result of those geopolitical machinations, with the sole exception of the FDR Presidency, the 20th Century—particularly the 50 years of the Cold War—saw the complete

erosion of the 18th- and 19th-Century Russo-American partnership.

### ‘Entering Into A New Era’?

The importance of President Putin's unambiguous push to put the Cold War era to rest and revive a strategic cooperation between Washington and Moscow—particularly under the circumstances of the ongoing coup d'état plot against the U.S. government—has not been lost on President Bush and his top policy advisers.

During the recent Bush-Putin summit meeting, when the two Presidents appeared together at a high school in Crawford, Texas, Bush underscored the significance of the Sept. 11 Putin call, telling the students:

“I was on Air Force One the day of the attack, working my way back to Washington via Louisiana and Nebraska—[laughter]—making sure that the President was safe and secure. First phone call I got from a foreign leader was President Putin. He told us that he recognized that I had put our troops on alert. I did so because for the first time in a long period of time, America was under attack. It only happened once—twice, I guess: the War of 1812 and Pearl Harbor.

“In the old days, when America put their troops on [alert], Russia would have responded and put her troops on alert, which would have caused the American President maybe to put a higher alert, and Russia a higher alert. And all of a sudden, we would have had two conflicts instead of one. But not this President [Putin]. This President recognized we're entering into a new era, and his call was, ‘Don't worry. We know what you're up against. We stand with you. And we





*Secretary Powell's new Middle East peace initiative, against so many "wider war" cries from around, and within, the Administration, shows the impact of President Bush's collaboration with Russia's President Putin. Will it last?*

will not put our troops on alert, for the good of the United States of America.' ”

A week later, Secretary of State Colin Powell delivered a major foreign policy address on the Middle East at the University of Louisville, in Kentucky. Before addressing the Israel-Palestine crisis, he, too, invoked the events of Sept. 11. Powell told the audience that at the White House and Crawford meetings, “the two Presidents built on the unprecedented cooperation Russia has given us since Sept. 11. President Putin was the first foreign leader to call President Bush, and not just to offer sympathy and condolences, but to offer help, to align Russia with us in this new campaign against terrorism.”

Powell continued, “President Bush and President Putin are creating a new U.S.-Russian relationship, based on finding areas for more cooperation; on counter-terrorism, of course, but also on reducing the number of nuclear weapons in our inventories and by taking steps to strengthen the Russian economy to allow them to draw more to the West and become part of the Euro-Atlantic partnership. And notice the two, security and economic development, because with security must come economic development and prosperity.”

For the past 50 years, such strong words of partnership have been reserved, among U.S. leaders, exclusively for Great Britain and Israel.

### **The Implications Of A Bush-Putin Partnership**

The Sept. 11 Bush-Putin collaboration prevented the successful policy coup d'état in Washington, and continues to be the chief impediment to the outbreak of a hideous religious war in the Middle East, and South and Central Asia, the area

at the heart of Lyndon LaRouche's Eurasian Land-Bridge plan. This area has been targetted by British Orientalist Bernard Lewis, Zbigniew Brzezinski, Samuel Huntington, and other Anglo-American geopolitical madmen, for a new and worse version of the Thirty Years War (1618-1648), pitting the West against the Islamic world and China (see article on p. 62). Chief among the Anglo-American assets in this war drive are Israeli Prime Minister Ariel Sharon and top commanders of the Israeli Defense Forces, who threaten to launch military provocations against a range of Arab targets, possibly even using Israel's extensive arsenal of nuclear, biological, and chemical weapons of mass destruction.

The stakes are enormous, and so far, the fragile Bush-Putin collaboration has averted disaster. In fact, Secretary Powell's Louisville speech signaled that he has been designated by President Bush as the Administration's point-man in the U.S.-Russian joint war-avoidance effort, centered on the Middle East. At Louisville, Powell, for the first time ever by a top U.S. official, publicly denounced Israel for its illegal occupation of Palestinian territories, and specifically demanded that the Israeli settlement expansion be ended.

“In the absence of peace,” he told the Louisville audience, “Israel's occupation of the West Bank and Gaza has been the defining reality of Palestinians' lives there for over three decades, longer than most of the Palestinians living there have been alive. The overwhelming majority of Palestinians in the West Bank and Gaza have grown up with checkpoints and raids and indignities.” He continued, “The Israeli settlement activity has severely undermined Palestinian trust and hope. It preempts and prejudices the outcome of negotiations, and, in doing so, cripples chances for real peace and security. . . .

For the sake of Palestinians and Israelis alike, the occupation must end.”

While the mainstream American media tried to downplay the importance of the Powell remarks, and in some cases tried to portray them as backing down to Israeli pressure, the Anglo-American/Israeli “geopoliticians” could barely contain their fury at the Secretary’s speech.

Powell announced the appointment of retired Marine Corps Gen. Anthony Zinni as his personal emissary to the Middle East. Earlier this year, General Zinni completed a tour in his capacity as Commander of the U.S. Central Command, which covers the area from Turkey to Afghanistan and Central Asia, including the entire Middle East. He knows every head of state and top military figure in the Arab world, as well as in Israel, on a first-name basis. He is despised by the Israeli right wing and by the American neo-conservatives. This is all the more true, since his devastating insult of the Iraqi National Congress (INC) “Contras.” Richard Perle and Paul Wolfowitz wish to back this formation in one variant of the war against Saddam Hussein, a favorite trigger for the subversion of the Bush-Putin joint efforts to avert war in the Mideast.

On Nov. 27, General Zinni and Assistant Secretary of State for Near East Affairs William Burns arrived in the Middle East. The two American diplomats further enraged Sharon and the U.S. “neo-cons” by holding a lengthy and cordial meeting with Palestinian Authority President Yasser Arafat, following a far stormier session with the Israeli Prime Minister. General Zinni will remain there indefinitely — as a guarantor against an Israeli “breakaway ally” provocation to launch a general war in the region.

### **Change Is Still Fragile**

Lyndon LaRouche has warned that the Bush-Putin war-avoidance partnership is facing formidable attack. The coup d’état against the Bush Administration, on behalf of the “Clash of Civilizations,” has been suppressed but not crushed. Sources report that President Putin faces significant opposition to his bold initiative toward the United States, from within the ranks of the Russian military, as well as from the powerful criminal oligarchs, some of whom, like Boris Berezovsky, are closely allied with the Sharon criminal circles in Israel.

LaRouche has vowed to throw the weight of his political movement — internationally — behind the efforts to forge a revival of the historic Russian-American partnership, that nearly defeated the British and other European imperial forces during the late 19th Century, through precisely the kinds of policies now associated with the LaRouche Eurasian Land-Bridge. For that effort to succeed, many more forces around the globe are going to have to join with LaRouche, to give the kind of backing to the fragile and highly personal effort now being pursued by the Russian and American Presidents and a handful of trusted aides.

## **Crimes Against Humanity: The Case Of Ariel Sharon**

by Elisabeth Hellenbroich

“The fate of the disappeared of Sabra and Chatila will come back to haunt [Israeli Prime Minister Ariel] Sharon when a Belgian court hears a suit brought by their relatives alleging his involvement in the massacres.” This quote is taken from an article in the London *Observer* on Nov. 25. It is one of several such articles in the British press, including the *Independent* and the *Guardian*; the latter published exclusive material that sheds light on the responsibility which Sharon bore 20 years ago when, under his purview as Defense Minister, an atrocious massacre was carried out by the Phalange, Israel’s Lebanese Christian allies, in the Palestinian refugee camps of Sabra and Chatila near Beirut, in September 1982.

The massacre was followed by acts of “ethnic cleansing” which the Israeli Defense Forces (IDF) committed against hundreds of Palestinian refugees in Lebanon, who “disappeared” while in the hands of the Israeli soldiers, and whose fate to this day is unknown. “The people who disappeared during and after the massacre are the forgotten victims of Sabra and Chatila,” writes the *Observer*. “What is crucial is that they disappeared while in the hands of the Israeli army during an operation under the direct control of Israel’s then-Defense Minister Ariel Sharon, now Prime Minister. The fate of the disappeared of Sabra and Chatila will come back to haunt Sharon. . . .”

On Nov. 28, a Belgian appeals court held hearings on the “Sharon case,” in which 23 Palestinian plaintiffs allege he committed crimes against humanity. The case against Sharon was opened on June 18, 2001, before a Belgian court. Now, new material, which had been anonymously placed into the plaintiffs’ lawyers hands, has been obtained by the *Guardian*.

### **A Devastating Political Flank**

This case against Sharon offers a devastating political flanking move against the drive for generalized religious war in the Middle East. It could help tilt the balance in the Mideast in favor of a peace solution — including an independent Palestinian state — which U.S. Secretary of State Colin Powell and his Mideast envoy, Gen. Anthony Zinni (ret.), are desperately seeking to bring about.

In open defiance of those peace initiatives, which are supported by the European Union, Sharon and the IDF have been staging one provocative act after another, seeking to wreck any peace initiative which is not on Sharon’s terms, and to set

up the Mideast for an even bigger conflict.

The Nov. 28 hearing concluded with the Belgian state prosecutor's decision, that the trial against Sharon should go forward. At the opening session of the appeals hearing on Nov. 28, Pierre Morlet, representing the state prosecutor, argued that a Belgian court could take on the case presented by a group of survivors of the massacre, in which 900 men, women, and children were killed. Morlet rejected the Israeli arguments that Sharon's current position as head of government, confers immunity.

Immunity from prosecution has been the primary defense of the attorneys representing Sharon. They have argued that Belgium does not have jurisdiction over the case, because Sharon enjoys diplomatic immunity, but also because the crimes he is accused of, were committed before Belgium adopted legislation in 1993, which permits anyone charged with war crimes to be tried in a Belgian court. All these arguments were countered by the prosecution.

The court decided that it would have two more sessions — at the end of December and at the end of January — to continue to hear arguments whether the investigation and trial should take place. A decision is expected by the end of January. "If the appeals court decides to accept the case, Sharon could technically be arrested if he enters Belgium. But if Israel had ignored the case, the Belgian court could have issued an international warrant for his arrest," according to the Israeli daily *Ha'aretz*.

## New Evidence Comes To Light

Under the headline "Vanished Victims Of Israelis Return To Accuse Sharon," *Observer* correspondent Julie Flint reported how, on Sept. 18, 1982, 36 hours after the closing moments of the Sabra and Chatila massacre — in which Israel's Lebanese Phalange allies slaughtered up to 1,500 Palestinian refugees — eyewitnesses reported that Israeli soldiers ordered the Phalange militia to "give us all the people and leave the camps." The Lebanese obeyed, writes the *Observer*, "and they handed their prisoners over to the Israelis, who then marched them along the main road toward Beirut's sports stadium." In the stadium, women and men were divided into separate groups.

The *Observer* quotes one of the lawyers who told the court: "Hundreds of people were rounded up under the supervision and control and with the involvement of the Israeli forces. . . . They were interrogated, then put on trucks, and a lot of them did not come back. The sports stadium is probably one of the places that carries one of the largest elements of horror. The Israelis were in force there, interrogations took place there, and people were trucked away from there, never to appear again."

Another witness, who lost her uncle, father, and brother, is quoted by the *Observer*: "We went into a stadium and then never saw them again. . . . We asked about them and they said, 'There is no one here.' No one talks about them. No one

knows whether they are alive or dead."

The *Guardian* refers to documents from Appendix B to Israel's Kahan Commission of Inquiry, which probed the massacres in the Palestinian refugee camps in Beirut. In 1983, the Kahan Commission had found that very serious crimes had been committed, and that Sharon bore "personal responsibility." According to *Ha'aretz*, these documents, kept secret for national security reasons, clearly show "that top Israeli officials (among them Amos Yaron, then IDF commander in the Beirut area), including Sharon, knew of Lebanese Phalangist plans for massacring Palestinians and at no point tried to dissuade such action."

Under the headline, "The Sharon Files," the *Guardian* gives an insight into what happened on Sept. 19, 1982. "The day after the Lebanese Forces militia left Beirut's Palestinian camps after a 38-hour orgy of killing, it is finally possible to see what the Israeli soldiers surrounding the camps claimed they had been unable to see: Streets carpeted with bodies. Men, women, and children shot and hacked to death. Pregnant women eviscerated."

At that time, the paper states, "The East Beirut Israeli Chief of Staff Lt. Gen. Rafael Eitan, the commander of the Northern District Maj. Gen. Amor Drori, and a senior Mossad officer, Menahem Navot, met the Lebanese Chief of Staff, Antoine Breidi-Toto, and Joseph Abu Kahlil, the men who made contact with the Israelis in March 1976."

The *Guardian* gives the following account of the Sabra and Chatila massacre: The IDF sent "200 Lebanese militiamen into Sabra and Chatila on Sept. 16 to 'mop up' 2,000 terrorists which Ariel Sharon, then Israel's Defense Minister, claimed had remained there after the PLO [Palestine Liberation Organization] evacuation from Beirut."

The *Guardian* quotes from two almost identical reports of this meeting — "one identified as a transcript of a conversation recorded by an aide to the Commander of the Northern District," General Drori; the other, Mossad minutes of a meeting between Israeli Chief of Staff Eitan and Drori, and Breidi-Toto.

The documents cover a period from June to November 1982, including "a meeting in which the Cabinet decided to have the Lebanese army and the Phalangists participate in the entering of Beirut," and testimony to the Kahan Commission by an intelligence officer, Col. Elkana Harnof.

From the documents that the *Guardian* obtained, it becomes overwhelmingly clear that the IDF had "command responsibility" for the Lebanese forces before and after the massacre. According to minutes referring to a meeting on July 13, 1982 between Eitan and Lebanese force leaders, Eitan explained "that the IDF would provide all necessary support: artillery, air, etc. as if they were regular IDF units."

The *Guardian* also refers to minutes of a meeting which took place on Aug. 21, 1982, at the home of Phalangist Party leader Pierre Gemayel, between Gemayel and Sharon, referred to as "DM." The *Guardian* writes: "Even as the first

PLO fighters left Beirut on Aug. 21, Sharon met Bashir and Pierre Gemayel to demand a new strike against the Palestinian presence in Lebanon.” (Bashir Gemayel, Pierre’s son, was elected President of Lebanon, but was assassinated on Sept. 14, before taking office.)

The *Guardian* account continues: “Minutes of the meeting quote Sharon as saying: ‘A question was raised before, what could happen to the Palestinian camps once the terrorists withdraw. You’ve got to clean the camps.’ Pierre Gemayel prevaricated, ‘. . . We are in the midst of a political process of Presidential elections. . . . Bashir is the nominee. It is very important that calm is kept.’” According to the minutes, Sharon insisted: “What would you do about the camps?” To which Bashir responded: “We are planning a real zoo.”

In his testimony to the Kahan Commission, Sharon claimed that no one imagined the Phalange would carry out a massacre. But, according to the documents in Belgium, Sharon himself complained to Pierre Gemayel, ten weeks before the massacre, that “it is incumbent that we prevent several ugly things which have occurred—murders, rapes, and stealing by some of your men.” In the same month, the *Observer* reported, “in a meeting with American diplomats at the home of Johnny Abdo, Lebanon’s military intelligence chief, Sharon proposed that the PLO fighters in Beirut be given ‘refuge’ in Israel. Although we are at a friend’s house, he said, according to the report of the meeting, ‘rest assured that they would be more secure in our hands.’”

According to testimony before the Kahan Commission on Oct. 22, 1982, Mossad chief Yitzak Hofi said, “The Phalangists talk about solving the Palestinian problem with a hand gesture whose meaning is physical elimination. I don’t think anybody had any doubts about this. . . . They raised the issue of Lebanon being unable to survive as long as this size of [Palestinian] population existed there.” Similarly, Colonel Harnof, in testimony to the Kahan panel, said, “It was possible to surmise from contacts with the Phalange leaders what were their intentions toward the Palestinians: Sabra would become a zoo and Chatila Beirut’s parking place. . . . When they participated in actions East of Bahamdoun (when they operated against the Druze) they ran straight to the villages and committed massacres.”

