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Bonkers in the Bunkers: White House Flight Forward
Move Fast To Save Auto! GM Sliding Into Bankruptcy
Norbert Brainin's Mission To Convey Musical Ideas

The Revolutionary Aspect of the LaRouche Method



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Publisher of LaRouche's major theoretical writings

Winter 2004

The Follies of the Economic Hitmen: Re-Animating the World's Economy

Lyndon H. LaRouche, Jr.

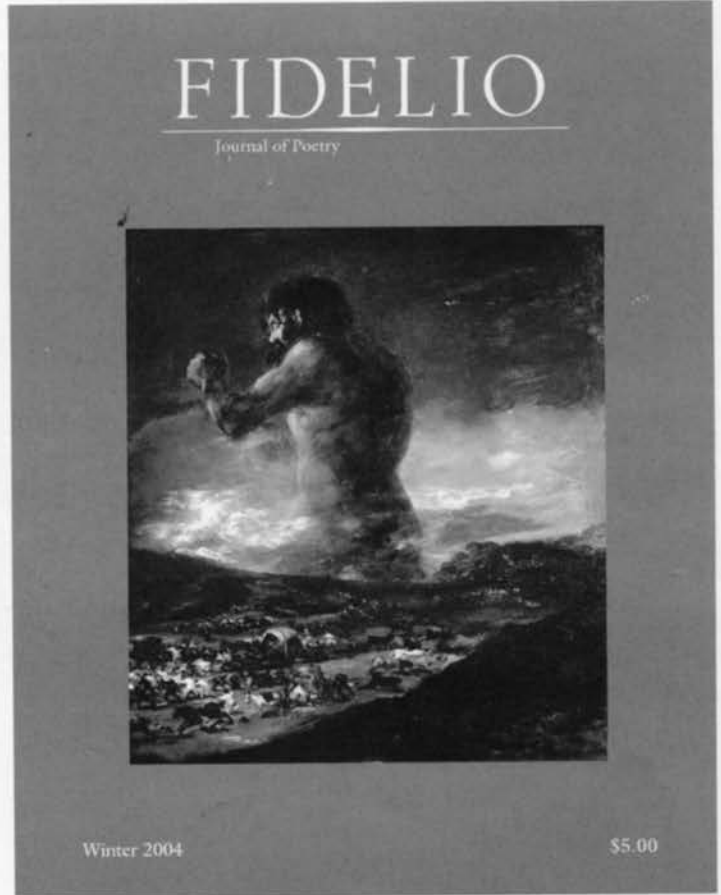
We must think of the abiotic, Biosphere, and Noösphere as physical capital, which we must build up, in the order of those relative priorities, to create the expanded preconditions for not only growing populations, but a higher standard of living, of higher productivity per capita and per square kilometer, of general development, and longevity of those populations. We must qualify ourselves, increasingly, to manage this Riemannian universe, as we were God's gardener.

Francisco Goya, the American Revolution, and the Fight Against The Synarchist Beast-Man

Karel Vereycken

Introduction to Pythagorean Sphaerics

LaRouche Youth Movement Sphaerics Group



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From the Associate Editor

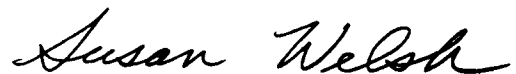
The main theme of this week's issue is definitely *mass insanity*. First, of course, is the incumbent occupant of the White House, and his inner circle, as spelled out in "Bonkers in the Bunkers" (see *National*). But, suggests Lyndon LaRouche in his *Feature* story, "We are not likely to come out of what is presently an accelerating nose-dive to deeper regions of misery, unless we locate the causes for this mass phenomenon of self-destructive mental behavior among the typical members of our society, perhaps also even in your own behavior. The evidence would suggest, that perhaps President George W. Bush, Jr., is not the only member of our society with a serious mental disability."

The downgrading of General Motors' and Ford's bonds to "junk" status is reported by Paul Gallagher. A sign of the lunacy of the times, is that no sooner did U.S. auto parts supplier ArvinMeritor announce that it was closing 11 plants and laying off 1,830 workers, than its stocks soared! In Wall Street's view, sucking off liquidity from the physical economy and the workforce is *great news!* Why, it might keep the speculative bubble aloft for one more day!

But as LaRouche shows, the insanity runs much deeper than Wall Street, or the so-called economists who advise our government. It runs deep in the pores of a population that has been corrupted by a 35-year paradigm shift, from a producer society to a consumer society. Hence the need for a "revolutionary change"—the LaRouche method.

We do have some good news this week as well. The arrest of alleged Israeli spy Larry Franklin shows that somebody in Washington is definitely moving against the neo-con traitors. The combativity of the Democrats on the issue of Social Security, is demonstrated in Rep. Henry Waxman's well-researched open letter to the President. The breakthrough diplomacy across the Taiwan Strait is welcome, and needs to be pursued.

Don't miss the beautiful interview, conducted last Summer, with the late violinist Norbert Brainin, one of the real musical geniuses of our time, and a supporter of LaRouche.



EIR Contents

Cover This Week

Lyndon LaRouche's revolutionary method has attracted a growing youth movement, members of whom are shown here with him in Harrisburg, Pa. in March 2004.



4 The Revolutionary Aspect of the LaRouche Method

By Lyndon H. LaRouche, Jr. "The reader should . . . be forewarned that I am not simply repeating here the points I have made in earlier locations. I am, rather, situating a new subject, that of a psychopathological mass-phenomenon, this time against the background of what should be, by now, a familiar context of economic policy-shaping relevance.

The subject of this report is a specific class of mental disorders which are the most typical cause of today's commonplace, major man-made disasters of modern economies."

National

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

A prominent Republican United States Senator has been confronted by Karl Rove and other White House officials on his alleged "connections with Lyndon LaRouche." This foolishness, combined with the President's performance at his April 28 press conference, demonstrate that the entire White House inner circle has gone stark-raving mad.

39 Disintegrating GOP Rams Through Budget

41 Arrest of Pentagon Official May Help Unravel Neo-Conservative Cabal

The case of Larry Franklin.

43 Guantanamo Revelations Point to Rumsfeld

45 Arnie the Fascist Bashes Immigrants

Correction: Our *Editorial* last week, "A New Bretton Woods Now," mistakenly referred to "\$2,000 trillion worth of financial liabilities" hanging over the world financial system. In fact, there are 2,000 trillion speculative derivative contracts per year.

Economics

46 **LaRouche: Move Fast To Save Auto; GM Sliding To Bankruptcy**

General Motors, if not also Ford Motor Co., and scores of their supplier companies, are mudsliding faster and faster towards bankruptcy and dismemberment of the most important machine-tool and related industrial capabilities remaining in the American economy.

48 **Health-Care 'Fundamental Infrastructure' Threatened by Medicaid-Cuts Mentality**

A review of the vulnerable condition of the major components of the U.S. national health-care infrastructure shows that the entire system is on the edge, after decades of Federally promoted downsizing, and privateering.

57 **Business Briefs**

International

58 **China-KMT Visit Judoes 'Taiwan Independence' Ploy**

The visit of Kuomintang leader Lien Chan to mainland China has dealt a serious blow to the policy of the Cheney-Rumsfeld neo-conservative faction, of maintaining a high-tension state between Taiwan and China.

60 **Japan, India Move To Build Strategic Ties**

63 **Iraq's Partial Government Won't Last for Very Long**

65 **War, and a Big Piece Of the West Bank**

67 **In Memoriam: Ezer Weizman: From Hawk to Peace Advocate**

69 **Ecuador: Dollarization Brings Down Another Government in the Americas**

71 **Mexico's LYM: Ready To Change the World**

Music

72 **Communicating Real Musical Ideas: A Life-Long Mission**

A conversation with Norbert Brainin, the late founder of the Amadeus Quartet and one of the world's great violinists, translated from the German magazine *Ibykus* of July 2004.

Departments

35 **From the Congress**

Waxman: Bush 'Wrong Morally And Legally'

56 **Report From Germany**

Debate Rips Across Political Spectrum.

80 **Editorial**

The ADL, George Bush, and the Christian Right

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The Revolutionary Aspect Of the LaRouche Method

by Lyndon H. LaRouche, Jr.

April 27, 2005

The subject of this report is a specific class of mental disorders, disorders which are the most typical cause of today's commonplace, major man-made disasters of modern economies.

Ask yourself: Why are we, as a nation, and as a world, in the awfully dangerous, worsening mess we are in today? Since human beings are not animals, but capable of making the discoveries which enable us to improve the conditions of life in and among nations, why have we permitted this civilization to collapse in the way this has happened during the recent three and a half decades since someone elected Richard M. Nixon as the U.S. President. What is wrong with the minds of so many of our fellow-citizens, that they could have allowed the presently perilous world situation to have developed as it has done?

The reasons for this presently deadly situation are knowable. If we study those reasons, we can discover how we might stop the presently worsening world situation now, as President Franklin Roosevelt's election saved the world from the otherwise inevitable rise of Adolf Hitler's Nazi system to world power, or the similar threat posed by such wretched creatures as our own war-like, so-called "neo-conservative" rabble today.

The diagnosis and cure of this present menace is available, if we will but spend the time and energy to think about it.

Experience with the stubbornness of certain mental blocks among even mature, accomplished scientists, illustrates the reasons for the sometimes astonishing inability of even such professionals, to grasp what should be the obvious proof of the absurdity of Lagrange's lame attempted rebuttal

to Carl Gauss's 1799 attack on Lagrange's folly, or, their failure to recognize the even cruder sophistry of Cauchy's "limit" argument. The same kind of stubborn, systemic incompetence, underlies the inability of most of even today's senior professional economists to see the role of those universal physical principles which govern real-life economic processes.

Therefore, when I attack the same kind of incompetence shown by Lagrange, Cauchy, et al., as it prevails among most economists here, I must proceed in ways which reflect my foreknowledge of the kind of mental health problem which I shall also meet both among economists and relevant political leaders who stubbornly refuse to grasp even the rudiments of the challenge which today's onrushing world monetary-financial crisis represents. The root of the latter problem of economists and political leaders, is axiomatically the same foolishness which Carl Gauss attacked in his devastating 1799 refutation of the follies of D'Alembert, Euler, Lagrange, et al., the same systemic folly which Bernhard Riemann identified more profoundly in his 1854 habilitation dissertation.

My understanding of the nature of the mental blocks in such cases, prompts me here to situate the discussion of the mental block met among the economists and political figures, by presenting the fact of its existence here against the background provided by some repetitions of certain aspects of the argument which I have presented in other recently published items on the economic, rather than, as in this present report, the psychological implications of the current crisis.

The reader should therefore be forewarned that I am not simply repeating here the points I have made in those earlier locations. I am, rather, situating a different subject, that of a



Lyndon LaRouche and members of his youth movement. "Creativity means the use of the uniquely human ability to look beyond the bounds of seemingly 'instinctive' current axiomatic assumptions, to discover, test, and adopt new principles whose effect is to revolutionize the way society thinks and acts." The youth are the key to such a revolutionary change.

psychopathological mass-phenomenon which is responsible for the present world crisis, this time against the background of what should be, by now, a familiar context of present economic policy-shaping urgency.

The world is presently seized by the grip of a zone of increasing financial-monetary-economic turbulence, which is proceeding toward a now inevitable, imminent general, collapse of the world's present monetary-financial system. Up to the present moment, if not much longer, we could, *physically*, safely outlive this crash by sudden measures which echo the successful economic-recovery policies of former President Franklin Roosevelt; but, the present world system itself, the so-called "floating-exchange-rate system" installed during 1971-75, will not, and could not outlive this present crisis.¹ We could survive by choosing to enter a new system of "financial architecture" before the final stage of that crash were to erupt; but, the only workable choice actually available at

1. The interaction of the simultaneous eruption of several of but a few among the principal financial bubbles, such as the financial bubble of the international automobile industry, now ready to be popped, would be sufficient to set off a sudden, deep collapse of the value of the U.S. dollar, the world's denominated reserve currency. A dollar collapse of that type would, in turn, be sufficient to set off a general, planet-wide chain-reaction of the monetary system as a whole. This would be orders of magnitude worse than the international situation during the 1930s. Such a scenario is currently imminent; preventive action must occur with a corresponding sense of urgency.

that point, would be a return to the model of the post-war, fixed-exchange-rate, Bretton Woods system launched under the leadership of President Franklin Roosevelt. Today, we must add to that reform some included features not required by the earlier crisis; but the remedy would be, otherwise, broadly the same.

To the extent of those presently failed policies which leading nations have forced upon the rest of the world, since, most notably, the 1964-1982 interval, the immediate responsibility for this presently onrushing awful, global calamity, lies, chiefly, with the foolishness of the choices leading into the 1971-75 establishment of the floating-exchange-rate system. These were choices which included the election of the first government of the United Kingdom's Prime Minister Harold Wilson and of the U.S.A.'s President Richard M. Nixon, as combined with the effects of continued blunders in support of that floating-exchange-rate system by a majority of the people of the leading nations, such as the people of the U.S.A. and Europe.

However, my subject in this present communication is not, essentially, those foolish U.S. economic policies which I have addressed in locations published earlier; the issue on which I focus your attention here, is the specific kind of mass psychological disorder which has permitted those foolish economic policies to be continued up to this time.

It is not only important, but urgent, to emphasize, that the causes for this calamity, the breakdown and collapse of the

original Bretton Woods system, are the mental habits which promoted those policies of change from the policies of the Franklin Roosevelt period, a change which the majority of the population of the leading British Commonwealth members and of the U.S.A., among others, have chosen to continue over the course of the recent four decades. However, the technicalities of those decisions as such aside, when you hear the storms of this catastrophe descending upon you now, you should ask yourself why, today, despite what should have been the hard lessons learned from the world's earlier experience from the 1930s, are you not to be blamed as one among that majority of Americans who, through their choice, or their consenting indifference, helped to bring this presently on-rushing crash down upon the heads of us all?

That, in brief, is the question of psychology—*or, should we say, psychopathology?*—which I address here.

Therefore, if you wish to understand why the majority of the other people in your society behave as foolishly as they have done in matters of national economic policy over the recent several decades, you must look for the important clues to that mass misbehavior in certain axiomatic features of your victimization during recent years, victimization by inherited mental habits from the 1895-1933, and earlier intervals. The difference between those former times and today, is, that the evidence is now clear to those who understand the present situation, that the U.S. economy has been in a continuing down-slide from its level during the mid-1960s, into the on-rushing threat of something like Europe's Fourteenth-Century "New Dark Age."

Living Off Our Capital

When all of the relevant evidence were considered, the beginning of the actual net down-turn in the U.S.'s physical economy is located somewhere between the launching of the official U.S. War in Indo-China and President Nixon's folly of August 15-16, 1971. Wishful citizens will tend to deny that a net down-turn began as early as that. Their denial shows the failure of such citizens to take into account the fact that we have been living off a net running-down of our own and other nations' accumulated physical capital for more than thirty-five years. Since life cycles of investment in physical capital of major elements of basic economic infrastructure run as long as between a quarter to a half century, a nation can run down its capital through lack of repair and replacement for as long as a generation, or slightly longer, before reality overtakes it, as our republic has done today.

Those citizens are the kind of people who thought they had been living "high off the hog," until the days the banks will have foreclosed on their mortgages, and they had found that President George W. Bush had intended to steal much of their Social Security pension and health-care, had expressed the sheer personal lunacy of promising a sovereign default on U.S. government's bonded Treasury obligations, and, almost immediately after that utterance, had advised citizens ap-

proaching retirement age to invest their to-be-privatized Social Security funds in bonds!²

What has happened during the most recent quarter century, is even more devastating in its effects than the collapse of essential capital investments within our national economy itself. The economic doctrine of practice of the U.S. government since the late 1960s, has been to drive down the physically actual level of real wages and prices, while shifting production of goods for U.S. consumption out of the U.S.A. into so-called cheap-labor markets abroad. As I shall show at an appropriate location in the body of this present report, this wrecking of the U.S. economy, and those of Europe, too, has come about chiefly through an ideological orgy of the "free trade" dogma associated with both the Mont Pelerin Society's Mandeville cult and Adam Smith. The reduction in relative U.S. prices realized in this way, has come largely out of the collapse of the levels of net real (physical) incomes of families, farms, businesses, and basic economic infrastructure in the U.S.A. itself. Citizens tend to ignore these facts about the reality of our nation's economy, by changing the subject from reality, to fantasy, by insisting that the stock market index is expected to go up next week, or, at worst, next year.

The illusion of prosperity—the popular psycho-pathological illusion of prosperity—has been maintained by ignoring the accelerating collapse of real-income levels and the wiping-out of essential capital investments in savings, production capacity, and basic economic infrastructure. The popular illusions of today should remind us of the mass insanity which was rampant in early Eighteenth-Century England and France, until the sudden collapse of the "John Law" bubbles of that time, the stock-market bubble of 1929, and your uncle's short-lived "Pyramid Club" lunacy of the U.S.A.'s late 1940s.

This process of physical-economic self-cannibalization of our nation, and other places, was accelerated through the 1971-1975 process of destruction of the original Bretton Woods system, in favor of that present floating-exchange-rate system through which the U.S. looted our American neighbors to our South, using channels such as the IMF and World Bank to assist in this robbery. The levels of basic economic infrastructure in the Americas and Europe were depleted through the combined effects of "free trade" and what became known as "globalization" policy, while the shift away from traditional productive employment, to services, inside the U.S. itself, lowered our national productivity to levels which have now become catastrophic.

For a time, we limited the immediately visible parts of the collapse of physical-income levels to the welfare of families and communities representing the lower eighty percentile of family-income brackets. More and more of the formerly prosperous regions of states, even entire regions of the nation, have been ruined by the effects of the deregulation instituted

2. U.S. President George W. Bush televised press conference of April 28, 2005.



Zbigniew Brzezinski (left) kicked off the ruinous deregulation of the economy, as Carter's National Security Advisor. As a result, the con-men like Enron's Ken Lay (above) came to the top, looting what remains of the productive economy.

under National Security Advisor Zbigniew Brzezinski. The recognized electoral base of political influence was then concentrated more and more in the upper twenty percentile of family income-brackets, with an included category of new super-rich wastrels, such as the Enron types. Since the collapse of the "IT bubble," we have shifted into what is now becoming a full-scale, accelerating collapse.

Similar effects, or even much worse, are to be seen throughout the Americas, or to be seen in the willful genocide now sweeping through sub-Saharan Africa, or the collapse of the once-proud economies of western and central Europe, and among the lower seventy percentile represented by the desperately poor of most parts of Asia. Some strata in Asia have prospered from this ruinous arrangement, but the overwhelming majority, of about seventy percent or more, has not, and never could.

Now, We Pay the Price of Folly

For more than three decades, we have been using up, and running down the physical conditions of production and life on which our relatively once-proud U.S. standard of living of the post-war 1950s and early 1960s depended. We have been living on the using up of our savings, and our essential long-term investment in capital improvements in basic economic infrastructure, in production, and in the basic conditions of family and community life.

Inside the U.S.A., as in Europe, our formerly pleasant "downtown" regions of villages, towns, and cities grow tattered and grey, while our people subsist on picking at the virtual economic garbage-pits and rubbish-piles known as our fast-food chains and Wal-Mart's.

We have reached the stage that we, like President George

W. Bush and the Congress, are now scraping the bottom of the barrel of Federal finances. We have been on the road to ruin for more than three decades; we—most of us, especially from the ranks of suburban soccer moms and SUV dads—have only pretended not to notice the reality of the situation piling up all around us.

That behavior by you, dear brothers and sisters, is proof of a mental sickness!

We are not likely to come out of what is presently an accelerating nose-dive to deeper regions of misery, unless we locate the causes for this mass phenomenon in the self-destructive mental behavior among the typical members of our society, perhaps also even in your own behavior. The evidence would suggest, that perhaps President George W. Bush, Jr., is not the only member of our society with a serious mental disability.

Why would the proverbial "Average Joe" do such a terrible thing like that to himself? Was it a foolish action taken because of some irresistible streak in "human nature," or did you, or your predecessors from the days of the Coolidge and Hoover Administrations, have a choice to behave less foolishly than you have done so far?

Change the question as follows. Although you may have failed to resist such impulses at certain past times, are you now capable, nonetheless, of resisting such self-destructive instincts as those? Perhaps, if you would discover the will-power needed to avoid such horrible mistakes as those of the past, humanity might be able to avoid the terrible dark age which is threatened now.

In fact, you did have a choice. You still do, if you act to change this situation soon enough.

The sum of the relevant evidence is, that all physiologically "normal" persons are representatives of something unique among known living species, a person with those creative potentialities which are missing in all those other known living species. V.I. Vernadsky's distinction between Biosphere and Noösphere, is but one expression of the crucial evidence to this effect.³ However, the case of the incumbent President Bush put to one side for the moment, there is an important distinction between the creative potential of even all ostensibly normal persons, and the relatively rare persons who have activated that potential, to become capable, to that degree, of expressing a wholesome quality of being primarily a creative personality.

That has probably been your problem until now. That is the key to choosing your way out of the presently onrushing

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



“Our formerly pleasant ‘downtown’ regions of villages, towns, and cities grow tattered and grey, while our people subsist on picking at the economic garbage-pits and rubbish-piles known as our fast-food chains and Wal-Marts.”

global catastrophe. How might you become the kind of creative personality the presently onrushing world crisis requires our citizens to become? What is the required antidote for the kinds of mental disorders which caused that crisis?

Take Me, for Example

Human creativity is not bestowed by magic. It is available to nearly all persons, probably with some assistance, if they know how to proceed. It is essentially a matter of relevant, known scientific principles. I explain.

I began to recognize myself as expressing qualities which are typical of the exceptional case of developed creative personality, about the time I experienced the conflict which arose in that certain first day in Plane Geometry class, a conflict to which I have made reference in a number of published locations.⁴ I recall vividly my astonishment at the general reaction of my fellow-students to my response to the teacher’s challenge. That was the first occasion on which I was able to, as the saying goes, “put my finger” on what was for me a crucial point of provable, systemic difference between my social outlook and that of typical persons among my peers and adults of my parents’ and still older generations. In retrospect, I would sum up the accumulation of my experience on that account, by stating that *we, collectively, live, globally, today, in a set of cultures, and matching educational systems, which have been intended, as by design, to crush the natural*

4. Lyndon H. LaRouche, Jr. “Science: The Power to Prosper,” *Executive Intelligence Review*, April 29, 2005, pp. 6-10.

*creative potential of nearly all of the members of society.*⁵ If we recognize and understand this crucial fact, the relevant problems become curable.

The referenced example from that 1930s geometry class illustrates the characteristic form of that induced, mass pathological state of the popular mind. The function of induced belief in ostensibly “self-evident” axiomatic assumptions, as merely typified by the case of a Euclidean or Cartesian geometry, has the effect of prompting the individual victim of that custom, to suppress any impulse which would tend to bring the creative powers of the individual mind into a pattern of self-consciously willful activation.

As Aeschylus’ *Prometheus Bound* illustrates that point, the acceptance of the instruction that one must not teach humans to use “fire,” prevents that society from following any pattern of progress which would distinguish the people of such a culture from a colony of apes. The set of defini-

tions, axioms, and postulates of a Euclidean or Cartesian geometry have, potentially, that kind of effect. Creativity means the use of the uniquely human ability to look beyond the bounds of seemingly “instinctive” current axiomatic assumptions, to discover, test, and adopt new principles whose effect is to revolutionize the way society thinks and acts. It is the suppression of that factor of creativity, as the cruel Olympian Zeus demanded of his victim Prometheus, which has made possible the “brainwashing” of the U.S. population into accepting the self-destruction of our economy during the recent period of more than three decades.

The management of cultures, including the education, of some strata, or, of all of the population, to avoid the use of certain natural human potentialities, as was done through the “brainwashing” wreaked by empiricists such as D’Alembert, Euler, and Lagrange, is a reflection of one of the principal characteristics of ancient, medieval, and modern cultures

5. As I have emphasized in locations published earlier, certain among the American liberals who had opposed slavery earlier, nonetheless responded to the end of slavery by launching a brutal attack on the education policies associated with Frederick Douglass, by insisting that the children of former slaves not be educated beyond the requirements of their intended destiny as menial labor. The attacks on Douglass’ policy, and upon so-called “Caucasian” standards of culture, among some Americans of African descent, still today, have that wicked origin. This, however, is only typical of the way in which educational and cultural policies are used, more widely, as instruments of social control aimed to stultify the cognitive potentialities of targeted strata of the population. The doctrines of D’Alembert, Euler, Lagrange, et al., which Gauss attacked in 1799, are prime examples of cultural policies intended to “brainwash” certain creative potentials out of the mental capacities of the targeted student populations.

alike. The most significant tactic employed in the relatively more successful practices of such “brainwashing,” is less to condition the victim to believe something, than, as the Olympian Zeus prescribed, to condition the subject not to recognize certain specific qualities of mental power, such as the ability to recognize the ability to use “fire,” within himself or herself.

This kind of “brainwashing” is a typical cause for the class of mental disorders of economic mass behavior which are the subject of this report.

Thus, for example, Euler committed the fraud of relegating “the square root of ‘minus-1’ ” to the empty domain of “the imaginary.” By this hoax, Euler imagined himself to have excluded the real universe, that of universal physical principles, from the realm of the mathematical formalism of the empiricists such as himself. Thus, he defended the purity of ivory-tower mathematics from the domain of physical science.⁶ The impact of this brainwashing of Euler is typical of the most common cause of the worst systemic disorders commonplace among European nations and the U.S.A. today.

This point of view I have thus expressed, just now, provides the only possible way of showing the citizens (including leading circles in government) how and why the destruction of the world economy through the promotion of “free trade” and “globalization” was induced, to dupe the majority of the population into accepting the induced degeneration of European civilization during the recent four decades.

Now, consider how the kind of “brainwashing” which I have just identified, works to bring on terrible economic crises such as that which the recent several decades have now dumped upon us today.

How They Were Brainwashed

The most characteristic feature of that moral and physical degeneration of the U.S.A. and world economy as a whole, which has been effected during those recent decades, is the use of “globalization” combined with radical “free trade” dogmas of the pro-fascist Mont Pelerin Society, to lower the potential relative population-density of the world as a whole, by shifting the balance of world production from regions of concentration of development of basic economic infrastructure, into regions of cheap labor based on the relative suppres-

6. Thus, Riemann freed mathematics to rejoin the universe of physical science by eliminating the pollution of “self-evident” definitions, axioms, and postulates from the physical domain, thus eliminating the notion of “imaginary” from recognizably competent expressions of physical science. Isaac Newton’s notorious motto, “Hypotheses non fingo” had pretended to ban hypothesis from mathematics on the pretext that everything could be deduced from Euclidean-Cartesian sets of *a priori* definitions, axioms, and postulates. The work of Leibniz, Gauss, and Riemann had restored the central position of hypothesis, thus eliminating empiricist definitions, axioms, and postulates from physical science. As John Maynard Keynes showed, in reporting on the collection of virtual voodoo found in Newton’s celebrated chest of writings, there was no evidence of any serious actually scientific work done by Newton. Newton was a hoax, created largely through the network of the Paris-based Cartesian, Venice’s Abbe Antonio Conti.

sion of development of basic economic infrastructure. The effect today, as I have stressed, is to lower the rate of potential productivity of improved technologies by lowering the level of the development of basic economic infrastructure in areas chosen for that production.⁷

For example, this effect was set into motion intentionally at the close of World War II. The general intention was to orchestrate the direction of evolution of the culture of the U.S.A. and Europe, away from the implied values later associated with the role of leadership provided by the U.S.A.’s President Franklin Roosevelt. Since this orchestration was a program of cultural warfare against the victorious war-time culture of a U.S.A. which Roosevelt had led up and out from a global economic depression, the intended change could not be brought about completely at the start. In fact, more than two generations were required to bring the U.S.A. down to the state of cultural and economic ruin under President George W. Bush, Jr. today.

Two of the measures taken by the anti-U.S.A. faction will be sufficient evidence of the way in which the post-1945 brainwashing has worked, in a particular way, inside the Americas as in western Europe.

One of these measures was the formation of the Mont Pelerin Society itself. The launching of the program of depravity associated with the Congress for Cultural Freedom, is a second case, closely related to the neo-fascist impulses of the Mont Pelerin Society.

If this trend continues, the world is now at the brink of a plunge into a planetary “new dark age,” whose implication would be a decline of the world’s potential relative population-density to medieval levels, to substantially less than twenty percent of the present level of world population, with the accompanying lowering of the level of culture, and the included vanishing of some of the leading national language-cultures existing today.

That downward trend is clearly intentional on the part of those who are orchestrating, top down, the composition and behavior of the current Bush Administration and many other dupes of its influence. That is the effect of the current policies of influences such as the U.S.A.’s George Pratt Shultz; the evidence is, that is what has been imposed, from the top down, as the conscious intention of the foolish policies of the current, silly George W. Bush, Jr. Administration.

It is important, therefore, that we face the reality of, and discuss the “architecture” of this pathological phenomenon of reductionism as it operates within modern European civilization.

The understanding of the reasons we, as a nation, have destroyed ourselves in the way both presently visible and onrushing developments attest to the results, lies in thinking about what the behavior which I have described so far tells us

7. Op. cit.

about the way in which we think about ourselves. What should we mean when we say, “I am a human being”? What is the difference between you and some species of lower forms of life? What does the way our people have behaved *en masse* during the recent three and more decades tell us about the way we have come to think about ourselves? We are not mere animals, but we have often behaved, individually and en masse, as if we were.

The root of our problem is the way we have been conditioned into thinking about human nature. The lesson to be learned is, that if you think of your neighbor, and yourself, as just another kind of monkey, you will probably find yourself just another terrified, shrieking beast, fleeing from tree to bush in what has become just another jungle: one of your own making.

1. A Systemic Problem of Mental Illness

The best pedagogical example in study of this pathological behaviorism under our scrutiny in this report, is the adducible characteristics of what is recognizable as *the philosophical reductionism* of the ancient Eleatics, materialists, the Sophists, Aristotle, modern empiricists and positivists, and existentialists. Through the effect of influences such as those, the majority of us in European culture today exhibit typical forms of behavior which reveal the fact that we, today, tend to think of ourselves as beasts, and live as beast against beast in the nightmare of a fantasy-world like that implied in the writings of the notorious Thomas Hobbes.

That’s what I mean by “a systemic problem of mental illness” embedded in the present cultures of Europe and the Americas.

For this reason, Carl Gauss’s 1799 attack on the fraudulent characteristic of the reductionist method of the empiricist fanatics D’Alembert, Euler, Lagrange, et al., has been my selection of that dissertation by Gauss which I introduced as the keystone of the LaRouche Youth Movement (LYM). The intent of my policy on that account, has been to foster the self-development of creativity in the youth movement, by beginning with an example which is both the relatively simplest, and yet still adequate demonstration of *the relevant, systemic mental disorder permeating education and related customs of society today*.

In net effect, that program of the LYM has been successful, as far as it has gone. A significant ration of that association has succeeded, that to the degree of contributing significant gobbets of original work of their own. While not all have yet achieved those preliminary objectives in self-education, the net result has been a program of self-education developed among them which is not only self-starting, but which shows a pathway toward successful improvement of policies of cur-

rently practiced education at that academic level today.

In the meantime, the LYM’s work in this direction has already gone far beyond the beginnings undertaken some years earlier. The work of the Pythagoreans has been fruitfully explored by them, by experimental methods, in tracing the foundations of modern science, while some youth-organization leaders in this work have gone on to independent work in the domain of Riemannian Abelian functions and even beyond those beginnings.

My own initiatives in this matter, have been largely by-products of my original discoveries, and successes in the field of the applied science of physical economy. The recognition, from this standpoint, of the deeper *ontological* implications of the way in which the subject of the complex domain is treated successfully by such followers of Kepler and Leibniz as Gauss and Riemann, provides the clearest available examples of healthy minds whose work should be seen as contrasted with the problematic, more or less severely pathological mental states through which the mental disorder known as philosophical reductionism often spoils the work even of notable scientists who would be otherwise justly considered as capable and important.

The development of clear insight into that specific problem of the mathematics still employed in most of what is taught as physical science today, provides the relatively simplest demonstration of the way in which modern European culture as a whole has been largely brainwashed by those ideologues, such as the founder of empiricism, Venice’s Paolo Sarpi, whose program has been the pivotal feature of the mass-brainwashing of the populations of today’s globally extended modern European civilization since that time.

Our preliminary focus, as in this present chapter of the report, is on this problem of the so-called “exact sciences.” This scrutiny then serves as the keystone for approaching those broader implications of the same genre of psychopathologies encountered in art-forms and economic policy. What we encounter as the ontological implications of the Leibnizian Gauss-Riemann development of the concept of functions of the complex domain, provides the needed, therapeutic contrast.

To illustrate the point, start with the Egyptian astronomy adopted by the Classical Greek science of Thales, the Pythagoreans, and Plato. This adopted method of physical science met in the work of those exemplars, was known to the Pythagoreans and others as *Sphaerics*. This method was based on viewing the universe of planets, moons, stars, and so on, as a great spherical, finite but implicitly unbounded space, a space which extended beyond any imagined exact limit.⁸ Thus, normalizing the observations made of that celestial scheme from Earth, produced the spherical astronomy which supplied the experimental basis for what became the Classical physical

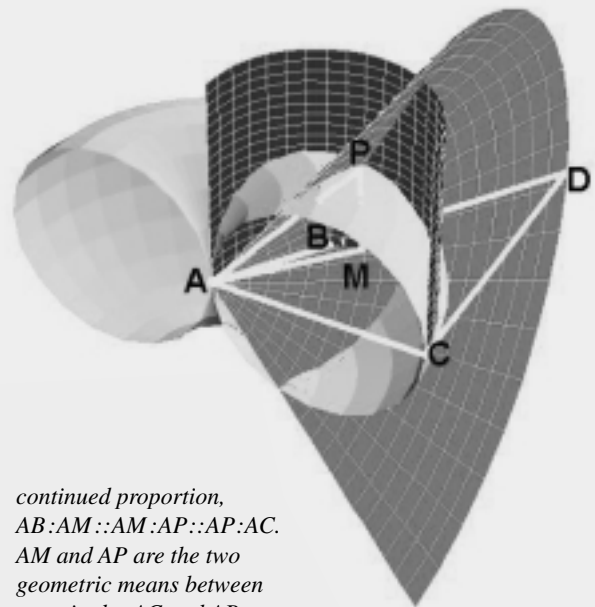
8. For example, according to Riemann’s employment of Dirichlet’s Principle.