*Ha’aretz* quoted unnamed experts vouching for the authenticity of the documents quoted by the *Guardian*. As one of the Belgian lawyers said, if Sharon is put on trial, he will have to respond to these documents, and there is no way “that he could escape justice.”

**To reach us on the Web:  
[www.larouche.com](http://www.larouche.com)**

## Philippines President In Tightrope Diplomacy

by Gail G. Billington

President Gloria Macapagal-Arroyo is known to be an accomplished ballroom dancer, a favorite pastime in the Philippines. She needs all the poise, balance, and deft moves possible in the political balancing act required to retain the office she now holds. In January, President Arroyo expects to observe the first anniversary of her inauguration as President of the Philippines, an archipelagic nation of more than 7,000 islands and 78 million people, which cuts a swathe between the South China Sea and the Pacific Ocean.

The Philippines has the closest ties to the United States of any of the Southeast Asian nations. President Arroyo’s state visit with U.S. President George W. Bush on Nov. 19-23 was chosen to commemorate the 50th anniversary of the signing of the Republic of the Philippines-United States Mutual Defense Treaty, at a time when the Bush Administration is waging its international war on terrorism. The Arroyo government has pledged significant support to that campaign, with serious implications in regard to the several-million-strong indigenous Muslim minority in the southern island of Mindanao, which has been embroiled in a 25-year battle with the Philippines government, at enormous human cost. The various Islamic groups and factions in that struggle have made demands ranging from independence, to regional autonomy and more economic and political rights within the nation.

Hanging over President Arroyo is the questionable legitimacy of the process by which she became President in January 2001. At the time, Arroyo was Vice President to then-President Joseph “Erap” Estrada, who was elected President in 1998 to a one-time, six-year term. However, Estrada was driven from office in January 2001, on the basis of a corruption scandal involving alleged kickbacks from illegal gambling operations.

Estrada’s formal impeachment was aborted by a staged walkout in proceedings held by the Philippines Senate, while outside, mobs of citizens, mobilized with the backing of the country’s political elite, centered in the Makati Business Club and non-governmental organization (NGO) circles linked to former Presidents Corazon Aquino, Fidel Ramos, and others, reenacted the “People’s Power” putsch that drove President Ferdinand Marcos from power in 1986. That 1986 coup, run by the U.S. State Department, became known as “The Edsa Revolution,” in honor of the historical monument which served as the rallying point for the mass protests. For that reason, the 2001 replay which placed Macapagal-Arroyo in the Presidency has been called “Edsa II.” Within one month

of her swearing-in, the Presidential palace, Malacanang, was besieged by yet another revolt, now called “Edsa III,” which saw the streets of Manila filled with those who constitute Estrada’s enormous base of support among the poorest of Manila’s large number of poor.

Sources in Manila report that the vast majority of those who took to the streets in Edsa III were “street people,” enraged by the intolerable conditions of their existence and the self-absorption, indeed, narcissism, of the country’s political class. Nearly a year after his impeachment, Estrada still awaits trial on “plunder” charges, which could carry a death sentence in the Catholic Philippines. President Arroyo is serving out his term.

### ‘Edsa IV’ Planned

There is growing evidence today that various interests that participated in, or orchestrated, the previous revolts, for whatever reasons, are already planning “Edsa IV,” and, possibly, more. In recent weeks, President Arroyo’s husband, lawyer Miguel Arroyo, and the President herself, have been the subject of press reports and probes into illegal payoffs linked to sales of telecom licenses.

President Arroyo is certainly aware of this threat. On Nov. 26, the Philippines Consultative Assembly (PCA), the umbrella group of NGOs organized for the purpose of bringing down Estrada and putting Arroyo in power, issued a 60-day deadline for President Arroyo to resign! This is not to give undeserved credibility to the PCA—or any other of the swamp of NGOs, which have gained undue power in the Philippines, dictating, as “civil society,” to elected governments ever since the fall of Marcos—but these types of actions, including violence, have been repeatedly used to soften up the political environment before a new government is installed “Philippines style.”

Today, the Philippines is home to three of the five Southeast Asian organizations listed on the Bush Administration’s international terrorists list. Two are on the left: the New People’s Army, linked to founder Jomo Sison, who lives in exile in the Netherlands; and the related Alex Boncayo Brigades assassination squads. The third group, the kidnap-for-ransom Abu Sayyaf, which is holding two American missionaries and a Filipina nurse hostage, may be a split-off from the Moro Islamic Liberation Front (which has recently signed a cease-fire with Arroyo’s government), but it is more committed to its drugs and profits than liberation.

### Agreements Are Double-Edged

The Bush Administration must appreciate the domestic and international risks its allies in the “anti-terrorism coalition” face in negotiating their way through the policy minefield. The implications for President Arroyo of the agreements struck with the Bush Administration in Washington are double-edged, not least because of the factional division within the Bush Administration, with the “Clash of Civilization” faction, represented by Deputy Defense Secretary Paul



*Philippines President Gloria Macapagal-Arroyo, during the inauguration of the Narciso Ramos Highway in August. Her government has pledged support to the war on terrorism, with serious implications in regard to the indigenous Muslim minority in the island of Mindanao.*

Wolfowitz and Richard Perle, openly committed to starting wars across Eurasia.

Similar thinking is reflected within the Philippines by the rabid “free-trade, globalization” lobby, led by Carlyle Group member, former President Gen. Fidel Ramos (ret.), and President Arroyo’s National Security Adviser, Roilo Golez. As a Congressman, Golez indulged in mindless provocations against China over the contested Spratly Islands in the South China Sea, with the help of U.S. Rep. Dana Rohrabacher (R-Calif.) and some of his neo-conservative colleagues on the House International Relations Committee.

In exchange for “favours” to promote their anti-China propaganda, Rohrabacher has dangled sales of surplus U.S. military equipment to the hardware-deficient Armed Forces of the Philippines (AFP). Rohrabacher was one of the earliest sponsors of the Afghanistan Foundation, which, with the help of the likes of Wall Street investment banker John Train, promoted the Samuel Huntington-Zbigniew Brzezinski “Clash of Civilizations” in the 1980s “Afghansi” war against the Soviet Union.

Many unanswered questions remain concerning the reported nearly \$2 billion in military-related assistance pledged, out of \$4.6 billion in total aid announced, by the Bush Administration after President Arroyo’s visit. Particularly controversial is the plan for a new Mutual Logistics Support Agreement, defining U.S. military access within the Philippines. In 1987, the Philippines Constitution was amended to ban permanent stationing of foreign troops in the country, as they had been for decades at Clark Field and Subic Bay, together with an absolute ban on the introduction of nuclear weapons. Of course, as the Philippines is fully aware, the United States neither confirms nor denies when it comes to nukes.

Up until President Arroyo's November meeting with President Bush, average annual U.S. military assistance had been about \$1.9 million. President Bush pledged to work with the U.S. Congress to obtain a 15-fold increase in U.S. foreign military financing for the Philippines until 2003, and said he wanted to provide an additional \$10 million in Defense Department goods and services for the AFP. He added that he expects security assistance offered to Manila to be worth \$100 million for 2001-02. Bush also gave a verbal pledge to resolve the bitter issue over granting veterans benefits to Filipinos who fought alongside Americans in World War II, which is decades overdue. But neither President Bush nor Defense Secretary Donald Rumsfeld have spelled out what wars they expect the Philippines to help fight.

### **This Economy Breeds Terrorism**

On the eve of her official meeting with President Bush, President Arroyo spoke at her alma mater, Georgetown University, in Washington, D.C. She pledged that the Philippines would go "every step of the way" in a global war on terrorism, but also called on the developed nations to act to liberate poorer nations from poverty, which she said serves as the "spawning grounds" of terrorism.

Arroyo went to great lengths to detail what the Philippines had pledged to do in support of Bush's international war on terrorism, including offering Philippines' airspace, subject to Congressional approval, combat troops, and a pledge to put an end to the "sub-human behavior" of the criminal Abu Sayyaf gang. But Arroyo added that developing countries have already paid a stiff price. "In the face of recession, investors have been quick to yank out funds from emerging markets thousands of miles away from ground zero," she said.

Philippines media have reported that foreign investment in the Philippines collapsed by 50% in the last year. Manufacturing collapsed for the past six months, with a 7.3% collapse in September alone, compared to the previous year. Opposition Senator and former Agriculture Secretary Edgardo Angara warned on Nov. 23 that the 2002 budget is "a sub-maintenance budget. . . . Proposed budget cuts will be extremely counter-productive. The country's economy is not like a household or a business firm where you must always live within your means. Running a country is an entirely different thing because our national economy is more complex than a household budget. The economy is already in a recessionary mode. . . . Government should pick up the slack in such an emergency situation and increase government spending" in such job-creating areas as infrastructure, social services, and agricultural modernization.

The Philippines' most important export is its own citizens, the "overseas contract workers," who send home the nation's largest foreign exchange earnings, in the range of \$6-8 billion, or more, annually. The downturn at home means a rise in emigration, now averaging 2,300 per day, or 70-75,000 per month, the Labor Secretary reported in August—*before* the

terrorist attacks in the United States. Employment has not picked up at home.

### **The Man No One Wants To Claim**

On Nov. 20, the day before Arroyo met with Bush, all hell seemed to break loose in the south. Nur Misuari, founder and former chairman of the oldest of the Muslim movements, the Moro National Liberation Movement, broke from 25 years of peace negotiations, and led 500-600 of his followers in attacks on military outposts on his home island of Jolo. When the fighting ceased, 113-160 people had been killed, Misuari was on the run, escaping with six of his associates to the Malay island of Jampiras, just offshore Sabah, a province once claimed by the Philippines.

What prompted Misuari's desperate, perhaps even suicidal revolt? Earlier this year he was replaced as chairman of the MNLF. On Nov. 26, elections were held in the Autonomous Region of Muslim Mindanao to replace him as Governor of that Muslim self-rule region. Both the MNLF leadership council of 15 and President Arroyo announced early on that Misuari was not to be supported any more. He is currently being held for illegal entry into Malaysia, while an investigation probes whether, in his revolt, he had allied with Abu Sayyaf, and had perhaps done so previously, in their kidnap-for-ransom criminal activities. Malaysia's Prime Minister Dr. Mahathir bin Mohamad has expressed disappointment that Misuari did not do more to improve life for the Moros, while President Arroyo has shown no urgent desire to have Misuari returned to the Philippines. The Organization of Islamic Conference, which has overseen the Philippines-Moro talks since the 1976 Tripoli talks, is being consulted. Indonesia now heads the relevant committee.

Misuari was well rewarded in his leadership position, and was beholden to those who kept him there, including former President Ramos, who backed his rise to leadership among the Moros, politically and financially, and who has never been shy about his continuing political ambitions. Ramos led a bitter fight to amend the 1987 Constitution so that he could run for a second six-year Presidential term in 1998, but was defeated in that effort.

With Misuari's new revolt, even if short-lived, he has broken the status quo, and has opened the way to further spread of the problem. There are those in Manila who wonder if it might have been premeditated or provoked. In Malaysia, the president of the opposition Parti Islam SeMalaysia, Fadzil Nor, has called on the Malaysian government to grant Misuari political asylum, as a freedom fighter, whom Malaysia has supported in the past. However, the Malaysian government intends to send Misuari back to stand trial in the Philippines. The leader of the Muslim Youth Movement of Malaysia warned: "The alliance allegedly struck between Misuari and the Abu Sayyaf group may turn Muslim Mindanao into another target for an American-led, Afghan-like military operation."

# Seineldín: 'Freedom Now! For The Resistance'

by Cynthia Rush

On Nov. 23, Argentine political prisoner and hero of the 1982 Malvinas War, Mohamed Alí Seineldín, forcefully intervened into his nation's crisis, by demanding his immediate release from prison, where he has been for the last 11 years, thanks to the efforts of former U.S. President, now Sir George Bush, and his toady, Carlos Saúl Menem, former President of Argentina (1989-99). Bush saw to it personally that Seineldín was locked up, following the former colonel's involvement in the Dec. 3, 1990 uprising against the Army high command, to remove him as an obstacle to Anglo-American policy, particularly the destruction of the Armed Forces.

As former Colonel Seineldín reports in his statement below, his demand for freedom now, is motivated by the Nov. 20 ruling by Argentina's Supreme Court to absolve Menem of criminal charges related to illegal weapons sales to Ecuador and Croatia in the early 1990s. As Seineldín has stated, Menem was the obedient tool of London and Wall Street, and devastated his nation at their behest. At a moment of extraordinary national crisis, Menem's release from house arrest, and his announcement that he will run for President in 2003, is an ominous sign. Seineldín is therefore demanding his own freedom, in order to lead a national resistance movement to Argentina's further destruction. As a supporter of Lyndon LaRouche's New Bretton Woods proposal for a new global financial system, he is uniquely qualified for that job.

Campo de Mayo Military Prison  
Nov. 23, 2001

While I have always fought for the prosperity of my Fatherland (our Second and Great Home), it wasn't until 1988, when, from Panama, I learned of the change in the political model to be imposed on all Ibero-American nations, that I dedicated myself fully to analyzing this issue, studying it in depth, with a view toward the probable future consequences for the citizenry. That model was based first on tearing apart, and then replacing the Republic and the nation-state with a bloc of nations dependent on the United States—the reality we know today as “globalization” or the “New World Order.”

With all the proof and evidence in hand, aside from making this known to all levels of the military hierarchy, government officials, business and trade union leaders, former Presi-

dents, Church leaders, etc., I dedicated myself to alerting all who would listen, to the danger looming over the nation, as a result of [this model's] imposition. Regrettably, I must admit that the response, in general, was poor.

But, at the beginning of 1989, I was invited by then-Presidential candidate Dr. Carlos Saúl Menem, and was able to present to him the situation that would develop in the immediate future, were urgent action not taken. Dr. Menem ordered me to begin working on a proposal for national defense and security. I thus began working enthusiastically, with no personal ambition, and with absolutely no suspicion of what would later occur.

While I worked on the assigned task, after only a short time had passed, I realized that I had been fooled, and that Menem, himself, was the agent designated by the United States to impose the “New World Order” on the Republic. Despite my difficult situation, I made my best effort to make him listen, but faced with his repeated refusals, I had no alternative but to resort to the Dec. 3, 1990 military uprising which, while offering few possibilities of victory, would at least serve as a warning to the citizenry of the sinister future awaiting them.

I won't go into what happened during those ten years of the Menem government—the “Perverse Decade”—because today the results are there for all to see.

Upon being jailed for life in a common prison, as a result of an arbitrary trial with pre-established sentences, I decided to accept my misfortune and present it as a testimony to my beloved Fatherland, to which I owe so much, and to my dear soldiers who gave their lives during the South Atlantic Campaign [1982 Malvinas War]. I maintained this position for 11 years, without accepting the pardons repeatedly offered by Menem during his administration. My conscience assured me that the old saying, “For justice, God, and for truth, time,” would sooner or later become reality. And it did, when worthy judges imprisoned that well-organized “illicit association,” whose kingpin was the same President Menem. That encouraged me, even further, to continue giving testimony.

But, regrettably, on Nov. 20, 2001, coinciding with the Day of Sovereignty,<sup>1</sup> in shameful collaboration with the government, the justice system, and at the initiative of the U.S. government, Menem and his “gang” were freed, to immediately take up the program to hand over what remains of that once-great Argentine Republic, to the “International Empire of Money.”

This cruel circumstance, forces me to now change my mind. Now, I want my freedom! Freedom, for the Resistance!

For God and Country,  
Mohamed Alí Seineldín

---

1. Day of Sovereignty: for the Blessed Miguel Pró, who was executed for the “crime” of being a priest, and only asked his captors for a few minutes to pray, and die with his arms on the cross. His death is an example of courage and conviction.

# LaRouche, In Rome, Addresses Members Of Parliament, TV Debate

by Liliana Gorini

On Nov. 20-24, U.S. Democratic Presidential pre-candidate Lyndon H. LaRouche was in Rome to address a number of meetings with members of the Italian Chamber of Deputies and the Senate, and to participate in a televised debate on “Peace Through Development,” broadcast live by a regional channel, Teleambiente, on Thanksgiving Day, Nov. 22.

On Nov. 21, LaRouche addressed a meeting organized by Tommaso Fulfaro, coordinator and spokesman of the Association for the Left, at Palazzo Marino, seat of some of the parliamentary caucuses. The meeting was attended by 30 Members of the Italian Parliament and various political and social groups, including trade unions and women’s organizations. Among the political leaders were Dr. Nino Galloni, director of the Italian Labor Ministry, and former Member of Parliament Tullio Grimaldi, representing the Institute for Asia, which had invited LaRouche to Rome in October for a discussion on Eurasian economic development. After a brief introduction by Fulfaro, LaRouche opened the discussion by reporting on his personal experience during the Sept. 11 events, and the importance of Russian President Vladimir Putin’s phone call to President George Bush, when Bush was flying from Louisiana to Nebraska, which avoided a serious global strategic crisis (see LaRouche’s opening remarks below).

## Stick To The Truth About Sept. 11

In this meeting—and in those with members of the Italian Senate and other private meetings with members of Parliament during the following days—LaRouche invited Italian politicians to truly support the United States: by sticking to the truth about Sept. 11 and the world economic crisis—which was a full-blown crisis already before Sept. 11—rather than adopting the line offered by British Prime Minister Tony Blair and CNN. Italy and Europe, LaRouche said, should take a more active role in establishing close cooperation among the U.S., Russian, and European governments, in order to avoid a “clash of civilizations.”

He counterposed to this, concrete economic development projects for Eurasia, such as the Eurasian Land-Bridge and a New Bretton Woods reorganization of the international fi-

nancial and credit system, which would be the keys to reviving the U.S. and European economies. Because of its geographic position as a bridge to the Middle East and Africa, and also because of the role played by Pope John Paul II in supporting a dialogue of civilizations, Italy can play an important role in Europe.

The Italian interest in LaRouche’s proposal for a debt and financial reorganization is demonstrated by the fact that motions for a New Bretton Woods system have been introduced and discussed in the Chamber of Deputies, the Senate, and the European Parliament, and were endorsed by Members of Parliament from both government and opposition parties. At the meeting on Nov. 21, many questions were posed to LaRouche, on the nature of the attempted coup d’état against the U.S. government, represented, as he explained, by the Sept. 11 attack on the Twin Towers and the Pentagon, by the danger of an extension of the resulting war to Iraq and other countries, and by the situation in Israel and the Middle East.

## Peace Through Development

On Nov. 22, LaRouche was the main guest in a TV debate, broadcast live by Teleambiente during the weekly program “Incontri con . . .” (“Meetings With . . .”). Host Giuseppe Vecchio introduced the four speakers: Lyndon H. LaRouche, Jr., economist and philosopher; Prof. Roberto Panizza, professor of international economics at Turin University; Galloni, director of the Labor Ministry; and Father Ulisse Frascali, president of the Nuovo Villaggio del Fanciullo Foundation in Ravenna. Vecchio introduced LaRouche as a special guest, saying, “LaRouche has been promoting a New Bretton Woods system for years, to replace the present, bankrupt, IMF system, and to create a just world economic order, which promotes the realization of infrastructural projects, such as the Eurasian Land-Bridge, allowing peace through development.” “Peace through development” was the theme of the hour-long debate, and Vecchio asked LaRouche to explain to viewers his assessment of the present world economic crisis and how to get out of it.

LaRouche’s proposals were fully endorsed by Professor Panizza, who was one of the economists involved in preparing



the proposal for debt relief for poor countries in the Jubilee Year, promoted by Pope John Paul II and the Italian Catholic Bishops Conference, and enacted by the Italian Parliament in July 2000. Panizza answered the host's question, "What do you think about LaRouche's view on an urgent financial reorganization?" saying, "I fully agree with everything LaRouche said, and I am always amazed to see how his ideas fully coincide with mine. I think such a financial reorganization would be much more effective in stopping international terrorism than bombing Afghanistan, since the main support to terrorism does not come from Afghanistan, but from financial interests involved in the drug trade and financial speculation worldwide, as LaRouche said."

Galloni then emphasized the importance of what LaRouche had said about the phone call between President Putin and President Bush on Sept. 11, which averted a serious international crisis. Galloni also endorsed LaRouche's proposal for Third World development as the only solution, not only to poverty and destabilization, but also to the economic crisis in the developed countries, including Europe, which depends largely on export markets.

Father Frascali added to the discussion his social experience, being a priest who works daily with the "forgotten man," those children and adults who are the first victims of what he called a "rush to success and riches," ignoring social values.

At that point, Vecchio asked LaRouche to give his view, as an economist, on American economic thinking, and on John Maynard Keynes. LaRouche explained that many people in Europe tend to concentrate on Keynes, when they debate free-market economics, as opposed to other schools in economics; but that the American school of economics actually goes back to President Abraham Lincoln.

Economist Panizza underlined the importance of what LaRouche said regarding three "American System" economists—Alexander Hamilton, Friedrich List, and Henry Carey—given the demonstrated failure of present economic theories to face the world financial crisis.

The debate ended with the announcement of several future broadcasts on economics, with Professor Panizza and Galloni as permanent guests. Many viewers called into the TV station to congratulate LaRouche and the other speakers for their courage in openly discussing such important matters as the attack against the United States and the economic crisis. These are normally avoided now in TV debates, in order to stick to the propaganda line coming from CNN, BBC, and other media.

After the debate, LaRouche was invited to a Thanksgiving dinner attended by the speakers, LaRouche's collaborators in the Italian Solidarity Movement, and young researchers and political activists who were not able to participate in the TV debate. The discussion continued at a restaurant in the vineyards of the Frascati area. Before leaving Rome the next day, LaRouche paid a visit to the Etruscan tombs in Cerveteri, which are dated as far back as the Seventh Century B.C.

---

Lyndon H. LaRouche, Jr.

---

## Western Europe's Role In The World Crisis

*The following are Lyndon LaRouche's opening remarks to a seminar in Rome, on "Western Europe's Role In The World Crisis Since Sept. 11," on Nov. 21. Subheads have been added.*

I'll divide my remarks into three sections, which are integrated. First of all, I will tell you a story, which is a true story, of my experience from Sept. 11 to today. Second, I shall refer to the economic setting of this story; and then, I shall describe the strategic—political-economic strategic, issues which are posed by this.

My experience with Sept. 11 began at about 9 o'clock in the morning, U.S. Eastern Daylight Time. I was scheduled to be on a two-hour radio interview at that point. So, as the 9 o'clock hour passed, then the story of the first strike against the building in New York occurred, and then, shortly after that, the second. And, naturally, the discussion with my host and me, on the air, concerned these developments which had just broken out. Before the two hours was up, and by the time that the Pentagon had been struck, I knew with certainty that what I had experienced, was an attempted coup d'état, by forces inside the United States, at a very high level of the military command. Nothing else. The technical features of the developments were sufficient to prove that at that time.

The only event which reasonably approximates that, in recent history, occurred in France, at the time that de Gaulle was becoming the Prime Minister and President of France, in which a group of generals, over the issue of Algerian policy, actually attempted to stage a coup, first, against the pre-de Gaulle government, then against de Gaulle, and then the assassination of de Gaulle. The other thing that was similar—[aside, responding to question] (Yes, Sartre, and more important, Jacques Soustelle; Jacques Soustelle and Paul Rivet and Jean-Paul Sartre, were all part of the same operation.) So, the other incident in the last century, which was very similar to that coup d'état, was the Hitler coup d'état of January-February 1933.

### **The Emergence Of 'Special Warfare'**

Now, I knew where it came from, in the sense that we have developed—as many of you here know, because you've studied these things, from the standpoint of the history of Europe and Italy. Because, what happened in the postwar

period, that is, after World War II, with the development of nuclear weapons, a new emphasis in direction of warfare emerged. A certain Anglo-American faction had set up a conflict, which became a thermonuclear conflict between the Soviet Union and the Anglo-American forces. And under these conditions, of increasing danger of nuclear warfare, what became known as “special warfare” became rather popular with the powers. This included the quasi-mercenary armies, it included also international terrorism, which was always organized by governments, never by private organizations, and involved the emergence of a special type of military faction, which in the United States was associated with Allen Dulles, and with people like that.

So, what I saw—I’ve had a lot of experience with these fellows, in opposing them, in my history. I know the species of animal very well. And, in a case like this, sometimes you don’t know *who* did something, but you may know the species of animal that did it. It’s not as important, at this point, for me to go into the details of how and what the proof was, but, the point was, there were certain characteristics of the U.S. internal security provisions, and the way things happened on that date, that could only have happened under the direction of the highest level of military command, operating in conducting a coup, within and outside the government.

Now, as in the case of the attempted coup against France, and de Gaulle, the person, and the Hitler coup of 1933, in a coup of this type, you have two forces which are actually in support of the coup. You have the conspirators, who are actually a very tight group, and very secreted, very well organized. On the lower level, most of the accomplices don’t know what they’re doing. They just know, what they’re doing is, that they’re following orders. And, as in the case of the Kennedy assassination, they’re often given misdirected orders, to confuse them, so they can’t suspect what they’re up to. And then, outside the actual, immediate conspirators, there is always an ambiance of agreement, philosophically and politically, with the general objectives which motivate the coup-plotters.

### **The ‘Third Geopolitical Plot Of The 20th Century’**

Now, in this case, it was long known in Europe—and many of you know it fairly well—the issue was the “clash of civilizations” policy of Zbigniew Brzezinski, which might be called the “third geopolitical plot of the 20th Century.” That is, the first one, was to start the First World War, which was organized by the British to prevent cooperation in continental Eurasia. The second one was, of course, to send Hitler against the Soviet Union, and thus, to start another geopolitical war, which would prevent cooperation in Eurasia.

What set the stage for this, was what happened, beginning 1988-1990: The collapse of the Soviet system, meant the elimination of the last credible strategic obstacle to Anglo-American world domination. But, over the ten years since that

has occurred, under the influence of so-called “globalization,” which is another name for the Roman Empire, is that the monetary and financial system, which was being set up by the victorious Anglo-American banking interests, was collapsing.

As we sit here now, that system is in a terminal state of collapse. *It’s the greatest collapse since the 17th Century.* Remember, that, in this case, in this collapse, you had a great buildup in Europe, of industrial power, of agricultural power, in the last quarter of the 19th Century and into the end of the First World War. So that, when the Depression occurred, in 1929-1930, it had been a dozen years since a high point of previous agro-industrial development. When the crash of 1929-1933 occurred, this occurred at a time—it was about a dozen years after a high point of previous industrial-agricultural development had occurred. In this case, today, it’s a period of about 35 years, since about 1966, when the British and United States began to tear down the agro-industrial potential of leading countries. And since the 1971 buildup of the so-called new monetary system, the floating-exchange-rate system, the destruction of infrastructure, the destruction of agriculture, the destruction of industry, the destruction of the economic-productive potential of populations, is enormous; about 30 to 35 years of destruction have occurred in Europe and the United States and elsewhere.

We’re in, right now, a situation, economically, which is worse than 1929-1933. The system is about finished: Argentina is about to go; Turkey is about to go. We now have a rate of hyperinflation, that’s developing in Japan and Europe, in the monetary and financial sphere, while we have an accelerating rate of deflation, in the physical economy. We have a massive aggregation of debt. So, we have, now, a situation, in which the system as a whole, which has a *tremendous* amount of financial debt which can never be paid, which simply has to be cancelled—is so great, that the system is now finished.

We have the greatest rate of combined monetary and financial emission we’ve ever seen. For example, Europe could not maintain itself physically at present—Western Europe, could not maintain itself physically, on the basis of its product. We’re using up past infrastructure; we’re using up past resources. Take Japan: Japan is ready to blow. Japan is in a hyperinflationary monetary-financial expansion. The United States is *officially* hyperinflationary. We have an official borrowing rate of 2%, an official discount rate of 1.5%, and an actual inflation rate of about 6 to 7%.

So, therefore, you come to a point where, at the same time, you have cooperation that’s developing in Eurasia, among Russia, China, India, other countries; in the case of Germany, Germany’s only net exports, in growth, are in China and Russia. And you’ve got a similar situation for Northern Italy, certain potential in the Northern Italian—five areas that have most of the exports. Europe can not survive on the present levels of economic output. The export markets exist; they



*Lyndon LaRouche with two of his fellow speakers at Rome seminar and on Italian TV, Labor Ministry Director Dr. Nino Galloni (left), and Prof. Roberto Panizza (right).*

exist in Asia. They do not exist in the sense of merely simple exports—though China will absorb a lot of its imports. They require a massive injection of credit into large-scale infrastructure, to make possible the realization of this potential. As for what we have in Western Europe itself, only infrastructure can revive the economy, because we don't have the facilities, we don't have the labor skills for large-scale expansion of productive employment. So, you would have to use large-scale infrastructure projects to absorb unemployment, and as a stimulant to other parts of the economy.

This requires large-scale credit. With a bankrupt financial system, this means state credit.

You already see, in the case of the United States, since the 11th of September, the United States is shifting away from privatization, toward the state sector. Most of this is fairly silly expenditure. It's not the kind of expenditure we need. But, in Europe, we know how to use state credit to get expansion of the economy. We have many lessons on how to use infrastructure projects, to stimulate the private sector, to stimulate agriculture, to stimulate a general growth pattern. And, if we can do that, we have the largest market imaginable in Asia.

### **Eurasian Cooperation vs. Geopolitics**

In this process, while this crisis was going on, we've had, beginning since 1998, with the Primakov prime ministership in Russia—what I was pushing at the time, is to use the cooperation, or the *potential* for cooperation, among Russia, China, and India, as *pivotal centers* to bring all of Eurasia together in a cooperative venture for economic revival. The liberal faction in Russia managed to kill that with Primakov, and get Primakov bounced out. But—in a quite strange way,

and I won't give you the bottom line on it, because I don't know the final answer—Putin has done, generally, a very interesting job, as President of Russia. The cooperation with Japan, with China, with India, with Iran, with other countries; reaching out to Germany; reaching out to other countries, for cooperation, is a very interesting and amazing operation. Since about two years, about this time, I've also picked up, on the other side, the counter-operation. What is obvious, at this point, is, without some kind of crisis intervention, the natural tendency throughout Eurasia, is to take these agreements, in which Russia is a fulcrum, between Western Europe, Russia, Central Asia, China, Japan, Korea, India, and so forth—to take these agreements, and to turn them into an engine of economic recovery and stability, not only for Eurasia, but for the world in general.

Now, then, comes the other side—then comes the reaction expressed by Kissinger and Brzezinski, most plainly by Brzezinski. It comes also from London, from the British royal family circles. Geopolitics: “We must have a geopolitical crisis in Eurasia, to prevent these nations from coming together in cooperation under these circumstances.”

Now, what happened, then, in this context—this is what the coup is about: The *pivot* is the present Israeli government, which is committed to a “clash of civilizations” war against all Islam. We have the financial angels of the present Israeli government from the United States, who are backers of this operation. (They're not angels, they're devils, but if they'd ever been angels, they'd have been *fallen* angels.) They call themselves “Mega,” because they used to call themselves billionaires; now they have too much money to call themselves “Mega.” This is the group around Tisch, Lauder, and so forth—this crowd. This is the U.S. group, which is behind

the military, which is behind Sharon. This is represented, on the military side, by Wolfowitz, by Richard Perle, by Armitage at the State Department, and so forth. This is also the British monarchy; this is also a large part of the Manhattan oligarchy. So, they are *for* the idea of a conflict with China; to threaten Russia; tell Russia, “Don’t ally with China, or we’ll smash you.” . . . [tape interrupted].