Archytas' Construction for Doubling of the Cube

Archytas developed a construction to find two geometric means between two magnitudes, AC and AB . Magnitude AC is drawn as the diameter of circle ABC ; AB is a chord of the circle. Using this circle as the base, generate a cylinder. The circle is then rotated 90° about AC , so it is perpendicular to the plane of circle ABC ; it is then rotated about point A , to form a torus with nil diameter. (The intersection of the torus and the cylinder produces a curve of double curvature.) Chord AB is extended until it intersects

the perpendicular to AC at point D ; this forms triangle ACD , which lies in plane of circle ABC , AB , and AC . Triangle ACD is then rotated around AC , producing a cone. The cone, torus, and cylinder, all intersect at point P . Perpendicular PM is then dropped from P along the surface of the cylinder, until it intersects circle ABC at point M ; this forms right triangle AMP .

Through this construction, a series of similar right triangles (only partially shown) is generated, which produces the



continued proportion,
 $AB:AM::AM:AP::AP:AC$.
 AM and AP are the two geometric means between magnitudes AC and AB .

geometry of the Pythagoreans and Plato.

At first glance, nearly everything observed, with certain troublesome exceptions, thus seemed to point to simply repeated regularity in a kind of motion consistent with a purely spherical universe. However, there were certain observed troublesome exceptions to this, cases, as Kepler showed, in which spherical astronomy did not suffice.

These paradoxical cases, when examined from the standpoint of *Sphaerics*, pointed the attention of the Pythagoreans and others, to unseen, but experimentally provable, existent agencies, known to the relevant ancient Greeks as *powers*, acting efficiently upon the realm of astronomy as if from the outside of the world of objects which are seen naively as self-evident sense-perceptions. These cases presented the evidence for what strict argument would call today *astrophysics*, rather than merely *astronomy*. The result was the physics of *powers* (Gr. *dynamis*), as that notion has been handed down from ancient Greece to modern terms by such sources as Thales, the Pythagoreans, and Plato. The modern outcome of this heritage of physical science, has been the way in which the universal manifold of Gottfried Leibniz's physical science⁹ was expressed by the development of the ontological conception of what became known, later, as the complex domain, as expressed in Gauss's 1799 dissertation on what is known today as "the fundamental theorem of algebra." This

conception by Gauss, enjoyed its continued elaboration and is traced through Riemann's representation of Abelian functions.

Ultimately, this notion of *powers*, as situated with respect to the simpler case of spherical motions, indicated a higher order of authority in the universe than astronomy itself implied. This higher order of authority—*these higher orders of physical geometry*—is what we would refer to today as a Riemannian universe conforming to the general principles for a universality of astrophysics which, I repeat, Riemann presented in his 1857 *Theory of Abelian Functions*.

Perception, or Conception

In physical science, the working definition of sanity, and therefore, also, insanity, is posed as the question, "What is real?" In other words: "What is real, and what is illusion, in those impressions we associate with the experience of sense-perception?" In other words, "What is truthful?"

To say that anyone so far knows the absolute truth, would be worse than an exaggeration. There is much we have yet to know, and, therefore, should not claim to know. The best we can do, in physical science, or otherwise, is to be devoted to being truthful about what we do, and do not yet know.

Being truthful about so-called "facts," is not as easy as foolish people believe. What we can actually know with relative certainty are not so-called "facts," but principles, such as the principles expressed as Johannes Kepler's method of original discovery, and subsequent further development of

9. Of a catenary-cued geometry of universal physical least action.

the notion of universal gravitation. We can know, similarly, the principle involved in ancient Archytas' solution, by the method of *Sphaerics*, for the problem of a perfect geometrical construction of the doubling of a cube.¹⁰

As a matter of principle, in the course of general experience, usually, we might presume that we know so-called "facts" *only to the degree those supposed facts satisfy the standard of crucial tests required by relevant known, experimentally provable universal physical principles, or by closely related types of principles*. However, in the less usual, but crucial case, there is a class of facts, which I term "crucial," or unique types of experimental facts, facts which either simply challenge an established principle, or which point to the need to discover the existence of some universal principle which we either had not known, or which we knew, or could have known, but have simply overlooked on this occasion. This qualification I have just made here is the deeper implication of Riemann's leading argument in his 1854 habilitation dissertation.

As Riemann's habilitation dissertation argument indicates, no honest sorts of *a priori* standards, such as Euclidean definitions, axioms, and postulates, actually exist as efficient principles in our universe. There are no "facts" of actual or supposed sensory experience which can be treated as self-evident. The universe is defined as an aggregation of universal physical principles, principles which subsume everything else. Nothing exists which is not in agreement with the principles of the universe defined in that way. There is only the fact of relevant principles yet to be discovered. Thus, existing truth of experience is nothing but that which coincides with such an aggregation of universal principles.¹¹

Thus, since true knowledge is defined by the standard of proofs of universal physical principles, it is the case, that in the history of science since Thales, the Pythagoreans, and Plato, reality is defined essentially in *astrophysical*, rather than *merely astronomical* terms. What is real in our normalized experience of a clear view of the night-time sky? We can not answer this question competently by trying to build up an image of the universe on the basis of local particular sense-perceptions taken as building-blocks. We must, as Kepler did, discover the relevant universal physical principles. Astronomy merely describes; astrophysics is the discovery of the truth, the universal physical principle, behind what an astronomer might observe.

I sum up what I have just written in this chapter so far, in the following terms:

10. That is, not by methods of Euclidean geometry.

11. This is distinct from, but coherent with the Christian (for example) notion of the existence of God. It might appear that God is the asymptote of all discoverable principles. However, applying the insights strengthened by reflection on Riemann's grasp of Dirichlet's Principle, the concept of God is above all otherwise knowable principles which His existence, as the universal Creator, subsumes.

Starting from the modest view of the night-time sky, a view which does not resist the presumption that the observed universe is a vast spherical space represented by our observations, we have the troubling conflict between two kinds of facts, a conflict to consider in attempting to define the reality represented by that night-time view of a spherical kind of universal physical space-time. First, the simpler experiences, which can be assumed, with reasonable precision, to be simply regular motion within the bounds of spherical space-time. That is ordinary astronomy. Second, there are stubbornly persisting motions which do not correspond to simply regular motion. The classical example of the latter case is Johannes Kepler's uniquely original discovery of universal gravitation, or Gauss's discovery of the orbit of the asteroid Ceres. The latter standpoint corresponds to a universe defined by *astrophysics*, rather than by *mere astronomy*.¹²

That is the difference between mere perception (e.g. astronomy) and conception (e.g., astrophysics).

Ours is not a simply repeating universe, but one which undergoes transformations which are knowledgeably defined as what we term the universal physical principles typified by Kepler's discovery and development of the notion of universal gravitation: hence, *astrophysics*.

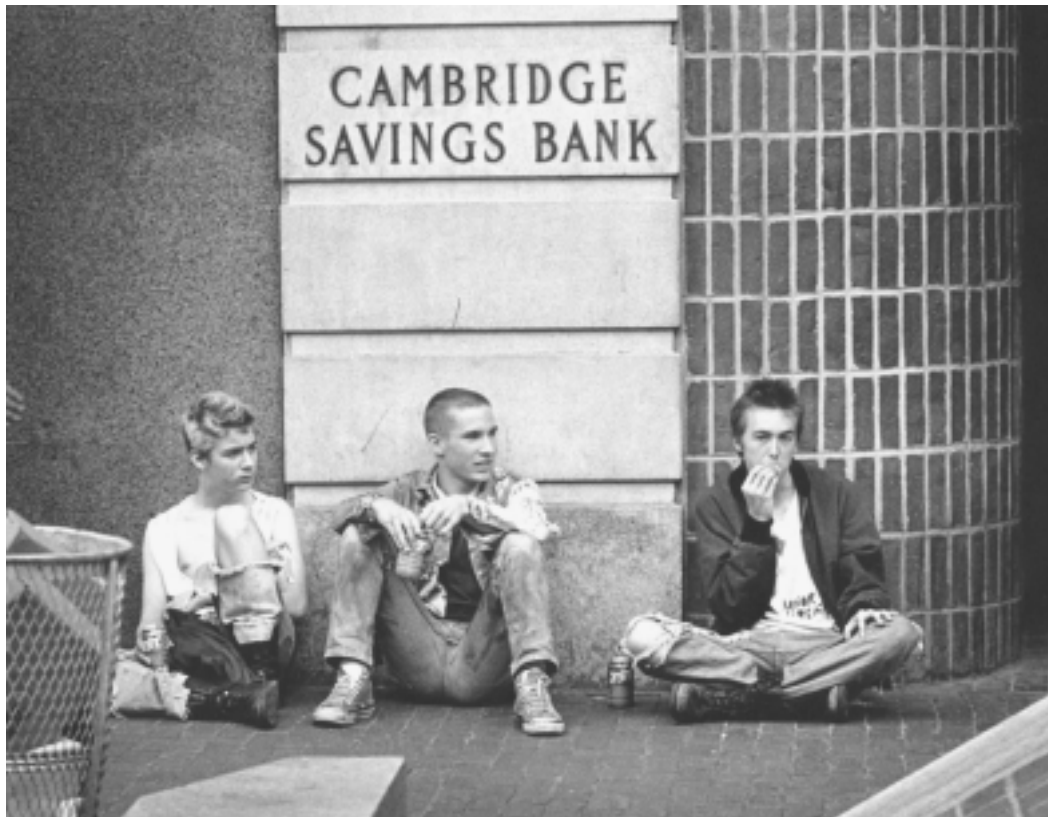
Here, *in this distinction which I have just emphasized, between astrophysics and astronomy, and between perception and conception*, lies the ancient key to modern, true knowledge of the experimentally provable, practical expression of the principled difference between man and beast.

The Effect of Sick Culture

This brings us to the verge of the pivotal conception of our subject of sanity in science. The issue is, that since sense-perceptions are the reaction of our biological sense-apparatus to whatever "out there" may have stimulated that reaction, we can not assume that our sense-perceptions are knowledge of the real universe outside our skins. Therefore, to discover the real universe which caused those sense-perceptual reactions, we are obliged to develop provably reliable experimental methods for defining *powers* which we do not see directly with our senses, but we can prove, experimentally, to exist.

As the issue of "fire" posed in Aeschylus' *Prometheus Bound* poses the issue, the ability of the human mind to discover those powers defines the essential difference between man and beast. It is through the discovery and successful

12. The commonplace foolishness, of speaking of modern European civilization as embodying a "Copernican revolution," is both an absurd and systemically counterproductive notion. The discovery of the Solar orbit by experimental methods of science is traced to Aristarchus of Samos. This was adopted by the Cardinal Nicholas of Cusa who launched modern experimental physical science, and such among his self-avowed followers as Luca Pacioli, Leonardo de Vinci, and Kepler. The characteristic of the scientific practice of modern European civilization is traced to the physics—the discovery of universal physical principles—of Cusa, Pacioli, Leonardo, and Kepler, chiefly, rather than the astronomy of Brahe and Copernicus.



The “no-future generation,” hanging out in Harvard Square in Cambridge, Mass. Abusive practices within the family, “or the inducing of kindred effects on the molding of the individual personality, or of particular cultures and sub-cultures, typify the ways in which the natural potential for the development of the cognitive function is impaired, even seemingly almost destroyed.”

application of such powers, as *conceptions of principle*, that mankind has been able to increase the potential relative population-density of the human species as does not, and could not occur in the case of any merely animal species.

Thus, the denial of the right of mankind to discover and use such powers would be the bestialization of those portions of humanity victimized in the way prescribed by, excepting the contrary *Athena* of the *Odyssey* and certain other fabulous locations, the pagan gods of Zeus’s Olympus.

This view of the lesson taught in Aeschylus’ *Prometheus Bound*, serves us a key point of reference for understanding the pathological behavior of the U.S.A. population, and others, during an interval of more than thirty-five years to date. The induced disuse of the faculty of conception, as by the influence of reductionist ideologies, or kindred forms of induced effects, is a relative loss of those mental potentialities which distinguish the individual member of the human species from the beasts.

In one typical case, such as the practice of slavery or the like, as by the Olympian Zeus of Aeschylus’ *Prometheus Bound*, under the system of chattel slavery, or in the neo-feudal model of serfdom on which France’s Dr. François Quesnay founded the Physiocratic cult, the right of the subjected person to practice human reason in the ordinary course of life, is denied, principally, by aid of external force applied to accomplish this. It is also denied, under such social systems,

by the conditioning of the victim to accept this restriction as a habituated self-conception of regular practice. It is induced, similarly, by such means of degrading the individual, as educational systems and practices intended to habituate the victim to accepting the fate of a menial status in life.

It is also the result of degraded qualities of family and local community life, which induce the victim to think of himself or herself as bestial, and by the habit of bestial behavior toward other persons, as the latter is a commonly expressed by culturally transmitted traditions of abuse in family and community life, transmitted as bi-polar syndromes passed down as from beating parent to beaten child, often “for your own good,” or by alternate modes of family-based sadistic practices with similar outcomes.

These kinds of abusive practices, or the inducing of kindred effects on the molding of the individual personality, or of particular cultures and sub-cultures, typify the ways in which the natural potential for the development of the cognitive function is impaired, even seemingly almost destroyed. For example, a sudden descent of a social climate of pervasive fearfulness will tend to induce a degradation of a large part of the population to a relatively dehumanized, relatively feral state of mind, as under the conditions induced by Hermann Göring’s orchestration of the February 1933 Reichstag Fire, or the events of September 11, 2001 in the U.S.A. The sensitivity of a people to such degrading experiences and conditions

is enhanced by protracted exposure to degrading experiences, as in pre-Hitler Weimar Germany, especially the interval under the Brüning and von Papen ministries, or the growing sense of desperation experienced as the worsening conditions of life for the lower eighty percentile of the U.S. population over the 1971-2001 interval. The right-wing irrationalism among assorted religious cults as a correlated effect of the increasingly irrational changes in social conditions during that interval, is an example of the mental deterioration which may be traced to effects of worsening and increasingly irrational forms of imposition of aversive conditions of ordinary life spilled over from the effects of the wild, counter-cultural irrationalism expressed as the “68ers” phenomenon which had been fostered by the childhood experiences of that generation, under the influence of the Congress for Cultural Freedom, during the childhood years of the 1950s.

Yet, to understand the sickness of any process, we must first locate its condition of good health. For this purpose, we must know that healthy condition in a way which is independent of, and outside the bounds of the sicknesses. We must understand man as a higher species, that in a way which is independent of the existence of man’s sicknesses.

2. The Function of Man As A Higher Species

Mankind’s place in the universe is defined by the function of the individual person’s creative mental processes in mankind’s changing the universe in some beneficial way. Putting the questions posed by economic processes in those terms of reference, now leads us rapidly, here, toward an understanding of the deadly incompetence of those ideas which most of our society of today associates with even the very idea of economy.

I now ask you to look at the implications of the uniqueness of the human individual’s creative mental processes for society, with this goal of higher understanding as our objective at this point in my account. This will be a challenge to most among you, but it is a challenge which responsible people will accept, out of respect for the extreme practical importance of the subject-matter, despite any temporary difficulties in their attempts to master some of the crucial points presented.

The incompetence of most taught doctrine or opinion on the subject of human mental processes, is a reflection of either the attempt to show that human cognitive powers are an outgrowth of either non-living processes, as such wild-eyed followers of Bertrand Russell as Norbert Wiener, John von Neumann, and so forth do, or, in the alternative, to insist that the existence of those qualities of human cognition which are absent in animal life must be, nonetheless, traceable to isolable features of general animal biology.

The evidence against the first of those two doctrines, that

of Weiner and von Neumann, is clearly strong, and, in fact, overwhelming, since competent practice of physical science deals with the recognized systemic qualities of ontological differences between living and non-living processes. That evidence refutes the fanatical advocate of the “information theorists’ ” desperate attempts to show that living processes evolve out of the principles of non-living ones. That attempt has yet to gain any supporting experimental basis outside the myths of “science fiction,” and, we may be certain, never will.

The second mistaken doctrine, when contrasted to the fantasies of the “information theorist,” has the specious relative advantage of the fact that, whereas there are living processes distinct from non-living ones, we have no *ontological* evidence of any independently existing *cognitive process* except that *manifest in its effects* as a property of human individuals. Yet, the very efficiency of those same creative powers, by means of which mankind changes the universe we inhabit, shows that human cognition is fully as much a physically efficient power as we could associate with efficient forms of action within the abiotic and biological domains. It is for this reason, that civilized culture, which must find a name for this third domain, has located those cognitive processes which distinguish man from ape, in an ontologically *spiritual* domain.

Yet, contrary to sundry varieties of gnostics, including the materialist, empiricist, and existentialist varieties of such mental aberrations, *this notion of spirituality*, whose efficiency is demonstrated in that way, is not something outside the universe ontologically, but is fully within it efficiently. It is on this account, that the genius of Academician V.I. Vernadsky’s treatment of the Noösphere, as within the domain of physical science, is such a remarkable accomplishment of physical science.¹³

However, despite the intellectual challenge which that topic implies, the requirements of the subject of this present report as a whole would not permit us to avoid the problems which Vernadsky’s argument poses for us today. To tolerate the opposition to Vernadsky’s argument would be, implicitly, as the materialists, empiricists, and existentialists do, those such as Mandeville, Quesnay, and Adam Smith, to certify that man is a beast, and therefore naturally a beast—more or less a Hobbesian one—to man. In that case, the present, global situation of the people of the U.S.A.—and many other places—were an intrinsically hopeless one. If man were a beast, rather than essentially a spiritual being in the sense I have described him in this present report thus far, then the future of the people of the U.S.A. (in particular) is a hopeless one; the descent into a prolonged new dark age of humanity

13. Cf. Lyndon H. LaRouche, Jr. *The Economics of the Noösphere* (Washington, D.C.: EIR News Service, 2001). In connection with the content of this present chapter, on the subject of the Noösphere and related matters of physical economy, refer to Lyndon H. LaRouche, Jr. *Earth’s Next Fifty Years* (Leesburg, Va.: LaRouchePAC, 2005).



Man's cognitive powers permit him to develop technologies, through which he can change the universe in beneficial ways.

would be, in principle, unstoppable.

The Soviet Union's official versions of "dialectical materialism" should probably be blamed for the fact that Vernadsky's treatment of the Noösphere, while clear as far as his extant writings known to me go, does not offer us that specific explication of his emphasis on Riemannian physical science which is implicit for me, for example, but would probably have been missed by most others acquainted with his work.

In the official science of the former Soviet Union (in contrast to Soviet science's most notable achievements, such as those in the military domain), its official version of so-called "dialectical materialism" was savagely alien to everything traced from the richest lodes of European Classical culture as a whole. Certainly, while it is evident that the Soviet government, including Stalin himself, defended Vernadsky personally from the relevant official Soviet ideologue's harassments, available documentation shows very clearly that the ideological environment for Vernadsky from relevant "orthodox materialists," was notably hostile and aggressive. What I find missing from Vernadsky's account of the implications of Riemannian physical geometry for the notion of the Noösphere, is precisely that implication which the all too typical Soviet materialist ideologues would be least inclined to tolerate.

Despite that historically specific cause for today's difficulties in defining some relevant implications of Vernadsky's views during his own lifetime, his emphasis on Riemann enables us to reach firm conclusions on some relevant points of concern to us here. Clearly, for me, Vernadsky is viewing

the triadic domain, of the interacting abiotic, Biosphere, and Noösphere, in that language of Riemann surfaces which is centered on the topics of The Theory of Abelian Functions. This view of the matter returns us to Plato's *Timaeus* dialogue as a point of reference to the concept which Vernadsky's stated Riemannian view of the triadic relationship implies.

The principal subject here is human cognition. By that we do not mean only the ability to discover principles which explain regular motion which we are able to observe, as if in astronomy. We mean the ability to discover an efficient principle which, when wielded in our hands, provides us today with a new quality of *power* over events within the universe, a power which we had not commanded yesterday. Although we have not located a separate quality of material substance, distinct from both the abiotic and biotic qualities, corresponding to a principle of human cognition which generates these powers for our willful use, the effect of the application of those powers upon the universe is clear. It is clear that the cognitive powers constituting a third domain of substantiality, the Noösphere, are known to us experimentally only in their human expression. The crucial evidence to this effect, pertains, as Vernadsky states, to a class of fossils which is generated only by those powers obtained through human cognition, and not within the Biosphere otherwise.

Leibniz, Gauss and Riemann

We must not avoid the fact here, that the popular meaning of the term "matter," and that term's synonyms, is the pivotal expression of the ignorance which most citizens bring to the

discussion of economics. Most people in our society still cling to the delusions of sense-certainty, the seemingly instinctive belief that the experiences perceived to lie at the finger-tips of the senses, are the real universe. The usual results of that popular, childish delusion are either simple materialism or something akin to the empiricist's Cartesianism. This was, notably, the delusion which Carl Gauss exposed, in his 1799 doctoral dissertation, as the common systemic error, the virtual delusion of D'Alembert, Euler, Lagrange, et al. then, and Cauchy and his followers later.

I should repeat here what I emphasized earlier on this matter, in this report and earlier locations. I use the fact of those earlier treatments of this topic, to limit myself here to repeating a difficult, but indispensable point as succinctly as possible, given the importance to the vital interest of all of the citizens of the topic being presented here.

Our sense-experiences are, at their most reliable, merely our mind's interpretation of the sensations which the universe around us has caused. The real universe lies beyond the senses. In respect to those sensations, our mind seeks to interpret them as experiences, in the effort to discover actions by us which can exert some degree of control over that unsensed universe itself which has prompted the relevant sensations.

The result of this action by the mind is represented at its best by the notions I have identified in making the contrast of astronomy to astrophysics: the difference between the mere describing of experience (e.g., astronomy) and the experimental discovery and proof of the ordering of experience by a principle which, in and of itself, lies outside the bounds of sense-experience: such as Kepler's uniquely original discovery of universal gravitation (astrophysics). Within the history of modern science, this distinction must be traced from a series of writings on scientific method by Cardinal Nicholas of Cusa, a series associated with his initially published general statement on the matter, *De Docta Ignorantia*.

Cusa is the principal author of the original definition of modern science, as the experimental science associated explicitly with such followers as the most notable figures of Luca Pacioli, Leonardo da Vinci, Kepler, Fermat,¹⁴ Leibniz, Gauss, Riemann, et al. Cusa's work in science is defined most clearly in a categorical way, by looking at underlying principle of method in *De Docta Ignorantia*, in retrospect, from the later vantage-points of Riemann's 1854 habilitation dissertation and 1857 Theory of Abelian Functions.

Kepler, in addition to his development of the foundations of modern astrophysics as such, posed two additional notions based on that work, notions of the most general and crucial importance for the subsequent conceptual development of modern European science. These are his emphasis on the

14. Fermat's discovery of an experimental physical principle of *least time* served as the central principle of development of physical science through the work of Riemann.

requirement that future mathematicians must develop a calculus such as that by Leibniz, and that the ironical, anti-Euclidean implications of elliptical functions must be mastered, as was done by such exemplars as Riemann.

The legacy of Cusa, Kepler, et al. was brought to a significant degree of fruition by Leibniz, most notably Leibniz's conception of *Analysis Situs* and the development of a calculus of a catenary-cued geometry expressed by his principle of universal physical least action. The savage Eighteenth-Century attacks on Leibniz's principle of universal physical principle of least action, by the empiricists, was led with a crucial role by the circle of empiricist fanatics D'Alembert, Euler, Lagrange, et al. As I, and others, have reported frequently, the opposition to that attack of Leibniz's work, was led by a circle associated with Abraham Kästner who was a leading mathematician of that century, and also a defender of the work of Leibniz and Johann Sebastian Bach, the sponsor of Gotthold Lessing, and was himself one of the two leading teachers of Carl F. Gauss. The European revival of Leibniz's work was led by the circle of Gaspard Monge and Lazare Carnot, in later association with the networks of Kästner's student Gauss and Alexander von Humboldt.

So, as I have emphasized in numerous locations published earlier, the implications of Leibniz's discovery that the catenary function, rather than the cycloid, expressed a universal physical principle of least action, was clarified by the work of Gauss and others, beginning with Gauss's 1799 attack on the fallacies of the empiricists around Euler and Lagrange. The key to this role by Gauss was introduced in the 1799 dissertation, but was made explicit in Gauss's later elaborations of the physical principle of the complex domain, and in associated work on the general principles of curvature. Riemann's leading works, which I have repeatedly referenced, completed the general outlines of the case.

The story, so to speak, of the complex domain, takes us back to the scientific astronomy of the ancient Egypt of the great pyramids, to the distinction between astronomy and astrophysics as defined in that context. The concept of the complex domain as a physical, rather than as a merely formal-mathematical domain, goes directly to the mathematical heart of the difference between astronomy and astrophysics. It takes us directly into the realm of that sanity which the self-endangered population of the U.S.A. in particular requires so urgently today.

Universal Principles as Objects

In physical science, as distinct from merely formal mathematics, we have two leading types of measurements to be combined into one. As I have already said above, one is the universe as mere astronomy would imagine it; the other is the action of the real universe, the physical universe, in creating those shadows of reality which impinge, as reflections of universal physical principle (e.g., astrophysics) upon the relevant

formation of the domain of perception. For Gauss himself, this implication of the complex domain was made clear, as in his work on the general principles of curvature, and his work on Earth magnetism where Gauss's own approximation of the problem posed by Dirichlet's Principle appears in passing. Once Gauss's work in this direction had been rounded out, so to speak, by Riemann's habilitation dissertation and Theory of Abelian Functions, the deeper implications of Leibniz's catenary-cued universal physical principle of least action, is not only restored to its rightful prominence, but in an appropriately more elaborated form.

The key point which needs to be emphasized within the topic of this paper as a whole, is the following.

Reality does not lie in the objects which we tend to think of as objects of sense-perception. The objects of sense-perception are often real, but, as the Christian Apostle Paul warns us,¹⁵ their reality is that of shadows, not substance. The complex domain, as defined successively by the work of Gauss, Dirichlet, and Riemann, for example, represents the reality behind the perception. However, this reality is not in the form of the object which is the shadow. The reality is in the form of a *power* as the Classical Greek term is usually expressed in English, or as Leibniz's choice of the German *Kraft*; it is reality in the sense of an astrophysical principle. The importance of stressing this notion of power as an object occurs under the title of *Geistesmasse* in Riemann's posthumously published notes on scientific method,¹⁶ and appears as the central theme of Riemann's treatments of what he identifies as Dirichlet's Principle. The relevant notion is the conceptualization of a universal physical principle as a *definite object of the mind*, as Gauss implies this efficient problem of conceptualization in his work on Earth magnetism.

In the modern English translation from the ancient Greek, the ontological quality of this power is *change*, as this notion of *change* is associated with Heraclitus, and as Plato follows Heraclitus in his posing of the relevant problem in his *Parmenides* dialogue's exposure of the incompetence of the Eleatics. In other words, the employment of a discovered universal physical principle has the ontological quality of *change*. From that standpoint, as reflected in the argument of Heraclitus as referenced by Plato, the conceptualization of an efficient universal physical principle as a definite object of the mind is accomplished by competent scientific training and thinking.

In discussion of accounting problems, and so on, *change* appears only as the exceptional, discrete change from one fixed set of relations to another. In physical economy, a *continuing process of change is the ontologically primary feature*

15. *I Corinthians* 13.

16. *Bernard Riemann's Gesammelte Mathematische Werke* H. Weber, ed. (New York, Dover Publications reprint edition, 1953) pp.507-520.

*of the economic process.*¹⁷ On this account, the competent economist thinks about the operations of an economy, or a particular firm, in a completely different way than does the accountant or the usual sort of economist. That, unfortunately rare, competent economist thinks in terms of a constant process of change: thinks of universal physical principles as efficiently existing definite objects of the mind.

This is precisely what is presented to us as the implications of Vernadsky's triad of abiotic, Biosphere, and Noosphere as phase spaces.

The process of generation of that special class of fossils above and beyond the Biosphere as such, serves as the experimental substance through which our experimental approach to understanding of human cognition becomes possible. In other words, we know the principle of cognition through its special effects, as we also know a principle of life, the latter which has never been captured as an independently existent substance in a laboratory, but whose principled actions and reactions are proper subjects of experimental methods.¹⁸

This principle of cognition defines the human individual as implicitly *immortal*, which is to say *the power to become immortal* as, for example, the scientists Pythagoras and Archimedes did: through others' replication of what is validatable as their discoveries of principle, across intervening millennia, through to the present day.¹⁹ The appropriate argument in support of that observation is two-fold.

First of all, mankind's accumulation of the powers which Aeschylus' implicitly Satanic, Olympian Zeus forbids, powers typified by knowledgeable use of forms of fire such

17. This addresses the characteristic short-coming built into the late Professor Wassily Leontieff's contributions to the design of the U.S. national income and product accounting systems. The same systemic error is embedded in the work of Leontieff's teacher N.D. Kondratieff, famous for his important theoretical and empirical work on long waves of cycles of impact of technology. My own original discoveries in the science of physical economy were prompted in significant part by my study of the relevant issues posed by Leontieff's contributions to the U.S. national accounting systems. This study was a factor in the crafting of my first successful forecasts, of 1956 and 1959-60.

18. I.e., we know life's existence through the experience of death. But we also know of the efficiency of that existence through the immortal fruits expressed in the fruit of the creative powers which the living inherit from the work of the deceased persons.

19. The generation of the original discovery of a universal physical principle, occurs only as the *creation* of that conception, as a Platonic *hypothesis*, within the mind of the individual. The experimental proof of that hypothesis establishes the hypothesis as a universal principle. That spiritual act of the mind of the discoverer outlives the mortality of the discoverer, whose personality thus lives efficiently in society, and the universe, after the discoverer's death. The prompted replication of that discovery, in followers, in an expression of the immortality of the personality of the discoverer, as distinct from his, or her mortal frame. That sense of immortality, above any conflicting claims presented in mortal life, is the principled motivation of the actually moral form of mortal personality. Hence, a Jeanne d'Arc or Rev. Martin Luther King, for example.



The pyramids of Egypt demonstrate the application of a universal physical principle as reflected in astrophysics, not just observation of nature, such as in astronomy.

as controlled nuclear fission, typifies mankind's ability to do what no animal species can do: willfully increase the human species' potential relative population-density through the experimental discovery of even a single universal physical principle of the type I have associated with the use of the term *power* in this report.

Such discoveries of a power are never a collective effect, but always the action of a single sovereign individual mind's cognitive processes. This is a process which occurs only within an individual human being's perfectly sovereign cognitive processes. Such processes of discovery can be replicated, however, within other individual minds' sovereign cognitive processes. A properly constituted classroom, organized according to the same Classical principles familiar from Plato's Socratic dialogues, is a typical medium of interaction through which acts of discovery are stimulated, and replicated among a group of individuals. The Platonic Socratic dialogue is a model of the way in which a classroom, or kindred social process, is most effectively organized.

Through various expressions of the transmission of discovery of powers, such powers are accumulated as transmissible revolutions in practice through a succession of generations. Thus, the personality which generates the relevant discovery of principle, becomes immortalized in the replication of the act of discovery in others. The modes in which a growing accumulation of such discoveries of powers progresses through successive generations, is the proper definition of a branch of human culture, such as a language-culture whose specific accumulations of Classical forms of ironies provide the medium through which this development of the individual personality is fostered. This is the only useful

definition of any application of the term "Classical;" to avoid the encouragement of frauds, other modes which differ from this should not be termed "Classical."

Now, because of what I have just written above, see how what I have just outlined in the preceding paragraphs provides you knowledge of how an economy actually works.

Mere Footprints Are Not Feet

The characteristic principle of action upon which the continued existence of the human species depends, is what I have just stated in introducing the subject of Vernadsky's discovery of the Noösphere into this report. For this purpose we must now understand that the phase-spatial principles of the abiotic, Biosphere, and Noösphere domains are, themselves, *powers* in the relatively

higher order of the process as a whole. The actions of society, by means of which the continuation of the human species is accomplished, are nothing other than the willful employment of these qualities of action, these higher powers, to effect a qualitatively higher state of development of that integrated phase-spatial system as a whole.

In other words, for example, it is not any presently taught body of physical science which expresses these qualities of power; rather, *it is the action represented by those ongoing changes corresponding to a higher order of principle in the aggregation of those powers themselves. It is increases in the productive powers of labor so motivated, as per capita and per square kilometer, which are the primitive expression of the continuation of the existence of the human species.* This arrangement is to be viewed practically as the domination of the abiotic phase-space domain and of Biosphere by the Noösphere, a Noösphere which, in turn, is a subject of the individual human creative will. With that understanding, the true meaning of economy begins to fall into place.²⁰

Something else also falls into place. That something else is the nature of the pathology which has been the stated subject of this present report as a whole. The relevant mental disorder which I am addressing here, is, in the last analysis, the inability to see the physical-economic, developmental process of society's existence, rather than in terms of a society represented by some fixed set of rules. Which is to say, allegorically, that mere footprints are not feet.

20. This is the distinguishing practical feature of the application of my methods in both long-range forecasting and policies of national and related economic development.

I do not merely concede, but stress here that even in my own teaching of economics earlier, I have rarely been as explicit as this on the matter of principle I have just posed. That practice arose within my teaching of this subject, from practical pedagogical considerations. Apart from exceptional occasions, in work with what would be considered as specialists with relevant backgrounds in education and experience, I was impelled to avoid over-straining the degree of development of my then available students and others; on this account, I substituted a pedagogy of reasonable, successive approximations in imparting to them at least a practical sense of a physical economy.

So, by the early 1970s, it was clear that, as it is said, “sooner or later,” I must supplement my classroom teaching on the subject of economics itself by devising a relevant type of educational program in the essentials of Riemann’s work. Without such training of the students of economics in the relevant features of Riemann’s work, a fulsome presentation of my own discoveries and their development to those audiences and classes were not feasible. Some progress to that end was made, but there were serious obstructions to my policies on this account introduced from among my associates.

Now, the development of the LaRouche Youth Movement, beginning on the West Coast of the U.S.A., combined with the nature of the immediately onrushing phases of the world’s present breakdown-crisis, are typical of the converging conditions, including notably, the ongoing collapse of General Motors and related crises, which, happily, allow and also demand a more direct presentation of the core of the Riemannian implications of my discoveries and related work, as I emphasize that here.²¹

Despite the pedagogical compromises, what I taught heretofore was true, but only rarely did I state my own view on these matters as directly as I am doing here. The practical consideration always was, that these aspects of economy can not be addressed except from the standpoint of critical examination of prevalent psychopathologies, as I am doing here. Now, the times themselves are ripe enough that such fruits may now fall from the tree. On reflection, in reading this, you will be enabled to recognize what I was actually saying to you on earlier occasions, respecting the deeper side of the subject

21. I am shocked, but not surprised, by the lack of comprehension of the depth of deadliness in the implications of the General Motors crisis for the U.S. and world economies. This lack of comprehension, shown by both today’s high-ranking financier and political circles inside the U.S.A. and abroad, does not surprise me when I take into account the fact of what the so-called “Baby Boomer” generation has undergone throughout their lifetimes, including the destructive effects of the influence of the morally degenerate Congress for Cultural Freedom on cultural and educational policies of the U.S.A. and Europe since the early 1950s. On both sides of the Atlantic, and beyond, the spread of the influence of “post-industrial” ideologies is actually the gravest threat to the continued existence of civilization today.

of economic science.

For these purposes, Vernadsky’s presentation of the conception of the Noösphere is most useful under today’s global circumstances.

As I have stressed in sundry relevant other locations, the presently onrushing global economic crisis finds the world verging upon the boundaries of presently developed raw-materials sources. The limits are not absolute limits, such as those proposed by the so-called Club of Rome and others of that leaning. The limits are relative limits expressed in the form of the need for new approaches to development of resources, so as to ensure adequate supplies of such materials, at reasonable prices, for a world in which the rate of increase of population, and per-capita technological development of those populations will greatly increase the demands for development of raw-materials supplies. This will involve increased reliance on technologies in the upper ranges of existing “energy-flux densities.” The development of a planetary system of management of such supplies, is now an integral part of the economy of Earth as a whole, an integral part of the basic economic infrastructure of the planet.

Our planetary crisis has now reached the point that there is no hope for what we might have considered, until now, as the opportunity of a “decent life” the next several generations of humanity, unless we not only consent to, but demand and enforce a “reverse cultural-paradigm shift,” back toward the pro-industrial policies associated with the Franklin Roosevelt Administration and the post-war reconstruction efforts of the period up to the 1964-68 upsurge of the “68ers” generation.

The view of Vernadsky’s Noösphere from the vantage-point of my discoveries in economics, is now the essential approach needed for the present world situation of crisis.

To assist at least some of those “Baby Boomers,” and the present generation of adult youth of university-eligible age, in grasping the emotional forces which are presently tending to prevent our society from adopting solutions for this onrushing global nightmare, the following summary description of the state of mind of the typical “Baby Boomer” of North America and western and central Europe may be indispensable.

3. Technology as Physical Economy

In the next chapter, I shall treat the current, crucial example, of the way in which the process of globalization, by shifting production from regions with more highly developed basic economic infrastructure and higher customary standard of living, to regions of less-developed infrastructure and lower usual standard of living, results in a lowering of the productivity of the planet as a whole. During the recent quarter century,

that transformation of the planet as a whole has produced presently disastrous effects.

Therefore, I devote this present chapter to clarifying some of the leading considerations of popular psychopathology which must be taken into account to understand how the recent generation of global decline has been brought about, largely, through the process which is presently referred to as “globalization.”

In any meaningful use of “technology,” I should use that term, as here, as a convenient way of referring to the specific way some scientific principle, or combination of principles, is applied to the generation or use of a product. Therefore, the term “technologies” refers, essentially, to the participation of a principle or set of principles. We should use the term “principle” in the sense of a universal physical principle, and regard “technology” as a term whose use should be limited to reference to innovations which are reflections of either some universal principle or improved mode of employment of such a principle. That sense of “principle” is always to be treated as subsumed by the notion of a universal astrophysical principle.

It must be remembered, throughout this report, that our use of the term “principles” here, as always, signifies “powers” as in the tradition of the Pythagoreans, Kepler, Leibniz, et al., not the modern reductionists’ meaning of “force.” Therefore, the first point of clarification to be made, is that technologies so defined do not add to, but act to transform the function to which they are applied. This notion of transformation may be compared to the non-linear action of gravitation in determining the characteristic motion of a Keplerian orbit, and that in the sense of that aphorism of Heraclitus, nothing is constant but change, which Plato reflects in his *Parmenides* dialogue. The generality of the geometries of Riemann’s Abelian Functions, is the applicable notion. The following discussion should make that point clearer.

The economy, so defined, is not the summation of functionally independent components which are each products of localized action. Contrary to habits of U.S. national income and product accounting, local production is a product, in the functional sense, of the active interaction of all significant factors of the national economy as an integrated process as a whole. It is also, functionally, similarly, an integral part of a world process; but, the national borders are, and must be maintained as a buffer between what transpires within the national economy, and its interactions with the world economy without.



The development of human populations depends upon the constantly increasing upgrading of technology, particularly in economic infrastructure like power. Here are shown the cooling towers of Byron Nuclear Power Plant in Illinois.

We should order our sense of technologies and their applications, according to the hierarchical, upward ordering of abiotic, Biosphere, and Noösphere. That is to say, that we develop a predominantly abiotic setting to support living processes, and develop living processes to support human populations and their activities. Thus, the fertility of land area for development of field and forest, for example, predetermines the relative degree of success available to support fertility of development of the relevant section of the Biosphere. The level of development of the Biosphere determines the relative range of contribution of support to the Noösphere. Similarly, the level of development of basic economic infrastructure determines the relative level of productivity of agriculture or industry per capita and per square kilometer. The relative level of development of the health and mental powers of the members of the population, determines the relative degree of realization of progress in evolution of the Noösphere. These notions always express the quality of powers.

In all this, we must never overlook the fact that a properly defined universal physical principle is a form of *anti-entropic* action in itself.

Also, developments of the preconditions of human existence and production must be seen in the order of longest term, first, to long term, to medium term, to short term, last. Similarly, we must note the preference for increased life-expectancy of highly developed populations, over greater numbers of poorly educated, and shorter life-expectancy populations with the characteristics of a cheap labor force.

The calculable feature of relations broadly so ordered must be determined concretely, as essentially a matter of science. However, it is not only feasible, but indispensable to

treat the relations in more or less the broad terms I have indicated so far here. On this account, it must not be overlooked, or regretted, that precise measurements of the indicated relations will usually become feasible long after the relevant long-term to medium-term choices have been made. Therefore, the shaping of physical economic policies of society must be made according to broad “rules of thumb” akin to those I have just outlined here, to the effect that most crucial decisions will have been made long before the relevant fine measurements were available.

The latter approach corresponds to the way hiring policies are often chosen for rapidly growing productive enterprises. For such cases, prudent employers will choose those applicants who, according to profile, are likely to improve to meet rising standard requirements, rather than prefitting an exact, predetermined standard. The recruitment of the relevant elements of the labor-force is based on broad considerations, leaving the refinements to be developed in the course of development of the productive process.

There are some highly relevant, additional considerations to be included in our broad outlines here.

In past times, as in U.S. practice of the late Eighteenth Century, it was customary for some to refer to capital goods of production as included in a category of “artificial labor.” The higher the ratio of “artificial labor,” especially that expressing higher levels of technology, the greater the multiplier-effect on an otherwise fixed quality of the effort of living human labor. The longer-term physical capital of infrastructure, for example, engages, and thus reacts upon that action which it affects, and which, thus, depends upon it for that level of potential performance.

The most advantageous concentration of “artificial labor” is usually in basic economic infrastructure. As the profile of elements of “artificial labor” becomes relatively shorter-term, as we go up the ladder, progressive changes in the technology embodied tend to become preferred to long-term investment. However, the future increase of the ration of the longer-term should, hereafter, tend to predominate to the degree that much of basic economic infrastructure’s “life-span” will tend toward running into virtual “terra-forming” effects, with an associated “life-time” cycle of centuries.

All of these considerations should be read with the understanding that we are seeking to increase the accumulated potential power, in Leibniz’s sense of the economic power of a physical economy, at the same time that the power of labor per capita and per square kilometer is increasing through scientific and comparable forms of progress. We should be increasing the potential embodied as the accumulated power of basic economic infrastructure, production, the labor force as such, and the general cultural potential of the population as a whole.

Therefore, the level of educational and related cultural development of the population is the topmost of the requirements of progress in the productive powers of labor. In today’s

technological culture, the first target is the development of the young up through approximately the “school-leaving age” for scientific and related professionals of about a quarter-century. However, the continued such qualities of cultural development of the population above twenty-five years of age, will become an increasingly significant objective of society over coming generations.

The Cultural Paradigm-Shift

Under present trends, unless those are soon corrected, by the time most levels of the U.S. Government would be prepared politically to recognize the actual implications of the presently ongoing collapse of General Motors’ productive capacity, all short- to medium-term remedies for a consequent national catastrophe would have been preemptively exhausted. When one allows for the dissipation of the organized capability for building the machines that make the machines of high-technology types of production, the effect on the relevant parts of the economy will be as if a tidal wave had swept and destroyed that regional economy and its living conditions in a way which reminds us of post-1977 trends toward spread of new dust bowls in regions of formerly high-technology family, or multi-family farming. The concurrent effects on industries of a related type would have created effects which could not be reversed in less than a generation or longer. Entire communities would be virtually destroyed, as if in the transformation of an area of rich farm-land into a dust bowl.

The principal source of that danger lies in the effects of the cultural transformation of the way of thinking of the “Baby Boomer” and “Tweeners” generations, as contrasted with the spectra of mind-sets of the adult generation of the 1930s and 1940s. The “Tweeners” are generally worse than the “Boomers,” because of their qualitatively greater distance from, the experience of a science-driver-oriented, agro-industrial culture.

For reasons of cultural experience, as my associates and I have relevant, extensive experience with the distinctions in behavioral traits between young adults of the eighteen to twenty-five years age-range and the “Tweeners,” the “Tweeners” *tend to be* more radically Sophists, less rational than the “Boomers.” The needed reflexes for recognizing the perils of the present economic situation, *tend to be* limited to certain ranks of persons either under twenty-five, or in their late sixties, and, more clearly, their seventies and eighties.

Such are the effects of prolonged exposure to the overlapping effects of the sophistical indoctrination by the programs of the Congress for Cultural Freedom and the transformation from a productive, to a “post-industrial” orientation expressed by the emergence of the “Sixty-Eighters,” as marked especially by so-called “environmentalist” indoctrination.

Although we see the effects of this cultural paradigm-shift most clearly in the instance of the “Baby Boomer” and “Tweeners,” the shift which produced these social-cultural



The paradigm shift of the late 1960s, which turned the younger generations against nuclear power, is still with us. Here, an anti-nuclear mob demonstrating in Pennsylvania in 1981.

down-turns were set into motion by the generation of the “Baby Boomer’s” parents. It was during the young-adulthood of those parents that the generation of Baby Boomers was conditioned to the standard being set by the Congress for Cultural Freedom. It was the effect of that conditioning, especially as in the “middle-class” suburbia of the 1950s cults of “White Collar” and “The Organization Man,” which erupted with force in the wake of the terror wrought by the succession of 1962 missiles-crisis, the assassination of President Kennedy (and others), and the launching of the insane official U.S. war in Indo-China. The 68ers were the harvest; but, who planted that crop?

Since recently, those now highly visible, present patterns already set into motion during the immediate post-war period, are already commanding more and more critical attention from relevant economic and political circles in the U.S.A., as also in Europe. The turn against the “anti-nuclear energy” fads of the 1970s, is typical of this change in direction of trends. The trend toward domination of political life by “alternative life-styles” and related social-cultural trends in broader terms of reference, is now being recognized as something which must be significantly reversed, especially in government and economy, at least to the degree that these notions of “alternative life-styles” are blocks against resumption of those policies of long-term investment in scientific and technological progress which had become virtually outlawed by the overreaching political influence of the 1968er-shaped counterculture.

The difficulties to be seen in the difficult situation of an otherwise capable political figure, Social Democratic Chancellor Gerhard Schröder, in the keystone nation of Germany, are only typical of this principled conflict between countercultural fads and the possibility of averting nations’ economic collapse into wasteland conditions, and into the kinds of brutish governments the persistence of such countercultural influence would ensure. Virtually the same patterns of problem are reflected throughout Europe, and in the U.S.A. itself.

Nonetheless, the vestiges of the counterculture are still a potent factor. Attraction to self-destructive behavior left over from the heyday of the 68ers, such as “recreational drug” cultures, and aversion to technological progress in technologies expressed as infrastructure and production, are factors which tend to prompt a population to prefer to destroy itself, rather than react to an existential threat with appropriate response. Such attractions, if they continue to prevail, even in the relatively short run, in the U.S.A. and elsewhere today, are the specific cultural factors which define a self-doomed culture, and its relevant nations. Under present trends of collapse of national economies, these counter-cultural impediments are now, clearly, the factor which will doom any and all nations which continue to submit to them. When such misnamed “left-wing” factors are allowed and able to continue to exert their intended veto-rights in nations otherwise dominated by the unimpeachably radical right-wing views of such as the Mont Pelerin Society and American Enterprise Institute, dictatorships as ugly as Hitler’s would become soon

more or less inevitable, as we see this immediate threat, for kindred reasons, from today's latest version of fascism, President George Bush's and Karl Rove's religious-right constituency, from inside the U.S.A. today.

Fukuyama and General Motors

Also consider the relevance of a related right-wing threat, of what might be termed "The Francis Fukuyama Syndrome."

Neo-conservative ideologue Francis Fukuyama, of "The End of History" syndrome, expresses the most dangerous type of post-1989 outcome of the long period of conditioning by the virtually pro-Satanic quality of existentialist programming conducted under the sponsorship of the Congress for Cultural Freedom. This is compounded by two factors which can be observed as conspicuous at bookstores operating in the vicinity of any campus of an institution of higher education.

Walk around the shelves of such bookstores. Think back to even the same booksellers' firm, even in the same location, twenty years or more ago. You are visiting a psychiatrist's black museum, an existentialist's nightmare! Put Francis Fukuyama in that collection.

The cultural profile of the U.S. population (and much of that of Europe) has changed radically, much for the worse, under the impact of a cultural-paradigm shift launched on a wide scale during the period following the close of World War II. There was a cultural shift from the rising historical optimism of the time of Franklin Roosevelt's Presidency, up to the point, after the close of that war, there was a change away from an optimistic nation-building outlook for the future history of our planet, toward a culture in which passion for extermination of the hated Soviet Union became virtually the chief motive for existence in the general cultures of many relevant nations.

Then, during 1989-1991, that chief motive for existence, among such and similarly affected strata, was suddenly removed. For people who had been conditioned to the post-war change dominated by the Congress for Cultural Freedom and related cult-formations, the collapse of the Soviet Union was experienced, ironically, but lawfully, as their personal catastrophe. They had lost their enemy, the enemy whose existence had become almost their very motive for existence, their motive for the way they thought about the world, its culture, and their place in that world.

Their most passionately intended victim had been taken away from them, and they hated this as might the fox on the day the farmer shut down the operation of the henhouse. The enemy whom they had needed to nourish that hatred, which had been the foundation of their adopted historic mission in life, had been taken away from them; the children's favorite toys had been taken away from them! For those so deprived of their preference among intended victims, it was, indeed, the end of history. For those of Fukuyama's persuasion, the girl they had lusted to rape in the most sadistic manner possi-

ble, had been taken out of their reach! They wept, as Francis "Thrasymachus" Fukuyama's piece implies the torrent of rage and tears of such Straussian neo-conservatives: 'Who can I rape today?!'

Fukuyama and his confederates represent one of the extreme expressions of the disease; but, the same syndrome is much more widespread, if often in a less dramatic form. The more widespread expression of the same pattern is seen as reflected in the recent years form of emerging conflict between the Baby Boomer generation and the young-adult children of those Baby Boomers.

And, then the day finally came, when General Motors was declared to be junk.

The tendency among Baby Boomers today, since 1989, is to concentrate on cultivating a life-style which is intended, like a drug, to console them during what they anticipate might be a long, purposeless sojourn in the anteroom of death. They are left in the transition from the age of "pot," into their present age of Viagra. They wish little but their attempts to amuse themselves. History has ended for them, as for Fukuyama; the future, for them, no longer really exists.

At the time General Motors turned into financial junk, they were caught playing games. They were playing like aging men meeting more or less daily to play checkers or chess in the park, while waiting in that existentialist nightmare-world of their current life-style amusements, whiling away the time waiting for the arrival of death they hope will take them gently by surprise. That Baby Boomer generation, in particular, has lost a sense of a mission in life, and is consoling itself in diversionary comfort zones, sometimes called life-styles; whereas, its generation's best young-adult offspring, on the contrary, are demanding a purpose, a meaning for the decades of adulthood immediately before them. Hence the current expression of a generational conflict between the two strata of parents and young adult offspring.

I have become, by necessity, an expert with special qualifications in international experience of the syndrome I have just summarized. The Baby Boomer will react to stress, but will seldom take on the cause of that stress itself; instead, they will react to stress by choosing some activity which functions as a kind of life-style comfort-zone, as an acted-out fantasy. They are reacting, as Fukuyama does, to what they perceive as the end of history, treating their dollhouse-like play-reaction to the new stress, by activity whose pathetic ineffability serves them as a "comfort zone." They are not failing to react; they are reacting by fleeing into a symbolic form of activity, such as so-called "cultural activity," the form of social-stress-pain-killer which fits their adopted life-style as an escapist's comfort-zone.

Such has been the mode of reaction in leading circles to the currently onrushing GM crisis. That syndrome expresses the way civilizations which have already doomed themselves, like T.S. Eliot's J. Abner Prufrock, sometimes prefer to die



Remnants of a General Motors in Danville, Illinois. What was once the nation's premier automaker was ruined through the inevitable effects of free trade and globalization. The fact that even the GM top management upholds these principles to this day, testifies to the mass insanity that pervades our culture today.

with not more than a whimper to mark their passing. One among their apparent alternatives would be to die like Hamlet, out of fear of what some who should fight express as “. . .that dread of something after death, the undiscovered country from whose bourn no traveller returns.” Unlike Hamlet, most of our Boomers would prefer not to be slaughtered while fighting, but would rather wait, while dreaming, to be peacefully smothered in their beds. They would prefer not to react to the death of GM, until after it is hopelessly dead, and they can then rise from their bedded fantasies, to mourn what they should have, and could have prevented.

But, you see, they no longer believed in the actual existence of a future. They knew, like Fukuyama, that history had come to an end about 1989. So, knowing that, they lived only to be entertained. The act of mourning will be their new source of recreation.

GM's crisis is a reality, if not for the GM top management, which has its prospects for more money by selling GM as junk, but not reality, in mind. It is a terrible reality for our nation's future. If it is disassembled, the situation of the U.S. economy, and its people, become virtually hopeless. Yet, the typical Baby Boomer does not react to this fact; he, or she reacts to perceived, or anticipated reactions to GM's situation by Baby Boomers. What they react to is not the real GM as a productive capability, but GM as a financial-social phenomenon. They tend to react empathetically to their peers of the GM management, rather than the impact of this situation on the physical future of our nation and its people.

As if to show you that I do not exaggerate this decadence

in the slightest, they will usually turn the conversation to the subject of, “But, how is the market doing?” It is if they had asked, “But, Mrs. Lincoln, how did you like the play?”

4. Why Globalization Is Destroying Our Civilization

Before describing the system used for the rape and ruin of the United States by globalization today, I must set the stage on which the rape is being performed. This setting of the stage requires two steps. First, I must now prepare the ground with a few paragraphs on the crucially relevant matters of historical background from American history, and, following that, second, I must perform the function which Shakespeare sometimes assigned to the figure of his character Chorus. I must, as a prologue, summarize the most important background on the GM and related crises of today, a summary on the subject of the roots of today's fraudulent scheme for globalization, roots which lie within the history of Europe's past.

Thus, Chorus steps forward on stage, and speaks as follows.

Under that American System of political-economy which intelligent people associate with the U.S.A.'s original Treasury Secretary Alexander Hamilton, U.S. policy was guided by the intention to use the underlying constitutional powers of regulation to maintain what is often called a “fair trade”

policy, a policy aided by various forms of tax, trade, and tariff arrangements made by governments.²² The modern principle of natural law on which the implicitly “fair trade” policies of Hamilton and other U.S. patriots depended, was the founding principle of the modern sovereign nation-state, the so-called “general welfare” or “commonwealth” principle associated with the first modern nation-states, Louis XI’s France and Henry VII’s England. Under this principle, prices in the market-place were regulated, by various choices of means, all to the intended effect of ensuring that the “Enron-like” practices of Venetian financier-oligarchical usury responsible for causing the Fourteenth-Century “New Dark Age” were checked through “protectionism,” through the use of the power of the state to regulate fair prices, tariffs, and conditions of trade.

The founding U.S. constitutional principle, the obligation of government to promote the general welfare, which had been adopted earlier by the Fifteenth-Century Renaissance, had not been new even then. The principle of the general welfare is associated with the celebrated reforms at Athens under Solon. It is a principle upheld in Plato’s *Republic*, and has remained a central principle of Christianity—the principle of *agapē*, as affirmed in such locations as the Apostle Paul’s *I Corinthians* 13. It is the founding constitutional principle of that 1648 Treaty of Westphalia which ended the 1492-1648 religious warfare in Europe.

However, despite the ancient authority of that rule of law, the coming into existence of the modern sovereign form of nation-state in France and England, was challenged by an resurgence of that evil Venetian financier-oligarchical power which had earlier plunged Fourteenth-Century Europe into that century’s “New Dark Age.” The late Fifteenth-Century Venetian resurgence, had erupted through the fall of Constantinople; this resurgent force was that same power, the same Venetian financier oligarchy, which had reigned over Europe, in its earlier partnership with the Norman chivalry, during the medieval period. The 1648 Treaty of Westphalia became an important, powerful setback to that resurgent Venetian party’s power, but Venice’s financier oligarchy soon came back into power in a new disguise.

A decline of the power of that Venice as a state, during the course of the Seventeenth Century, prompted the Venetian oligarchy to recreate itself, this time in the form of the growing financier power of an Anglo-Dutch Liberal oligarchy centered around the Dutch and English East India companies. At Paris, in February 1763, the British East India Company of

Lord Shelburne et al. was established as what was known as the Eighteenth-Century Venetian Party, a Party whose leading element emerged as what was to become formally known later as the British Empire, the Empire whose design had been developed by Lord Shelburne’s lackey Edward Gibbon.

On the opposing side, the American struggle against the new tyranny of the neo-Venetian, Anglo-Dutch financier oligarchy, from 1763 onward, gave birth to the American War of Independence and the U.S. Federal Constitution. Later, the triumph of President Lincoln’s U.S. republic over the British imperial asset known as the Confederacy, unleashed and demonstrated the superior qualities of the U.S. system over those existing in Europe at the time. From about 1876 onward, the American System of political-economy, as associated with the names of Benjamin Franklin, Alexander Hamilton, Matthew Carey, Frederick List, and Henry C. Carey, became the model copied to a lesser or greater degree by Bismarck’s Germany, Alexander II’s Russia, Meiji restoration Japan, and other nations.

Nonetheless, the American Tory interests coordinated by the British Foreign Office’s Jeremy Bentham and his sometime protégé Lord Palmerston, who were run by networks typified by treasonous Aaron Burr and the drug-running circles of the Perkins Syndicate, used the opportunities of every moment of weakness inside the U.S. to attempt to virtually recolonize us. The pack of soundrels, including Zbigniew Brzezinski, Samuel P. Huntington, and Henry A. Kissinger, hatched, so to speak, in the nest of Professor Yandell Elliott at Harvard University, is typical of the means by which subversive, alien influences have penetrated and corrupted our institutions.

Thus, given the imperial power of the Anglo-Dutch Liberal form of Venice-style financier-oligarchical power, and despite the proven superiority of the American System of political-economy over all rivals, the Anglo-Dutch financier oligarchy developed a strong foothold among the financial centers inside the U.S. itself, as the cases of Theodore Roosevelt, Ku Klux Klan fanatic Woodrow Wilson, Calvin Coolidge, Herbert Hoover, and Richard Nixon’s heritage attest. Today, the pro-fascist Mont Pelerin Society, and associations such as the American Enterprise Institute, reflect that poisonous, alien influence, in the guise of “free trade” doctrines, inside our nation’s policy-shaping, that to the present date.

That corrupting influence is the most visible source of the way in which General Motors, among other entities, has been run and ruined through the inevitable effects of the prolonged reign of policies of “free trade” and “globalization.” Given the evidence, the reason for the adoption of those ruinous policies is fairly identified as nothing but a largely self-inflicted form of mass-insanity among the victims, including General Motors’ currently reigning top management stratum itself.

In this present chapter of this report, I use the case of the General Motors crisis as a timely illustration of the principles

22. Contrast the content of this chapter of the report to *Washington Post* columnist George Will’s “What Ails GM” of Sunday, May 1, 2005. Will joins the corporate management of General Motors et al. for the problem. In fact, the problem is that while the healthcare requirement of GM employees and retirees has not risen in absolute terms, the ability of GM to earn enough from the sales of its product to survive has collapsed, precisely because of the inevitable consequences of the changes to the “free trade”-driven global floating exchange-rate system which Will has continued to defend so passionately.

at issue in the fight to defend our nation and its people against the evils specific to the neo-Venetian scheme known popularly as globalization. This includes defending our republic against those habituated mental disorders which have been the subsuming topic of this report on the roots of our current national catastrophe.

The most significant of the anti-U.S.A. policies currently promoted by that neo-Venetian power of the Anglo-Dutch-Liberal financier-oligarchical system, are fairly summarized under the topical heading of that term, "globalization." The presently accelerating collapse, and threatened disintegration of General Motors Corporation and associated industrial enterprises, is essentially a product of this globalization campaign. That is the drama which unfolds here upon this stage.

Unfortunately, as you shall see in what is soon to follow here, the worst of it all, is that virtually no leading political circle in the U.S.A. today, has had even the rudiments of the needed, competent understanding of either that policy, or of the mechanisms by which this ruin has been conducted. The people of the U.S.A., as well as the leaders of their political parties and other relevant institutions, have been, chiefly, self-blinded to the reality of that operation and the dangers it poses to our national sovereignty and population alike. In other words, this is another example of the psychological blindness of most of our fellow-citizens, even our leading institutions, to the present reality of world's economic situation.

It is my included mission here, to make clear the origins and character of this threat to our republic's continued existence. The drama begins now with a summary, next, of the highlights of the specific features of that history which lead directly into the emergence and unfolding of the present General Motors crisis.

Globalization's Imperial Roots

Globalization is a new synonym for what used to be known as imperialism. It represents a specific form of historical imperialism, imperialism ruled by an oligarchy, rather than an actual emperor. This is a type of imperialism which historians recall from the experience of ancient Greece's Peloponnesian Wars, an imperialism of the form which follows the more recent model of that imperialism pioneered by medieval Venetian financier oligarchy of approximately the 1000-1400 interval. No competent understanding of the U.S.A.'s and world's present situation could be reached without taking into account those roots of the present situation, roots which are to be found in those cited points of ancient and medieval history.

The principal roots of today's globalization practices are traced in European history as evolved from the experience of ancient Europe with its principal foe, the ancient Babylon embedded within the so-called Persian Empire. After a coalition led by Athens had defeated that empire's last attempt to conquer Greece directly, Greece virtually destroyed itself through the self-inflicted effects of the immoral actions, and imperial ambitions of the Athens of Pericles and Thrasyma-

chus, in launching of what is known as the Peloponnesian War.

Through a crucial role by the alliance of the then deceased Plato's Academy of Athens with Alexander the Great, the Persian-Macedonian project for an enlarged Persian Empire, to include the Mediterranean littoral, was defeated, but the model which had been intended for an enlarged Persian Empire returned later in the form of the Roman Empire established under Augustus Caesar.²³ The demographic collapse of that Roman Empire in its western part, led to the division of empire as whole, by the Emperor Diocletian, and the establishment of the eastern division, the Byzantine Empire, under one of Diocletian's protégés, Constantine.

Many centuries after Constantine, the chiefly self-inflicted crises of the always tragic and dwindling Byzantine Empire led to the emergence of a former client of that Empire, Venice, as an independent maritime and financier-oligarchical power allied with the Norman chivalry. Thus, the medieval period from about 1000 A.D. until the close of the Fourteenth Century, was dominated by what was known as an *ultramontane* order. The term, *ultramontane*, refers to what was later exposed, in proceedings of the Fifteenth-Century great ecumenical Council of Florence, as the fraudulent document known as "The Donation of Constantine," which allegedly gave the Pope imperial dominion over what the Emperor Diocletian had defined as the western division of the Roman Empire.²⁴ The control of Europe by, predominantly, the Venetian-Norman partnership, had used this fraudulent document as the legalistic pretext for continuing to impose a special form of imperial rule upon Europe during the most of those relevant centuries.

Then, the modern nation-state, as proposed by Dante Alighieri's *De Monarchia*, among the kindred efforts of other authors,²⁵ was established in principle of law through the tacit

23. The issue leading to the formation of the Roman Empire, was the squabble over who was to rule over the projected new form of a Persian Empire based upon what the Greeks had known as "the oligarchical principle." The civil wars among the factions formed around the Roman military commanders, including, notably, the relations between Cleopatra and, successively, Julius Caesar and Mark Antony, had been over this issue. The negotiations with the cult of Mithra conducted by Octavian on the Isle of Capri, formed the agreement which led to the elimination of Cleopatra's faction, the establishment of the empire at Rome, and the consecration of the Isle of Capri to the Roman emperors from that time until about 500 A.D.

24. Under imperial law, only the emperor could make actual law. Kings and other official persons of lower rank could decree rules, but the principles of law were limited to those which existed at the pleasure of the present emperor. Through the Venetian-Norman alliance's struggles to control the Papacy, the Venetians were able to resist and crush sundry efforts to establish republics whose law-making powers were independent of the stipulations attributed to the fraudulent "Donation." Thus, Europe was under virtually continuous imperial rule from the beginning of the Roman Empire until the Fifteenth-Century Renaissance.

25. The treatment of this portion of history has been explored chiefly by my wife Helga Zepp-LaRouche, a specialist in the work of the historian and playwright Friedrich Schiller, and of Cardinal Nicholas of Cusa. The latter's work she studied under generous assistance from Professor Haubst, the late

adoption of Nicholas of Cusa's *Concordantia Catholica*. As noted, the first actual nation-state republics which met that specification, were Louis XI's France and Henry VII's England: governments under the rule of natural law (e.g., the obligation of the sovereign to promote the general welfare). The forces which shared that principle of law on which our own constitutional republic was later founded, were known as the *commonwealth* party.

The Venetian financier oligarchy's counterthrust, from the 1453 A.D. fall of Constantinople on, was to crush the existence of the institution of the sovereign nation-state, and to develop an imperial order restoring the earlier *ultramontane* system of imperial rule. The presently ongoing plunge of the world into the process of globalization expresses a recurrence of that Venetian intention. This Venetian strategy, which was set into motion through the 1492-1648 pattern of religious warfare set into motion by Grand Inquisitor Tomás de Torquemada's Hitler-prefiguring launching of the expulsion of the Jews from Spain, is the basis for the phenomena of modern imperialism, and globalization, within today's European civilization.

The conflict between the two systems, the sovereign nation-state and Venetian policy of *ultramontanism*, within Europe, has never been resolved to the present day. The lurch toward a revival of imperial *ultramontanism* as a world system, now under the umbrella of globalization, is a product of that continuing ambiguity, to the present time.

Originally, Venice's intention in launching the religious warfare of 1492-1648 from the Spain of Grand Inquisitor Torquemada, was to reestablish imperial rule over Europe through Venice's client, the Hapsburg dynasty then in the process of gobbling up Spain's royal Trastámara family. During the later decades of that period, the self-inflicted ruin of Hapsburg Spain, provided the occasion for the rising power of a new party within Venice, what became the predominantly Protestant faction built up under the leadership of the founder of modern empiricism, Venice's Paolo Sarpi. The late Seventeenth-Century emergence of the Anglo-Dutch India Company, was the consequence of Sarpi's continuing influence even after his death.