So, you see, the pressure is on, to bomb Iraq, to bomb Sudan, to invade Somalia—to go for a full-scale clash of civilizations. So, there’s a major fight, with the British monarchy on the one side, with their allies in the U.S., who are *for* the Brzezinski policy, while the President of the United States, with [Colin] Powell, is *resisting* this policy, but with this stupid thing in Afghanistan as the way of doing it.

So, I would draw three conclusions from this. First of all, this situation describes the state of degeneration, of decadence, of the political classes that run most of the world today. The stupidity—just the sheer stupidity, let alone the other horrors—of this situation, is astonishing. Secondly, that we are in a situation where the world could actually go to hell over this issue, the way I’ve just described this setup. And don’t assume that this Afghanistan war is under control—it’s not. This war is going on; it’s getting into a worse phase now. This can become very complicated; the pressure on Pakistan can destabilize South Asia.

What’s the situation? We have actually, still, three powers on this planet, that make decisions about the planet as a whole. One is the British monarchy, which runs a number of countries. Another is the United States, which considers itself a global, never-defeated power. It’s a part of the American culture, to think in those terms. Then you have Russia, which, despite its bad times—as it’s now recovered some degree of optimism—also thinks in global terms. And both the United States and the former Soviet Union (representing the derelict forms available), were formerly the great thermonuclear superpower capabilities. If this thing could work, between Putin and Bush (despite all the things about Bush I could say), you have a certain opportunity for getting out of this thing alive. In other words, if two of the three former superpowers—the British monarchy, the United States, and Russia—*agree* on stability, then you have a chance for stability.

### What Is Required Of Western Europe

But, that means, what Bush is emphasizing is right on this: You have to crush that horror-show in the Middle East, right now. This persecution of the Palestinians, at this stage, is becoming a detonator, a trigger, which can set off a conflagration worldwide.

This can not be done by the United States and Russia alone. What this means, is, that other nations, especially the nations of Western Europe, must come into play in this. What we have to reach for, as an objective, in my view, is that we have to end the imperial system, and that the European governments, as bad as they are, in continental Europe, must

begin to play a more significant, active role in the *formulation of policy*, so that some kind of concerted force of *reason*, and concern for the world as a whole, can be introduced. You won’t get this from Japan; you won’t get this from Korea; you won’t get this from China; you won’t get it from India. You won’t get it from Southeast Asia. We must bring the force of the best features of European culture together as a group of nations actually coming up with a new policy. It’s the only solution.

And, to do that means one thing. We are dealing with cultures which are partly extended-European-civilization cultures, which includes Islam, generally. Now, what we have in European culture, is one thing—including Islam [interruption from floor, asking for clarification of Islam as extension of European culture]. Islam is; the normal part of Islam is. [Rebuttal from the floor.]

We have people in the United States, who are religious nuts, but that doesn’t come from Christianity. We have lots of them. You have the same thing in Islam, so you can’t indict Islam, because of that.

The point is, is that the positive side of Islam, as in the positive side of Reform Judaism, as in Christianity, the agreement is on, essentially, the nature of man. Our conception of law, at least what we’ve developed in modern European civilization, is based on natural law, on a conception of man. For example, we have President Mohammed Khatami of Iran, who has proposed the dialogue of cultures. We have John Paul II, who has taken leadership on this question of a dialogue of cultures. These are ideas, which are consistent with the best of European civilization. The best refraction of every part of European culture *agrees* on this.

So, we are in a period of great suffering and great misery. I think, only if this factor is introduced—which requires that the two so-called superpowers, Russia and the United States, must maintain some kind of agreement, if this is going to work. But, I also know, that other nations of continental Europe *must be involved*, as a balancing factor, to make it work.

So, I would say in conclusion of this, because of the process here—my point is: We’re in an unbelievably deadly crisis of humanity, where the situation now has no easy description and no easy solutions. But I think a lot of people are aware of how *bad* the situation is.

But we know the situation of the political parties in Western Europe; we know that the two leading parties in the United States, are scrapheaps, intellectually. We see what was done to the Italian political system. We see the disintegration of the German political system. We see France, what the condition is there. So, I think, we’re aware, that we’re in a dangerous crisis, and that the time has come that we need discussion of *ideas*, which can bring the conception of new approaches to politics, invigorated types of parties, into being. The hard-boiled party loyalties are just not productive, these days. There has to be, I think, a re assortment of party structures, based on ideas, rather than on traditional alliances.

# Impressions In Warsaw: Poles Uneasy About 'New Empire' Drive

by Mark Burdman

As *EIR* has reported, advisers of British Prime Minister Tony Blair, and a cabal of U.S. officials centered around Deputy Secretary of Defense Paul Wolfowitz, have been at the forefront of efforts to exploit the atrocities of Sept. 11 and the ensuing war in Afghanistan, to establish what they call the "New Empire," or the "Next Empire." This policy drive has brought about a fundamental, existential paradox for the nation of Poland.

As this author witnessed during a visit to Warsaw in mid-November, there are, in essence, two opposing tendencies in the Polish approach to the events of Sept. 11 and since. On the one hand, Polish President Aleksander Kwasniewski, Prime Minister Leszek Miller, and other leading officials have been bending over backward in public, to stress that Poland is the most stalwart Anglo-American ally in Central Europe. Kwasniewski went so far as to declare, that the two best allies the United States has now, are Great Britain and Poland. On Nov. 7, he was the sponsor of a gathering of Central European leaders and policymakers, which was addressed via telephone by U.S. President George W. Bush, to mobilize support for the "war on terrorism." Poland has offered to send troops to Afghanistan.

On the other hand, there is considerable nervousness among many Poles, in reaction to the very word "empire." Poland spent more than four decades under Soviet occupation, following years of bitter resistance against Nazi brutality. Why would the country now want to be a junior partner, or satrap, for a "new empire," run by the Anglo-Americans?

The hesitation is all the more acute, because the results of what is known as "American influence" since the fall of the Soviet empire in 1989-91 have been, at best, questionable: "American"-style privatization policies have ravaged crucial areas, including health care, and have introduced, particularly among many younger Poles, an anti-social egoism, anomic individualism, and crude utilitarianism, in a rush for wealth and personal well-being, without concern for the broader society.

The unease about getting sucked into the "new imperialism," was manifest during a Nov. 12 Schiller Institute meeting at the University of Warsaw. The theme of the meeting was the "new empire" policy being put forward by Blair foreign

policy guru Robert Cooper of the British Foreign Office, and his "clash of civilizations" counterparts in the United States, such as Zbigniew Brzezinski (who is very well-known in Poland), Samuel Huntington, Richard Perle, and Wolfowitz. More than 20 individuals, including a former senior Polish government official, leading academics, and Central Asia specialists, attended a seminar by this correspondent and *EIR*'s Rainer Apel, the which was followed by a very animated discussion.

Many in the audience voiced considerable skepticism about the official "Osama bin Laden did it" cover story for what happened on Sept. 11, wanting to know "who benefitted" and what was the motivation behind it, expressing reservations about what is in store for Poland, strategically and otherwise, if it blindly follows policy dictates from the London-Washington axis. Several recalled Poland's role as a pawn, or victim of imperial powers, throughout much of the last century.

## Economic Shocks

This unease is greatly exacerbated, by the economic woes that Poland is suffering. Although there is, now, political freedom, freedom to associate with political parties, and rights of travel that didn't exist under the Soviet occupation, the fundamental *social-economic* security, provided by the social safety net of earlier years, has been shattered.

As one Polish academic put it to this writer, the population, under Soviet occupation, rallied together to preserve the basics of social welfare, and an effective social net in domains such as employment and guaranteed health care. But now, the health care in the country is often beyond the means of average Poles, and doctors are under intense pressure to deny health care to those who cannot afford it. Among most Poles, he said, Lyndon LaRouche's insistence on the importance of the nation-state in providing for the general welfare of the entire population, would readily gain support.

The fact is, in 1997, under intense prodding from the Anglo-Americans and from the international financial community led by the International Monetary Fund (IMF), the government passed legislation that, overnight, ripped apart the health system, and imposed what were openly described as "American-style" reforms, à la the health maintenance organization for-profit model that has prevailed in the United States.

Unemployment, which was a rare phenomenon before the 1990s—before the "shock therapy" demanded by the IMF, the "free-market" Mont Pelerin Society, and the networks of mega-speculator George Soros—is now estimated to be between 16 and 20%.

Over the Summer, despite the Central Bank's high-interest-rate policy, the Polish currency, the zloty, was devalued by 16%. Industrial production has been plummeting throughout the year.

After Argentina and Turkey, Poland is often pointed to,



*A Solidarnosc demonstration at the Polish Parliament in 1995. The party was effectively wiped off the political map in the recent elections, due to its harsh austerity policies.*

as a potential trigger for a global debt-repayment crisis.

The social-economic problems are worsened, by the complete lack of any semblance of real political leadership.

In the Sept. 23 parliamentary elections, the then-ruling Solidarnosc Election Action-Right (AWS-P) of Prime Minister Jerzy Buzek—a continuation of the Solidarity famous for its fight against the Soviets throughout the 1980s, but which attracted enormous popular hostility when it imposed harsh austerity measures while in power—was effectively wiped off the political map. The ruling party received only 5.5% of the vote, and thereby did not qualify for representation in the Polish Sejm (parliament). Poland's leading arch-monetarist grouping, the Freedom Union of Central Bank head Leszek "Shock Therapy" Balcerowicz and former Foreign Minister Bronislaw Geremek, received a miserable 3.3% (although another strongly monetarist party, the recently founded Civic Platform, came in second, with about 12.4% of the vote).

The leading party now, is the post-communist Democratic Left Alliance (SLD) of President Kwasniewski, which received about 42% of the vote, and rules in a coalition arrangement. A jarring irony of Polish politics, is that Kwasniewski and fellow SLD man Miller, both "leftists," have pledged to continue austerity measures and a very strong pro-NATO policy—although this is being somewhat cushioned by maintaining high-level diplomatic exchanges with the Russians.

A sign of the discontent, is that in the Sept. 23 parliamentary elections, the farmer-protest group Samoobrona received a surprising 10% of the vote. As Polish sources emphasize, Samoobrona leader Andrzej Lepper may justifiably be seen as a populist Jacobin demagogue, but the fact that his formation gained such a high vote, reflects not him as such, but the volatile mood in the country.

## **A Time For New Heroes**

Thanks to years of work done in Poland by the LaRouche movement, highlighted by the visit of Lyndon LaRouche to Warsaw on May 22-25, there is widespread recognition of the importance, and potential positive benefit for Poland, of the LaRouche Eurasian Land-Bridge program. Being in Poland, gave this author a stark sense of the nation's geographic and geo-economic importance, with Germany to the West, and Russia, Belarus, and Ukraine to the East. Especially given the rundown and inadequate road and rail infrastructure, there is nothing that would benefit Poland more, than a program for the reinvigoration of infrastructure development, through building such projects as the Berlin-Warsaw-Minsk-Moscow high-speed rail line (described by Jonathan Tennenbaum, "The New Eurasian Land-Bridge Infrastructure Takes Shape," *EIR*, Nov. 2, 2001), and through the cultivation of cooperative relationships with China, India, and other Asian nations.

What is absent, is the political vision and courage to fight for a "Eurasian"-centered policy for a country that is geographically ideal for such a policy. This is, indeed, an existential matter for the future of economically devastated and socially demoralized Poland. But it would require breaking with the London-New York financial-banking-intelligence matrix, and standing up to the blackmail that the latter would direct at the country, should it move in this "Eurasian" direction.

As LaRouche emphasized while in Warsaw, Polish history has been, in significant part, the history of resistance against tyranny, occupation, and despotism (see *EIR*, June 8). Now, the mood of opportunism and cynicism that one finds too often prevailing in the country, must be replaced by that commitment, to bring the country successfully into an important, positive role in the 21st Century.

# British Transport Is 'The Worst In Europe'

by Rainer Apel

The era of ruthless privatization, a trademark of British transportation policy during the last two decades, has come to an end. The British government's Commission on Integrated Transport, established amid the worst of the railway accidents in late 1999, has just released a report which documents that. Commission chairman Prof. David Begg, at Nov. 26 press conference in London, said that the state of Britain's transport sector is "the worst in Europe."

Begg said the current situation shows what happens if a country allows "50 years of neglect" and "under-investment," as Britain has done. Even the government's plan to invest £180 billion (\$270 billion) into the nation's transport sector over the next ten years, would "only start to bridge the gap" between Britain and the rest of Europe.

One-third of that sum is needed simply to bring Britain's rail sector up to the present minimum standards on the continent. Begg pronounced the rail privatization "failed," and his assessment was echoed by reports all over the British media, saying that in order to prevent full default of the private Rail-track company (which operates the tracks and signals), the government will have to inject £6 billion by the end of 2001.

The report is the first comprehensive comparison between Britain and Europe in decades, and it shows that British motorists and public transportation passengers come out worse on almost every count: • 25% of the United Kingdom's main roads are constantly congested, compared to 10% on the continent; • average daily commuting time is twice that of a continental citizen; • the public transportation system is in such bad shape and unreliable, that only 12% of British auto passengers use it, whereas 87% prefer the car; • gasoline taxes are the highest in all of Europe, which means that 15% of the average family income is spent on transportation costs alone; • in terms of European state rail subsidies, Britain ranks second to last, just ahead of Greece.

## 'Going Nowhere Slowly'

The publication of the commission's report was flanked by detailed articles in the major British news dailies. The *Sunday Times* of Nov. 25, for example, dedicated a two-page insert to the issue, beginning with a reminder that Terminal 5 of London's Heathrow international airport, which the government proudly just inaugurated, is a project that was begun 20 years ago. "Britain has fought four wars and held five

general elections since" the project was scheduled to start, in 1981, the article noted. Even Germany, a country which also allows projects to be excessively delayed for ecological reasons, looks like a country with "fewer problems driving projects forward," in comparison to Britain, the *Sunday Times* observed. "Compared with our continental neighbors, Britain is going nowhere slowly."

None of the Begg Commission's revelations come as a surprise, the article said. "Public transport in Britain has become a byword for misery." The *Sunday Times* interviewed David Azema, chief executive of the joint Franco-British train tunnel across the Channel, who said, "Infrastructure projects take a long time in planning in all Western countries, because of consultancy requirements and environmental issues. But the planning regulations in the United Kingdom are even more protective."

Unlike the French state-controlled system for rail, the British privatized system, which has eliminated any central institution of responsibility, prompts bureaucratic and other obstructionism, causing project delays, Azema said.

The plague of obstructionism reigns at the top of the British government, as the *Sunday Times* documented in the case of the "Tube," the London metro: "Bob Kiley, the American who was brought in to rescue the Tube, thinks the system is crazy and would like to convey this view to Gordon Brown, the Chancellor [of the Exchequer]. But, he says: 'I have been trying for a year to meet Mr. Brown, and I am not sure he exists. I met Mr. [Prime Minister Tony] Blair, and when I said, I would like to meet Mr. Brown, he said, not right away. That was last April.'"

The *Sunday Times* also interviewed Stephen Norris, a former transport minister in a Conservative government, who said: "The reason Britain's infrastructure is so bad is very, very simple. Money. We've been under-investing for 30 years. The Treasury is totally fixated on short-term costs. Nobody understands the importance of long-term investment in the nation's infrastructure."

And in a biting commentary, the Nov. 24-25 weekend edition of the *Financial Times*, the mouthpiece of City of London banking interests, attacked the Blair government for its policy, which has accelerated the collapse of the British rail infrastructure: "Many people have to endure a transport system that is less efficient than the one their grandparents used. Nowhere else in Western Europe do commuters have to put up with anything comparable with London's chaotic squalor."