It is no mere coincidence that Gibbon, a lackey of the British East India Company's notable tyrant, Lord Shelburne, composed his *Decline and Fall of the Roman Empire* in support of the thesis of establishing the Anglo-Dutch Liberal Party of "The Enlightenment," then also known during that century as "The Venetian Party," as a permanent world empire, with the newly created British monarchy as that empire's intended "Doge." That intention has persisted as an organic feature of the ideology of the Anglo-Dutch Liberal conse-

head of the Cusanus Gesellschaft. Her account of the pre-Fifteenth-Century history of the founding of the modern nation-state took into account the work of various relevant authorities, including, most notably, the work of Professor Friedrich A. von der Heydte in the latter's *Die Geburtsstunde des souveränen Staates* (Regensburg: Druck und Verlag Josef Habel. 1952).

quence of the Venetian financier oligarchy, up to the present day. That intention is the root motive of the spread of globalization now.

Superstitious people tend to attempt to explain everything by "greed" or some kindred sort of gimmick. Such childish sorts of popular credulities as that show a people which has virtually no comprehension of human nature. The strongest motivation of any person has, heretofore, usually tended to be based upon his or her sense of personal identity; his or her motives tend to be what he or she has been conditioned to adopt as the attributes of that sense of identity. Nothing illustrates this more plainly than observations available to be made of the utter silliness often displayed at almost any gathering of self-esteemed persons of aristocratic or kindred caste-like pretensions. Simply said: "We lads must keep those blokes in their place—whatever that takes!" Or, the kindred, frankly racist spewings to similar effect in states where the traditions of the Confederacy run deep. Such is the drama here before us.

Since 1776-1783, until the defeat of Lord Palmerston's schemes by the U.S.A. under President Lincoln's leadership, the intention of the British monarchy, then led by the rising power of Lord Shelburne, had been to either reconquer the U.S.A., or divide its territory among a pack of squabbling local tyrannies, such as Palmerston's project known as the short-lived Confederacy. After President Lincoln's victory over Palmerston's Confederacy and Emperor Maximilian's projects, a new strategy was devised, under the Prince of Wales and King Edward VII. This new plot aimed to assimilate the U.S.A., under London agents, as an affiliated part of an new form of the British Empire, a British Commonwealth. In this context, the roles of the "Lost Cause" ideologues, Theodore Roosevelt and Ku Klux Klan fanatic Woodrow Wilson, like that of Calvin Coolidge, became the prelude for what were an expression of this same Commonwealth project expressed by the Harvard University-based "kindergarten" under "Lost Cause" ideologue, the Nashville Agrarians' Professor William Yandell Elliott.

The faction echoed by that role of Harvard-based British intelligence asset Elliott, is not merely an echo of the Confederacy tradition of Theodore Roosevelt, Woodrow Wilson, and the Nashville Agrarians' Elliott; it was, in the broader sense, a continuation of the unbroken tradition of the British East India Company's Perkins Syndicate, the Hartford Convention project, British agent Aaron Burr's role as an agent of the British Foreign Office's Jeremy Bentham, and the run-up to the Confederacy organized by that crew.

This is the role of the Presidents Theodore Roosevelt and Woodrow Wilson in our U.S. history. Both pranced on stage as the impassioned ideological heirs of the Confederacy, and the role of the network of financier interests centered on the tradition of that Perkins Syndicate, which is the continuing kernel of U.S. faction behind the neo-imperialist globalization plot expressed by the ruin of General Motors, and others, today.

One slice from the history of ancient Greece, when taken

as a sample from the history of European civilization suffices to illustrate what also needs to be considered in assessing the drive for globalization.

Athens versus Sparta

For Classical scholars, the history of the European civilization on stage in this General Motors crisis, is traced from the origins of the conflict between the Sparta which was the slavery-based society associated with the code of Lycurgus, and that opposing legacy of Solon of Athens, the latter which served as a continuing, leading inspiration in the crafting of the design of our own republic's constitution. The figure of Solon is associated with the roles of exemplary figures of that general period of history such as Thales of Miletus, Solon, Pythagoras, and Socrates and Plato. These typify a network of persons whose work is closely associated, both by reputation and by internal characteristics of their work, with the legacy of Egypt.

The figures of Thales, Solon, and Pythagoras, and, later Socrates and Plato, have been for millennia since, and still today, the centerpieces of something very special which was developed within ancient Greek culture, something for which Greek culture remains deeply indebted to the legacy of the scientific tradition, as of *Sphaerics*, of ancient Egypt. That legacy has been the continuing theme of this present report, up to this present point of my account. We call this heritage, this something special, the Classical legacy of European civilization.

Even after the legacy of both Greece and Rome's Cicero had been crushed by a brutish Rome under Augustus and Capri's Tiberius, the legacy of the superior culture of ancient Greece's language and Classical tradition lived on as a reverberation of the Hellenistic culture which developed under the Ptolemies. It was the language and leading literate culture of the region of Palestine, and was the principal language-culture through which the Christian Apostles spread Christianity as the great force which ancient Rome could not crush out of existence. It was also the culture of great Jews of that time, as typified by Philo of Alexandria. In this process the legacy of Plato, and, therefore, that of Socrates and the Pythagoreans, became an integral part of that monotheistic culture which has been the leading Christian culture of Europe, and also the Jews, and, later, Islam.

This Classical legacy, pivoted on this role of the Classical tradition of ancient Greece, is the specific distinction which gives rational meaning to the use of the term "European civilization" today. Thus, the struggle within European civilization, of monotheism against the legacy of such abominations as the Gods of Olympus, has been the driving force of culture upon which the special contributions of European civilization to humanity, including the notion of the modern sovereign nation-state, have been premised by the founders of the sovereign U.S.A., among others.

The blossoming of the fuller potential of this heritage of Classical culture, was held back until the Fifteenth-Century

rise of the modern commonwealth established in the forms of the sovereign nation-state republic. So, Satanic Tiberius struck from his Isle of Capri, through the hand of his virtual son-in-law Pontius Pilate, to effect the judicial murder of Jesus Christ. So, the war between the legacy of Classical culture and its chief enemy, the Roman imperial tradition, is the pivotal feature of the world civilization which has been molded by the impact of European culture on all other parts of the world.

Now, the principal nations of the world are engaged in an effort to realize the advantages which European civilization, in its nobler part, has made accessible, as a model, to peoples of the world at large. Now, the cultures of Asia, most notably, are seeking to develop means by which they can secure for themselves the specific kinds of advantages in which the European Classical tradition of the Golden Renaissance has been a pioneer.

The fate of humanity now depends, for the immediate generations yet to come, on the successful realization of the integration of the Classical legacy as a pivot of a new world culture.

For reasons inhering in human nature, Classical culture today depends upon the institution of the culture of the sovereign nation-state republic, a state in which the rule of the commonwealth principle is supreme. It must be a configuration of sovereign peoples which is coherent with the great principle of peace upon which the anti-Hobbesian, 1648 Treaty of Westphalia was premised.

This intention which I have just described thus, has bitter enemies. The most hated target of those enemies is the legacy of the U.S. constitutional republic itself. The preferred antidote to our existence, by those who hate our republic the most, is the imperial model. The form of organization of that imperial model which were most likely to be adopted by those adversaries of ours today, is what I have described as the Venetian, or *ultramontane* model which is expressed today by the hysterical exertions by our republic's enemies now, to destroy our sovereignty while they still might be able to bring that about through what is called globalization.

The intended destruction of both General Motors and Ford, as great machine-tool-based production capabilities, is our enemies' presently most immediate, leading, imperial goal. The accomplices for this crime against our nation include the witting, and also the unwitting traitors within.

How Globalization Works

Now, we come to globalization itself.

Why did we tolerate this destruction of our republic and its partners in this way? The insanity and the bestial immorality of the Congress for Cultural Freedom, typify the principal causes for our republic's own intellectual decadence, moral corruption, and the specific betrayal of everything which the Franklin Roosevelt Presidency had revived from our traditions in rescuing the world from the threat of Nazi rule. The role of the pro-slavery ideologies of John Locke, the ideology



Complementary to the collapse of the “industrialized” world under globalization, has been the proliferation of extreme poverty in the Third World, which is pictured here in Africa. These Ethiopians are digging a canal by hand.

of vice of Bernard Mandeville and his followers, and the brutishness of the superstition of that hater of our independence, Adam Smith,²⁶ typify the influences which led into the culturally and economically suicidal “cultural paradigm-shift” of the late 1960s and the 1970s.

Under the influences of that moral corruption, our U.S.A., chiefly in concert with the United Kingdom, took the following steps toward establishing a system of one-world rule known as “globalization.”

From its formal beginnings, under U.S. President Nixon, in 1971-72, it worked along the following lines.

The principal drivers of a progressive form of economy are, on the one side, basic economic infrastructure, and, on the other side, the role of a coherent body of fundamental and related scientific progress in driving those activities associated with the notion of a machine-tool function. The so-called “Third World” nation, even when it has developed extensive elements of modern industry and agriculture, is characteristically grossly deficient in respect to those two principal drivers. In addition, as the cases of billions-people emerging powers, China and India, best illustrate the point, the weaknesses in the categories of infrastructural development and lack of a sufficiently extensive development of the science-driver, machine-tool elements in depth, are correlated with a situation in which as much as seventy percent

26. See Smith’s attack on American independence, in his 1776 *The Wealth of Nations*. Smith was a personal lackey of Lord Shelburne, who was deployed to France to plagiarize the works of the Physiocrats Francois Quesnay and A.R.J. Turgot, a plagiarism which permeates Smith’s celebrated diatribe against the Americans.

of these somewhat powerful nations are crippled by extreme poverty.

Since a national economy is to be assessed in terms of the interdependence of nearly all of its population’s households, an economy which is underdeveloped in infrastructural development and in the breadth, depth, and integration of the science-machine-tool sector, must also be a national economy laboring under a crippling ration of those of its people plunged into desperate poverty by the very same national system which makes a few very rich, a significant minority more or less comfortable, and accomplishes the foregoing results through maintaining a system whose existence leaves the great majority of its people very poor, and the nation as a whole weak and vulnerable through the effects of the great poverty which underlies its own national system.

We understand the mass of poverty of China, India, and other places today, by also understanding the policies and related practices through which the U.S.A. has been destroying itself, its own economy, throughout nearly four decades of a process which has led into the virtual state of U.S. national bankruptcy produced by globalization today. What the legacy of colonialism and the like have done to nations of Asia, is what we, during the recent decades, have been doing, quite successfully, to ourselves.

Already, during the 1950s, the U.S.A. was experimenting with formulas, the go-south models, later used as model experiences for introducing an international policy which has become known as globalization. This was the movement of industries from the “more expensive,” and significantly unionized employment of the northern tier of states, into the infrastructure-poor, cheap-labor markets of the southerly

states. The latter phenomenon was referred to as the case of “the run-away shop.”

After the 1971-1975 development of the floating-exchange-rate monetary system, as a replacement for the fixed-exchange-rate Bretton Woods system, what has become known as “globalization” was launched in the guise of *chiefly* three models: the “Latin American” model; the sub-Sahara model for Africa; and the Asia model. The radical right-wing revolution of President Nixon’s administration, was the key in the launching of each of these three models.

The Africa model was already under way during the early through middle 1970s. This model conformed to Henry A. Kissinger’s National Security Study Memorandum 200, whose Africa component was frankly a plan for the genocide against the peoples of sub-Saharan Africa which has been continued through the present date. The operation against “Latin America” was put fully under way during the coordinated launching of the U.S.-backed British war against Argentina (“The Malvinas War”) of Spring 1982, and the coordinated financial-monetary rape of Mexico, launched in August 1982. The third major operation, targetting Asia, was actually begun against India with the rupee devaluation of the late 1960s, but set into motion otherwise during the 1970s as marked by changes in U.S. China policy, the coup against the Philippines Marcos government, and the presently still ongoing, Zbigniew Brzezinski-launched assault against “the soft under-belly of the Soviet Union.”

In Central America, there were also some special cases worth noting as exceptions which define the rule. Notable is the case of the 1970s negotiations from Japan with Omar Torjillo’s Panama, for developing a sea-level version of the Panama Canal, and the 1970s bi-lateral Mexico-Japan negotiations of oil-for-technology agreements which were rudely cancelled by U.S. interventions. Those were major operations against Panama and Mexico, for example (and also against Japan), but not crucial in themselves; the crucial operations came during 1982, led by the operations against Argentina and Mexico. This pair of 1982 operations set the pattern for what followed throughout Central and South America, from that time to the present day.

In Asia, Japan and Korea have crucial roles as leaders in technologies of heavy industry. China and India are mammoth nations, but burdened with vast populations of their extremely poor, and vastly underdeveloped in essential basic economic infrastructure. Indonesia is a large islands-based nation, with a constricted development in outlying areas, but with large raw potential for the future. The other nations are smaller and poorly developed, but have important potential roles and opportunities for development if general development cooperation emerges in East and South Asia as a whole. Russia’s far east, Japan, Korea, China, and India, are the keystone nations for all long-term prospects for development within eastern and southern Asia as a whole.

The great hope for Asia is expressed by a policy which I crafted during an interval from the late 1980s and early 1990s,

with a significantly leading role by my wife Helga Zepp-LaRouche on the Asia side. During August-September 1998, in response to the global chain-reaction effects of the collapse of U.S. speculation in Russia GKO bonds, I summed up my Eurasia development perspectives in proposing to relevant U.S. and other circles what I named a Eurasian Triangle development perspective. Shortly after that, then Russia Foreign Minister Yevgeni Primakov made a kindred proposal for such triangular coordination to Delhi. That proposal has acquired legs in the course of recent discussions among the governments of Russia, China, India, and others. However, this proposal, which I fully endorse, nonetheless faces certain critical obstacles of a kind which are highly relevant for discussion of problems caused by effects of globalization.

The case of Central and South America is the place at which to begin the analysis of the relevant global patterns for discussion of the world’s patterns of globalization as a whole. The point to be emphasized on this account is, that the present world monetary-financial system is still the U.S. dollar-based system. The very fact of the massive dollar claims against the U.S. by other nations, as China and Japan, or expressed otherwise through the combination of the U.S. fiscal debt and current-account deficit, does not lessen, but, rather greatly strengthens the grip of the U.S. dollar on the world system as a whole. Otherwise, the dollar system itself has been developed, especially since 1863-1876 by the continued policies of Secretary of State John Quincy Adams, on which the principal traditions of the U.S.A. at home and in relationship to its western hemisphere neighbors has been based. U.S. world policy begins in U.S. policy toward the nations of the hemisphere. It is what the Nixon legacy did to our neighbors of the Americas which set the pace for the U.S. policy of the past thirty-odd years for the world as a whole.

That was inevitably the case in the way the U.S. promoted globalization, and still does. The vast combined legal and illegal immigration into the U.S. across our southern border is a rising tide which was launched, not from below our border, but from within the U.S. nation’s capital itself.

The policies imposed upon the countries of Central and South America during the post-1971 period to date, have created a massive, purely usurious, cancerously expanding debt. This has been done to such effect, that virtually no nation of the region has any honorable net debt today, but is being crushed under a massive debt created by a fraudulent fiction concocted chiefly through the role of the International Monetary Fund and World Bank. These countries, considered as a whole, have more than repaid all of the honorable debt which they have incurred voluntarily.

The floating-exchange-rate system set into motion during 1971-72, between U.S. President Nixon’s folly of August 15, 1971 and the resolutions pushed through by the Nixon Administration’s George Shultz et al. at the Azores monetary conference, was used as the ruse upon which a gigantic swindle was unleashed. The swindle worked in the following, or similar fashion.

A run against a targetted national currency was orchestrated through facilities including the London market. A purely speculative run against the targetted national currency of the Ibero-American nation was organized in this way. Then, it was “suggested” to the victim of this fraud, the targetted nation, that it might be able to get the predatory financial speculators off its back, if it asked the IMF or World Bank to step in and offer some advice to the victim of this financial rape, to induce the rapists to moderate their demands. “Devalue your currency,” was the gist of the kindly advice given, in each case.

The government of the beleaguered victim would sense itself obliged to submit to such kindly advice. Ah, but, regrettably, the friendly visitors to the neighborhood said, you must also create a new debt, which, admittedly, you did not solicit, but which your creditors will demand in order to compensate your creditors for that devaluation of your currency which we proposed, and you have agreed to accept. So, a vast debt was created by means of such exotic “bankers’ arithmetic.”

These practices conducted under the auspices of the new, floating-exchange-rate monetary system, stripped the victim-nations of their ability to develop their essential basic economic infrastructure, or to fund investments in needed areas of agriculture and manufacturing. This result was, notably, an echo of the Nineteenth-Century methods of British and other imperialist looting of the colonial and semi-colonial parts of the world through what were classed as “international loans” generated by financier-oligarchical cartel’s interests, a swindle now practiced under the kindly persuasion of an intrinsically corrupt and thieving IMF and World Bank.

This is the gist of what has been done. We shall return to the effects of that policy after returning to the subject of the kind of economics and related dogma under which this policy of practice is conducted.

A Faustian Pact

Worse, the methods used by the IMF, the World Bank, and their accomplices since 1971-72, have been essentially an echo of the methods associated with the Fourteenth-Century House of Bardi in orchestrating the “New Dark Age” policies which halved the number of parishes, and lowered the population by about a net one-third, during the middle decades of that century. The leading private banks engaged in this business today are the houses of Bardi and Peruzzi of our time today. In the main, everyone, every institution which conducts such policies of practice is practicing evil. However, those who are practicing this evil, the same evil expressed as the frankly stated policies of Enron, must be divided into two general types. Both types are essentially criminals, but one type, a powerful minority among them, can not be honestly described as other than Satanic. One is Faust; the other is Mephistopheles.

At the highest level of such culpability, the motive for globalization is the world-wide destruction of modern civilization, with the included objective of reducing the world’s

population to substantially less than one billions living, and mostly brutishly stupid individuals.

At the relatively lower level of predator, that of the Faustus, we have those who are acting as criminals, but who are doing so out of desire to share the privileges of the system in which they have chosen to participate, like a gambler at a crooked casino, or the hired killer who says to his victim: “Nothing personal; I’m just doing my job.”

There is, of course, a third class of culprit, the fool who defends the alleged sincerity of the culprits doing what they do, perhaps out of the desire to show a sophist’s respect either for current fads in public opinion, or to hope to attract a friendly response from the local predator of relevance. (“I really do not agree with him, but I do need the money!” Or, “Don’t you see; it is very important that I get him to do that favor for me?”)

The effect of the sundry measures to promote globalization has been the cheapening of the cost of products through transferring production from regions which incur the costs of modern standards of living and productivity for their populations as a whole—at least, approximately so, to regions where there is a lack of the incurred costs of both maintaining the general standard of living of the population, and a policy of avoiding the costs of the essential basic economic infrastructure upon which high standards of per capita productivity of entire populations depend.

The result is a lowering of the productivity of the internal productivity of developed nations, through the looting and related forms of exploitation of the territory of less-developed nations. This trend is accompanied, by shifting production from countries of cheaper labor, and lower standards of existence, to those of much cheaper labor and much lower standards of existence.

Thus, we have the pattern of the decades-long collapse of basic economic infrastructure in western Europe and North America, for example, through the shift of production of goods consumed in those nations to nations which have lower standards of infrastructure and existence. The vast and deep misery of Asian nations which have become exporters to Europe and North America, is a reflection of the consequences.

What we have been doing, in the name of raising the level of production technology used in developing nations, has been to lower the per-capita levels of essential infrastructure of the planet, at the expense of perpetuating cruel and often worsening impoverishment of the populations of the new exporting regions of the world.

Notable is, that given two nations which are employing the same standard of technology directly for production of a class of product, the nation with the poorer development of basic economic infrastructure will have a net lower physical productivity per capita and per square kilometer. The net productivity of any industry, or nation, depends upon the level of technological development of the platform of basic economic infrastructure on which the production of delivered goods depends.

In other words, the most notable of the global effects inherent in globalization, is a collapse of the “human carrying capacity” of the planet as a whole, and a correlated decline in average long-term physical productivity among the nations and population of the world as a whole.

Indeed, for precisely this reason, every estimate of net economic growth per capita in the U.S.A. during recent decades has been a gigantic hoax. In the U.S.A. today, for example, we claim, frankly, that we can no longer afford the standard of living in health-care and other ways which was virtually assured a decade or two ago.

Thus, while some populations and their governments support globalization out of incompetence in economic matters, the Mephistopheleans operating from a higher level of policy-shaping have been engaged in the intended destruction of civilization, and of the institution of the sovereign nation-state, in order to create a condition under which no nation comparable in independence and rate of progress to that of the U.S.A. of President Franklin Roosevelt would ever be capable, even for simply physical reasons, of coming into existence, ever again, on this planet. The intention of the Mephistopheleans behind the so-called “environmentalist” reforms has been genocide with that specific long-range historical intent in mind. That is the effect of what they do; that is the intention so expressed by the policies guiding their actions.

5. The Hopeful Alternative Before Us

Were the present collapse of General Motors and Ford to proceed at the rates now visible, the U.S.A. would no longer exist as a functional national economy even during the relatively short term period ahead. The loss of the machine-tool and closely related capabilities associated with the technological high end of that industry would mean the dropping of the U.S.A., and nearly all of its population, suddenly into the virtual status of a Third World nation.

What happens to the current financial superstructure and its management of those industries, is not a particularly significant issue. The survival of the production base and the social structures of the population associated with that base, are of the highest degree of importance for our nation’s survival at this moment of existential crisis.

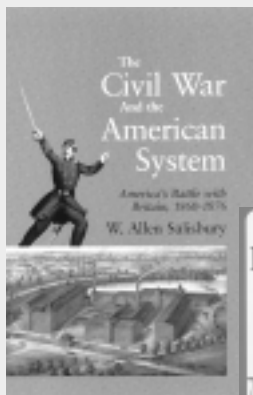
Instead of thinking of these productive capabilities and the communities associated with them as elements of the automobile industry as such, let us face the reality that we no longer require the scale of automobile production which had existed up to recent times. Let us focus on the capability of the industry, rather than its relationship to any one set of products. The characteristic of that industry is its organization around its kernel of the machine-tool factor. The strategic

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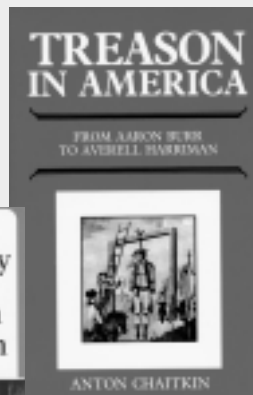
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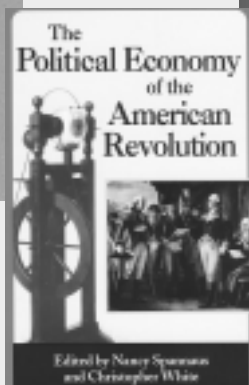
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Saving General Motors the LaRouche-way, would lead to a retooling for a high-technology infrastructure gearup, including the construction of magnetically levitated trains.

issue posed by the exemplary crises of General Motors and Ford, is the fact that unless we maintain that machine-tool component of that industry, the U.S. no longer represents a modern economy. Under that condition, we would soon cease to be a world power under the conditions of the presently onrushing general, global monetary-financial collapse.

We have a tremendous need for production which requires the contributing role of the same productive capabilities presently concentrated in the automotive industry. We must therefore act to protect the industry as a whole by means of required government action, while also diversifying the market for its characteristic quality of product-capability to such a degree that it remains fully employed.

The principal immediate markets for the use of that industry's presently apparently surplus capacity, are chiefly in the domain of large-scale basic economic infrastructure. Our failure, as a nation, to maintain this infrastructure, as in power generation and distribution, in water management, in mass transportation, and so on, has now reached a point of critical shortages which, unless remedied, would mean early and extensive breakdowns of our economy and of the conditions of life of our population. The portion of the automotive industry which is implicitly available for serving new markets in the domain of basic economic infrastructure is enormous. Public works in areas in which the need is enormous and critical, and whose requirements coincide with the special adaptive capabilities of the existing auto industry, would bring the U.S. economy above current economic break-even, as well as curing often dangerous current gaps in our basic economic infrastructure.

People who may wonder about what I have just implied as a general form of proposal should pause to think about the way our former agro-industrial economy was organized

among the general territories and cities, towns, and countrysides of our nation as a whole. The industries in a certain town are an integral part of that economy, but also represent relations among the varieties of employment, and the family households of each community. The maintenance of the structure of distribution of crucial types of employment across the territory of our nation, and within regions of our nation, is a crucial aspect of our national economic security. The actual performances of a national economy must be measured, per capita and per square kilometer, by county area, across the nation as a whole. That is the way in which our national economic health can be competently measured. We must think of the implications of the way the function of the automobile industry lies within the structure of the counties, and so forth of the

regions and of the nation as a whole.

Therefore, whatever else happens, the following emergency action must be taken.

The Federal government must take the productive potential of the auto industry under protection, pending its emergence, essentially intact, as working productive capacity, as some future time when it might be returned to a fresh body of private ownership. The structure, including the social structure of the industry must be maintained, and lists of necessary programs of work assignment for the industry's specific technological potentials must be used to shift otherwise idle capacity of the industry into work-assignments consistent with the industry's technological potentials.

Above all, it must be recognized that such emergency action is something which we, our government, must do now, and that very quickly. Otherwise, we become something like a third-world nation, or something worse, very, very quickly.

The broader lesson, within which the immediate crisis-challenge of the auto industry is situated, is that we must rapidly reverse the trends in policy-shaping which have amounted to a drift into a so-called "post-industrial" society. We must make these reforms by emphasis on laws and understandings which return us from the folly of a "free trade" economy, to a "fair trade" economy. We must return to a heavy emphasis on basic economic infrastructure, and to rebuilding what can no longer be fixed, since it no longer exists to be fixed.

There is no practical reason that what I have proposed could not be done. It could be done, if we really wished to have it done. The question for many is, are you willing to survive, even if that means changing your ways back to some of the ways we used to behave, before we chose to make what experience now shows to have been some awful mistakes?

BONKERS IN THE BUNKERS

Bush White House Flight Forward Is a National Security Threat

This statement was issued on April 30.

Executive Intelligence Review and the LaRouche Political Action Committee have been informed by several extremely reliable Washington, D.C. sources that in the past several days, a prominent Republican United States Senator has been confronted by Karl Rove and other White House officials on his alleged “connections with Lyndon LaRouche.” The

Senator, who is not, in fact, in any way associated with LaRouche, denied the charges, but his denials were not believed by the White House officials. He was pressed by Rove, according to the sources, to issue a public statement denouncing LaRouche, to “prove” his denials. *EIR* has cross-checked the initial incident report with several other well-informed Washington, D.C. sources, and is satisfied that the essential features of the report are accurate and can be further documented.

Upon being informed of the incident today, Lyndon LaRouche observed that this account of the confrontation with the U.S. Senator, combined with President Bush’s public performance on Thursday evening, April 28, makes it clear that the entire White House inner circle has gone stark-raving mad. This insanity and apparent flight-forward reaction to the growing political influence of Lyndon LaRouche and his associates, pose a serious national security threat. At a moment when the United States is facing a global disintegration of the post-Bretton Woods floating-exchange-rate, dollar-based monetary system, and is also facing an imminent loss of the combined physical productive capabilities of the U.S.A. aerospace/airline and auto industries, such insanity at the top of the Executive Branch of the Federal government

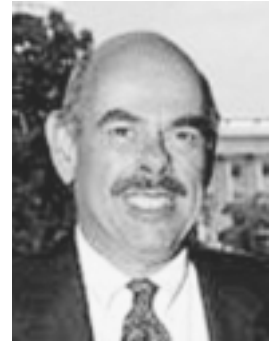


Bush’s public performance at his April 28 press conference was one of several recent developments that confirmed that the entire White House inner circle has gone stark-raving mad.

From the Congress

Waxman: Bush ‘Wrong Morally And Legally’

The following letter from Rep. Henry A. Waxman (D-Calif.) was sent to President Bush on April 28, 2005, concerning the President’s statements denying the existence of the Social Security Trust Fund. Bush has repeatedly claimed that money collected for Social Security in any given year, that is not spent on Social Security, can be used by the President for anything he deems fit, and does not have to be repaid. Representative Waxman, ranking minority member of the Committee on Government Reform, noted that Bush has so far borrowed \$500 billion from the Social Security system, and Bush’s most recent budget projects that the Federal government will borrow an additional \$2.5 trillion over the next 10 years. Waxman calls Bush’s intention not to repay this money “wrong morally and legally,” and notes that this breaks a 70-year commitment that has existed since President Franklin Roosevelt instituted Social Security. Footnotes have been omitted here; the complete document can be found at: www.democrats.reform.house.gov/Documents/20050428104636-47431.pdf.



Henry Waxman

I am writing regarding your recent statements about the Social Security trust funds. On April 5, 2005, during an event in Parkersburg, West Virginia, you stated: “there is no trust fund,” “the government is making promises to younger Americans that it cannot keep,” and the trust fund reserves are “just IOUs.” Discussing Social Security at an event on Feb. 9, you said: “Some in our country think that Social Security is a trust fund. That’s just simply not true.” A day later, you added: “there are empty promises, but there’s no pile of money that you thought was there when you retired.”

On April 15, at an event in Kirtland, Ohio, you stated: “some people in America think that the federal government all these years has been collecting your payroll taxes and were holding it for you. And then when you get ready to retire, we give it back to you. That’s not the way it works.” And just last week, you called the assets in the

is a matter of grave concern. Emergency remedial action is going to be forced upon a reluctant Executive Branch and U.S. Congress by the imminent bankruptcies of both General Motors and Ford. Yet the White House leadership is apparently losing all touch with reality.

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

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

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

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

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

trust funds nothing but “paper promises.”

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

Since you were elected, the federal government has borrowed over \$500 billion from the Social Security trust funds. These funds have been used to pay for multiple rounds of tax cuts for the wealthy and other government expenditures. Under your budget, the government is projected to borrow an additional \$2.5 trillion from the trust funds over the next 10 years. You may not want to repay these funds, just as a homeowner may wish that he or she could stop paying the mortgage, but you are legally and morally obligated to repay what you have borrowed.

The 1983 amendments to the Social Security Act anticipated the financial burden posed by the retirement of the baby boom generation. The legislation raised the retirement age of American workers and increased their Social Security contributions for the specific purpose of creating a large reserve in the trust funds that could be drawn down as the baby boomers retired. American families have kept their end of the bargain. According to the nonpartisan Congressional Budget Office (CBO), their contributions to the trust funds will build up reserves of \$8 trillion by 2034, enough to fully fund Social Security through 2052.

The question now is whether the federal government will keep its commitment to Social Security. It would be a gross betrayal and an unprecedented transfer of wealth from the middle class to the super rich for the government to renege on its promise to repay the trust funds.

A ‘Legal, Moral, and Political’ Commitment

When Social Security was enacted in 1935, it faced a demographic challenge similar to the one we face today. As the committee established by President Roosevelt to make recommendations on Social Security reported, “in 25 to 30 years the actual number of old people will have doubled” and the ratio of seniors to other Americans was expected to increase.

The solution President Roosevelt and his committee developed was to create a contributory system that would fund a Social Security “reserve account” from which funds could be drawn to meet future needs. As explained by Social Security Administration historian Larry DeWitt, American workers were to make payments into the reserve “with the clear idea that this account would then be the source of monies to fund the workers retirement.” In 1938, the Social Security Board summarized this approach as follows:

The existing law contemplates a fully financed system. That is to say, it requires that probable future liabilities be taken into account from the very beginning and that a sufficient reserve be set up so that the earnings on the reserve, plus current pay-roll tax receipts, will be sufficient always to cover annual benefit disbursements.

In 1939, Congress enacted amendments to the Social Security Act that turned the 1935 “reserve account” into a formal “trust fund” for Social Security participants. This law provided that the payroll taxes for Social Security were to be directly credited to the trust fund and managed by trustees for the benefit of the Social Security program. A second Social Security trust fund, for disability insurance, was created in the Social Security Amendments of 1956.

From the outset of the Social Security trust funds, the law provided that the United States government would back the obligations held by the trust funds. The 1939 law stated that it was the duty of the managing trustee to “invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals.” According to the statute, “Such investments may be made only in interest bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.”

Amendments to the Social Security Act in 1994 reaffirmed the governments commitment to back the trust funds. The law provided that each trust fund obligation shall “be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury” that states “on its face”:

that the obligation shall be incontestable in the hands of the Trust Fund to which it is issued, that the obligation is supported by the full faith and credit of the United States, and that the United States is pledged to the payment of the obligation with respect to both principal and interest.

The “full faith and credit” guarantee is the strongest guarantee the federal government can provide. It is the same guarantee that backs other federal notes and bonds. According to the Social Security Administration:

Far from being “worthless IOUs,” the investments held by the trust funds are backed by the full faith and credit of the U.S. Government. The government has always repaid Social Security, with interest. The special-issue securities are, therefore, just as safe as U.S. Savings Bonds or other financial instruments of the Federal government.

Until your recent remarks, no President in the 70-year history of Social Security questioned the commitment of the



President Bush grandstands at the U.S. Treasury Agency's Bureau of Public Debt in Parkersburg, W.V., on April 5, claiming that money he borrowed from the Social Security fund is now represented by worthless IOUs.

government to repay the trust funds. When Social Security was created, President Roosevelt stated: "We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pensions and unemployment benefits." You are the only President to suggest that this "legal, moral, and political" commitment could be violated.

The 1983 Social Security Reforms

The last major Social Security legislation was the 1983 Social Security legislation. This legislation expressly renewed the commitment between the public and government inherent in the Social Security trust funds.