Since Blair's New Labour party took power in May 1997, "public investment has fallen to a paltry 1.7% of national income, its lowest level since the Second World War," the *Financial Times* said. "In its first three years in office, the party that says it believes in the public sector amazingly contrived to put public services under greater strain than at any time since Hitler pounded London with V2 rockets."

Support for emergency state intervention to save the public transportation system is now visibly growing in Britain.

## Can The Brzezinski-Wolfowitz Cabal's War Game Be Stopped?

by Michele Steinberg

The cabal in the United States centered around Carter National Security Adviser Zbigniew Brzezinski and current Deputy Secretary of Defense Paul Wolfowitz is in a desperation drive to hijack Bush Administration policy into a “clash of civilizations” war, after Secretary of State Colin Powell was given a mandate by President George Bush on Nov. 19 to organize for Middle East peace. The cabal is lobbying to attack Iraq, other Arab countries, and Somalia. Leaders of Russia, Germany, France, Japan, and Egypt and other Mideast countries went on record, beginning on Nov. 28, saying that an attack on Iraq, or other “broadening” of the war against terrorism, *will not be supported*.

Bush has tasked Powell to carry out a policy of peace-seeking in the Mideast, and of strengthening the alliance with Arab countries, but the war-mongers *in his own Administration*, whom *EIR* exposed as the “Wolfowitz cabal” (see *EIR*, Oct. 26, 2001), are running an active policy coup, and have “gone public” to the media to make an invasion of Iraq, or attacks on Somalia, Yemen, and Sudan, *a fait accompli*. Their offensive is getting top Anglo-American reinforcement, in the form of British Tory leader Iaian Duncan-Smith, who will arrive in Washington around Dec. 4 to lobby for turning the London-based Iraqi opposition, led by Ahmed Chalabi, a con-man and snitch who embezzled his CIA expense accounts, into a “Northern Alliance” fighting force that can “take Baghdad.”

One Mideast expert in Washington told *EIR* that, in effect, the “Clash of Civilizations” gang is deeply frustrated because Bush rejected their push for a broad war against the Islamic world, but they have not—and will not—give up. “It’s a faction fight that no one can predict,” said this source, “and it will go to the ninth inning.” Operatives such as the Hollinger

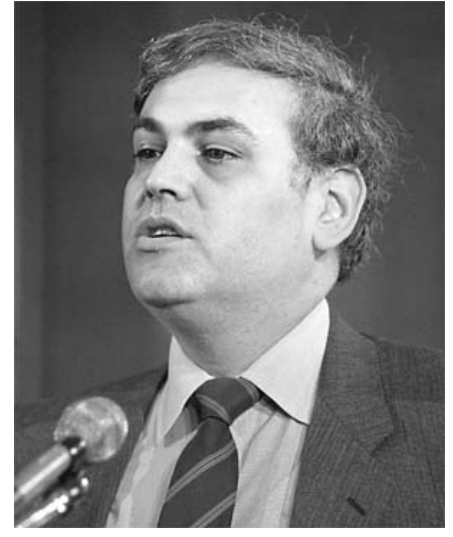
Corp.’s Richard Perle, who now heads the Pentagon’s Defense Policy Board, and former CIA head James Woolsey, a board member of the Jewish Institute of National Security Affairs (JINSA), which has long been identified as linked to spying operations for the Israeli right-wing military, are leading this drive, and will use every means of black propaganda to succeed.

Another intelligence expert, who spent years working on Iraq, told *EIR* that the claims made by Woolsey and Richard Butler, the former head of the UN inspection team now with the New York Council on Foreign Relations, about Iraqi links to the Sept. 11 attack and to anthrax attacks, are “totally false.” This source said that “Butler is a liar,” whose charges could never stand up to the official United Nations’ records of what was really found in the Iraqi inspections. The “Wolfowitz cabal” agenda for an Iraqi war “has nothing to do with the fight against terrorism,” said this source, because they came into power “obsessed with overthrowing Saddam Hussein.” He added that the Wolfowitz cabal is ecstatic over the war on terrorism and have “jumped in to push their own agenda. . . . They want war.” After nearly three months of the members of the cabal getting non-stop press and Congress refusing to expose the cabal’s designs, this source concluded, “I don’t think they can be stopped.”

### LaRouche’s ‘Skunks List’

But, stopping the Brzezinski-Wolfowitz agenda is *exactly* what world leaders, and American statesman Lyndon LaRouche, have on the agenda. On Nov. 26, LaRouche, a 2004 Democratic Presidential pre-candidate, let it be known that his campaign is assembling a “Skunks List” of those in the United States who are clamoring for a religious war, a





Leading “skunks” Zbigniew Brzezinski, Paul Wolfowitz and Richard Perle head a pack of them, inside and outside the Administration and both parties, who are stinking up Washington with demands for new attacks on Iraq, Yemen, Somalia, Egypt, Saudi Arabia, Iran. . . .

global equivalent of the Thirty Years War from 1618-48 in Europe. LaRouche said that his campaign would mobilize Democrats and conscience-stricken Republicans to oppose the “clash of civilizations” insanity. One of the key political weapons in this fight, is the LaRouche campaign’s “Crisis Bulletin #5,” entitled “LaRouche’s ‘Dialogue Of Civilizations’—The Road To Peace,” a 24-page pamphlet of which 500,000 copies have already been produced. It says:

“To ensure the success of this all-important initiative, the LaRouche Presidential campaign must increasingly dominate politics in the United States, which means Americans must engage in the effort, through mass literature distribution and organizing. The future of your country, of the human race, depends on it.”

LaRouche’s Skunks List of war-mongers will be updated daily, by tracking the hate literature spewed out by Brzezinski, Perle, former Secretary of State Henry Kissinger, *Clash of Civilizations* author Samuel Huntington, “Arc of Crisis” godfather Bernard Lewis, Woolsey, and the like. The list will identify the hard core of this faction’s press outlets: the *Washington Post*, *Newsweek*, CNN, the Murdoch press in New York and London, and the Hollinger Corp.’s *London Daily Telegraph*.

The Skunks List will be a key weapon in cutting through the “smoke and mirrors” propaganda run by the Brzezinski-Wolfowitz cabal. In a replay of Nazi Propaganda Minister Josef Goebbels’ tactics, the cabal repeats “big lies” in several controlled media outlets to create a *perception* that Iraq is guilty of terrorism, and any Arab or Islamic country “could be the next Afghanistan.” Theirs is a deadly game of “wheel of fortune,” in which any nation could become the target of a “blitzkrieg” or “lightning surgical strike” because the cabal targetted it.

In just the last ten days in November, members of the cabal targetted the following countries for military action if they give “inadequate” cooperation in the fight against terrorism: Somalia, Yemen, Sudan, Iran, Syria, Indonesia, the Philippines, and, of course, Iraq. At the same time, a broad effort by the right-wing Zionist lobby is under way in Congress to force Bush to target the Palestinians and Palestinian Authority President Yasser Arafat.

### Chewing The Rug

To see how insane the cabal’s thinking is, one need only look at the performance of its leaders—Perle and his Siamese twin, Robert Kagan, of the neo-conservative *Weekly Standard*—at the Carnegie Endowment for Peace forum on Oct. 30. There, they raged at Secretary of State Powell and others in the Bush Administration for not conducting all-out war against Iraq and Saudi Arabia, and for relying on a “coalition.” Echoing Israeli Prime Minister Ariel Sharon’s attack on Bush, the Perle-Kagan duo equate “coalition,” especially one that includes Arabs, with “appeasement.”

Perle-Kagan shamelessly announced that the United States has lost the “first phase” of the war on terrorism, and it was at this forum that they *invented* “Phase II in the war on terrorism”—and they were drawing up the list of targets.

Kagan raved that when—not *if*, but *when*—the United States is hit in a second terrorist attack “in a hard way, a devastating way, . . . at that point we will move very quickly to the second round with an entirely new, military and other political grand strategy. . . . Then, it’s time to start realizing that this war *is not going to be confined to Afghanistan.*”

During the Thanksgiving holiday weekend, the cabal used two premier press empires—the late Katharine Graham’s *Newsweek* and Rupert Murdoch’s *Sunday Times* of London—

to launch their “Phase II.”

The *Sunday Times* led the charge on Nov. 25, citing “senior sources” in London and Washington, saying that as soon as the campaign in Afghanistan is over, Somalia, Sudan, and Yemen will be “at the top of the hit list.” Preparations are said to be under way, and intelligence agents from Britain and the United States on the ground, in all three countries, preparing for “stiletto” attacks against bin Laden training camps, reported the *Sunday Times*.

The Dec. 3 issue of *Newsweek* reported on Nov. 25 that “well-placed U.S. officials” said the Philippines is also on the hit list. A “handful” of U.S. Special Forces was reportedly already there, helping the country’s President “fight the al-Qaeda-backed insurgency.”

Despite the naming of other countries, and a *Newsweek* opinion that targetting Iraq is “not likely,” in sheer quantity of press coverage, Iraq won out as the cabal’s most popular “Phase II” target.

On Nov. 25 alone, *Newsweek*’s sister publication, the *Washington Post*, beat the war drums against Iraq, in a column by David Ignatius, and in a news article that linked Iraq’s alleged bioweapons to the anthrax letters in the United States. Israeli military intelligence mouthpiece Uri Dan, in Murdoch’s *New York Post*, said that the head of Israeli military intelligence, Amos Malka, had briefed Israeli ambassadors in Europe that the United States is going to strike Iraq, and Hezbollah locations in Lebanon that were linked to Syria. Adding his own twist to the “Armageddon, Now!” scenario, Malka added that a retaliation might be directed at Israel, so it should be prepared for war. Speaking on ABC-TV, Woolsey, claimed to have “new evidence” that Saddam Hussein was training hijackers to “use knives” in their assaults. Neo-con columnists joined the lynch mob, readying the noose for other Arab countries. In the *Washington Post*, columnist Jim Hoagland said that the United States should overthrow the Saudi regime and take over the oil fields, and George Will blasted Powell for being an “appeaser” and Bible violator for not supporting building the “Third Temple of Solomon” on the Muslim holy site of the Dome of the Rock in Jerusalem.

Among the hundreds of written and televised ravings by the cabal in late November, three items stand out: Brzezinski’s

targetting of Russia; junior cabal member Eliot Cohen’s declaration of World War IV; and a nest of right-wing Catholic fascists at the *National Review*, joining the chorus against Saudi Arabia.

Most significant is Brzezinski’s targetting of Bush’s relationship with Russian President Vladimir Putin in the Nov. 28 *Wall Street Journal*. He compares Bush to Franklin Roosevelt at Yalta, where, Brzezinski charges, Roosevelt “sold out” Europe to the Soviet Union. Brzezinski aped (and turned on its head) a recent statement by LaRouche about Bush’s “epiphany” on Sept. 11, saying, “Perhaps Mr. Putin’s sudden epiphany makes him now no longer wish to separate America from Europe,” nor forge a “strategic partnership with China” that threatens U.S. “hegemony.” Brzezinski says Putin was pursuing anti-American aims “up until a few weeks ago.”

On Nov. 20, “World War IV,” an op-ed by Eliot Cohen in the *Wall Street Journal*, argued for a global war. Cohen said, “Afghanistan constitutes just one front in World War IV.” (“The Cold War was World War III.”) The United States should promote the overthrow of the mullahs in Iran, target Iraq, and transform the U.S. military for the job. On Iran, he wrote: “The overthrow of the first theocratic revolutionary Muslim state . . . would be no less important a victory in this war than the annihilation of bin Laden.” On Iraq, he said: “The U.S. should continue to target regimes that sponsor terrorism. Iraq is the obvious candidate. . . . American allies will flinch, and the military may shake its head at the prospect of revisiting the aborted Gulf War victory,” but it makes good sense to him.

Cohen is an employee of Murdoch’s *Weekly Standard*, which is also the home of Kagan. His ravings were backed up on Nov. 20 in Murdoch’s *New York Post*, in which an editorial attacked Powell’s Mideast peace plan and promoted Undersecretary of State John Bolton’s attack on Iraq, Syria, Sudan, etc. Another op-ed, “On To Baghdad!” by Al Gore’s buddy, Dick Morris, said, “We need a full-scale effort to invade Iraq—taking Baghdad, and toppling and killing or arresting Saddam Hussein.”

The cabal is *immediately* parrying every thrust that opposes widening the war. Such was an article in *National Review* by its editor Rich Lowry, in response to a Nov. 26 *New York Times* editorial against invading Iraq. Lowry’s piece, entitled “Your Cooperation, Or Else: Phase II Of The War On Terrorism Begins With Scaring The Hell Out Of The Saudis,” blasts the *New York Times* for being soft on Iraq, and praises an “ingenious scenario” from the Moonie-owned United Press International, about overthrowing the Saudis.

Lowry says that if the Saudis refuse to be the base for an invasion of Iraq (which is preferable terrain to the rugged Turkish route), then the United States should go with this plan: “A coup attempt against the Saud family or a terrorist attack on the Saudi oil fields would provide America with

**Check Out This Website:**

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

ample pretext for seizing the oil fields to secure them from threats. And then, why give them back? A puppet ruler might be found internally. . . . Or a reliable friend could be imported. . . . The holy cities of Mecca and Medina could be left to the Saud family, or returned to Jordan's Hashemite dynasty." He adds that such an arrangement "for the next century," could turn the "vast Gulf oil wealth" from a "nuisance . . . into an asset" for the United States.

### Isolating The Brzezinski Madmen

So far, not a single official from any branch of the U.S. government has come out publicly against the Brzezinski-Wolfowitz cabal. However, behind the scenes, the pressure is building, and the activity of the LaRouche campaign can make the decisive difference.

Also significant is the fact that foreign leaders have responded to the "Phase II" propaganda by stating they would not join any such operation. Russian Deputy Foreign Minister Alexander Saltanov said that attacking Iraq would bring down the coalition against terrorism, increase tensions in the Arab world, aggravate the Palestinian situation, and destabilize the Persian Gulf.

As reported by the Russian news agency Interfax on Nov. 28, Saltanov said, "In such circumstances, it would hardly be possible to preserve the unity of the international anti-terrorist coalition," because Arabs "are known to oppose the broadening of the anti-terrorist operation to the region, including Iraq." Reports about such an option, he said, "cause concern," adding that the Iraq problem "does not have a military solution" but "can be solved only by political and diplomatic methods."

As if to illustrate Saltanov's statements, Arab League head Amr Moussa said that any attack against Arabs would have "dangerous repercussions," especially in view of what is occurring in Palestine. Jordanian spokesman Saleh Qallab said that his country "rejects the issue of force against Iraq." Even the leading European countries in the coalition—Germany, France, and Britain—oppose any action against Iraq. German Chancellor Gerhard Schröder said that he opposes naming additional countries, besides Afghanistan, as targets for new military strikes. Especially in the Mideast, this would have a destabilizing effect and "start things flying around our ears that we cannot keep under control." German Foreign Minister Joschka Fischer, who had a long telephone conversation with Putin the evening before, echoed Schröder's concerns. French Defense Minister Alain Richard also opposed action against Iraq, saying, "The evidence we have . . . shows no other nation to have become an active ally of this organization." And British Defense Minister Geoffrey Hoon was quoted saying he thought that an "invasive military response" might be needed in countries unable to deal with terrorism, but he excluded attacks on Iraq: "I have not seen any evidence to link Iraq directly with al-Qaeda," he said.