In the early 1980s, the Social Security system faced both short-term and long-term deficits. In 1981, President Reagan appointed a bipartisan commission, chaired by Alan Greenspan, that was tasked with reviewing "relevant analyses of the current and long-term financial condition of the Social Security trust funds," identifying "problems that may threaten the long-term solvency of such funds," and developing and recommending "solutions to such problems that will both assure the financial integrity of the Social Security System and the provision of appropriate benefits."

President Reagan's mandate to the Greenspan Commission explicitly recognized the need to protect the Social Security trust funds:

I believe that we should build any social security rescue plan around . . . basic principles: First we must preserve the integrity of the trust funds and the basic social security benefit structure.

In their report to the President, the members of the Greenspan Commission "agreed that the long-range deficit should be reduced to approximately zero," and they presented a set of recommendations that would "meet about two-thirds of the long-range financial requirements." The cornerstone of the Commission's recommendation was the idea that Social Security could be preserved by building up reserves in the trust funds that could be used to pay out benefits as the baby boom generation retired. To accomplish this, the Commission recommended raising the retirement age and increasing Social Security contributions.

Congress reformed Social Security soon after the Commission report was released. The legislation relied heavily on the Commission report and made clear that the build-up of trust fund reserves was vital to the long-term future of the program. As the Commission had recommended, the legislation eliminated the deficit faced by Social Security by raising the retirement age and increasing Social Security contributions. The House bill was titled: "A bill to assure the solvency of the Social Security Trust Funds." The report of the House Committee on Ways and Means stated:

The combination of revenue increases and benefit modifications contained in the bill both assures the trust funds against short-term cash shortfalls, and eliminates the currently projected long-term deficit.

During debate on the 1983 amendments, members of the House and Senate focused on the vital role of the trust fund in the long-term health of the Social Security system. Senator Dole, the Chairman of the Senate Finance Committee and a member of the Greenspan Commission, observed that the heart of this legislation is the package of provisions designed to assure the solvency of the Social Security system over both the short term and the long term. Senator Heinz stated:

This bill will restore solvency to Social Security. It should insure, under our current economic forecasts, the financial integrity of the old-age, survivors, and disability insurance (OASDI) trust funds for both the rest of this decade and the foreseeable 75 year future.

Rep. Dan Rostenkowski, the Chair of the Ways and Means Committee, stated that the bill is "a cautious, fair plan that

raises enough revenue [that] . . . closes the enormous deficit built up in the next century.” Rep. Cecil Heftel from Hawaii underscored that the proposal was designed to address the “combined effects of several recent years of low birth rates and a high number of future retirees when the baby boom generations of the 1940s and 1950s begin reaching retirement age.”

When President Reagan signed the 1983 bill into law on April 20, 1983, he told the crowd that the “bill demonstrates for all time our nations ironclad commitment to Social Secu-

The question now is whether the federal government will keep its commitment to Social Security. It would be a gross betrayal and an unprecedented transfer of wealth from the middle class to the super rich for the government to renege on its promise to repay the trust funds.

riety.” Pointing out that just months earlier, there had been “legitimate alarm that Social Security would soon run out of money,” the President noted: “we kept our promises. We promised to protect the financial integrity of Social Security. We have.”

American Families Have Done Their Part

Since passage of the 1983 reform, Americans have also kept their end of the bargain. Every paycheck, Americans pay FICA taxes into the Social Security system. These contributions have significantly exceeded the amount required to pay current benefits, building up the reserve fund contemplated by the 1983 legislation.

According to the Congressional Budget Office, the Social Security trust funds have accumulated a surplus of \$1.8 trillion since 1983. The surplus is invested in obligations backed by the full faith and credit of the United States, earning interest that further builds up the trust funds.

CBO estimates that Social Security revenues will exceed benefits every year until 2020, at which point the surplus in the trust funds is projected to total almost \$5.8 trillion. Because of interest payments to the trust funds, the funds will continue to grow until 2034, when they are projected to peak at \$8 trillion.

As President Reagan and Congress intended in 1983, this surplus will make Social Security solvent for decades if it is protected. Assuming full repayment of the trust funds, the surplus is projected by CBO to last until 2052. This would allow full benefits to be paid for the next 47 years, even with no changes to the program.

A Breach of Trust

When you were a candidate for President in 2000, you promised to protect the Social Security surplus. Your “Blueprint for the Middle Class” said that you would “‘Lockbox’ the Social Security Surplus” and “Require that Social Security money be used for nothing but Social Security.” The Republican Party platform in 2000 reflected your promises, stating: “The Social Security surplus is off-limits, off budget, and will not be touched.”

During your first term, you did not keep these promises. Under President Clinton’s leadership, Congress had passed budgets that protected the Social Security trust funds. Under the “lockbox” principle that President Clinton espoused, the surplus in the trust funds was used to pay down government debt rather than fund tax cuts or government expenditures. Despite your campaign pledges, you abandoned the lockbox and spent the Social Security surpluses to pay for tax cuts for the super rich and other government expenditures.

During your first term, Americans paid \$2.1 trillion in FICA contributions. Of this amount, \$600 billion were surplus contributions that were specifically intended to build up the trust funds. Your budgets spent \$500 billion of these surplus contributions to fund tax cut legislation and other government expenditures.

The tax cuts passed by Congress in 2001, 2002, and 2003 were the largest single drain on the Social Security trust funds. These tax cuts alone consumed approximately \$750 billion over the last four years, more than the entire Social Security surplus over that period. The principal beneficiaries of the tax cuts were the wealthiest 1% of Americans, who received 27% of the tax savings under the legislation.

Your latest budget proposes even more spending from the Social Security trust funds: \$2.5 trillion over the next ten years. Once again, the tax cuts for the super rich are the major drain on the trust funds. Of the \$2.5 trillion that will be taken from the trust funds, an estimated \$1.5 trillion will be spent to pay for tax cuts for the wealthiest 1% of Americans.

You are now stating publicly that the government will not repay the funds that are being taken from the Social Security trust funds. On Feb. 9, 2005, you told an audience in Washington, D.C.:

Some in our country think that Social Security is a trust fund—in other words, there’s a pile of money being accumulated. That’s just simply not true. The money—payroll taxes going into the Social Security are spent. They’re spent on benefits and they’re spent on government programs. There is no trust.

A day later, you told an audience in Raleigh, North Carolina, that “there are empty promises, but there’s no pile of money that you thought was there when you retired.”

On April 5, you delivered extensive remarks on the Social Security trust funds immediately following your visit to the

Bureau of Public Debt, the vault in West Virginia that houses the Social Security trust fund bonds. There you told Americans that “there is no ‘trust fund.’” According to your remarks:

A lot of people in America think there’s a trust, in this sense that we take your money through payroll taxes and then we hold it for you, and then when you retire, we give it back to you. But that’s not the way it works. There is no “trust fund,” just IOUs that I saw first-hand. . . . The problem is that the government is making promises to younger Americans that it cannot keep.

Similarly, on April 15, you told an audience in Kirtland, Ohio:

It’s not a trust. I mean, some people in America I suspect think that the federal government all these years has been collecting your payroll taxes and we’re holding it for you. And then when you get ready to retire, we give it back to you. That’s not the way it works.

You re-emphasized these claims again last week, telling CNBCs Ron Insana that there are “no real assets in the system” and that the trust funds consist of “paper promises.”

The effect of renegeing on the governments obligation to repay the trust funds—as you are proposing—would be a massive transfer of wealth from the middle class to the wealthiest in the country. Almost 75% of the contributions to the Social Security trust funds come from families earning less than \$80,000 per year. When one cuts through your rhetoric, the impact of your budget proposals is stark: trillions of dollars in Social Security contributions from the middle class are being diverted to pay for tax cuts that primarily benefit the super rich.

Conclusion

Over the past 20 years, the contributions of Americans to Social Security trust funds have built an accumulated reserve of almost \$2 trillion. Over the next 30 years, these reserves are estimated to grow to over \$8 trillion. If the government borrows these reserves to pay for tax cuts and government spending, the government has both a moral and legal obligation to repay the trust funds. Your position—that the government should not repay the funds it has borrowed from Social Security—betrays the trust that millions of American families have placed in you.

Your position is wrong, both morally and legally. I urge you to repudiate your statements about the Social Security trust funds and ensure that Americans receive the benefits that they have paid for and earned.

Sincerely,

Henry A. Waxman

Ranking Minority Member

Disintegrating GOP Rams Through Budget

by Carl Osgood

The ramrod passage of the conference report on the Fiscal 2006 budget on April 28, provides further evidence of the flight-forward panic that is taking over top echelons of the Republican Party in Congress. In an attempt to quell the growing revolt within the GOP against the fascist austerity demanded by the White House, the Congressional Republican leadership wrote most of the conference agreement behind closed doors, without the knowledge and participation of the Democrats. In fact, the House didn’t even appoint members of the conference committee until April 26, two days before the House voted on the conference report, suggesting that most of the work was done by a handful of party loyalists and their staffs, before the conference committee was even formally constituted.

The budget resolution was then rammed through the House in what has become typical fashion for this Congress. It was brought to the floor under a so-called “martial law rule,” under which conference reports can be considered on the same day that they are released, rather than waiting the three days otherwise required by the House rules. The conference report was made available at 2:45 PM on April 28. The House was voting on the martial law rule (which passed by a vote of 228 to 196) by 6:30 PM, and then voting on the budget bill, itself, at 8:35 PM, less than 6 hours after it was released.

Rep. Jim McGovern (D-Mass.), a member of the House Rules Committee—or rather “the Break-the-Rules Committee,” as he called it—said, during the debate on the rule: “Here we are taking up a bill that adds to the deficit and cuts billions of dollars from the safety net that protects the most vulnerable people in our country. We are considering this bill under a martial-law rule and without the three days required by the House rules so that members can actually read and analyze this bill for themselves.”

The budget passed by a vote of 214 to 211, with 15 Republicans joining all the 195 Democrats and 1 independent against the budget. Presumably, members of the Senate had more time to study the budget before voting on it. The Senate did not vote until 11:29 PM, but passed the budget 52 to 47.

Two days earlier, as the House was appointing conferees, it had voted 348 to 72, to instruct those conferees to agree with the Senate on the issue of Medicaid. The Senate had voted a month ago to strip out a provision calling for \$14 billion in cuts to Medicaid. It had also voted for the creation of a bipartisan commission to review the program. The House resolution, in contrast, had called for \$20 billion in cuts to

Medicaid, although 44 Republicans had signed a letter to House Budget Committee chairman Jim Nussle (R-Ia.) protesting the cuts. Nussle, however, did not oppose the motion to instruct, cleverly claiming that he did not oppose the language, which no doubt, explains the large vote.

House Minority Whip Steny Hoyer (D-Md.) called Nussle's bluff, however, accusing him of declaring victory when he knows he is going to lose, because "what he says is that there is consensus on his rhetoric" but not on his policies. Perhaps Nussle's real motive for not opposing the motion, was that the budget was already a done deal by that time, making the vote, itself, irrelevant.

The conference report largely preserves the cuts that President Bush is demanding. The resolution demands \$34.7 billion in cuts over five years from mandatory programs, of which \$10 billion is likely to come out of Medicaid, and calls for \$70 billion in tax cuts, all under the reconciliation process. It also reduces domestic non-defense discretionary spending by \$143 billion over five years, including \$13.5 billion from the Veterans Affairs budget. It predicts that the budget deficit will decline from \$397 billion in 2005 to \$210 billion in 2010, but, as Sen. Kent Conrad (D-N.D.) has been pointing out, the deficit figures do not include the future costs of the Bush Administration's war policy, reform of the alternative minimum tax, or the privatization of Social Security. Instead of a deficit of \$210 billion in 2010, Conrad sees it growing steadily until it hits \$621 billion by 2015.

The spending cuts, both in mandatory programs and in discretionary programs, appear to serve little purpose beyond covering over the effects of the tax cuts of \$106 billion. The Democrats made mincemeat out of the GOP claim that the budget is going to cut the deficit in half by 2010, simply by citing a Congressional Budget Office report that concludes that the budget will actually add \$168 billion to deficit spending over those five years.

Conrad, speaking in the Senate, suggested that the problem is even worse, and he produced a chart that illustrates the problem rather clearly. The chart shows a decline in Federal spending between 1980 and 2000, from 24% of GDP to about 18%. Since 2000, spending has increased back to about 20% of GDP. Revenues, on the other hand, were steady between 1985 and 1994, at about 17% to 18% of GDP, but they increased to about 21% of GDP by 2000. Since then, however, revenues have collapsed to 16% of GDP.

Escalating Deficits: An Inescapable Conclusion

Although this analysis does not present the total picture of the U.S. economic collapse, nor the fakery of government economic statistics, the inescapable conclusion is that tax cuts for the rich, combined with dramatically increased spending for wars and police state measures, do not lead to fiscal sanity, but rather to the \$400-billion-plus deficits we have now. The budget also calls for increasing the statutory debt ceiling by \$781 billion, to \$8.6 trillion. Once passed, that will mean that

the national debt has increased by \$3 trillion since President Bush has been in office.

What is left, of course, is a budget plan that reaps huge benefits for the wealthy interests that contribute to the Republican Party, while those who are elderly, poor, disabled, or ill have to make the sacrifices. Rep. Chet Edwards (D-Tex.) put it in language that the Republicans would not misunderstand: "No major religious faith," he said, "would ask the most from those who have the least, while asking the least from those who have the most. Yet, that is what this budget does." At the same time, the budget protects the proposed \$419 billion for the Defense Department, an increase of 5% over 2005, plus a \$50 billion reserve fund for the next expected Iraq war supplemental bill in 2006.

Still missing from the debate, is a discussion of what is a sane economic policy—a discussion, so far, provided only by *EIR* founder Lyndon LaRouche. As reported previously in *EIR* ("Republican Budget Resolutions in Search of a Dollar Blowout," by Paul Gallagher, April 22), the resolution outlaws precisely those measures that would be required for rebuilding the economy, including infrastructural development, a large part of the direction of, and funding for, which would have to come from government.

The LaRouche Youth Movement has been circulating large numbers of copies of LaRouche's "Recreate Our Economy" pamphlet, which includes his April 13 "Emergency Action by the Senate" memorandum, on Capitol Hill, and has been engaging in discussions with both Democrats and Republicans on the necessity of saving what's left of the machine tool capability in the U.S. economy.

The next steps in the budget process are now the annual appropriations bills, for which the budget resolution sets allocations, and the reconciliation process, under which the legislation to implement the mandatory program cuts will be written. The reconciliation process also will generate \$70 billion of the tax cuts that the budget plan calls for. If examined solely within the framework of the budget process, it appears that the budget has a good chance of being implemented as written, because under the budget rules, reconciliation bills cannot be filibustered in the Senate.

However, with the GOP fracturing on everything from Social Security privatization to John Bolton, the uncertainties surrounding the threat of Senate Majority Leader Bill Frist (R-Tenn.) to pull the trigger on the nuclear option, and the ongoing intervention into the Congress by the LaRouche Youth Movement, anything could happen between now and September, when the reconciliation bills are to be reported out of the relevant committees.

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Arrest of Pentagon Official May Help Unravel Neo-Conservative Cabal

by Jeffrey Steinberg and Nancy Spannaus

Pentagon Iran desk officer and neo-con patsy Larry Franklin was arrested on May 4, on charges that he passed classified information based upon secret Pentagon documents to two American Israel Public Affairs Committee (AIPAC) officials in June 2003, at a restaurant in Arlington, Va. The two AIPAC officials, who were not named in the complaint, were Steve Rosen and Keith Weissman, who were both fired by AIPAC in recent weeks.

A number of senior intelligence sources, reached for comment on the Franklin charges, all had the same essential reading: The FBI has a *prima facie* case against Franklin. In FBI raids on his home, Federal agents confiscated 83 classified documents, which he was not authorized to have there. The case is cut and dried, and a charge of mishandling classified documents carries a ten-year Federal jail sentence. Franklin is being squeezed to provide prosecutors with a complete picture on the AIPAC/Israel espionage operation, including Pentagon officials who were part of the effort. These include, but are not limited to: Doug Feith, William Luti, Harold Rhode, and Abram Shulsky.

In addition, one source emphasized the importance of Franklin's December 2001 trip to Rome, accompanied by Rhode and Michael Ledeen. The trip centered around a meeting with former Iran-Contra swindler Manucher Ghorbanifar, whom Ledeen sought to reactivate as a Pentagon channel to the Iranian government, and as a source on activities inside Iraq and Afghanistan. The Rome trip coincided with the surfacing of the forged Niger government documents, falsely charging that Saddam Hussein was seeking large quantities of yellow cake uranium from the African nation.

Franklin was arrested on a criminal complaint, even as a grand jury continues to consider his case. He is widely considered to be providing information to prosecutors. A closer look at his associations with the neo-con crowd shows that by targeting him, FBI officials might be able to unravel a whole skein of wrongdoing, which could help bring down the inner circle linked to Vice President Dick Cheney.

Preparing To Hit Iran?

The investigation of Franklin, and his dealings with the AIPAC officials, first was made public in August 2004, in the immediate wake of a major propaganda barrage promoting

pre-emptive military action against Iran. As head of the Iran desk at the Pentagon, Franklin had access to classified documents related to that area; according to the criminal complaint, he allegedly disclosed Top Secret information related to potential attacks upon U.S. forces in Iraq, to the two individuals, neither of whom had the security clearance to receive that information. At the time, Lyndon LaRouche estimated that patriotic sections of the U.S. intelligence community were acting to defuse a potential Israeli "breakaway ally" hit against Iran.

It was not only AIPAC officials with whom Franklin was in touch. He is reported to have also had meetings with Naor Gilan, until recently an Iran specialist at the Israeli Embassy in Washington. And, according to both the *New York Times* and Associated Press on May 5, FBI officials recently questioned a former senior Mossad official about his ties to Franklin. The official was Uzi Arad, a former senior official with the Israeli intelligence agency. Arad is reported to have told the FBI that he had met Franklin twice, and received an academic paper from him.

Arad is no garden variety Mossad agent. He held senior posts from 1975 to 1999, and served as the Foreign Policy Advisor to Prime Minister Benjamin Netanyahu. After the FBI probe of Franklin was announced Aug. 29, 2004, Azad was one of the Israelis who jumped to defend Israel against the allegations that Franklin had passed them classified documents, saying that at worst the analyst (Franklin) "crossed the line" by inappropriately disseminating sensitive material. "That is not espionage," he said.

Azad is also notable for the fact that, in a speech at the Jerusalem Institute for Contemporary Affairs on March 26, 2003 (five days into the Iraq War), he called on the United States and Israel to take military action against Iran as well. The luncheon meeting which Franklin had with the AIPAC officials, at which he allegedly passed them classified information, occurred on June 26, 2003.

Who Is Larry Franklin?

Sources in the military and intelligence community have provided this news service with a profile of the suspected Israeli mole: Larry Franklin is a Defense Intelligence Agency (DIA) analyst, who shifted from Cold War Soviet studies,



Larry Franklin is shown here speaking in the ear of neo-con Undersecretary of Defense Douglas Feith.

to a specialty in Iran-Iraq. A protégé of DIA Sovietologist Winnifred Joshua, Franklin also studied at Johns Hopkins University's School of Advanced International Studies (SAIS), where he was reportedly picked up by Paul Wolfowitz, then-Deputy Secretary of Defense, and an individual who has been probed for passing U.S. secrets to Israel since 1978, according to a February 2004 study by Stephen Green, which catalogued long-standing espionage allegations against, and investigations into Wolfowitz, Feith, Michael Ledeen, Stephen Bryen, and Richard Perle.

In the Summer of 2001, Franklin was transferred from DIA to the Pentagon's policy office under Feith, where he took charge of the Iran desk in the Near East South Asia (NESA) section, and later worked for the Office of Special Plans (OSP), the Iraq war-planning unit under Feith and NESA head William Luti. Luti had been a military aide to former Speaker of the House Newt Gingrich, and had been in the Office of Vice President Cheney at the start of the "Bush 43" Administration. According to Lt. Col. Karen Kwiatkowski (USAF, ret.), who served in NESA from June 2002 to March 2003, Luti bragged at staff meetings, that he was reporting directly to "Scooter," which, she learned, was a reference to Cheney's chief of staff, I. Lewis "Scooter" Libby.

As an Air Force Reserve officer, Franklin had served several tours of duty at the U.S. Embassy in Tel Aviv, where, according to one military source, he had gotten in trouble for unauthorized contacts with Israeli intelligence officials. According to one news account, the current FBI probe into Franklin's activities was triggered by a June 2002 leak in the *New York Times*, which detailed American war plans against Iraq. While on the NESA Iran desk, Franklin was also reportedly the subject of a probe into his mishandling of classified documents; however, a serious probe into that incident was blocked by the intervention of Luti and Feith, according to a

confidential Pentagon source.

Franklin, according to an eyewitness, was part of a neo-con inner circle that met frequently, behind closed doors, in the office of Doug Feith. The group included Feith, Luti, OSP official Abram Shulsky, Office of Net Assessment Mideast specialist Harold Rhode, former Defense Policy Board Chairman Richard Perle, David Wurmser, and Michael Maloof. As a group, they worked closely with Wolfowitz and with Libby, whose own ties to the Israeli Mafiya and Israeli intelligence run deep: Libby was the former attorney for Israeli "Mafia" boss Marc Rich.

Franklin, Rhode, and Ledeen

In the Summer of 2003, it was revealed that Larry Franklin had been part of a Pentagon team, composed also of Rhode and self-professed "universal fascist" Michael Ledeen, which had travelled to Rome, in December 2001, to open unauthorized channels to the Iranian government, through a widely discredited Iran-Contra figure, Manucher Ghorbanifar. According to one news account of the trip, the troika sabotaged talks then under way between the State Department and the Iranian government, involving the turning over to the United States of five top al-Qaeda figures, who were in custody in Iran.

Virtually every member of the neo-con grouping has been under investigation for espionage, fabrication of intelligence, and other treachery against the United States. Sources, for example, have identified Rhode, a longtime protégé of British intelligence's Dr. Bernard Lewis, and a close collaborator of Ledeen, as the target of a separate espionage probe, involving his passing of U.S. national security secrets to Israel, while he was in Baghdad as part of the Coalition Provisional Authority (CPA). While in Baghdad, Rhode practically lived out of the home and office of Iraqi National Congress (INC) head Ahmed Chalabi.

Ledeen is also, according to law enforcement sources, a target of inquiry, concerning his suspected role in passing forged Niger government documents to the Italian intelligence service, SISMI. The forged documents purported to "prove" that Iraq was seeking uranium from Niger, to build a nuclear bomb. Vice President Cheney and other Bush Administration officials used the threat of Iraq's alleged imminent possession of a nuclear bomb, as a bludgeon to force Congressional approval of the Iraq War. When President Bush cited alleged Iraqi efforts to obtain uranium "yellow cake" from an African state in his Jan. 28, 2003 State of the Union address, the whole issue blew up, leading to the ongoing Federal criminal probe.

Although both the State Department and CIA had cautioned that the Niger yellow cake story was dubious, Bush and Cheney went ahead with their shrill allegations. Then-International Atomic Energy Agency (IAEA) director Dr. Mohammed ElBaradei revealed in early March 2003, that the Niger documents were shoddy forgeries. According to several former U.S. intelligence officials, one prime suspect in the

document forgeries scam was Chalabi's INC. Ledeen, a long-time Chalabi booster, has also long been a paid "consultant" to SISMI. A September 2004 *Washington Monthly* article reports that when Ledeen, Franklin, and Rhode met in December 2001 with Iranian government officials in Rome, the head of SISMI and Italy's Minister of Defense also attended the meetings.

A Bolton Angle?

While the issue of Pentagon illegal activity with Israel, in order to provoke a war against Iran, or Syria, is still a live one, so is the matter of the Niger "yellow cake" concoction, a story which has never been solved, and which is intimately connected with the still live investigation of what is known as the Plame leak.

It was December 2001, after the Ledeen, Franklin, Rhode trip to Rome, that fraudulent documents surfaced, alleging that Iraq was negotiating for yellow cake from Niger. In the Spring of 2002, reportedly on the recommendation of Vice President Cheney, former U.S. Ambassador Joe Wilson was sent to investigate the charges, and returned a report saying that the claim was false. In the Summer of 2003, Wilson was subjected to an attempt to discredit him in the media, including through the disclosure of the identity of his wife, covert CIA operative Valerie Plame. The disclosure of Plame's identity was a violation of Federal law, but, as yet, the Administration has not "solved" the case. A Federal Special Prosecutor is still pursuing the case of the leak, which many sources report to have originated from the vicinity of Cheney's office.

On the strength of Wilson's report, and other analysis, the CIA and the State Department removed the Niger report from their intelligence estimates of Iraq's pursuit of weapons of mass destruction. Yet, in December 2002, Under-Secretary of State for Arms Control and International Security Affairs John Bolton played a key role in putting this false information in a widely circulated State Department Fact Sheet on "Omissions From the Iraqi Declaration of the United Nations Security Council."

In a March 1, 2005 letter to the chairman of the National Security Subcommittee of the House Government Reform Committee, Rep. Henry Waxman (D-Calif.) asked for a committee investigation into State Department efforts to conceal the role of Bolton in the creation of the Fact Sheet, and in insisting that the Niger reference be kept in the Fact Sheet, despite objections from both State Department intelligence and CIA officials.

This inquiry has relevance not only to Bolton's potential connection to an espionage network, but to his persistent role in "fixing" intelligence which he and his neo-con friends did not like. It was this cooking of intelligence which provided the justification for pushing the United States into war against Iraq, in pursuit of WMD which were not there, and which the neo-con circles around Dick Cheney continue to carry out in pursuit of the new wars they have on their agenda.

Guantanamo Revelations Point to Rumsfeld

by Edward Spannaus

"The intent was to humiliate this detainee, and to create a barrier, through sexual humiliation and sexual enticement, between the detainee and his faith . . . to create a wedge between the detainee and his God."

This is Army Sgt. Eric Saar being interviewed on a May 5 National Public Radio show. Saar spent six months as an interrogator and translator at Guantanamo, from December 2002 through June 2003, and has now written a book called *Inside the Wire: A Military Intelligence Soldier's Eyewitness Account of Life at Guantanamo*. He was describing an incident in which a female interrogator used sexual taunts and behavior to try to make a prisoner feel "unclean," so that he could not pray and draw strength from his religious faith.

On the interview, Saar was asked: "Was it part of the policy at Guantanamo to keep people from their faith? . . . The Bush Administration is so pro-faith. . . . Was this idea of creating a wedge between a prisoner and his faith, part of policy?" Saar replied that he does indeed believe that this "was a matter of policy, to use these techniques," because, he said, it was a concerted effort, and none of this was hidden. When asked how far up the chain of command, did people know about this, Saar said that he had no reason to doubt that "individuals very high up in the chain of command," knew what was going on. One reason he knows this, he said, is because interrogators had to follow procedures, and get approval to use certain techniques.

Saar's story was also featured on CBS-TV's "60 Minutes" on May 1, which reported as well on new e-mails from FBI agents at Guantanamo who were warning FBI Headquarters about the torture of prisoners at Guantanamo. Saar said that not only did he regard the abuse and humiliation of prisoners as wrong, but also as ineffective. The "sex-up" approach did not work, and the detainee remained uncooperative, he said. "It's impossible to try to build a connection and establish trust. We were now relying solely on fear to get the detainee to cooperate, and I think that's an enormous mistake."

CBS also interviewed retired Army Col. Patrick Lang, one of the military's leading experts on the Middle East. "Unimaginable to me; I just cannot imagine what people think they were doing," Lang said. "I mean, what is this? A scene from Dante's Inferno?"

"If we do things like this, if we beat people and we neglect them, and we try to use their religion against them, however stupidly, we're debasing ourselves to the point, in fact, in which we're losing something, that we should be trying to

protect in this war,” said Lang. “As a professional soldier, and someone who dedicated his life to the service of the United States, in fact, to think that United States would stoop to such tactics as this, I find to be a disgraceful thing.”

Staged Interrogations

Saar’s account also confirmed something that was suspected by many for a long time—particularly by journalists who had visited Guantanamo—that interrogation scenes were staged for visiting VIPs. Saar says that interrogators would pick someone who had already been cooperative, and they would just go over the same material with him again. (*EIR* has been advised that the same thing was done to some military officials as well.)

Rep. Adam Schiff (D-Calif.) was one of those VIP visitors to Guantanamo in May 2004, and he came back reporting that “important intelligence is being derived from detainee interviews conducted in a humane manner.” Now, Schiff is asking for a House Judiciary Committee investigation into the reports of staged interrogations, saying, “The fact that members of the committee and other members of Congress may have been deliberately deceived is extremely disturbing, if true.”

Miller and Boykin

In November 2002, a new commander, Maj. Gen. Geoffrey Miller, was appointed for Guantanamo, after the previous commander, Brig. Gen. Rich Baccus, was removed by Defense Secretary Donald Rumsfeld and top Pentagon officials, who accused Baccus of being too soft on detainees. “I was mislabelled as someone who coddled detainees,” Baccus later told the London *Guardian*. “In fact, what we were doing was our mission professionally.” One of the practices which Baccus resisted, and which was instituted by Miller, was to strip detainees naked and shackle them to the floor before they were questioned.

That these policies came from the top, was confirmed in an FBI memorandum from May 2003, describing a confrontation between FBI officials at Guantanamo, with Miller and another Army general. “Both sides agreed that the bureau [the FBI] has its way of doing things, and the DOD has their marching orders from SecDef”—referring to the Department of Defense getting its orders from the Secretary of Defense, Donald Rumsfeld.

Miller has a reputation as an anti-Muslim, Christian fundamentalist “Boykin-type,” referring to the Muslim-hating fanatic Gen. William “Jerry” Boykin, the deputy to Rumsfeld’s Undersecretary of Defense for Intelligence, Stephen Cambone. Cambone and Boykin were instrumental in sending Miller to Iraq in August-September 2003, with the mission of “Gitmo-izing” detainee operations at Abu Ghraib Prison and other facilities there.

One of the most infamous images from Abu Ghraib is that of the young female soldier holding a dog leash which is

wrapped around a naked prisoner’s neck. *Newsweek* has now reported a similar incident at Guantanamo, where interrogators led a detainee around with a collar and leash in an attempt to break his resistance. Even without that particular example, the correspondence between the methods used at Guantanamo, and those memorialized in the notorious Abu Ghraib photos, is too obvious to be missed—unless you happen to be a military official charged with investigating such matters.

There is yet still another investigation of prisoner abuse and torture still underway, one specifically about Guantanamo. According to the May 1 *New York Times*, the investigation was triggered in response to the disclosure of FBI messages complaining of interrogation methods at Guantanamo. This investigation, being conducted by Air Force Gen. Randall Schmidt, is now close to completion, and reportedly has determined that several prisoners at Guantanamo were mistreated or humiliated, perhaps illegally, but, according to the *Times*, it is unclear how high up the chain of command the report will go in assigning responsibility.

Command Accountability

Just how far up these investigations should go, was stated very clearly in a statement issued in the April 18 *Legal Times* by two retired flag officers, Adm. John Hutson and Gen. James Cullen; this was in the wake of the March Pentagon report on prisoner interrogation and detention policies issued by Vice Adm. Albert Church. The Hutson-Cullen statement elaborated the concept of “command responsibility,” and declared that Secretary of Defense Rumsfeld should be held personally accountable for the abuse and torture of prisoners.

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

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

Hutson and Cullen document the policies which Rumsfeld put in place, undercutting long-standing prohibitions on the use of torture and other inhuman and degrading treatment, and then how he ignored and failed to act on reports of abuses. “The honor of our military is at stake,” they declare, reiterating their previous for the creation of an independent commission to conduct a full investigation.

Arnie the Fascist Bashes Immigrants

by Harley Schlanger

Reeling from a series of potentially devastating political setbacks, California Gov. Arnold Schwarzenegger (R) has resorted to an old tactic used by one of his predecessors, Pete Wilson: When in trouble, bash illegal immigrants.

In the course of less than a week, Schwarzenegger issued a double-barreled assault against Mexican immigrants. In an address in San Francisco to a convention of the Newspaper Association of America, he answered a question about immigration policy with a deliberately provocative retort: “Close the border,” he snarled.

When confronted on this later, he fell back on another old trick, claiming that he “misspoke.” My English isn’t so good, he protested. I meant to say, “secure the border.”

Several days later, on a right-wing radio program hosted by two goofs who seem to believe they are part of his policy coterie, Arnie let loose another blast. He praised the Minutemen, a group of armed lunatics who claim to be policing the border. “I think they’ve done a terrific job,” he said, “and they have cut down the crossing of illegal immigrants a huge percentage. So it just shows that it works when you go and make an effort and when you work hard.”

He continued, making it clear that, despite his broken sentences and confusing syntax, he was saying exactly what he wanted to say. “I mean, it is a doable thing, and it’s just that our Federal government is not doing their job. It’s a shame that the private citizen has to go in there and start patrolling our borders.”

The self-proclaimed Minutemen the Governor is enthusiastic over is the same group that President Bush denounced as “vigilantes.”

The Not-So-Hidden Agenda

As the expected furor around his statements grew, Arnie’s chief strategist, Mike Murphy, rose to his defense. “The political correctness industry is in a tizzy right now, but the everyday voters that support Arnold as a way to change Sacramento agree that we need the government to address this thing so people don’t have to be walking around with binoculars on the border.”

By this twisted logic, the failure of the Los Angeles Police Department to stop gang violence would justify patrols of the city’s streets by armed vigilantes, a point made in a May 2

editorial by the *Los Angeles Times*.

The *Times* editors made another, more salient point, in their expression of concern over the out-of-control behavior of the Hollywood macho who is the state’s chief executive. His “recent utterances on immigration,” they wrote, seem “like a desperate ploy to capitalize on the prejudices and fears of others. . . . And as someone born and raised in the shadow of the Third Reich, he should know better than to be fanning this anti-foreigner frenzy.”

Readers of *EIR* know that these latest episodes of outrageous comments by Schwarzenegger are not the result of “mis-statements,” or lack of awareness that such comments would escalate an “anti-foreigner frenzy.” They are fully consistent with the real intention of Arnie’s boss George Shultz’s “Schwarzenegger Experiment,” which is to use the “charisma,” cult-like popularity, and tough-guy persona of the “Terminator” to impose fascist economic policies on California.

Standard of Living Attacked

The whole program embodied in the “Year of Reform,” which was announced during a contentious State of the State address in January, was meant as an assault on the traditional safety net provided by the state to its most vulnerable citizens. These so-called reforms were nothing but an attack on the standard of living of those in the lower 80% of family-income brackets. While claiming that he wished to negotiate with Democrats in the legislature—in which a majority are Democrats—he let loose with a series of belittling attacks, calling them “girlie men” and comparing them to drug addicts, thus eliminating the possibility for deliberation to occur.

Underneath the insults to his legislative opponents was a clear intent: to use the deadlock he created to go “to the people,” placing initiatives on the ballot, couched in populist rhetoric, to completely circumvent the legislative process, thus consolidating all power in his hands.

And what do George Shultz et al. intend that he would do with this power? Make the state more “business friendly”; that is, substantially reduce taxes, cut wages and benefits, and slash expenditures for infrastructure, health care, and human services, ensuring that a cash flow would be diverted from necessary expenditures, directly into the pockets of those in the corporate cartels who have so generously dropped huge amounts of contributions into his campaign coffers.

After saying he was “kicking the butts” of nurses, and attacking teachers and fire fighters as “special interests,” Arnie is now blaming illegal immigrants for the economic collapse which, in reality, has been precipitated by the policies imposed over the last four decades by his boss, Shultz. The hint in the *Los Angeles Times* editorial, that this is fascism, is absolutely right. It is urgent that others join Lyndon LaRouche in using the “F” word —“fascism”—to describe the Schwarzenegger Administration, while there is still time to stop it.

LaRouche: Move Fast To Save Auto; GM Sliding To Bankruptcy

by Paul Gallagher

A late-February forecast of debt blowout in the American auto sector, clearly announced by Lyndon LaRouche when all “accredited” economists were proclaiming an accelerating U.S. economic recovery, was confirmed in the first week of May. It became evident then that General Motors, if not also Ford Motor Co., and scores of their supplier companies, are mudsliding faster and faster towards bankruptcy and dismemberment of the most important machine-tool and related industrial capabilities remaining in the American economy.

LaRouche, on Feb. 27, had pointed to large volumes of short-term debt payments piling up on GM and Ford’s doorsteps this year, while they made the problem rapidly worse by large money-losing “incentives,” attempting to keep autos moving to buyers whose falling real incomes meant that they could no longer afford them. On March 3, LaRouche asked publicly: “When will GM and GMAC go? Who will refinance this bubble, this debt swindle?”

A series of shocks on May 2-5—GM’s and Ford’s fourth straight month of plunging sales; GM’s loss of access to unsecured credit; corporate vulture Kirk Kerkorian’s circling of the company; and then the unprecedented dumping of Ford and GM’s debt (combined, \$453 billion) into junk-bond status on May 5—called LaRouche’s question. He had warned that the auto giants’ desperately incentivized credit and price practices had created a bubble of unsecured and unpayable debt, sitting alongside the U.S. housing debt bubble, ready to burst.

LaRouche had meanwhile spelled out, in an April 2 memo to Congress and in a mass-circulation pamphlet, “Recreate Our Economy,” the potential to save these capabilities, by government intervention to retool for production of vital new economic infrastructure such as high-speed rail corridors (see “LaRouche: To Save Auto, Build Rail,” *EIR*, May 6). He had insisted in these policy papers that it is simply not possible, nor desirable, to attempt to force the sales of more cars and trucks, while the other major means of transportation have

shrivelled away or, like the airlines, are collapsing financially.

Now the rapidly onrushing problem of saving the auto sector from physical collapse is on the desks of Congressmen, although few have yet acknowledged that publicly. In response to the escalating events of May 4-5, LaRouche urged that Congress has to “move fast,” learn the importance of national economic infrastructure, and intervene to give the auto sector a new mission. His proposal is the only effective policy on the table.

Nowhere To Borrow

The May 5 downgrade of GM and Ford debt by Standard and Poor’s rating agency jolted the entire corporate bond market, and will destabilize Third World nations’ debt interest rates in particular. The companies’ combined nearly half-trillion dollars of “junk” immediately constituted about 10% of the global junk-bond market. As soon as one of the other rating agencies follows suit, many pension and other funds, banks, and so on, will be required by law or regulation to get rid of GM and Ford bonds. Adding to the shock was that S&P put GM’s down two more notches on May 5 (Ford, one notch), deep into junk status, after a downgrade only one month ago. The agency expects GM to burn up cash this year to the tune of at least \$5 billion of its \$18-19 billion reserve. Said chief analyst Scott Sprinzen: “We don’t expect funding problems [running out of operating funds] in coming weeks and months, but no one knows—they’re in uncharted waters.” And S&P said it is considering still a further downgrade of the *unsecured* debt of General Motors Acceptance Corp. (GMAC, its huge financial arm), which constitutes nearly \$150 billion of the total.

After assessing that GM and Ford will not be able to reverse the steep loss of sales of gas-guzzling SUVs and pickup trucks—on which they have solely based their profits for nearly a decade—S&P blamed the lunatic incentivizing

LaRouche had warned of: “Even with extensive efforts to renew its products, GM continues to lose market share in North America, despite an aggressive pricing strategy—and we believe the company’s reliance on discounts has itself been detrimental.” The agency pointed to losses in Europe as well, and even in China—GM management’s foolish idea of a “Global Motors” strategy which abandons most production in the United States, is unworkable as well as extremely damaging to the U.S. economy.

And notably, S&P echoed the judgment of LaRouche in March, and of competent auto analysts based in the U.S. Midwest and published in the *Detroit News* in late April, that the Wall Street strategy of drastic shrinkage of GM is also unworkable. Those analysts warned that GM management’s austerity strategy—it has already closed or idled five plants and laid off 15,500 production workers since January—will shrink the productive company and its sales, but will not shrink its debt, bringing it into bankruptcy *faster*. GM’s “net debt” position—short-term debt due, vs. cash on hand—has deteriorated by \$19 billion since the end of 2003. S&P’s release added, “It is questionable whether GM’s relative competitive standing has improved as a result of extensive cost-cutting in its North American operations. The company has downsized operations through curtailing excess production capacity, but the boost to its efficiency has been undermined by market-share losses. The company has significantly reduced the size of its workforce, but total personnel costs have risen.”

General Motors was already frozen out of the unsecured corporate credit market, when its sales fell 7.7% in April, the fourth straight month of steep losses relative to one year earlier. Ford’s sales were down 5.1% from a year ago (8% in their pick-ups and SUVs). On May 3, Bloomberg News reported that GM/GMAC hasn’t sold bonds to institutional investors in the United States since November 2004. The “spread” on its 10-year bonds—what it would have to pay if it did issue bonds now—was nearly 7% above the rate on U.S. Treasury bonds, *before* the May 5 downgrade to junk; that was already worse than many junk-rated companies have to pay. However, GMAC has \$50-\$60 billion in debt maturing this year. How can it pay or roll that debt over, when shut out from the credit market?

According to GM spokesman Jerry Dubrowski, on April 30, GMAC will use its \$18.5 billion in cash to pay maturing debt—it also claims to be able to *loot a \$6.5 billion “reserve” out of its employees’ pension funds to pay down debt*—and sell more secured bonds, pledging GMAC’s streams of auto-lease and auto-loan payments to the lenders. Otherwise, junk-bond status will mean paying a prohibitive 14-15% total interest rate on a 10-year bond. To make things worse, GM and Ford’s combined underfunding of their pension plans, by more than \$100 billion, is nearly one-quarter of the entire deficit of all corporate pension plans in the entire U.S. economy. The Federal Pension Benefit Guaranty Corporation, fearing that it may have to absorb GM’s large pension obliga-

tions, may decide that it has to move preemptively, in order to have a claim on the same auto-loan and auto-lease income streams being pledged by GMAC to banks and bond-market lenders.

In all, a prospect for bankruptcy and dismemberment of the company.

Wall Street Vultures Circle

U.S. stock markets were sent “booming” on May 4 by a strike on GM, by corporate vulture Kirk Kerkorian, who made a sudden move to raise his holdings to 9% of all GM stock. Showing the ghoulish character of this Wall Street move, the big auto supplier ArvinMeritor’s stock also boomed that day, as it announced that it was closing 11 plants and laying off 1,830 workers. After the severe auto sales slump of the Bush “41” term, corporate raider Kerkorian had tried to seize control of Chrysler Corporation in 1994-95. What he wants now is to bite off and get control of the residential mortgage unit of GMAC, the source of half of GMAC’s profit, although it represents less than 20% of its business.

The *Wall Street Journal*, in several articles on May 5, made clear that Kerkorian’s strike was aimed at enforcing Wall Street’s strategy upon GM. More broadly, the fact that a financial vulture firm like Kerkorian’s is circling General Motors, shows that GM is being taken down faster than anyone had thought.

Wall Street’s demands have been clearly proclaimed at least since March. On March 17, Stephen Girsky, chief auto analyst at Morgan Stanley investment bank, stated: “The company’s market share doesn’t support its size. They have too many plants, too many workers, too many models, too many dealers, and their employee benefits are too high.” Merrill Lynch, and Citigroup’s investment bank, Bear Stearns, have published repeated “analyses” insisting that GM must get rid of 25,000-30,000 of its remaining 117,000 production workers (down from 530,000 a generation ago!) and close up to 20 plants. GM management has already closed or idled five plants, and five others are down to only one shift.

Second, the Wall Street strategy demands drastic cuts in the auto companies’ healthcare and retirement insurance—making employees pay 25-30% of the costs, excluding many drugs from coverage, and cutting higher-cost HMOs. And third, “the Street” insists that GM must sell off the residential mortgage unit of GMAC, its biggest source of profit, and Kerkorian’s apparent prey. That would leave the remainder of the company certain to go bankrupt that much quicker.

LaRouche’s “Super-TVA policy” for rebuilding the economy’s crucial infrastructure, taking the auto sector’s capabilities into that mission, needs fast action by Congress, against this fascist “solving” of financial crisis by of ripping out production and gouging labor. The U.S. does not need more SUVs, but the technology-intensive machine-tooling capacity and skilled labor of the auto sector would be critical in building such technologies as a magnetically levitated train system.

Health-Care ‘Fundamental Infrastructure’ Threatened by Medicaid-Cuts Mentality

by Marcia Merry Baker

A bipartisan, widespread resistance movement came into being this Spring, against the Bush Administration’s commitment to cut government outlays to the 1960s-enacted program for health care under the Social Security law, known as Medicaid. Though intended as a temporary-use safety net for citizens in need, Medicaid now has become the only resort for some 55 million Americans. The President’s Fiscal Year 2006 budget called for \$60 billion in cuts to the program over ten years; and Medicare cuts are pending as well.

Medicaid enrollment has risen dramatically as the economy declined over the past five years, going from 33 million in 2001, to over 55 million today. Accordingly, all the systems of health-care provision of the nation—hospitals, clinics, health centers, nursing homes, etc.—have become tightly tied to the flow of Medicaid payments. In fact, if Medicaid payments are cut to these facilities, the potential source of care is jeopardized for an additional 45 million Americans, who currently have no health-care insurance at all, along with those still under some kind of coverage. At stake is our health infrastructure, which needs to be built up, not taken down.

The principles of how to think about what to do, have been laid out in a mass circulation paper, *Recreate Our Economy* by Lyndon LaRouche, issued in April this year; and on health care in particular, in “Situating Health-Care Policy—What Is Infrastructure?” released March 24 (www.larouchepac.com).

Besides the obvious urgency and timing of LaRouche’s policy intervention, his paper is of special relevance to bipartisan deliberations under way, because a bipartisan Commission on Medicaid has been called for, to decide what to do instead of blindly continuing the “cuts mentality.”

Sen. Jay Rockefeller (D-W.V.), drew out this point March 9, when he took up leadership of a newly formed Senate Democratic Medicaid Working Group, saying, “Medicaid is our health-care safety net. It is the fulfillment of the promise the Federal government has made to our nation’s most vulnerable citizens—pregnant women, children, the elderly, and the disabled—that they will have access to health care when times get tough. Medicaid is also much more than that—it is the foundation of our health-care infrastructure through its support of hospitals, doctors, and nursing homes, which deliver critical care throughout the country, especially in rural areas and small

communities that make up much of West Virginia” (emphasis added). His point applies equally to poor, inner-city areas.

What follows is a review of the vulnerable condition of the major components of the U.S. national health-care infrastructure—from hospitals, to clinics, health centers, nursing homes, and medical staff-to-population ratios. What stands out is that *the entire system is on the edge*, after decades of Federally promoted downsizing, and privateering, in the name of such deregulation-serving ruses as “competition . . . health management . . . health maintenance organizations . . . eliminating bed overcapacity,” etc. Loss of facilities has already reached the point of upping the death toll in areas such as Southeast Washington, D.C., Detroit, Los Angeles, as well as in rural areas.

Advocates for the various sections of the national health-care system are now making last-ditch appeals to be spared cuts in Medicaid, Medicare, and other Federal payments, in order to save the vestiges of their particular operations and provide care for desperate people. But what the crisis now requires of lawmakers, specialists, and average citizens alike is to have an overview of the whole national health-care infrastructure—to see what is required, and restore and expand every needed aspect, on a basis of agreed-upon priorities.

In turn, acting to rescue health care can only be successfully done in the same mobilization as for emergency measures for the economy as a whole. “Hard” infrastructure, as well as “soft” (schools, hospitals, etc.), is in crisis—including Amtrak, waterways, and power generation. At the center of it all is the necessity for immediate intervention to preserve the very core of the industrial base of the nation—the machine-tool and factory complex now on the line with the financial crisis of General Motors and the entire auto sector.

Some of the key parameters of health-care infrastructure are indicated in this series of maps produced by the North Carolina Rural Health Research and Policy Analysis Center, Cecil B. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill. They are available in the Cartographic Archive on its website (see www.shepscenter.unc.edu).

Public Hospital Base Downsized

The first map (**Figure 1**) shows the high degree of dependence on Medicaid revenues of U.S. hospitals. The second map (**Figure 2**)

FIGURE 1

Hospitals in Many Rural Counties Are Highly Dependent on Medicaid Payments

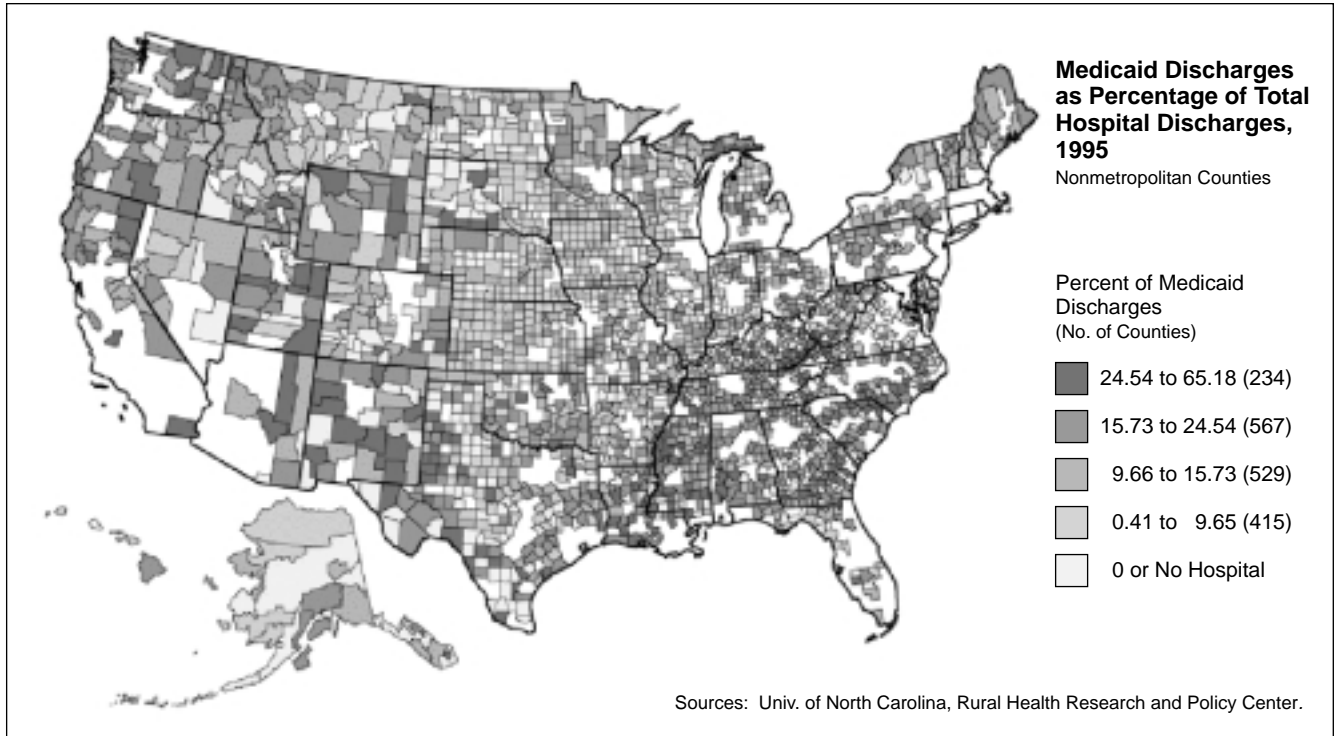


FIGURE 2

Location of 4,040 Public Hospitals, 2004

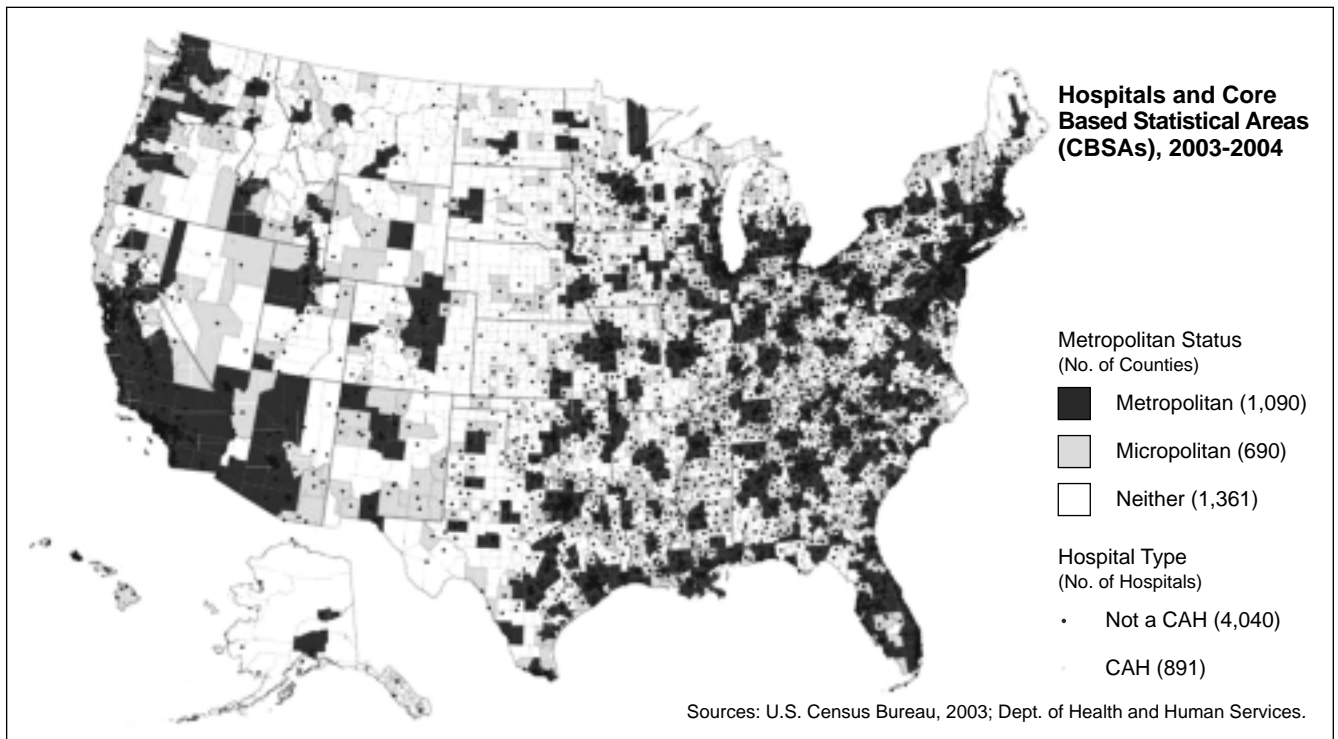
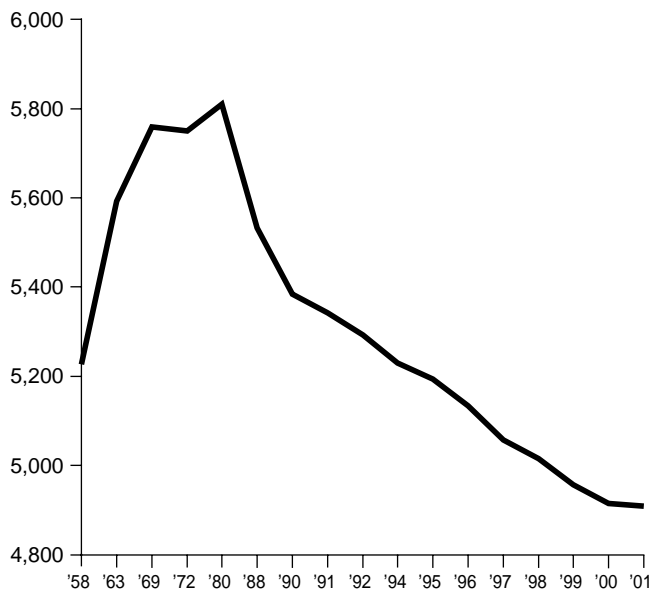


FIGURE 3

Number of Community Hospitals Declined Nationally During HMO Era

(Number of Hospitals)



Source: U.S. Statistical Abstracts; EIR.

is a reference map showing the sites of 4,040 full service hospitals. In addition to those, there are lesser-service hospitals, officially designated as “Critical Access Hospitals” (CAH), mapped in **Figure 4**.

In **Figure 1**, the pattern shows that in many counties, 25-65% (darkest tone) of those patients discharged from the hospital are Medicaid beneficiaries. Lighter tones show a lower percentage, but still significant. Shown are only rural counties, but the same pattern holds for inner-city-serving public hospitals.

Moreover, the public hospital base itself is being downsized. The graph in **Figure 3** shows how the number of community hospitals has dropped over the last 25 years, from a level of 5,800 in 1980, down to 4,850 as of 2001.

Up through the 1970s, what was called the “Hill Burton” policy prevailed, whose principle is that ratios of health-care delivery—hospitals, nursing homes, diagnostics, medical staff and so on—should be provided on a per-population basis, as required by where people lived, and by their demographics. Following World War II, it was seen as a Federal responsibility to provide all citizens with access to health-care infrastructure, which meant a commitment to seeing that there was a public hospital, or several—depending on density of population—present in each of the 3,069 counties of the

nation. Before passage of Hill Burton in 1946, some 1,700 counties had no public hospital at all.

The 1946 “Hospital Survey and Reconstruction Act,” known as the Hill Burton Act (after its bipartisan sponsors Sen. Lister Hill, Democrat of Alabama, and Harold Burton, Republican of Ohio), gave the mandate, funding, and principles in just nine pages. The graph shows the rise in numbers of hospitals from 1958 through the 1970s, as the building commenced.

But with the enactment of the 1973 HMO Act, and related deregulation of health care, this infrastructure principle was set aside, and the takedown of the hospital-based care system has ensued over the last three decades.

In the course of the shrinkage of the hospital base, various Federal amelioration attempts were made. **Figure 4** shows one of the most recent, the location of Critical Access Hospitals. In 1997, Congress created this designation, as a rear-guard effort to support the continuation of small hospitals in underserved areas. So, in addition to the 4,000 or so hospitals shown in **Figure 2** for 2003-04, at that time there were about 891 additional CAH facilities. Today, the number of full-service hospitals has declined further, and the lesser-service CAH facilities have increased. **Figure 4** gives the location for 1,086 Critical Access Hospitals as of March 2005.

Figures 5 and **6** show two more elements—healthcare centers and clinics—which became part of the national health-care delivery system, as hospital-based systems were downsized. In **Figure 5**, 1,959 Federally Qualified Health Centers are shown. Among the enabling legislation is Section 330 of the Public Health Service Act, allowing grants for primary care and support services (such as transportation and translation). **Figure 6** shows the grid of some 3,298 Rural Health Clinics in the non-metropolitan counties. These were authorized in 1977 (PL 95-210 Rural Health Clinics Act) *for the purpose of improving access to care for Medicare and Medicaid beneficiaries* in areas lacking infrastructure. Such areas are officially defined as “Health Professional Shortage Areas” or “Medically Underserved Areas.”

In general, to provide a payments flow for their operations, the clinics and centers, and the CAH institutions, are funded by Federal mandate to receive Medicaid and Medicare payments *at cost*, rather than receiving payment at a set rate, which might be below actual costs of providing the care.

Thus, now, with the new Bush FY 2006 all-bets-are-off plans to cut Medicaid and Medicare payments, a mass wipe-out of facilities is threatened—from full-service hospitals and CAH facilities, to clinics and health centers.

Resisting Medicaid Cuts

Take New Mexico, for example. Many of the state’s rural counties are in the category where their hospitals have 24-

FIGURE 4

Location of 1,086 Public “Critical Access” Hospitals, 2005

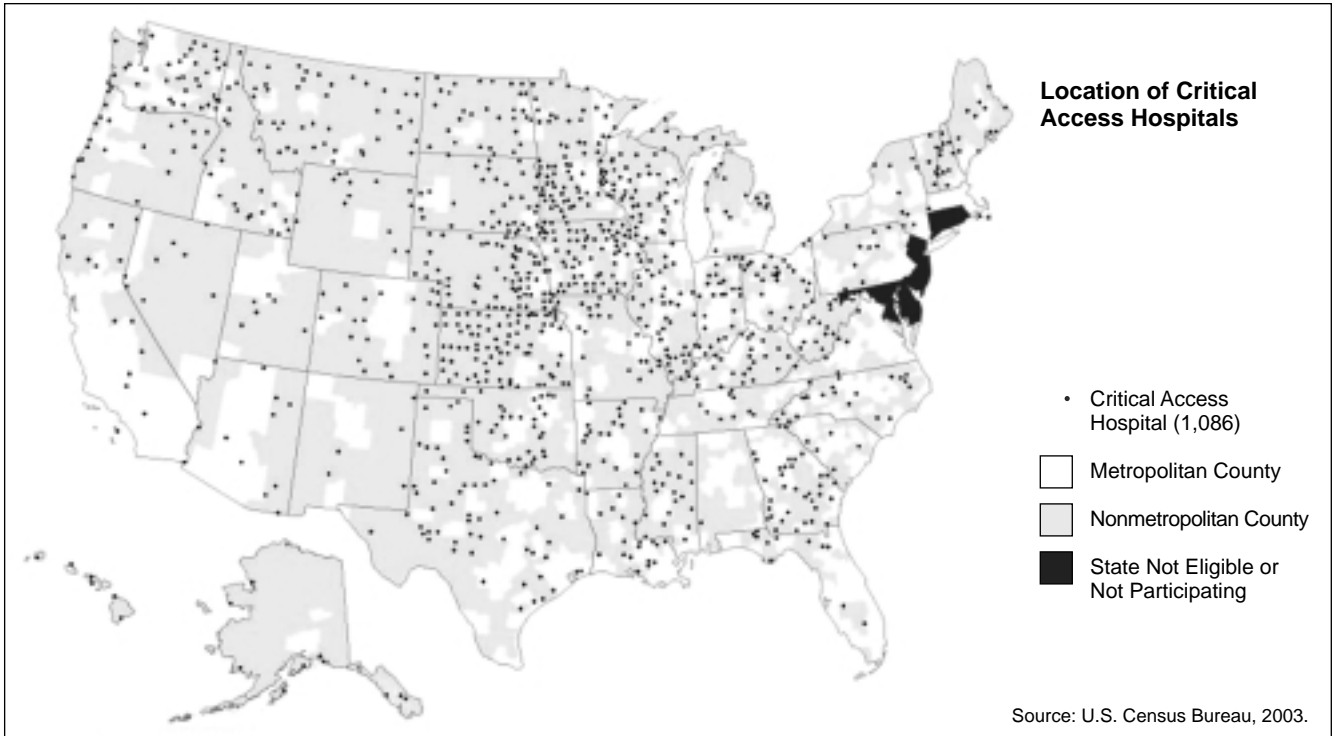
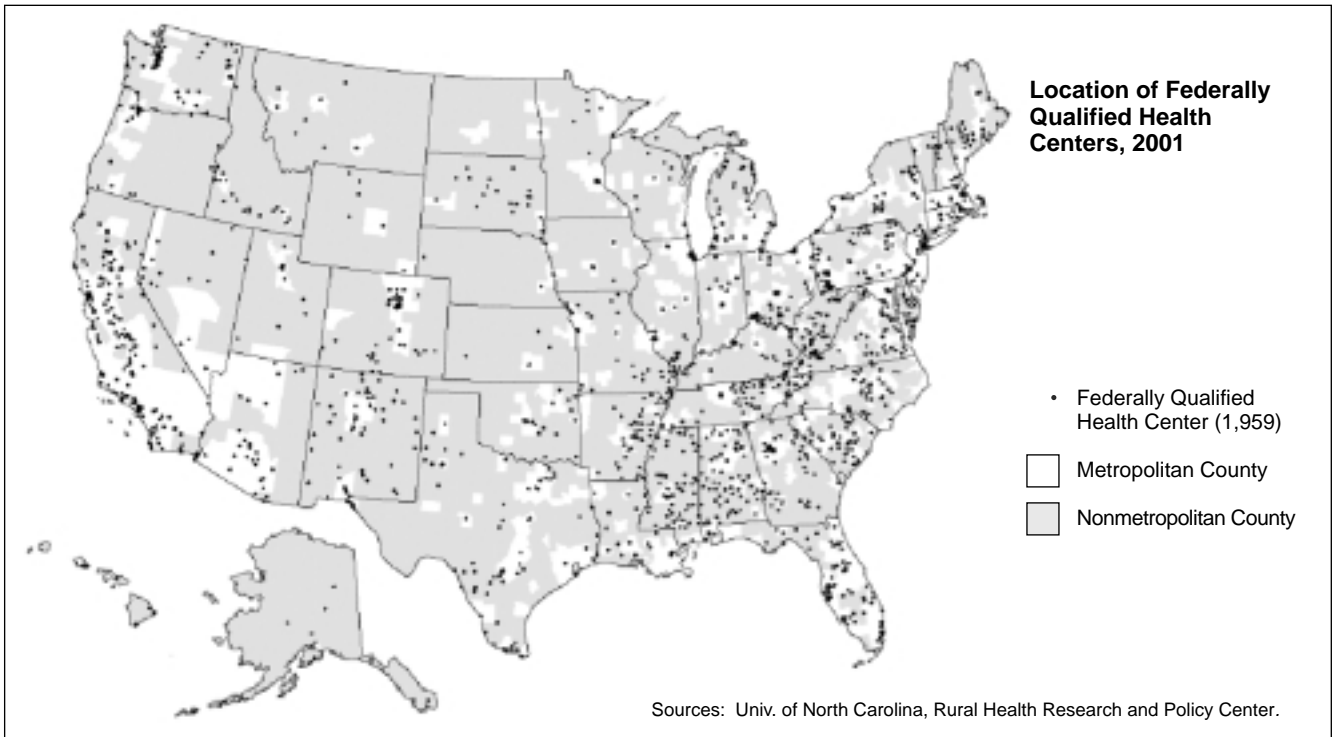


FIGURE 5

Location of 1,959 Health Centers, 2001



65% of their discharged patients covered by Medicaid (Figure 1). Cuts in Medicaid mean automatic financial crises for these hospitals. It was from New Mexico that there arose the key national bipartisan initiative to resist cuts. Republican Rep. Heather Wilson acted within days of the Feb. 6 FY 2006 Budget release by President Bush, which called for \$60 billion over ten years in “savings” in Medicaid. On Feb. 17, a large House group filed H.R. 985, “To provide for the establishment of a Bipartisan Commission on Medicaid,” and to disallow any cuts during the next fiscal year, in Medicaid programs. Many Republicans and Democrats joined Wilson, including, for example, Jim Gerlach (R-Penn.), and John Conyers (D-Mich.)—from states suffering rapid de-industrialization.

However, they were not able to strike the Administration’s Medicaid cuts of some \$20 billions, from the Budget Resolution passed by the House in late March for FY 2006. The Senate did succeed in striking all cuts, by passing, on March 21, an amendment with bipartisan sponsorship by Senators Jeff Bingaman (D-N.M.) and Gordon Smith (R-Ore.).