## The 'LaRouche Factor' In Enron's Demise

by Harley Schlanger

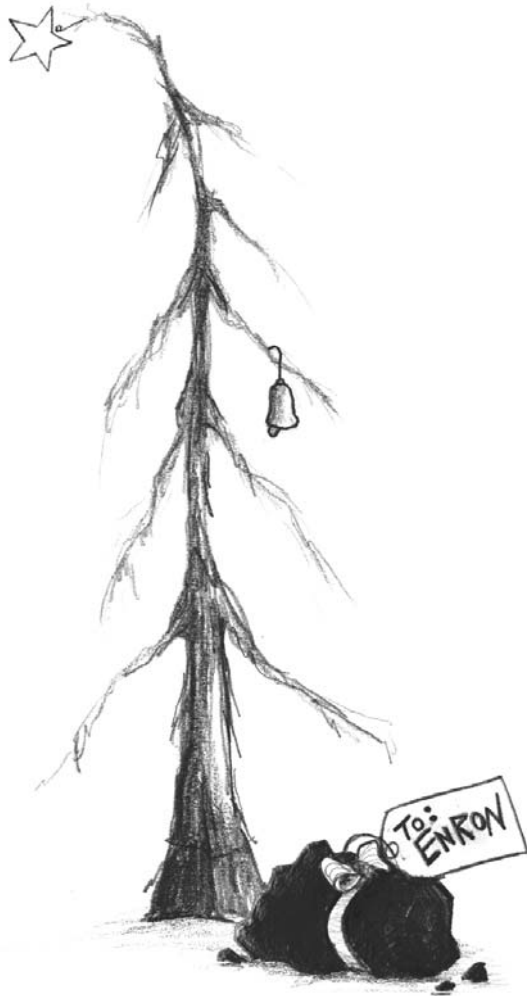
In several webcasts after Nov. 7, 2000, economist Lyndon LaRouche identified the key political initiative which Democrats and patriotic Republicans must take if the nation were to be spared from disintegration in the aftermath of the election debacle: The "Southern Strategy" must be defeated, once and for all. LaRouche pointed to the energy crisis, which was just then becoming visible in California—the result of a lethal mixture of post-industrial environmentalism and deregulation, both major components of the Southern Strategy—as an example of the bleak future facing the nation if this offensive were not successful (see *EIR*, Jan. 1, 2001, "Southern Strategy: Assault On The American Republic").

In particular, LaRouche singled out Houston-based Enron, as a leading institution behind the Southern Strategy, for its role in promoting the blatant looting of the collapsing U.S. economy. Enron had become the largest energy trader in the world through a variety of manipulations, some of which were legal, others not. Taking advantage of the deregulation of energy, for which it had spent many millions lobbying, Enron moved aggressively, engaging in what the Feb. 12, 2001 *BusinessWeek*—in a cover story entitled "Power Play," which hyped Enron as the paradigm for the new corporation in a deregulated America—referred to as "the financialization of energy."

As Enron's revenues surged above \$100 billion in 2000, with total net income up 150% above 1999, its executives arrogantly predicted that, in the years ahead, its trading practices would revolutionize business in the United States and worldwide.

The political climate certainly seemed to favor Enron's continuing ascent. The new President, George W. Bush, relied heavily on its CEO, Kenneth Lay, for advice on energy policy, and massive financial support. The Congress elected on Nov. 7 had a pro-deregulation, Republican majority in both Houses. It featured a compliant Democratic minority with a "go along to get along" approach, which had blown its chances in the elections by backing the only Democrat who could lose to Bush, the unelectable Al Gore, a true believer in the anti-American philosophy of the Southern Strategy.

Thus, the spectacular meltdown of Enron in late November is both remarkable, and apparently inexplicable. But con-



sider the growing influence of Lyndon LaRouche, and who has been right in his forecast that the present global financial system is dead, and cannot be revived — and that the economy has been physically destroyed, to the extent that it can no longer sustain parasites like Enron.

### **Enron And California**

It was Enron's leading role in the destruction of the California economy which brought it to the attention of most Americans. Though California was first hit by the effects of deregulation in the Summer of 2000, when electricity prices for residences and commercial enterprises rose by 400% in San Diego, it was the dramatic spike of prices statewide in December which brought home the reality of the crisis.

As speculation, pushed by the trading-room practices of Enron, drove up the price of natural gas, the cost of electricity

jumped from the long-term, stable industry-wide standard of approximately \$35 per megawatt-hour (mwh), to more than \$500 per mwh, with the cost to the state's utility companies during peak demand soaring to as much as \$1,900 per mwh and, once, to nearly \$4,000 per mwh!

Pacific Gas & Electric, which serves northern California, was forced into bankruptcy protection, while the other major utility, Southern California Edison, was close to doing the same throughout 2001. With the utilities unable to afford to purchase electricity at these prices, the state became the buyer of last resort, purchasing electricity from the spot markets.

While California Gov. Gray Davis (D) denounced the gouging by those he appropriately called the "energy pirates," he initially failed to name the names — of which Enron's was first — and did not move to reverse the cause of the problem by taking initiatives to re-regulate electricity. Despite control of the state legislature by Democrats, no action was taken; legislators thought they had been compromised by the unanimous vote they cast for deregulation in 1996.

Appeals to Enron, Reliant, and Dynegy, the major players from Houston, and the other "pirates," fell on deaf ears. The most arrogant response came, naturally, from Enron. In the favorable profile of Enron's looting practices in *Business-Week*, Enron President Jeffrey Skilling — the hand-picked choice of CEO Lay to replace him — bragged that Californians should be thanking Enron for "opening" the state's power markets to competition. "We're on the side of the angels," he said. "We're taking on the entrenched monopolies. In every business we've been in, we're the good guys."

In the unregulated world of the energy pirates, electricity is no longer considered to be a necessary part of the general welfare, to be regulated by government, but merely another commodity, subject to the whims of the "market." The state of California, by attempting to cushion the blow by making direct purchases, may spend as much as \$30 billion of state funds this year alone, while committing billions more in long-term contracts. Combined with the collapse of the dot-com sector, especially in the Silicon Valley — also forecast by LaRouche — state revenues have plunged, and California went from a significant budget surplus to a deficit of more than \$12 billion, forcing cuts in state spending in infrastructure, education, and health care.

However, the miscalculations of Enron, and the braggadocio and sense of indestructibility of its officials, have come back to haunt it. One informed source told *EIR* that it is likely that Enron's rapid fall may be in part due to its placement of derivatives bets, on the expectation that oil and gas prices will peak again this Winter.

Instead, with the Bush Administration fighting to keep energy prices down, in a vain attempt to encourage consumer spending to generate an "economic recovery," time has run out on Enron's "good fortune." When it needed \$1-3 billion

just to keep its doors open, the “market” turned its back on the energy-market master, which is now heading for well-earned, penny-on-the-dollar bankruptcy. How far the “angels” have fallen!

### LaRouche Takes The Lead

This story is incomplete without returning to the role of LaRouche, who announced his campaign for the Democratic Presidential nomination in 2004 as the California crisis was just beginning.

LaRouche issued a policy statement on Feb. 4, “On The California Energy Crisis: As Seen And Said By The Salton Sea” (*EIR*, Feb. 16, 2001), released as a campaign pamphlet, in which he analyzed the crisis, and offered his immediate, medium-term and long-range policy solutions. In it, he wrote, “The first step . . . is to put the entire, formerly regulated sections of our nation’s energy industry under Chapter 11 bankruptcy protection . . . putting some entities under Chapter 11 protection immediately, but it also means putting the protective umbrella, of Federal and state government threat to provide such protection, to any relevant entity within the domain of maintaining national and regional energy security.

“As a leading feature of that use of Chapter 11 methods, bankruptcy reorganization must be conducted to further the aims of immediate reinstatement of former types of Federal and state regulation of the generation and distribution of the nation’s energy supplies; that, at prices sustainable by businesses and typical households, and consistent with pre-2000 trends in such prices.

“The difficulty in taking those urgently needed reforms of corrective action, is not only that deregulation has become, like cocaine, a habit; but that the financial interests associated most closely with the campaign for the election of the present administration, represent chiefly a Southern Strategy-based complex of financial interests which are deeply committed to defending the revenues from activities which are choking California’s economy to death at this moment.”

LaRouche repeatedly hit the Enron-led cartel responsible for this unsustainable looting of California and other states.

Hundreds of thousands of these pamphlets were circulated in California, with teams of lobbyists, especially young students recruited to the LaRouche campaign, going to Sacramento to push the legislature and the Governor to act. In addition, town meetings were held throughout the state, targeting Enron and its fellow looters.

Within weeks, the Governor took off the gloves, finally charging Enron, Reliant, and others by name, with rigging the crisis to profiteer. The state Attorney General went so far as to say that he looked forward to seeing Lay and others spending time in prison, “in a cell with a big guy named ‘Spike.’ ” Investigations produced evidence of price-fixing, and creating artificial shortages to justify the ridiculous prices.

Still, no one, including the Governor, would challenge deregulation, and the crisis deepened.

At the same time, LaRouche and *EIR* took the fight to Washington, in webcasts, days of lobbying, and submitting testimony to Senate Energy Committee hearings on Jan. 17 and 31 and March 1.

It was in the political climate shaped by this mobilization that Federal regulators — while not yet touching *deregulation* as such — were pushed into threatening legal and regulatory actions, which forced the pirate “power marketers” to sheathe their Shylock’s knives and let prices fall back. Once they were falling, the deepening economic collapse accelerated the price drops by knocking the bottom out of energy consumption. With the growing recognition that the U.S. economy is in a depression, and efforts from the White House to force consumption higher, the decision clearly was made to let Enron fall. The efforts by Washington to contain the economic crash are threatened by the unbridled rapaciousness of Enron’s operatives.

However, there will be no solution to the energy crisis, or the depression, until LaRouche’s policies are implemented. California, and the nation, have already paid too steep a price by not listening to LaRouche, and tolerating the anti-human, anti-nation-state prescriptions of the Southern Strategy.

## Now, Are You Ready To Learn Economics?



The economy is crashing, as LaRouche warned. What should you do now?

Read this book and find out.

ORDER NOW FROM  
**Ben Franklin Booksellers**  
P.O. Box 1707  
Leesburg, VA 20177

We accept MasterCard, VISA,  
Discover and American Express

OR Order by phone:  
toll-free 800-453-4108  
OR 703-777-3661 fax: 703-777-8287  
\$10 plus shipping and handling. Virginia residents add 4.5% sales tax.  
Shipping and handling: \$4.00 for first book, \$.50 each additional book.

# Military Tribunals Are Dangerous In Ashcroft's Hands

by Edward Spannaus

President George Bush's military order of Nov. 13, authorizing the creation of military tribunals to try terrorist suspects, has created a firestorm of controversy inside the United States and abroad. While there is sound historical precedent for the creation and use of such tribunals, to have such a proposal originating out of Attorney General John Ashcroft's Department of Justice (DOJ) is akin to giving a loaded shotgun to a modern Torquemada and setting him loose in a crowded classroom. And make no mistake about it, the plan came from the Justice Department, not the Defense Department.

President Bush was undoubtedly convinced by his DOJ advisers, that such a tribunal is necessary in the event that Osama bin Laden, or large numbers of al-Qaeda operatives, are captured, because the U.S. criminal justice system is not capable of handling such trials. The real reasons for the avoidance of civilian criminal procedures, are doubtless more related to the fact that DOJ prosecutors do not have, and do not expect to have—for reasons we have elaborated elsewhere—sufficient evidence against bin Laden and Co. to assure a conviction for the Sept. 11 attacks, under normal criminal procedures and a civilian jury.

## Senators Question DOJ

At a hearing on Nov. 28, Senate Judiciary Committee Chairman Patrick Leahy (D-Vt.) complained that, although he and others in Congress had worked closely with the DOJ to fashion an anti-terrorism bill providing additional powers to fight terrorism, the Administration had then launched several unilateral actions going far beyond the legislation, such as large-scale detentions, monitoring of attorney-client conversations, and the military tribunal order.

Leahy asked whether military tribunals “genuinely serve our national interest,” and suggested that similar tribunals could be used against American citizens overseas by foreign governments. “As written, the military order does not incorporate basic notions of fairness and due process. . . . It does not specify a standard of guilt for convicting suspected terrorists. It decrees that convictions will not be subject to judicial review, a determination that appears to directly conflict with our international commitments. It allows the government to tailor rules to fit its proof against individual suspects.”

“In short,” Leahy said, “the military order described a

type of military tribunal that has often been criticized by the United States when other nations have used them.” After enumerating other potential problems arising out of the use of tribunals, Leahy warned: “There is the danger that if we rush to convict suspects in a military commission, relying on circumstantial or hearsay evidence tailored to serve the government's case, we deepen the risk of convicting the wrong people, which would leave the real terrorists at large.”

Given that everyone involved is stating their (mistaken) belief that bin Laden and al-Qaeda were solely responsible for the Sept. 11 attacks, and that they would be the primary subjects of the military tribunal, this is an unusual warning.

Also significant were questions raised by Sen. Richard Durbin (D-Ill.), who contrasted the carefully worded definitions which the Senate had helped to write into the anti-terrorism bill, with the vague definitions in the President's order on military tribunals. “The anti-terrorism bill defines terrorism, goes through and catalogues the Federal laws that will be characterized as terrorism, an exhaustive list,” Durbin said. “And yet when we look at the President's order, it's a much different approach as to what will be considered terrorism.” Durbin said that the legal standard in Bush's order for bringing charges against a suspect is not defined. “What is terrorism?” Durbin asked. “What is the standard for the President to convene a commission or tribunal?”

## The Real Corruption Of Our Legal System

The fundamental danger in the current proposal is not the tribunal itself, but the perverted conception of law which dominates our justice system today, as exemplified by the U.S. Supreme Court majority led by Associate Justice Antonin Scalia.<sup>1</sup> What could be an appropriate instrumentality under other circumstances, becomes a monstrosity when the dominant conception of “law” is the radical positivism typified by Scalia and Chief Justice William Rehnquist.

As German historian Prof. Friedrich A. Freiherr von der Heydte argued concerning the first Bush Administration's application of the “Thornburgh Doctrine,” the radical positivism expressed in that matter by Chief Justice Rehnquist, applying the principle that “might makes right,” necessarily comes into conflict with Constitutional principles and principles of international law derived from natural law. In fact, the arguments of Scalia and Rehnquist explicitly reject any legal principles superior to positive law; as Professor von der Heydte argued, the court's justifications of the Thornburgh Doctrine—the unilateral, extraterritorial application of U.S. law abroad (enunciated by Bush's Attorney General Richard Thornburgh)—“show a total absence of principled legal-ethical considerations.”<sup>2</sup>

1. Lyndon H. LaRouche, Jr., “Scalia And The Intent Of Law,” *EIR* Jan. 1, 2001.

2. F.A. Freiherr von der Heydte, “The Thornburgh Doctrine: The End Of International Law,” *EIR*, May 25, 1990.

Now, consider this as raising the deeper implications of Senator Leahy's criticisms—regardless of whether Leahy himself is conscious of this. In the context of a legal system based on radical nominalism, and devoid of standards and any devotion to truth, a military tribunal, used as an adjunct of a morally corrupt DOJ, cannot possibly function as an instrument of true justice—no matter how appropriate its use may have been in other circumstances, going back to the Revolutionary War. Worse, there is today no declaration of war, but only a vague and open-ended announcement of a “war on terrorism”—without even any definition of terrorism.

The proper conception of a military tribunal, as based in natural law, was elaborated by Abraham Lincoln's Attorney General, James Speed, in his July 1865 “Opinion On The Constitutional Power Of The Military To Try And Execute The Assassins Of The President.”

Speed stressed that “tribunals are constituted by the army in the interest of justice and mercy, and to the effect of mitigating the horrors of war.” Speed described two categories of combatants: open, active participants in hostilities, who wear the uniform, move under the flag, and hold the appropriate commission from their government, and who are entitled to all belligerent rights; and “secret, but active participants, as spies, brigands, bushwackers, jayhawkers, war rebels, and assassins,” who are subject to military tribunals, which may try, condemn, and execute them, without a breach of the Constitution.

Speed pointed out that tribunals “prevent indiscriminate slaughter; they prevent men from being punished or killed upon mere suspicion.” He argued that tribunals “exert a kindly and benign influence in time of war,” because without them, a commander “would become a mere butcher of men, without the power to ascertain justice, and there can be no mercy where there is no justice.”