Then the Medicaid-cuts issue became a matter for budget reconciliation between the two chambers. On April 13, a House group of 44 Republicans wrote to the Chairman of the House Committee on the Budget, asking that the House/Senate reconciliation process remove any reductions in Medicaid. Seven of these Republican Representatives were from Pennsylvania alone, with six from New York, and several from Illinois, Michigan and other de-industrializing regions.

Look again at the map in Figure 1, and all across Pennsylvania’s northern tier, the counties are shown as places where Medicaid covers a major portion of hospital caseloads. All three Republican Representatives representing these counties called for no Medicaid budget cuts; including, in north-central Pennsylvania, Rep. John E. Peterson (R), co-chairman of the bipartisan Congressional Rural Caucus.

On April 26, the entire House voted 348-72, passing a non-binding resolution instructing the House-Senate budget conferees not to cut Medicaid, and instead, to form a bipartisan Commission to study what to do. Nevertheless, the final Conference report ignored this, and on April 28, was rammed through the House, under strict party-line force, calling for \$10 billion in Medicaid cuts—unspecified—over the next one to five years.

In parallel with Congress, Republican and Democratic Governors have pleaded with the Federal government to find a way out of the crisis, by not cutting treatment and infrastructure. The funding of Medicaid calls for both Federal and state inputs, which puts the states in crisis, given the worsening economy. As the economic base of states erodes—especially the industrial, populous centers—

state revenues are collapsing at the same time as state Medicaid enrollment grows.

As of FY 2004, 10 out of 50 states saw over 25% of their state budget outlays going to Medicaid. The top ten states, in percentage of the FY 2004 budget going to Medicaid, are: Tennessee (33.3%), Missouri (30.7%), Pennsylvania (29.5%), Maine (29%), New York (28.3%), Illinois (28.1%), Vermont (27.5%), New Hampshire (26.4%), Mississippi (26.3%), and Rhode Island (25.5%).

In reflex reaction to the revenue decline and budget crises, most state lawmakers have tried to shave, cut, and “adjust” rather than demand national economic emergency measures. During Fiscal Years 2004 and 2005, all 50 states have reduced payments to health-care providers; 49 have put new limits on pharmacy costs; 30 states have reduced eligibility for Medicaid; 25 increased co-payments; and 22 have reduced benefits in various ways. This bettered nothing.

The hopeless make-more-cuts process has taken extreme form in several states. In Missouri, Gov. Matt Blunt (R) proposes ending Medicaid coverage for 125,000 people, and moots eliminating the program altogether by 2008. Florida Gov. Jeb Bush (R) is moving to reduce Medicaid enrollment drastically, and cut services.

Clinics, Health Centers Threatened

Even the system of clinics and health centers, provided over the past 40 years as a comedown from a hospital-centered network of health care, is on the line, because Medicaid is their largest source of funding. The grid of Community, Migrant, and Homeless Health Centers, for primary and preventive care to underserved areas, came into being as part of President Johnson’s War on Poverty in the 1960s. Over 1,000 health centers—both the ones shown (Figure 5), and another 1,500 additional centers called “look-alikes” of Federally-Qualified Health Centers, currently serve one-quarter of all Americans below poverty. Of those served by these 2,555 centers, nearly 36% are on Medicaid, and another 40% are uninsured, so the Medicaid cuts will be devastating.

There is a special irony associated with health centers and proposed Medicaid cuts: President Bush has made a big deal about health centers. He said on Jan. 27 in Cleveland that he was a “big backer of expanding community health centers to every poor county in America. We really want people who cannot afford health care—the poor and the indigent—to be able to get good primary care at one of these community health centers, and not in the emergency rooms of the hospitals across the United States of America.”

Over the period 2001-05, the Administration backed funding for new health centers; the FY 2006 budget calls for \$26 million for 40 new centers. But the reality is that 929 poor

FIGURE 6

Location of 3,298 Rural Health Clinics, 2002

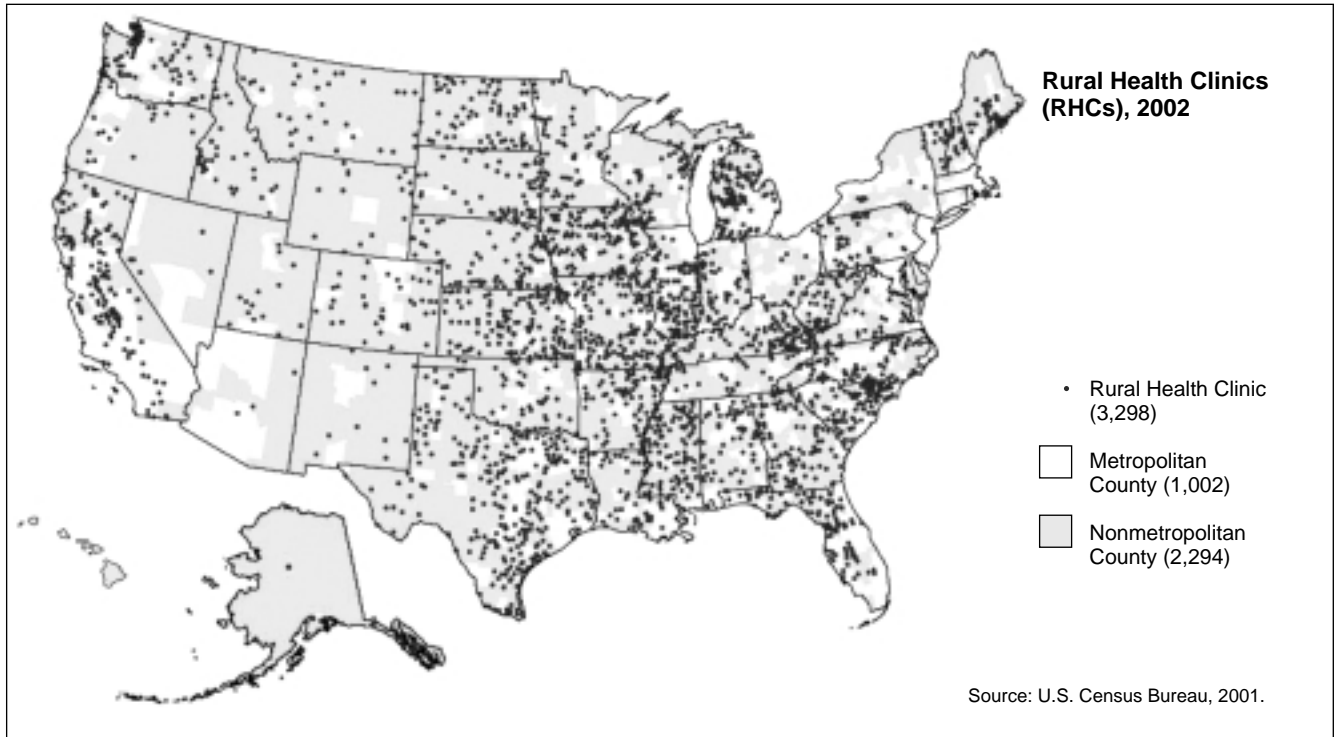
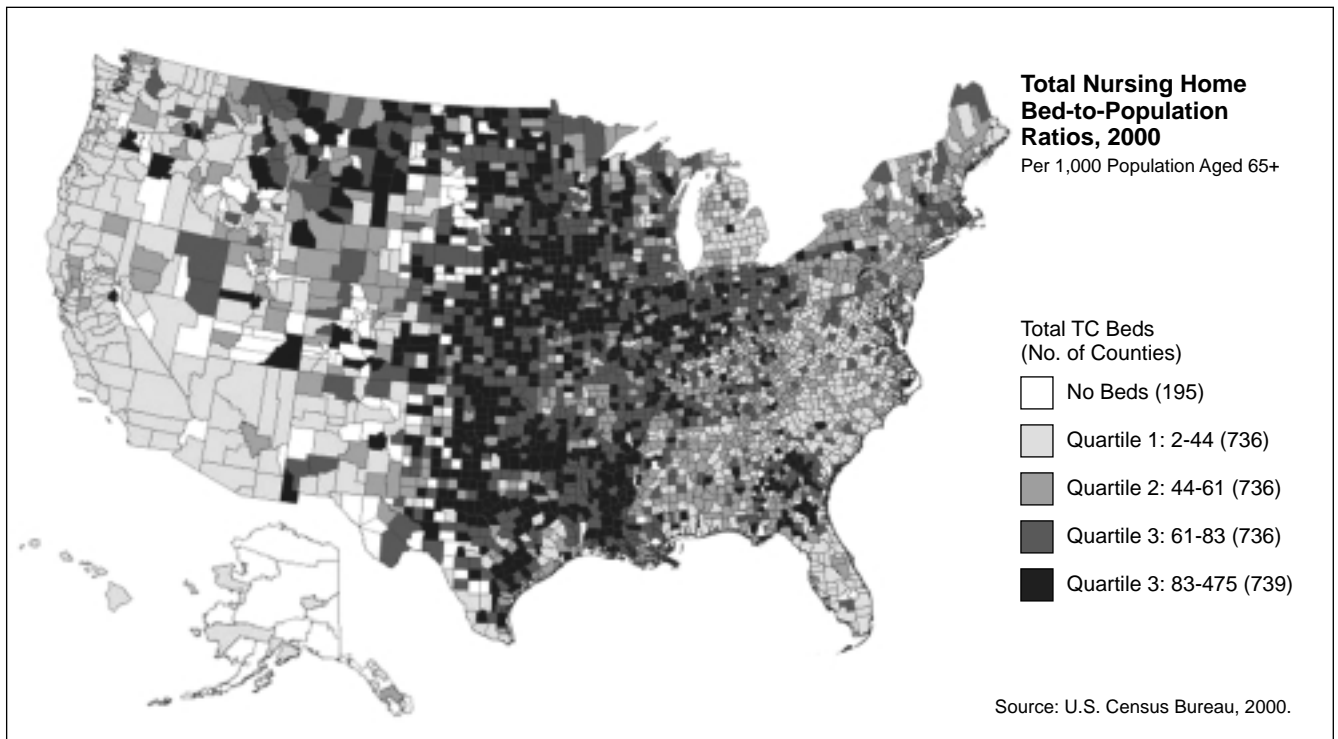


FIGURE 7

Ratio of Nursing Home Beds Per 1,000 Persons Aged 65+, by County, in 2000



centers lack any health center at all; and the Medicaid and other cuts now proposed, are feeding a shutdown process for those centers that do exist! The 929 counties have over 20 million residents, with large numbers in Oklahoma, Texas, Montana, Kentucky, and Arkansas. The Rural Health Clinics (Figure 6) are likewise jeopardized.

Nursing Homes Targetted

Medicaid finances care for nearly 70% of nursing home residents, and Medicare, a large part on top of that. The national map in **Figure 7** gives one aspect of fundamental infrastructure—the number of nursing home beds per 1,000 persons 65 years of age and over, by county, as of 2000. Since that year, the pattern—which shows wide variance (from 2-44 beds per 1,000, to close to 400 beds)—has intensified to the point of severe shortages. In some rural counties, for logistics reasons, more beds per population are desirable—hospital beds, nursing homes, etc.—because travel is longer, in-home aid less possible, and baseline facilities must be maintained even where population is less dense. The map indicates that tendency.

However, the major problem overall is a shortage of skilled nursing home facilities, on a beds-per-1,000 basis. For example, as of February this year, the state of Connecticut had no available beds in nursing homes! Their 247 chronic-care and convalescent nursing homes, with 29,800 beds, were over 95% filled, and families were desperately searching, and on waiting lists for years, for how to find care.

Of all health-care providers, nursing homes operate at the lowest margin, about 2.8%. Medicaid and pending Medicare cuts will, overnight, create widespread, mass shortages of beds.

Take Pennsylvania, for example. The 732 nursing homes in the state could face a \$219 million cut over the next year, as reported in May by the Pennsylvania State Health Care Association, representing nursing homes. Association Director Alan Rosenbloom said, “Facilities themselves will come under assault. . . . Now, they stand to lose 6-7% of the Medicaid program, which represents half their revenues. Facilities in these situations may have to make decisions to reduce staff, reduce access to care, and undermine quality of care in the long run. We could potentially see closures.” It is the same nationwide.

In 1997, 20% of nursing homes were driven into bankruptcy when the Federal government cut Medicare payments, under the neo-con, “Balanced Budget Act” mentality. Certain cuts were then suspended for the ensuing years until now, when the Bush Administration intends to impose Medicare payment reductions on top of proposed Medicaid cuts.

In terms of caring for people with mental retardation, Medicaid serves about 95% of people who rely on intermediate-care facilities. As of 2002, there were 6,749 institutions

certified for Medicaid reimbursement, to care for the mentally retarded.

Figure 8 shows that large parts of the country lack even a doctor. There are 173 counties—those with the darkest tone—with no primary-care physician at all. At the next gradient (lighter grey tone), there is only one primary-care physician per 5,000-22,000 residents, and so on. The map shows this pattern only for rural areas, but poor inner-city areas have the same lack in effect.

“A physician crisis” was the description used by Representative Peterson (R-Penn.) at a March 22 Washington, D.C. press conference on rural health. He referred to many problems, including the loss of surgeons and obstetrician-gynecologists, to the point where in many rural areas today, there is an “inability to serve its own populations.”

Take the case of Gadsden County, Florida. There is no natal unit at the public hospital at all. And there is not one Ob-Gyn in the county.

Public-Health Infrastructure Deficit

Apart from declining ratios of medical staff and facilities per population, there are serious declines in public-health infrastructure. The map in **Figure 9** focusses on the baseline measure of public-health workers per 100,000 persons. In the 1970s, there were over 200 public workers per 100,000 people, on average, nationally; but by 2000, this had fallen to 156, and the gap was not made up for by high-tech resources. Since then, the situation has worsened, despite the focus on preparedness to defend against bio-terrorism, potential natural diseases such as SARS, or a potential deadly influenza pandemic.

The map shows the disparity across the ten Federal Health Districts as of 1999. It ranges from a low of 76 public-health workers per 100,000 people in the North Central area, including Chicago, Detroit, Cleveland, and millions across the six-state region, to 200 in the Northwest.

Put in the same staff terms as the ratio of people per primary-care physician, the declining public-health infrastructure of the nation can be seen in the drop down to one public-health worker per 580 persons today, as compared with one worker per 457 in the early 1970s. Public-health workers perform functions ranging from mosquito control, to disease surveillance, sanitation, food safety, epidemiology, childhood vaccinations, etc.

“We have neglected public health for decades,” was the simple evaluation by Paul Kuehnert, Executive Director for Public Health Emergency Preparedness for the State of Maine, given at a March 22 press conference by the Rural Health Policy Institute. Given this infrastructure deficit, plus the effects of states slashing their budgets in recent years to attempt to deal with the economic breakdown crisis, the combined result of Medicaid and Medicare cuts will be a guaranteed public-health disaster in the near future.

Ratio of Population per Primary Care Physician in Rural Counties, 2000

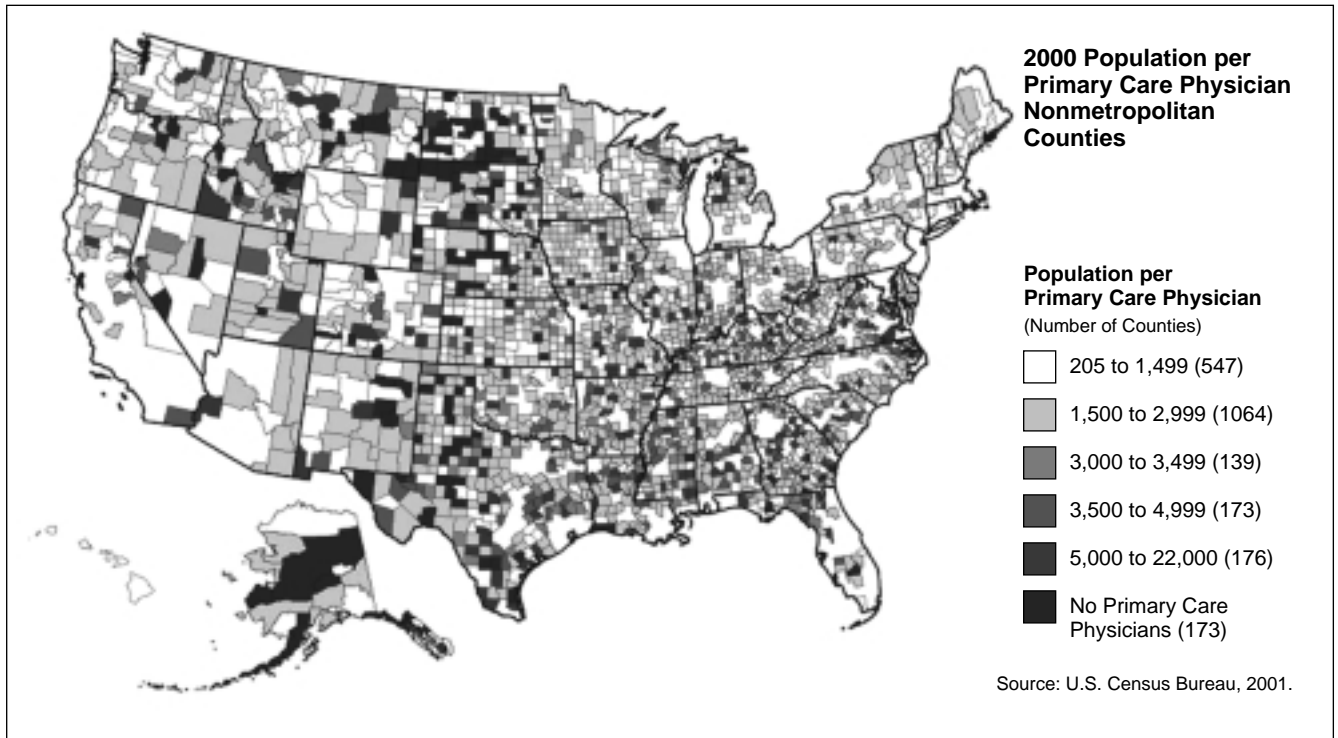
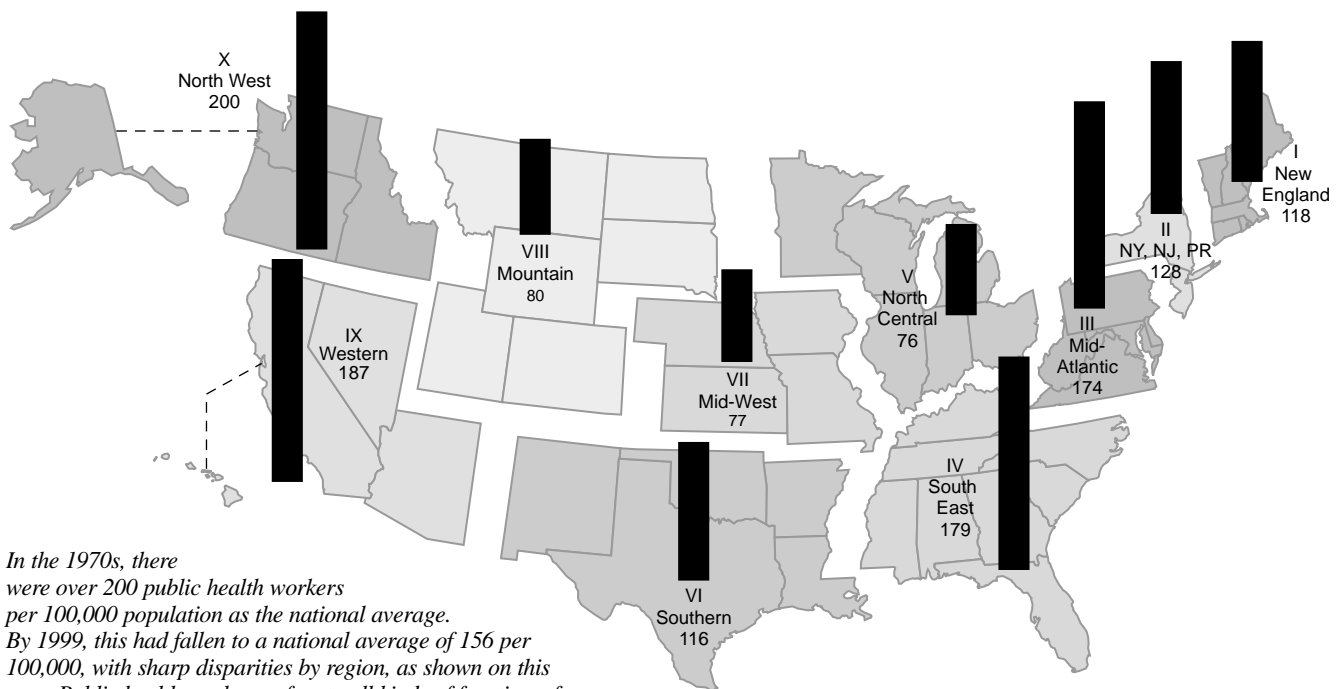


FIGURE 9

Public Health Workers per 100,000 Population, in 10 Federal Health Districts, 1999

(Number per 100,000 Population)



In the 1970s, there were over 200 public health workers per 100,000 population as the national average. By 1999, this had fallen to a national average of 156 per 100,000, with sharp disparities by region, as shown on this map. Public health workers refers to all kinds of functions, from epidemiology, to pest control, county nurses, technicians, etc.

Source: The Public Health Workforce Enumeration 2000; EIR.

Debate Rips Across Political Spectrum

Catalyzed by LaRouche movement, the key issue on the table is “shareholder value” versus the Common Good.

The April 13 call by Social Democratic Party (SPD) Chairman Franz Müntefering for the protection of industry from financial “locusts” (see last week’s *EIR*), was the official kickoff for a stormy debate on the future of Germany as an industrial nation. A leading representative of the CDA, the “labor wing” of the opposition Christian Democrats (CDU), told this author he would welcome cooperation between his own party and the SPD to defend the *Mittelstand*—small and medium-sized industrial firms—“in a joint entrepreneur-workers line of resistance, against hostile takeovers by aggressive funds.” More than two-thirds of the CDU, he said, agrees with Müntefering that raising the issue is “justified and urgent.”

Former CDU Labor Minister Heiner Geissler, a longtime member of the CDA as well, has contributed to the debate with a number of radio and newspaper interviews, including a proposal for an “internationally oriented reform of the system.” This echoes the call by Helga Zepp-LaRouche and the Civil Rights Movement Solidarity (BüSo) for a New Bretton Woods—although Geissler has yet to put it in those terms.

In an interview to the daily *Frankfurter Rundschau* on April 28, Geissler pointed out that the real “litmus test” for whether the SPD has abandoned its neo-liberalism, is its Hartz IV austerity program, which took effect in January, and which is throwing Germany’s legions of unemployed onto the scrap heap. “Only if the SPD corrects this striking flaw,” he said, “may one hope that its criticism is

meant seriously. For Hartz IV is the prototype of a policy that degrades man to a mere object of economic developments.”

Geissler said that whether he meets with skilled workers, *Mittelstand* entrepreneurs, bankers, or churchmen, he finds that “the critique of the present economic system is universal, at least on a national level, because people see that it cannot go on this way, anymore.” Pension and investment fund managers want to see rising revenues, and demand that corporate profits be used exclusively to pay the shareholders. Sure, the shareholder needs to make a gain. “But the overwhelming share of the profit must be reinvested, for innovation, research, new machines. Whether these investments pay off, will be seen only years later. That is why speculators have no interest in such investments.”

Geissler concluded that “in the end, we need an internationally oriented reform of the system: There must be order restored to this disordered competition.” In a May 2 interview with DLF radio, Geissler elaborated: “What we need are international agreements . . . multilateral agreements, for example, among the G-7 states, which simply must work out rules that can be made operational in the global economy. . . . To regulate this giant financial bubble, one would have to impose an international tax on speculation. One would have to shut down the off-shore centers. All of that can be done. It is within the powers of the industrial states. That can be done by politicians.”

Geissler’s failure to mention the

New Bretton Woods shows that there are still certain taboos, especially concerning the “L-word”—LaRouche—in the establishment of Germany. But it’s also clear that people are listening.

The “locust” issue is also polarizing entrepreneurs, so that some have sided with the SPD in its defense of the real economy. In an interview with the April 28 issue of the weekly *Die Zeit*, Porsche CEO Wendelin Wiedeking said he agrees that “greed is a deadly sin,” and that certain managers have forgotten that they do have a social obligation. And on April 29, Edzard Reuter, former chairman of Daimler-Benz, said in the daily *Kölner Stadtanzeiger* that “there are terrifying people in the managers’ caste who have dropped all responsibility, out of greed.” In today’s globalized world, he added, “there are the much-referenced sharks who are swimming around the whole world, buying up firms, carving them up and earning a lot of money from the sale of those parts, irrespective of whether people lose their jobs in this process.”

The SPD has, meanwhile, turned more specific on the “locusts,” presenting a four-page memorandum in which it blacklists a number of the most aggressive private equity funds, led by KKR and Goldman Sachs. Other names on the list include Apax, Carlyle, Advent, BC Partners, CVC, Permira, Saban Capital, and Blackstone.

The memorandum states that during the past few years, funds like these have bought up 5,000 firms in Germany, with 400,000 employees. In the past two years, 32 of such raids, costing over 250 million euros in “takeover operation costs” each, involved a total “investment” of 28 billion euros. The most prominent German firms taken over in this way are Siemens-Nixdorf, MTU, Dynamit Nobel, and Demag.

Business Briefs

Free Trade

Frankfurt Bankers: 'Greed Is Good'

Under the headline, "Greed is Good—or You'll Have To Eat Acorns," the May 1 issue of the *Frankfurter Allgemeine Zeitung*, the mouthpiece for the Frankfurt bankers and other neo-cons of the German establishment, published a defense of Bernard Mandeville's 1714 *Fable of the Bees*. He had alleged that virtues ruin society so much, that citizens have to eat acorns, to stay alive. This was the response of the FAZ to characterizations, in the political campaigning in the German state of North Rhine-Westphalia, comparing investors who demand their return on investment, at the expense of the social needs of the population, to "financial locusts" (see *Report From Germany*).

"Everything necessary on this issue was said by the Dutch nerve and stomach doctor Bernard Mandeville. Three hundred years ago, when he lived in London, he anonymously published the *Fable of the Bees*," wrote the FAZ, pointing out that the fable's subtitle is *Private Vices, Public Benefits*, and promotes the book as "proving" that a vice-ridden society is more beneficial to man than the social and moral society, which they claim leads straight into poverty. Luxury, Mandeville claimed, is a driver of general wealth.

Lyndon LaRouche has often drawn attention to the Mandeville screed as an example of the worst free-trade ideology. LaRouche's economic policies are now featured prominently in Germany's debate over its economic future.

Investment Banking

Lazard Group Is Going Public

In the first week of May, Lazard, the private investment bank, will become a public company, when it sells a small portion of itself to the public via an initial public offering. Lazard will sell stock in Lazard Ltd., a newly formed company incorporated in Bermuda, and listed as LAZ on the New York Stock

Exchange. Lazard Ltd. will become the parent company of Lazard Group LLC, the Delaware-chartered holding company for the various Lazard entities. Lazard Ltd. will have no assets beyond its 33.7% ownership of Lazard Group, while the remaining 66.3% of Lazard Group will be owned by LAZ-MD, a holding company.

According to its prospectus, Lazard has been an advisor on nearly 1,000 completed mergers and acquisitions since 1999, with a cumulative value in excess of \$1 trillion. Over the same period it has advised in over 100 in- and out-of-court restructurings comprising over \$300 billion in debt restructuring, including WorldCom, Reliant Resources, Parmalat, Marconi, Eurotunnel, and Daewoo. Lazard has been called in to handle almost every major corporate blowup since Enron, to bury the bodies, hide the role of the bankers, and hang the blame on the small fry.

European Central Bank

Conflicts Likely To Increase With Governments

This was the assessment of former Bundesbank president Hans Tietmeyer, speaking at a European Central Bank (ECB) colloquium in Frankfurt, Germany, according to the Swiss financial daily *Neue Zürcher Zeitung*, April 29.

The event was sponsored by the ECB in honor of outgoing ECB directorate member Tommaso Padoa-Schioppa. It turned into a mini-summit of central bankers and monetary policy experts from around the world, including former ECB president Wim Duisenberg, Federal Reserve vice-chairman Roger Ferguson, former head of the European Monetary Institute Alexandre Lamfalussy, former Israel central bank head Jacob Frenkel, and Charles Goodhart of the London School of Economics.

While the central bankers were meeting in Frankfurt, Italian Prime Minister Silvio Berlusconi, as well as German Economics Minister Wolfgang Clement, started a new round of attacks on the ECB monetary policy. Berlusconi described it as "destructive for the competitiveness of all corporations in Europe." Clement called the policy "not

oriented to German interests." In the foreground of such statements are the usual calls on the central bank to lower interest rates.

On the same day, ECB President Jean-Claude Trichet emphasized that free-market reforms must be continued, and insisted that there doesn't exist any alternative to this approach.

Next year, ECB chief economist Otmar Issing will retire from his post as member of the ECB directorate. And another German is supposed to replace him. German Chancellor Gerhard Schröder has started a confrontation with the Bundesbank and the ECB by proposing Peter Bofinger of Würzburg University as a replacement for Issing. Bofinger is an outspoken critic of persistent free-market dogmas, and calls for public investments and real wage increases as a means to boost domestic economies.

Asia Development

ADB Will Focus On Infrastructure

The Asia Development Bank's (ADB) annual meeting in early May announced an increased focus on building infrastructure, through the introduction of local currency bonds. Former Japanese Finance Minister Haruhiko Kuroda, who took over as president of the ADB in February, told the 38th Annual Meeting of the Board of Governors in Turkey that the Asia/Pacific region is moving into a "new era of development," and undergoing a "fundamental and far-reaching transformation." Kuroda noted that although poverty in Asia has been reduced by some 200 million in the past 15 years, "some 700 million people still struggle on less than \$1 a day." He said that the ADB itself "must change . . . become more relevant, more responsive and more focussed on results."

He listed the areas of "greater focus" as: greater investment in water, sanitation, health, and education; HIV and the condition of women; "Asia's massive infrastructure financing gap, estimated at more than \$250 billion a year"; cooperation on international projects, like the Greater Mekong Subregion, as well as Central and South Asia; and cooperation with the ASEAN+3.

China-KMT Visit Judoes 'Taiwan Independence' Ploy

by William Jones

The visit of Kuomintang (KMT) leader Lien Chan to mainland China has dealt a serious blow to the diabolical policy of the Cheney-Rumsfeld neo-conservative faction of maintaining a high-tension state between Taiwan and China. At a loss over the continued strong economic growth of this nation of 1.3 billion people in East Asia, combined with a very successful diplomatic initiative by China to improve its economic and diplomatic ties with the other nations of East and Southeast Asia, the neo-cons have exerted every effort to provoke instability in the region in an attempt to keep those nations in their camp, and at each other's throats. The neo-con support of Taiwan President Chen Shui-bian's flirtation with the "Taiwan independence" issue, as well as their attempt to tie Japan closer to the Pentagon's apron-strings by broadening the regional role of the U.S.-Japan security alliance, are two pillars of this policy.

As a result of the ground-breaking visit by the leader of the Taiwan-based Kuomintang party, Lien Chan, the first KMT leader to visit the mainland in 65 years, the political geometry of the cross-strait relationship has been totally transformed. Lien spent a mere eight days on the mainland, but the red carpet was rolled out for the KMT leader, from the moment he landed in Nanjing on April 28, until he left Shanghai on May 3. During the course of his visit, he held an historic meeting with Chinese President Hu Jintao, and the KMT signed a cooperative agreement with the Communist Party of China which would allow the two parties to work on their own to attempt to improve relations between the two sides, in spite of the sabotage attempts by the Chen Shui-bian government.

The process has been playing out for some time now, and President Chen has been more and more boxed into a corner

because of his flirtation with the U.S. neo-cons' "Taiwan independence" gambit. The fact that the neo-cons themselves have been coming under heavy fire, with the nomination of John Bolton as U.S. Ambassador to the United Nations now in jeopardy, and the neo-con Iraq war "cakewalk" looking more and more like the "death of a thousand cuts," they are finding it difficult to gain momentum in heating up a new "Taiwan crisis."

The 'Journey of Peace'

Lien Chan's arrival in Nanjing on the first step of his "Journey of Peace" was pregnant with symbolism. Nanjing, the capital during the great Ming Dynasty, had been chosen as the capital of the new Republic of China by Dr. Sun Yat-sen, who lived and worked there during the short time he served as its President. The mausoleum of Dr. Sun in Nanjing has long been a focus of pilgrimage for visitors on both sides of the strait, underscoring the common tradition of Chinese history before the split between the Nationalists and the Communists after World War II. In his speech at the mausoleum, where he laid a wreath at the tomb, Lien Chan reiterated the importance of the Sun Yat-sen tradition for people on both sides of the Taiwan Strait. He also visited the Presidential Palace where Dr. Sun lived and worked during his Presidency.

Arriving in Beijing on April 29, Lien addressed students at the prestigious Beijing University. Lien said that a majority of people in Taiwan will not accept a policy of "de-sinicification" aimed at severing ties with the mainland. "Parents hope their children can learn more about the cream of Chinese culture," he told the students. "One-plus-one makes more than two," he continued. "The common prosperity of

Chinese on either side of the strait is no longer an unattainable dream.”