That is a fundamentally different conception of law, than one would find today in our bloodthirsty judges and prosecutors, such as a Scalia, Rehnquist, or Ashcroft.

### **How J. Edgar Hoover Mised FDR**

The most recent example of a military tribunal, which illustrates how an instrument created with the best of intentions can be perverted by corrupt prosecutors, is that created by President Franklin D. Roosevelt in 1942, for the purpose of trying eight Nazi saboteurs.

On June 13, 1942, a team of four Nazi saboteurs came ashore off Long Island, New York, from a German submarine, followed by a second team of four who landed in Florida a few days later. The first team was intercepted by a Coast Guardsman, whom the Germans attempted to bribe, and then let go; his superiors were skeptical of the tale, and did not notify the FBI until the next day, after which the FBI went on alert. That same day, the head of the first team, George J. Dasch, a German who had once lived in the United States, called the FBI office in New York to defect, as he

had planned, but, despite the alert, his call was treated as a crank call.

Dasch then went to FBI headquarters in Washington, when he was again treated as a crank, and sent from office to office, until he finally dumped \$84,000 in cash on the desk of a senior FBI official. Dasch was then interrogated for eight days, during which he gave the FBI invaluable information about intended targets for sabotage (including dams, aluminum plants, and water supplies), and also information which enabled the FBI to pick up the others, including another member of Dasch's team, Ernst Burger, who also wished to defect.

Hoover and his team reportedly decided to keep the information about the two defections secret, in order to deceive the Germans into thinking that the U.S. coasts were impenetrable, and that it would be futile to send any more sabotage teams.

Hoover also lied to the President of the United States. In confidential memoranda to FDR, Hoover falsified the facts of the arrests of the eight Nazis, and concealed the fact that Dasch had defected and had provided information leading to the capture of the others. On June 27, Hoover issued a press release announcing the capture of eight German spies, and the FBI began orchestrating a campaign to have Hoover awarded the Congressional Medal of Honor.

The trial was conducted under conditions of extraordinary secrecy, at DOJ headquarters. The chief prosecutor in the case was U.S. Attorney General Francis Biddle—assisted by Hoover. No mention of Dasch's and Burger's defections and cooperation was allowed. All eight were sentenced to death; six were executed in the D.C. jail on Aug. 8, 1942. The death sentence of Dasch was reduced to 30 years at hard labor, and that of Burger to life at hard labor. Despite assurances that his sentence would be commuted within months, Dasch was imprisoned for six years. When he was released in 1948, according to some accounts, Hoover quickly had him deported so he could not challenge Hoover's account of the capture of the spies.

The extraordinary secrecy of the trial therefore probably had much to do with Hoover's cover-up of the circumstances of the apprehension of the saboteurs—a cover-up which extended to deceiving the President.

Although the U.S. Supreme Court upheld the use of the military tribunal, Chief Justice Harlan Fiske Stone was, according to a number of accounts, quite uncomfortable with the whole proceeding, and was especially irritated by the secrecy in which the trial was conducted. No more than did FDR, did the Supreme Court know that a major reason for the secrecy, was to cover up the FBI's bungling and Hoover's falsified account of events.

Therein lies a lesson for today. Ashcroft's DOJ clearly hopes that its scheme can be used to cover up the lack of actual evidence against those they intend to try. However, it is known that senior Pentagon legal officials are privately upset with the DOJ's maneuvering, and thus Ashcroft and company may be in for some surprises.

# Harrison A. Williams, Jr. (1919-2001)

by Mary Jane Freeman and Elliot Greenspan

Justice must indeed be the fundamental concern of political leaders: a justice which is not content to apportion to each his own, but one which aims at creating conditions of equal opportunity among citizens, and . . . favoring those who, for reasons of social status or education or health, risk being left behind.

— Pope John Paul II, Nov. 4, 2001

A warrior angel for justice has passed out of our midst. You may never have met him; but he acted on your behalf to secure your freedom and future. On Nov. 17, 2001, Harrison A. Williams, Jr., 81, a man of courage, true conviction, and compassion, died of heart failure and cancer. Knowing “Pete” (as he was called) as we came to know him when he battled against one of this nation’s most despicable FBI frame-ups in the early 1980s, we are sure he waged a valiant fight for life against these diseases of aging, and now has gone on to his Maker, where true and ultimate justice prevails.

We had the honor of knowing this man, and his good wife Jeanette, at a moment when their courage to stand for truth was tested. The LaRouche movement defended Pete’s integrity and helped to catalyze his fight for justice against AB-SCAM. This was the FBI “sting” operation used to unseat and break the will of Congressional leaders who were the

backbone of the nation’s once-strong political-industry-labor alliance for progress. (See *EIR*, Sept. 22, 1981, and Aug. 25, 1995.)

## For The Nation’s General Welfare

It is only fitting that we memorialize his life’s contributions to the “General Welfare” of this nation.

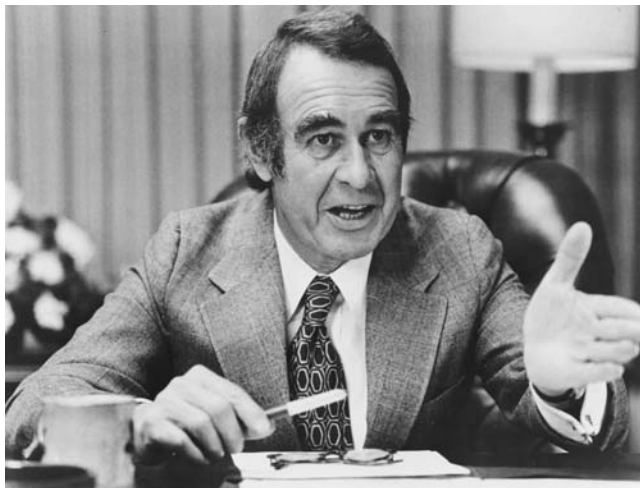
One of the last “New Deal” FDR Democrats to serve in Congress, Williams had a driving commitment to his nation. After serving in World War II as a Navy pilot, he got a law degree. But politics was his passion. The New Jersey Democrat was elected to the House of Representatives in 1953, and in 1958, he was elected to the U.S. Senate. He was known there as the “Senator for life,” being re-elected four times, and serving for 23 years.

Pete’s public service epitomized the Pope’s call to pursue justice for all, winning him the admired nickname of the “voice for the voiceless.” Hallmark legislation he initiated or co-sponsored improved conditions of life for millions. Over two decades, he chaired many committees in the Senate, including the Special Committee on Aging. Unlike today’s political leaders, Pete championed initiatives to defend and promote the General Welfare. The list is long, but these few examples are representative of his efforts for working Americans.

**Senior citizens:** In 1969, as chair of the Committee on Aging, he investigated the causes of poverty among seniors. Finding that more than one-quarter were living below the poverty level, he sponsored every major increase in Social Security from then on, and worked to provide them housing.

**Education:** From 1971 to 1980, as chair of the Labor and Human Resources Committee, he took the lead on every Federal education bill introduced, including ensuring the passage of the All Handicapped Children Act.

**Labor:** Two bills to his credit which affected all working Americans, were the 1970 Occupational Safety and Health Act (OSHA), and the 1974 Employee Retirement Income Security Act (ERISA). OSHA set standards to reduce occupational and health hazards in the workplace, and ERISA regulated and secured the stability of employee pension plans. He fought to protect the Railroad Retirement Fund from bankruptcy, and to ensure recipients their pensions; he authored the nation’s first program for urban mass transit.



*Sen. Harrison Williams*



**Finance:** In the 1960s, he initiated and won passage of the Williams Act, which limited the activities of foreign “dirty money” operations in the United States.

## FBI-Created Crimes Dismantled The FDR Legacy

The Carter Administration’s Department of Justice (DOJ) and FBI began a series of sting operations targeting pro-growth constituency leaders. One of those, ABSCAM, targeted Congress. The *modus operandi* was to use a *pre-selected* list of elected officials, labor leaders, and businessmen, which FBI sting-men, usually crooks-for-hire, would approach, attempting to solicit criminal activity. Aiding and abetting these scams were a bevy of “investigative reporters,” whose “news” stories, consisting of DOJ leaks, appeared in national news media outlets, fostering a witch-hunt climate. The intent of such leaks was to convict the targets in the public eye.

Senator Williams said this to a 1982 public forum in his defense, sponsored by the National Democratic Policy Committee (NDPC), a 1980s political action committee founded by the LaRouche wing of the Democratic Party: “I . . . learned of the government operation in which the Executive Branch of government targeted and framed a member of the Senate, as I looked out of my house and saw a barricade of media—who received leaks from the [DOJ] before I myself was accused of any crime. . . . I knew then that the first principle of American justice was being turned on its head: that . . . a man is innocent until proven guilty. I knew [looking] out at the sea of media, innocent though I was of any crime, that I would have to battle to prove my innocence.”

At the time when the zealous ABSCAMers marked him for a hit, Pete was the formidable chairman of the Senate Subcommittee on Securities, which oversaw the regulation of securities, stocks, and bonds. He was then the major obstacle to banking deregulation, promoted by Sen. William Proxmire (D-Wisc.) and Rep. Henry Reuss (D-Wisc.) and supported by then-Federal Reserve Chairman Paul Volcker. Williams also opposed the wave of foreign takeovers of American banking and industry, which was characterized by a December 1979 London *Economist* cover story, “Buy America Cheap.”

DOJ sting-men were sent to get him out of the way.

Despite the FBI videotape showing Pete refusing—three times—a phony Arab sheikh’s bribe, he was convicted by a cowardly jury. By August 1981, the Senate Ethics committee, long a hotbed of FBI penetration operations, recommended expulsion of Williams from the Senate, based on the conviction, even though his appeals were pending. All odds were against him, yet Pete, knowing he was innocent, decided to fight. The LaRouche movement went into high-gear, organizing thousands of calls and letters of support from citizens across the nation.

On the eve of a vote by the U.S. Senate in September 1981, on whether to expel Senator Williams, LaRouche wrote: “Proven innocent of all specific crimes alleged, Sena-



*Sen. Harrison “Pete” Williams, with his wife Jeanette, delivering a toast at the 1982 wedding of New Jersey LaRouche movement leader Elliot Greenspan and his bride Margaret Billington: “I have seen how Elliot, like many others who work with LaRouche, has demonstrated the kind of courage and selfless commitment to the truth which is needed to get our nation back on track. I can tell you, Elliot, and all of you—keep it up, and I assure you, you’ll be indicted!”*

tor . . . Williams . . . was framed, openly and shamelessly, by the worst lot of judges and prosecutors seen in English-speaking law since the bloody assizes of the 17th Century.

“. . . If a United States Senator can be fraudulently charged and convicted in the manner Sen. Harrison Williams has been, no private citizen is safe from even more monstrous injustice imposed by sheer caprice of judges who are corrupt.

“. . . The ‘Ethics Committee’ has condoned a large-scale, willful effort to destroy the constitutional authority of the Congress of the United States.”

The expulsion debate, due to Pete’s dogged determination to exercise his full legal rights, did not occur until March 1982. After five days of debate, and after Pete won a concession that a Senate investigation into the crimes of the FBI in ABSCAM would be conducted, he nonetheless did not have sufficient votes to defeat an expulsion vote. With great dignity, Pete Williams resigned from the U.S. Senate on March 11. Seeing that his colleagues did not have the morality to exonerate him, he said that he did not want “the Senate to dishonor itself by expelling me.” He concluded, “I know I broke no laws. . . . I believe time, history, and almighty God will vindicate me.”

At a 1982 NDPC event before the expulsion fight, Pete showed his fortitude: “I have recently thought about the great Italian poet Dante, who knew, after he was politically targeted and framed in his native Florence, . . . that he would one day receive full exoneration and respect for his courage . . . to fight against evil and wrongdoing in government. . . . A true political leader must have the courage to never stop fighting.”

When our mortal lives are done, can we look back and say, “We’ve done God’s work on Earth, to leave a legacy for the future of mankind”? Without a doubt, Pete Williams did so.

# *Great Pride Went Before A Fall*

*EIR* readers are more familiar than many with Enron Corp., the global energy pirate which has gone from one of the nation's most admired—and feared—corporations to a case-study in corporate failure, in an impressively short period. Enron, by its own admission, overstated its earnings and buried its losses, and huge amounts of debt, through off-balance-sheet transactions. Enron went from the world's leading energy trader to the market's pariah in six short weeks; its reputation, its business, its capital, and its very existence vaporizing faster than almost everyone thought possible.

The rise and fall of Enron is a good metaphor for the global financial and economic system itself which, like Enron, has vastly inflated its profits and buried its losses through a combination of bookkeeping tricks and savage looting, relying on raw political power, psychological warfare and a head-in-the-sand population to keep the swindle going.

While it has suddenly become popular for Wall Street's analysts, bankers, and derivatives players to claim they didn't know what Enron was doing, they protest too much. In an interview with *CFO Magazine* in the Fall of 1999, then-Enron President and Chief Executive Jeffrey Skilling openly bragged about Enron's New Economy financing methods, and heaped praise on his protégé, Chief Financial Officer Andrew Fastow. "We needed someone to rethink the entire financing structure at Enron from soup to nuts," Skilling said. "We didn't want someone stuck in the past, since the industry of yesterday is no longer." Fastow, Skilling said, "deserves every accolade tossed his way." Wall Street approved. "He [Fastow] has invented a groundbreaking strategy," Lehman Brothers Senior Vice President Ted Izatt told *CFO*. Skilling and his CFO, Fastow, are now gone, but the deadly effects of their speculative frenzy have only begun to surface.

As it turned out, Enron broke more than the ground. Its predatory energy speculation operation laid waste to its victims, in California and elsewhere, and, finally, to itself. Forced to reveal some of its hidden losses, Enron

suddenly found itself in the grip of a self-feeding deflationary death spiral, in which each new development would trigger a wave of selling of the company's stock, which in turn would trigger another wave, with the company often losing 10-20% of its market value a day.

The real story here, however, is not Enron, but rather what its dramatic disappearance reveals about the nature of the global financial system. The death spiral which took down Enron is but an example in the small, of the process which is playing out in a larger way on the global financial stage. As the bubble pops, so do the artificial values attached to all sorts of assets, setting off a deflationary chain reaction-spiral of plunging asset valuations. Assets vaporize, while the debt backing them remains, more unpayable than ever.

In a vain attempt to head off a deflationary blowout, Fed Chairman Alan Greenspan and his counterparts have engaged in unprecedented expansion of monetary aggregates, in a foolish attempt to use monetary hyperinflation to offset the asset deflation.

This process, as Lyndon LaRouche has warned more than once, is similar to attempting to put out a fire by dousing it with cold gasoline. Pouring money into a collapsing economy does not increase production and consumption. It merely sends more dollars chasing falling output, playing out the process defined by LaRouche in his famous Triple Curve typical collapse function. Greenspan is doing just what LaRouche said he would do, with the predicted, devastating effects. In such a process, the Enron collapse is not an anomaly, but rather a preview of the near future.

As Harley Schlanger details in this week's *National* section, this crisis was forecast, and could have been avoided, had Americans taken the warnings of Lyndon LaRouche to heart, and more importantly, to mind. The deterioration of the nation becomes more visible by the day, as does the failure of national and local political leaders to do anything to halt the slide. The realization is dawning, in more and more minds, that Lyndon LaRouche been correct both in his analysis of the problem, and in his presentation of the solution.

# SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted. (\*) Call station for times.

**ALABAMA**  
 • BIRMINGHAM—Ch. 4  
 Thursdays—11 pm  
 • UNIONTOWN—Ch.2  
 Mon-Fri every 4 hrs.  
 Sundays—Afternoons

**ALASKA**  
 • ANCHORAGE—Ch.44  
 Thursdays—10:30 pm  
 • JUNEAU—GCI Ch.2  
 Wednesdays—10 pm

**ARIZONA**  
 • PHOENIX—Ch.98  
 Tuesdays—12 Noon  
 • TUCSON  
 Cox Ch. 72/73/74  
 Thu.—12 Midnight

**ARKANSAS**  
 • CABOT—Ch. 15  
 Daily—8 pm  
 • LITTLE ROCK  
 Comcast Ch. 18  
 Tue—1 am, or  
 Sat-1 am, or 6 am

**CALIFORNIA**  
 • ALAMO  
 AT&T Ch. 1/99  
 2nd Fri.—9 pm  
 • BEVERLY HILLS  
 Adelphia Ch. 37  
 Thursdays—4:30 pm

• BREA—Ch. 17\*  
 • BUENA PARK  
 Adelphia Ch. 55  
 Tuesdays—6:30 pm  
 • CHATSWORTH  
 TAW Ch. 27/34  
 Wed.—5:30 pm

• CLAYTON  
 AT&T Ch. 25  
 2nd Fri.—9 pm  
 • CONCORD  
 AT&T Ch. 25  
 2nd Fri.—9 pm

• COSTA MESA—Ch.61  
 Mon—6 pm; Wed—3 pm  
 Thursdays—2 pm  
 • CULVER CITY  
 MediaOne Ch. 43  
 Wednesdays—7 pm

• DANVILLE  
 AT&T Ch. 1/99  
 2nd Fri.—9 pm  
 • E. LOS ANGELES  
 Adelphia Ch. 6  
 Mondays—2:30 pm

• FULLERTON  
 Adelphia Ch. 65  
 Tuesdays—6:30 pm  
 • HOLLYWOOD  
 MediaOne Ch. 43  
 Wednesdays—7 pm

• LAFAYETTE  
 AT&T Ch. 1/99  
 2nd Fri.—9 pm  
 • LAVERNE—Ch. 3  
 Mondays—8 pm

• LONG BEACH  
 Charter Ch. 65  
 Thursdays—1:30 pm

• MARINA DEL REY  
 Adelphia Ch. 3  
 Thursdays—4:30 pm  
 MediaOne Ch. 43  
 Wednesdays—7 pm

• MARTINEZ  
 AT&T Ch. 1/99  
 2nd Fri.—9 pm  
 • MID-WILSHIRE  
 MediaOne Ch. 43  
 Wednesdays—7 pm

• MODESTO  
 AT&T Ch.8  
 Mondays—2:30 pm  
 • MORAGA  
 AT&T Ch. 1/99  
 2nd Fri.—9 pm

• ORINDA  
 AT&T Ch. 1/99  
 2nd Fri.—9 pm  
 • PALOS VERDES  
 Cox Ch. 33  
 Saturdays—3 pm

• PLACENTIA  
 Adelphia Ch. 65  
 Tuesdays—6:30 pm  
 • PLEASANT HILL  
 AT&T Ch. 1/99  
 2nd Fri.—9 pm

• SAN DIEGO—Ch.16  
 Saturdays—10 pm  
 • SANTA ANA  
 Adelphia Ch.53  
 Tuesdays—6:30 pm

• SANTA MONICA  
 Adelphia Ch. 77  
 Thursdays—4:30 pm  
 • TICE VALLEY  
 AT&T Ch.3  
 2nd Fri.—9 pm

• TUJUNGA—Ch.19  
 Fridays—5 pm  
 • VENICE—Ch.43  
 Wednesdays—7 pm

• WALNUT CREEK  
 AT&T Ch. 6  
 2nd Fri.—9 pm  
 • W. HOLLYWOOD  
 Adelphia Ch. 3  
 Thursdays—4:30 pm

**COLORADO**  
 • DENVER—Ch.57  
 Saturdays—1 pm  
**CONNECTICUT**  
 • CHESHIRE—Ch.15  
 Wednesdays—10:30 pm

• GROTON—Ch. 12  
 Mondays—10 pm  
 • MANCHESTER—Ch.15  
 Mondays—10 pm

• MIDDLETOWN—Ch.3  
 Thursdays—5 pm  
 • NEW HAVEN—Ch.28  
 Sundays—10 pm  
 • NEWTOWN/NEW MIL.  
 Charter Ch. 21  
 Mondays—9:30 pm  
 Thursdays—11:30 am

**DIST. OF COLUMBIA**  
 • WASHINGTON—Ch.5  
 Alt.Sundays—3:30 pm  
**IDAHO**  
 • MOSCOW—Ch. 11  
 Mondays—7 pm

**ILLINOIS**  
 • CHICAGO  
 CAN Ch. 19\*  
 • QUAD CITIES  
 AT&T Ch. 6  
 Mondays—11 pm

• PEORIA COUNTY  
 AT&T Ch. 22  
 Sundays—7:30 pm  
 • SPRINGFIELD—Ch.4  
 Wednesdays—5:30 pm

**INDIANA**  
 • DELAWARE COUNTY  
 Adelphia Ch. 42  
 Mondays—11 pm  
**IOWA**  
 • QUAD CITIES  
 AT&T Ch. 75  
 Mondays—11 pm

**KENTUCKY**  
 • LATONIA—Ch. 21  
 Mon.—8 pm; Sat.—6 pm  
 • LOUISVILLE—Ch.98  
 Fridays—2 pm

**LOUISIANA**  
 • ORLEANS PARISH  
 Cox Ch. 78  
 Tue., Thu., Sat.  
 4:30 am & 4:30 pm

**MARYLAND**  
 • A. ARUNDEL—Ch.20  
 Fri. & Sat.—11 pm  
 • BALTIMORE—Ch. 5  
 Wed.: 4 pm, 8 pm

• MONTGOMERY—Ch.19/49  
 Fridays—7 pm  
 • P.G. COUNTY—Ch.15  
 Mondays—10:30 pm

• W. HOWARD COUNTY  
 MidAtlantic Ch. 6  
 Monday thru Sunday—  
 1:30 am, 11:30 am,  
 4 pm, 8:30 pm

**MASSACHUSETTS**  
 • AMHERST—Ch. 10\*  
 • BOSTON—BNN Ch.3  
 Thursdays—3 pm  
 • WORCESTER—Ch.13  
 Wednesdays—6 pm

**MICHIGAN**  
 • BATTLE CREEK  
 ATT Ch. 11  
 Mondays—4 pm

• CANTON TOWNSHIP  
 MediaOne Ch. 18  
 Mondays—6 pm  
 • DEARBORN HEIGHTS  
 MediaOne Ch. 18  
 Mondays—6 pm  
 • GRAND RAPIDS  
 GRTV Ch. 25  
 Fridays—1:30 pm

• KALAMAZOO  
 Cablevision  
 Thu-11 pm (Ch.31)  
 Sat-10 pm (Ch.33)  
 • MT. PLEASANT  
 Charter Ch. 3  
 Tuesdays—5:30 pm  
 Wednesdays—7 am

• PLYMOUTH—Ch.18  
 Mondays—6 pm  
**MINNESOTA**  
 • ANOKA—Ch. 15  
 Thu.—11 am, 5 pm,  
 12 Midnight

• COLD SPRING  
 U.S. Cable Ch. 3  
 Nightly after PSAs  
 • COLUMBIA HTS.  
 MediaOne Ch. 15  
 Wednesdays—8 pm

• EAGAN/BURNSVILLE  
 ATT Ch.14,57,96  
 Tuesdays—5:30 pm  
 Saturdays—9 pm  
 Sundays—10 pm

• FRIDLEY  
 Time Warner Ch. 5  
 Fridays—7 pm  
 Saturdays—8:30 pm

• MINNEAP.—Ch.32  
 Wednesdays—8:30 pm  
 • NEW ULM—Ch. 12  
 Fridays—5 pm

• PROCTOR/  
 HERMANTOWN—Ch.12  
 Tue., 5 pm - 1 am

• ROSEVILLE  
 AT&T Ch. 14  
 Tue.—5 pm & 11 pm  
 Wed.—5 am & 11 am

• ST.CROIX VALLEY  
 Valley Access Ch. 14  
 Thursdays—4 & 10 pm  
 Fridays—8 am

• ST.LOUIS PARK—Ch.33  
 Friday through Monday  
 3 pm, 11 pm, 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

**MISSISSIPPI**  
 • MARSHALL COUNTY  
 Galaxy Ch. 2  
 Mondays—7 pm  
**MISSOURI**  
 • ST.LOUIS—Ch. 22  
 Wed.-5 pm; Thu.-Noon

**NEBRASKA**  
 • LINCOLN  
 Time Warner  
 Channels 80 & 99  
*Citizen Watchdog*  
 Tue.—6 & 7 pm  
 Wed.—8 & 10 pm

**NEVADA**  
 • CARSON CITY—Ch.10  
 Sun-2:30 pm; Wed-7 pm  
 Saturdays—3 pm

**NEW JERSEY**  
 • HADDON TOWNSHIP\*  
 Comcast Ch. 19  
 • MERCER COUNTY  
 Comcast\*  
 TRENTON Ch. 81

WINDSORS Ch. 27  
 • MONTVALE/MAHWAH  
 Time Warner Ch. 27  
 Wednesdays—4 pm

• NORTHERN NJ  
 Comcast Comm. Access  
 Channel 57\*  
 • PLAINSBORO  
 Comcast Ch. 3\*

**NEW MEXICO**  
 • ALBUQUERQUE  
 Jones Ch. 27  
 Thursdays—10 pm

• LOS ALAMOS  
 Adelphia Ch. 8  
 Sundays—7 pm  
 Mondays—9 pm

• TAOS  
 Adelphia Ch. 2  
 Mondays—7 pm  
**NEW YORK**  
 • AMSTERDAM  
 Time Warner Ch.16  
 Thursdays—4:30 pm

• BROOKHAVEN  
 (E. Suffolk)  
 Cablevision Ch.1/99  
 Wednesdays—9:30 pm

• 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  
 Mon. & Wed.—11 am  
 Saturdays—11:30 pm

• IRONDEQUOIT—Ch.15  
 Mondays—7 pm  
 Thu.—9:30 am & 7 pm

• JOHNSTOWN—Ch. 7  
 Tuesdays—4 pm  
 • MANHATTAN—MNN  
 T/W Ch. 34; RCN Ch.109  
 Alt. Sundays—9 am

• NASSAU—Ch. 71  
 Fridays—4 pm  
 • NIAGARA FALLS  
 Adelphia Ch. 24  
 Thursdays—10:30 pm

• ONEIDA—T/W Ch.10  
 Thursdays—10 pm  
 • PENFIELD—Ch.12  
 Penfield Community TV\*

• POUGHKEEPSIE—Ch.28  
 1st, 2nd Fridays—4 pm

• QUEENSBURY—Ch.71  
 Thursdays—7 pm  
 • RIVERHEAD—Ch.27  
 Thursdays—12 Midnight

• ROCHESTER—Ch.15  
 Fri-11 pm; Sun-11 am  
 • ROCKLAND—Ch. 71  
 Mondays—6 pm

• SCHENECTADY—Ch.16  
 Tuesdays—10 pm  
 • STATEN ISL.—Ch.57  
 Thu.-11 pm; Sat.-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)

• 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  
 • W. MONROE  
 Ch. 12  
 4th Wed.—1 am

• W. SENECA—Ch.68  
 Thu.—10:30 pm  
**NORTH CAROLINA**  
 • HICKORY  
 Charter Ch. 3  
 Tuesdays—10 pm

• MECKLENBURG  
 Time Warner Ch. 18  
 Saturdays—12 Noon  
**OHIO**  
 • FRANKLIN COUNTY  
 Ch. 21: Sun.—6 pm

• LORAIN COUNTY  
 Ch. 32: Daily—9 pm  
 • OBERLIN—Ch.9  
 Tuesdays—7 pm

• REYNOLDSBURG  
 Ch. 6: Sun.—6 pm  
**OREGON**  
 • CORVALLIS/ALB.  
 AT&T Ch. 99  
 Tuesdays—1 pm

• PORTLAND  
 AT&T Ch. 22  
 Tuesdays—6 pm  
 Thursdays—3 pm

• SALEM—ATT Ch.28  
 Thursdays—12 Noon  
 Thu.—8 pm; Sat.—10 am

• SILVERTON  
 SCANV Ch. 10  
 Alt. Tuesdays  
 12 Noon, 7 pm

• WASHINGTON—ATT  
 Ch.9: Tualatin Valley  
 Ch.23: Regional Area

Ch.33: Unincorp. Towns  
 Mon-5 pm; Wed-10 am;  
 Sundays—10 am  
**RHODE ISLAND**  
 • E. PROVIDENCE—Ch.18  
 Tuesdays—6:30 pm

• STATEVILLE  
 R.I. Interconnect\*  
 Cox Ch. 13  
 Full Ch. 49

**TEXAS**  
 • DALLAS  
 AT&T Ch. 13-B  
 Tuesdays—10:30 pm

• EL PASO—Ch.15  
 Wednesdays—5 pm  
 • HOUSTON  
 Houston Media Source  
 Sat, 12/8: 11 am

Mon, 12/10: 5 pm  
 Tue, 12/11: 5:50 pm  
 Sat, 12/15: 10 am  
 • RICHARDSON  
 AT&T Ch. 10-A  
 Thursdays—6 pm

**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  
 Tuesdays—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  
 Mon-Noon; Wed-6 pm

• MADISON—Ch.4  
 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

If you would like to get *The LaRouche Connection* on your local cable TV station, please call Charles Notley at 703-777-9451, Ext. 322. For more information, visit our Internet HomePage at <http://www.larouchepub.com/tv>

## Executive Intelligence Review

U.S., Canada and Mexico only

1 year . . . . . \$396  
 6 months . . . . . \$225  
 3 months . . . . . \$125

Foreign Rates

1 year . . . . . \$490  
 6 months . . . . . \$265  
 3 months . . . . . \$145

I would like to subscribe to *Executive Intelligence Review* for

1 year  6 months  3 months

I enclose \$\_\_\_\_\_ check or money order

Please charge my  MasterCard  Visa

Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company \_\_\_\_\_

Phone ( \_\_\_\_\_ ) \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Make checks payable to **EIR News Service Inc.**  
 P.O. Box 17390, Washington, D.C. 20041-0390.

# 2002 calendars

Perfect gifts  
for every  
occasion

From Ben Franklin Booksellers

Each calendar is a full-sized wall calendar,  
priced at \$17.95.



## MADONNA

*Images from the Italian Renaissance*

2002

**Madonna.** Paintings of the Madonna by various artists of the Italian Renaissance.



## ITALIA

*Italians in the 1900s*

2002

**Italia.** Photographs of early Twentieth-Century Italians from the *Archivi Alinari*, Florence, Italy.



## THE HOURS OF HENRY THE VIII

*Illuminated Seasons*

THE MORGAN LIBRARY

2002

**The Hours of Henry VIII.** Illuminated seasons from Jean Poyet's Renaissance masterpiece, created for the French royal court, circa 1500.



## TREASURES OF INDIA

*Art of the Mughal Empire*

MUSEUM OF FINE ARTS, BOSTON

2002

**Treasures of India.** Watercolors commissioned by the Mughal emperors during the Mughal reign of northern India (1526-1857).

**Ben Franklin Booksellers, Inc.** P.O. Box 1707 Leesburg, VA 20177  
Order line: 1-800-453-4108 (U.S. only) Fax: (703) 777-8287 Phone: (703) 777-3661  
e-mail: benfranklinbooks@mediasoft.net

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
We accept MasterCard Visa Discover and American Express.  
Card Number \_\_\_\_\_ Expiration Date \_\_\_\_\_

calendar	copies	total
Madonna		
Italia		
The Hours of Henry VIII		
Treasures of India		
shipping and handling		
Total enclosed		

Please make checks payable to **Ben Franklin Booksellers**

Shipping and Handling: 1 to 3 calendars \$5.00. Shipped in special, protective carton, and shipped First Class.