Creating a Permanent Channel for Dialogue

Lien then received a warm welcome from Hu Jintao, with whom he had a private meeting on April 29. The two signed a joint communiqué, in their capacity as leaders of the Kuomintang and the Communist Party of China, respectively, which stressed the need for making progress on five major areas of cooperation: reestablishing cross-strait talks, which had been initiated in 1992 on the basis of both parties accepting the concept of “one China,” but which had been torpedoed by Chen Shui-bian’s independence drive; the formal end of the state of hostility across the strait; all-round economic cooperation and trade across the strait; launching discussions about Taiwan’s participation in international activities; and the establishment of a platform for regular exchanges between the two parties. The communiqué said that it would “give priority to discussions on Taiwan’s participation in the activities of the World Health Organization.” Membership in the World Health Organization has also been one of the “carrots” the U.S. neo-cons and their allies on the island have been using to rally people in Taiwan around their “independence” ploy.

The formal establishment of ties between the two parties helps to fill the gap in the relationship between the two sides, given the frosty relations between Taipei and Beijing because of the “Taiwan independence” platform of the ruling Taiwan’s ruling Democratic Progressive Party (DPP). The two agreed to continued party-to-party exchanges as a means of creating an independent line of communication between the two sides.

Stops on his journey were replete with allusions to the common Chinese culture shared by Taiwan and mainland China. After Beijing, Lien Chan travelled to Xian, the city of his birth, where he had spent the first eight years of his life before the family migrated to Taiwan. Lien visited the school that he attended as a child, where he was greeted with celebrations and dances given by the students there. He gave the school a gift of 100,000 yuan as well as a three-volume history of Taiwan, written by his grandfather, Lien Heng, in 1918. He also visited the grave of his grandmother, who is buried in Xian. While in Xian, he also visited the famous terracotta soldiers which had been unearthed in recent years, again using the opportunity to reiterate the long tradition of Chinese civilization.

In addition to the stress on culture in Lien Chan’s visit, the economic aspects of the relationship were also center-stage, with Lien Chan leading a 60-man delegation which included many Taiwanese businessmen. While Lien marvelled at the enormous changes that he saw in China since he left 56 years ago, he also pointed to the tremendous economic dynamic in Taiwan, which, he continually underlined, could be of immense benefit to the mainland in its ambitious devel-

opment programs. At the end of the visit, China agreed to lift the tariffs on more than ten kinds of fruit imported from Taiwan and to include six more fruit species for import.

Everywhere he went, he was met by tremendous crowds, who treated him almost like a returning hero. It was also obvious on various stops that the visit was a tremendous emotional experience for him personally, with tears starting to well up in his eyes as he commented on the visit to the tomb of his grandmother. Although Chen Shui-bian had done everything he could to sabotage the visit, the various stops on Lien Chan’s visit were also widely covered in the Taiwan press and media, including the famous “handshake” with President Hu, and have elicited a great swell of support from the people of Taiwan, with estimates that some 60% of the population strongly support better ties with the mainland.

Lien Chan’s visit also served to reinvigorate the 1992 consensus reached by the two sides, in which they both accepted the notion of “one China” as the basis of their negotiations, with enough ambiguity in what exactly “one China” meant for the both sides to interpret it in their own way. The last decade’s emergence, with the direct support of the U.S. neo-conservative apparatus, of the “Taiwan independence” card, had effectively undermined that “consensus.” Emphasizing the renewed importance of the “consensus,” Lien Chan had one of his last meetings on the mainland with the 90-year old Wang Daohan, the head of the Association for Relations

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Across the Taiwan Strait, who had been the Chinese negotiator of that 1992 agreement.

Chen Shui-bian could hardly avoid the tremendous impact of the visit on the Taiwan electorate. In response to the visit, President Chen, hoping to regain the momentum, called for peace talks with Beijing. "The door for dialogue and negotiations is still open between the two sides," he said. The Chinese leadership has previously rejected calls by Chen for negotiations as long as he adheres to an independence program.

In response to Chen's call, at a press conference on May 4, Wang Zaixi, the deputy director of the Taiwan Affairs Office of the CPC Central Committee, invited all parties from Taiwan, including the DPP, to visit the mainland, on condition that they accept the "one-China principle." On that basis, Wang said, all issues might be discussed, including the concerns Taiwan has about Chinese missiles situated on the coast opposite Taiwan. In an important symbolic gesture, China has given two giant pandas to Taiwan.

In what may well become a one-two punch for the Chen Shui-bian leadership, the Lien Chan visit will be followed by a visit by James Soong, the leader of the People First Party. Soong, a former governor of Taiwan, had broken with the KMT when the party under Lee Tung-hui began to veer toward the U.S. neo-con "independence" platform. He worked together with Lien Chan's KMT during the last parliamentary elections in Taiwan to secure a parliamentary majority against Chen's policy. This clear recognition by the Beijing leadership of Taiwan political forces that are prepared to discuss with Chinese leaders on the basis of the "one-China" formula, places the Taiwan President in the uncomfortable position of a leader of a small fringe, frantically clinging to a somewhat obsolete neo-con agenda.

No doubt, the visit also had some of the China-bashers at Washington-based neo-con think tanks, like the American Enterprise Institute and Heritage Foundation, chewing the rug over the changed situation in the region. But things are not going so well for them on most fronts. Even their "Japan card" has also become somewhat frayed in the aftermath of the large anti-Japan demonstrations in many Chinese cities last month, and Japanese Prime Minister Junichiro Koizumi's public apology for Japanese war crimes during World War II in Jakarta, the Japan-China relationship is also starting to come out of the freezer after the harsh Chinese reaction to the earlier communiqué by the U.S. and Japanese defense officials which, for the first time, put the "Taiwan issue" on their bilateral agenda.

Bogged down also by their Iraq War debacle, which is threatening to become a permanent military quagmire, the neo-con policy of the lunatic Bush Administration is being buffeted on all sides. Rather than serving to tone down their aggressive machinations, their setbacks may simply serve to increase their desperation, leading to even more attempts at a provocation.

Japan, India Move To Build Strategic Ties

by Ramtanu Maitra

The April 28-30 visit to India by Japanese Prime Minister Junichiro Koizumi is expected to herald a new phase in India-Japan relations. Included among the eight agreements signed, is a dedicated, 5,790 mile freight corridor, along the Golden Quadrilateral (Delhi-Kolkata-Chennai-Mumbai) railroad project, connecting India's four largest cities.

Of great significance is the keenness on both sides to agree on a strategic tie-up. Reportedly, Japan proposed that the two countries form a joint maritime force to patrol the sea lanes of communication in the Indian Ocean region. This proposal was made after India said it was ready for deeper cooperation with the Japanese self-defense forces and Coast Guard, and that the Indian Navy could facilitate Japanese ships in the Indian Ocean region. Since the sea lanes are proximate to the Indian waters, the Indian Navy's presence and cooperation is essential. New Delhi reported that the two countries have decided to enhance military-to-military cooperation, and that high-ranking officials from both sides will meet to further the process.

Closer Cooperation

According to New Delhi, the Koizumi visit will facilitate India's membership in Asia-Pacific Economic Cooperation (APEC) forum as an emerging Asian power, and India will be invited to join the Japan-led East Asia Community Forum. Japan is eager to bring in India as an APEC member, in recognition of the fact that Asia cannot ignore India, with its population of 1 billion, and vast economic potential. Besides, being in Asia, India meets the basic geographical condition of APEC membership, Tokyo pointed out.

The timing of the visit is also of great importance, as it follows those of U.S. Secretary of State Condoleezza Rice in March, and Chinese Premier Wen Jiabao in April, during which they, too, discussed forging strategic partnerships with India. It also comes amidst a serious rift between Beijing and Tokyo, following the Japanese government's approval of a history textbook that whitewashes the country's wartime atrocities. Violent anti-Japanese protests were subsequently held in numerous Chinese cities.

A few days prior to his arrival in New Delhi, Koizumi met with the Chinese President Hu Jintao at Jakarta. Both leaders were there to attend the Asia-African Summit held in commemoration of 50th anniversary of 1955 Bandung Conference.

In Jakarta, addressing more than 100 Asian-African leaders on April 22, including Chinese President Hu Jintao, Koizumi apologized to the Asian nations for Japan's aggression in Asia during World War II. "In the past, Japan, through its colonial rule and aggression, caused tremendous damage and suffering to the people of many countries, particularly to those of Asian nations. Japan squarely faces these facts of history in a spirit of humility," he said, echoing previous apologies by Japanese leaders. It seems the Hu-Koizumi meeting was an important effort in easing tensions between these two powerful Asian nations.

A similar signal was issued from Beijing as well. On April 28, the day the Japanese Prime Minister arrived in Delhi, Chinese Foreign Ministry spokesman Qin Gang told reporters in Beijing: "We hope that the bilateral ties between Japan and India could contribute to peace and stability as well as prosperity and development of the region."

Diplomatic relations between India and Japan are related to trade relations, which also stagnated following India's testing of nuclear devices for the second time in 1998. During Koizumi's visit, he acknowledged that certain curbs imposed against India after the nuclear test, acted as impediments in development of bilateral relations in the science and technology field.

"Certain measures, including curbs on visits by certain Indian individuals, had been imposed after the 1998 nuclear test. We realized that such curbs were acting as impediments to development of relations in the science and technology field. We are trying to find a solution," a senior Japanese official accompanying Koizumi told reporters in New Delhi.

Freight Rail Track

At the end of Prime Minister Koizumi's visit, a joint declaration, called the "eight-fold initiative," was also signed by the two Prime Ministers. The freight railroad project has been identified as the jewel in the "eight-fold" crown, and is envisaged as a dedicated, multi-modal, high-axle-load freight corridor with a computerized train-control system on the Mumbai-Delhi and Delhi-Kolkata routes.

Despite freight revenues contributing a substantial chunk of profits for Indian Railways, the sector has been neglected for decades. Freight earnings subsidize the artificially pegged passenger fares, yet successive governments have refused to invest in upgrading the freight infrastructure. The Manmohan Singh government's decision, announced in mid-April, was the first major investment proposal involving the freight sector of Indian Railways in decades. The freight division of the railways has been losing business for years to the road-transport sector, as manufacturers, importers, and exporters have abandoned the railways for more cost-effective road service. Growth of the railroad freight sector has also been hampered by a scarcity of freight cars, while truck manufacturers in India have been flooding the market with both light and heavy commercial vehicles.

FIGURE 1



The project, built with inputs on Japanese technology and expertise, will utilize the Special Terms for Economic Partnership Scheme (STEPS). The eight-fold initiative envisages greater promotion of ministerial meetings, including defense, trade, and finance, with special emphasis on petroleum. A high-level strategic dialogue will also be launched between the two countries. The Prime Ministers will meet every year.

For decades now, Japan has considered India an important market, and a developing manufacturing center. As a result, Japan viewed India as a secondary market, where Japanese high-tech consumer goods could be sold, and where less-expensive Japanese vehicles could be manufactured and sold. To meet these objectives, Tokyo had provided significant Overseas Development Assistance (ODA) over the years. But ignoring India's infrastructural shortcomings has led to total stagnation in India-Japan trade. Two countries' trade has remained a puny \$4.5 billion annually.

If Tokyo did not understand the importance of helping

India to develop its infrastructure, New Delhi did very little either to attract Japanese investment in the infrastructure sector. It is only recently that the Indian Commerce and Industry Minister Kamal Nath, visiting Japan in early April, told Tokyo that there is a vast potential for higher levels of Japanese investment in India in a variety of sectors like infrastructure, telecom, power, and construction, where Japanese businessmen can get involved in the growing opportunities in India. Kamal Nath made clear that Japanese investment would be welcome in the \$150 billion worth of infrastructure development that India seeks.

"I am aware of the fact that India is one of the largest ODA recipients from Japan. However, in the changed context of our desire for seeking a new economic partnership, it is important that we shift the emphasis of the India-Japan relationship from an ODA-based relationship to a Foreign Direct Investment (FDI)-based partnership. It is no longer aid that India seeks, but trade," Kamal Nath urged.

In a recent seminar in New Delhi in preparation for Koizumi's visit, Nobuo Ohashi, chairman of the Japan-India Business Co-operation Committee, said India presented immense business possibilities, and Japanese companies were slowly extending their presence in the country. "I believe that the lack of sufficient infrastructure is preventing any major increase in investment and I think Japan can offer significant cooperation in that respect," he said.

Strategic Tie-Up

Beyond economics and trade, the Indian and Japanese authorities have also decided to initiate a high-level strategic dialogue, upgrade economic links, and enhance energy, security, and defense cooperation. What exactly the nature of this cooperation will be is difficult to assess, but if a recent paper by acting Director of the Indian Defense Studies and Analysis (IDSA), C. Uday Bhaskar, is an indicator, it has great potential.

Bhaskar pointed out that Japan has an extraordinary track record in shipbuilding, and it is the post-World War II reticence that makes Tokyo diffident about drawing attention to its distinctive strategic culture of techno-industrial excellence in its naval history. Japan and India, along with other Asian economies including China, share a convergence of interest in ensuring that the sea-lanes of communication from the Persian Gulf through the Malacca Straits, to northeast Asia remain under a low level of threat.

In addition, an immediate area for consideration is the current state of naval shipbuilding in India. One of independent India's quiet triumphs had been the virtual resurrection of naval ship design and building skills that were deliberately stifled during the colonial period. In India's southwestern coastal port of Kochi, the country's first indigenous aircraft carrier is now under construction. India's existing shipyards are in dire need of fresh impetus, both by way of investments and technical expertise, and Japan could provide

this in a manner that would be constitutionally permissible for Tokyo.

UN Reforms

In addition to discussing economic and strategic tie-ups, another major item in Koizumi's agenda was extending support to India for the permanent membership of an expanded United Nations Security Council. Both sides decided to strengthen their cooperation in this regard, bilaterally, and in the G-4 setting, which includes Germany and Brazil, in addition to India and Japan. Another interesting development was the request extended to India by South Africa to assist in its joining the G-4. The G-4 is pushing for permanent seats in the UN Security Council with veto power, although UN Secretary General Kofi Annan ruled out its possibility at the conclusion of his visit, prior to Prime Minister Koizumi's arrival.

During their discussions, both the Prime Ministers spoke of a "new Asian era," through Indo-Japan cooperation. The concept, if developed to its fullest, has very many interesting prospects. It is mind-boggling to imagine what full cooperation between a technologically advanced Japan and the highly coachable, vast manpower of India and China, together can accomplish.

However, the conditions to make this happen are not currently at hand. The world economy is in deep turmoil. The massive public debt of the United States and the collapse of the U.S. dollar have made the situation highly unstable. There is no question that China and Japan, holding together more than \$1.3 trillion, have a large stake in making sure that Washington's all-destructive financial policies do not lead to a massive financial crash. Both countries have to move in quickly to make sure that a stable financial system, along the lines of Lyndon LaRouche's proposal for a New Bretton Woods monetary system, is put in place, which would allow nations, rich and poor, to develop. This was not discussed publicly during Koizumi's meetings either with Manmohan Singh or Hu Jintao.

The second area of great importance for the three nations, is to lay the groundwork for developing abundant, efficient, and pollution-free energy. All three nations have developed their nuclear-power generation capability to its fullest. There is absolutely no reason why these powerful nations cannot sit down and work out a policy wherein each other's strengths can be utilized to generate much-needed long-term electricity-generation program which would benefit all three.

While India and China have begun aggressively to ensure security for their oil and gas supplies, they have not discussed exploitation of their nuclear power generation capability. During Koizumi's visit to India, again, very little was heard that would suggest that India and Japan, in order to usher in a new Asian era, are ready to cooperate with each other in developing abundant quantities of commercial nuclear power.

Iraq's Partial Government Won't Last for Very Long

by Muriel Mirak-Weissbach

After three months of haggling, horse-trading, and faction fighting, the new Iraqi leadership that emerged from the Jan. 30 elections, announced that it had put together a government—almost. As soon became clear, the government announced by Prime Minister Ibrahim Jaafari on May 3, was no government at all. Out of 37 ministerial posts planned, five remained essentially vacant: the ministries of oil, defense, electricity, industry, and human rights, which are filled by “acting” ministers. Also vacant are two Deputy Prime Minister positions.

To paper over the problem, Jaafari assumed the role of Acting Defense Minister himself, while Deputy Prime Minister Ahmed Chalabi, the darling of the neo-cons, was told he should be Acting Oil Minister. U.S. Secretary of State Condoleezza Rice lost no time in calling Chalabi to congratulate him on his new posts, and “to discuss some of the issues still facing the government, in terms of inclusiveness and filling the other positions, and also how we go forward in cooperation,” as State Department spokesman Richard Boucher explained.

The reason that only a partial government could be presented, is that the sectarian strife among Iraq's Shi'ite majority, and Sunni and Kurd minorities, has prevailed in the minds of the chief actors, over and above the urgent need to have a viable government, capable of tackling the enormous problems that the population has to face every day.

The Shi'ites, known in the electoral list as the United Iraqi Alliance, and backed by Grand Ayatollah Ali al-Sistani, won the lion's share of the votes in the January elections, followed by the Kurds, and then some Sunni groups who did not boycott the elections. Prime Minister Jaafari insisted that he wanted adequate Sunni representation in the government. However, when Sunni candidates were presented for ministerial posts by a number of Sunni groups, they were opposed by the Shi'ites, on grounds that the individuals named had had contacts with the Ba'ath Party of the Saddam Hussein regime.

Jaafari's dilemma is clear: He needs several “token” Sunnis, to make his cabinet appear to represent national unity, but he (and his faction) are reluctant to give any real power to those Sunnis who have an actual constituency in the country.

Thus, the presentation of the cabinet ended up as a farce. More than 90 Parliamentarians reportedly boycotted the session. Ghazi al-Yawer, a Sunni leader who had headed up the committee that presented Sunni candidates for various posts, and who had served as interim President, boycotted the session. Ayad Allawi, who had served as interim Prime Minister, was also absent, officially “away.” Ahmed Najadi, a spokesman for al-Yawer, explained: “Formation of the government is very important, but we said if the candidates from the Sunni side were not approved, we would not participate in the swearing in. Either all of the Sunni ministers go together,” he added, “or they don't go.”

One major point of conflict is the defense ministry position. “We gave them three names for Defense Minister,” Najadi said, “and they didn't accept any of the three. They said if they selected anyone from our list, that candidate would have a relationship to people who carry weapons in Iraq,” that is, to the resistance. It is known that Defense Secretary Donald Rumsfeld has repeatedly put in his two cents, specifying to the Iraqi leadership, that changes in the defense and security apparatus were not acceptable.

The insanity of the leadership's position is obvious. If there is any perspective for ending the resistance, led largely by Sunnis, and for preventing a degeneration into full-fledged civil and ethnic/sectarian war, the leadership must include a reconciliation with the Ba'athist political layers, largely Sunnis, who were associated with the former government, civil service, and military. As long as the new Iraqi leadership rejects this approach towards reconciliation, the resistance will escalate, and the specter of civil war will remain on the horizon.

In the Barracks

The tragic absurdity of the current Iraqi political situation can be summed up in one image: The new cabinet (or almost-cabinet) is holed up inside the Green Zone, the heavily protected area in Baghdad where the U.S. occupation forces have their headquarters. Some Arab reports have gone so far as to say that Jaafari is regularly transported by helicopter out of the besieged zone, and taken to neighboring Kuwait to stay overnight, for security reasons.

No wonder: in the two days following the government's



The Iraqi quagmire is getting deeper and more treacherous. In the two days after the new government was sworn in, on May 3, there were 100 bomb attacks. Here, the aftermath of a car bombing outside the restricted Green Zone, in December 2004.

swearing-in ceremony on May 3, there were no fewer than 100 bomb attacks. On May 4, a suicide bomber blew himself up in Irbil, in the Kurdish area, which was considered to be the safest in the country. Sixty people died and 150 were wounded. The following day, 25 people were killed in a series of attacks in the capital: 15 died in a car bomb explosion, 9 police officers were gunned down in their squad cars, a guard was killed in an attack on the residence of a Deputy Defense Minister, 6 policemen were killed when assailants opened fire on their cars, and 3 others were killed in another shootout in eastern Baghdad.

In the same days, heavy fighting was reported between resistance forces and U.S.-Iraqi forces in Anbar Province, especially Ramadi, where 15 died, including 12 militants, and Iraqi soldier and 2 Iraqi civilians. There was also heavy fighting on the Iraqi-Syrian border.

At the same time, two U.S. Marine Corps F/A-18 planes were reported missing, and the bodies of two pilots were recovered, in undisclosed locations. Although the U.S. authorities claimed that the planes were flying too high to be hit by shoulder-mounted missiles, no explanation for their crash has been given.

Perspectives for the 'New' Iraq

The schedule set down by the occupying authorities planned for elections, followed by the formation of an interim government, which would be tasked with drafting a constitution by August 2005, and holding new elections by December 2005. Considering the vicious political in-fighting that stalled the formation of a government for three months, and the continuing and escalating ethnic/sectarian tensions in the coun-

try, it is reasonable to ask, how could there possibly be agreement on a constitution?

Well-informed Arab sources have told *EIR* that they expect the current quasi-government to last no more than three months, followed by chaos.

The situation of the U.S. forces is also becoming increasingly difficult, as Chairman of the Joint Chiefs of Staff, Gen. Richard Myers, reported to Congress May 2. Japan is expected to announce in September that it will pull out its contingent of 300 troops, when its mandate expires in December. The continuing controversy around the killing of Italian secret service agent Nicola Calipari, by U.S. troops, is putting pressure on Italian Prime Minister Berlusconi to withdraw his 3,000 troops. Soon, the "coalition of the

willing" will be whittled down to an exclusive club of the U.S. and British.

Reportedly, the Iraqis are to beef up their police and military forces, now estimated to count 132,000, so that the U.S.-led foreign forces can leave by 2007. NATO is planning to set up a permanent on-site training station in Iraq, beginning in September, to train 1,000 officers. In an eloquent footnote to this development, it is reported that to guarantee their safety, NATO is engaging the services of a private security firm!

In short: the Iraq quagmire is getting deeper and more treacherous. There is a way out, and it is that which Lyndon LaRouche outlined in detail in April 2004, in his "LaRouche Doctrine" for South West Asia: an orderly, safe withdrawal of U.S. and other forces from the country must be organized within the framework of a regional security arrangement, among four cornerstone nations: Egypt, Syria, Iran, and Turkey.

If Washington were serious about stabilizing the region, that would be the policy. Instead, the neo-cons, led by madman Vice President Cheney and madwoman Rice, are doing everything in their power to destabilize precisely these cornerstone nations. Iran is being threatened with attack, Syria has been targetted through the Lebanon operation, and Egypt is in the throes of civil unrest, abetted by U.S. organizations.

The hope lies in the perspective that a bipartisan grouping in the U.S. Congress, especially the Senate, may move in to take over the reins of foreign policy-making from the current madmen in the White House, and steer a course towards peace. If not, the entire region may go up in flames.

War, and a Big Piece Of the West Bank

by Dean Andromidas

Are Israeli Prime Minister Ariel Sharon and his backers in Washington planning a strike against Iran—a move that would enable Sharon to ditch his so-called disengagement plan and tighten his hold on the West Bank? Any decision for a strike against Iran is unlikely to come from Sharon alone. That decision would come from the bunker in the White House where Vice President Dick Cheney might give Sharon a green light to create a major crisis, perhaps as a diversion from Washington's political and economic woes.

Certain events in the week of May 2 should raise some serious questions about whether the current uneasy calm in the Israel-Palestine situation will soon break out into a storm.

In the last week of April, Sharon announced that the implementation of his so-called disengagement plan will be postponed from July 25 to Aug. 18. The reason given is that July 25 would overlap with the Hebrew month of Av, which is the traditional mourning period for the destruction of the first and second Temples, which were located on the site of the al-Haram al-Sharif/Temple Mount in Jerusalem. This is a period when ultra-orthodox Jews are not supposed to move into a new home. Even Israel's deputy Prime Minister Shimon Peres asked why this was not known in advance.

Although many found this excuse plausible, it soon became apparent that preparations for the evacuation of 7,500 settlers from the Gaza Strip were far from complete, and could lead to an even longer postponement. For weeks, there have been talks about security problems from settler extremists, and the "trauma" the evacuation will cause. But only now is it being revealed that there is not yet a decision on where to move 1,500 households. There are thousands of available homes, apartments, and farmsteads throughout Israel, but Sharon has acquiesced to the settlers' demand that they be moved in entire communities. This will require the construction of new housing complexes, costing hundreds of millions of dollars, at a time when the brutal austerity policies of Israeli Finance Minister Benjamin Netanyahu have led to thousands of Israelis being thrown into the streets to live in tents.

In an interview in the daily *Ha'aretz* on April 21, Sharon declared that his disengagement plan will not be "Gaza first" but "Gaza last." He reiterated that after he removes no more than four small settlements of the 100 that exist throughout

the West Bank, there will be no more evacuations, and that housing construction in the settlements will continue. "There, we are building 1,000 apartments in Bitar Illit and hundreds of apartments in Ma'aleh Admumim," he said. He further declared that all the so-called "settlement blocks" will be made contiguous with Israel, making obvious his intentions to steal even more land on the West Bank.

In another provocation, Sharon's government approved the establishment of a university in the settlement of Ariel deep in the West Bank, a move that Sharon said was "to strengthen the settlement blocks." At a time when university students throughout Israel only a few weeks ago protested massive budget cuts, the new university will cost hundreds of millions of dollars. Even the Israeli Council of Higher Education denounced the plan.

As for the Palestinians, on May 2, Sharon attacked Palestinian President Abu Mazen (Mahmoud Abbas) when he told visiting U.S. Sen. Bill Frist, the Republican majority leader, and right-wing Democratic Sen. Joseph Lieberman: "Instead of working to disarm the terror organizations, he [Abu Mazen] is working to strengthen them. He is not willing to fight them and is not willing to dismantle their infrastructure." At the same time Sharon announced that Israel will not allow the United States or Russia to supply weapons to the unarmed Palestinian police.

Bunker Busters for Israel

On April 26, the U.S. Defense Department informed Congress of its decision to sell Israel no less than 100 bunker-buster bombs, thus immediately provoking fears that Israel was preparing to launch an attack on Iran's nuclear research facilities.

Despite repeated denials by the Israeli government, the question is, will Vice President Dick Cheney and his cabal of neo-cons give Sharon a green light to attack Iran as a diversion from their own political woes? A May 3 commentary by Aluf Benn, *Ha'aretz* diplomatic correspondent, entitled "In the Role of the Rottweiler," claims that Sharon has become the Bush Administration's "rottweiler" to be used against Iran, Syria, and Lebanon.

Benn writes: "At the very time that Israel is toning down its belligerent policies, the U.S. Administration is casting it in the role of the rottweiler. Washington is using Sharon's renowned image as an unscrupulous bully in an effort to intimidate the Iranians and put pressure on the Europeans. It is hard to otherwise explain the statements of Vice President Dick Cheney and others who are publicly warning of an Israeli attack on Iran's nuclear facilities. Their message is simple: If diplomacy fails, Sharon will run amok."

Benn goes on: "The Administration's announcement last week that it was supplying 100 bunker-buster bombs to Israel was the most blatant sign that America is likely to sanction an Israeli attack on the underground uranium enrichment facilities in Iran. For now, it's only a deterrent. . . .



Sharon and Cheney, in Jerusalem at a joint press briefing on March 19. Will Cheney give Sharon a green light to attack Iran?

against a hasty Israeli attack on Iran. He made it clear that Iran had several more significant steps to go before it could claim a nuclear capability.

Another speaker expressing caution was Uri Neeman, a former senior official of the Mossad, who in a speech entitled “Israel’s Options,” laid out the pitfalls of an Israeli attack on Iran.

By contrast Professor Maj. Gen. Yitzhak Ben Yisrael (ret.), former director of the Israeli Military Research and Development agency, said that although it would of course be better to have the U.S. take out Iran’s nuclear capability, if they failed to act, then Israel would have to do it.

Readers of *EIR* may remember Ben Yisrael as one of the authors of the infamous “Project Daniel,” which outlines how Israel has to have a nuclear second-

strike capability that could destroy “between ten to twenty city assets” throughout the Middle East; and that Israel should have a pre-emptive strike policy to prevent any country in the region, especially Iran, from going nuclear (*EIR*, June 18, 2004).

Ben Yisrael’s hard-line views were seconded by former commander of the Israeli Air Force, Maj. Gen. Eitan Ben Eliyahu (ret.), whose presentation specified what would be required for an Israeli strike against Iran. Although he said that it would be better for the U.S. to do it, he made it clear that Israel had the capability to do it alone, if the U.S. failed..

A military engagement with Iran would require a disengagement of the Bush Administration from Sharon’s disengagement plan, or at least its postponement. Thus it seems convenient that Israel’s Minister for Diaspora Affairs, Natan Sharansky, resigned on May 2 from Sharon’s government, in a move that the *Jerusalem Post* reports was a message to President George W. Bush to drop his support for Sharon’s so-called disengagement plan. The same daily reports that Sharansky will travel to the U.S. in June, where he is expected to meet Bush, and his close friend Vice President Dick Cheney.

Sharansky is a well-known Soviet dissident turned right-wing Israeli politician. His book, *The Case for Democracy*, not only was read by the President, but reportedly was the inspiration for Bush’s last inaugural address. Sharansky will try to convince Bush to link the disengagement with moves to “democratize” the Palestinian National Authority—and thereby never implement disengagement.

But everyone is fully aware of the intended use of such armaments, which until today have not been supplied to any country outside the United States.”

Benn quotes a high-ranking political source that Israel “has to be prepared for any development, including the scenario of a conflict with Iran, but it must not jump in head first. . . . The solution must be an international one. . . . If this doesn’t work, it’s good to have a few smart bombs in storage. . . .”

Although agreeing that the announcement of the sale of the bunker busters to Israel was part of “psychological warfare” campaign against Iran, an Israeli military source told *EIR* that Israel already has bunker buster bombs of its own design. This same source said that there is no doubt that the U.S. and Israel have drafted plans for an attack, but “no decision has been made, and I hope that no decision will be made because it would be a disaster.”

A strike on Iran is a hotly debated issue inside Israel. On April 17, the Strategic Dialogue Center at Netanya College in Israel, sponsored a conference entitled, “Multi-Nuclear Middle East: Iran, the Bomb, and Israel.” The all-day conference brought together representatives of the full spectrum on the issue, from hardliners to those urging extreme caution about attacking Iran. The conference was organized by Dr. Reuvan Pedatzur, one of the directors of the center, and a well known commentator on strategic affairs for the Israeli daily *Ha’aretz*.

Among the speakers was Dr. Avner Cohen, author of the famous book *Israel and the Bomb*, who urged caution

In Memoriam

Ezer Weizman: From Hawk to Peace Advocate

by Dean Andromidas

With the death of former President Ezer Weizman on April 24, Israel has lost one of its key advocates for peace between Israel and its neighbors. It is important to reflect on Weizman's role, not to eulogize him, but to show that success in achieving peace in the region requires leadership. Lyndon LaRouche once commented that Weizman was a "tough guy," who saw the wisdom of an ecumenical approach to peace, the necessity of negotiating with one's enemy if one wishes to have peace. Weizman's approach contrasts sharply with that of Israeli Prime Minister Ariel Sharon, whose so-called disengagement plan, if it ever takes place, is a unilateral move that promises to prolong the conflict even longer. Weizman saw the necessity to negotiate a real peace agreement premised on the same principles as those of the Treaty of Westphalia, which ended the Thirty Years' War in Europe in 1648.

In a 1989 interview to *EIR* (March 17, 1989), Weizman said his role was to be "controversial" and if possible a "detonator" in an effort to push his government onto the road of peace negotiations with the Palestine Liberation Organization (PLO). The granting of the interview in itself detonated strong reactions internationally. At the time, he was a Minister of Science and Technology, the only dove among hawks. Led by the right-wing Likud party, the government included Yitzhak Shamir as Prime Minister; Moshe Ahrens, the mentor of current Finance Minister Benjamin Netanyahu, as Foreign Minister; and Ariel Sharon as Minister of Defense. Moreover, it was a time when *EIR* founder Lyndon H. LaRouche had just been unjustly imprisoned, because he was seen as a threat to the policies of the George H.W. Bush Administration.

Peace Agreement With Egypt

An ardent Zionist and one of the founders and former commanders of the Israeli Air Force, Weizman as a political leader was able to make the journey from hawk, to leading advocate for peace. Born in Tel Aviv in 1924, Weizman joined the British Air Force during World War II, after which he joined the Etzel underground movement, and later, the military Haganah. Serving in the Air Force in the 1948 Arab-Israeli War, he subsequently fought in the 1956 war against Egypt; became commander of the Air Force in 1958; and, as deputy chief of staff, pushed for launching the 1967 war.

Leaving the military in 1969, he entered politics joining the Herut party, the forerunner of the Likud.

In 1977, he showed a different form of leadership than when he was a military commander. After Egyptian President Anwar Sadat made his historic visit to Israel, Weizman became the leader of the peace faction within the government of the ultra-hardline Prime Minister Menachem Begin. At the time, Sharon and the hawks sought to undermine the process that eventually led to the Camp David peace agreement between Israeli and Egypt. Weizman, who the same year would travel to Cairo, forged a strong relationship with Sadat, while threatening a government crisis in order to push his colleagues to make the concessions necessary for an accord with Egypt.

It was a time when Sharon was busy setting up "security" settlements in the Sinai and the West Bank, which Weizman opposed, calling them a "distortion of Zionism."

Speaking about the importance of peace with Egypt, Weizman told *EIR*, in the 1989 interview, that in the last "40 years, we have achieved one important thing, peace with Egypt. . . . For 10 years, we have had peace with Egypt, which is an extremely important, almost unbelievable achievement, not appreciated by most Israelis." This peace has led to "a more common feeling that we have to come . . . to a peaceful coexistence with the Arab world. With all the mistakes that the Arabs made, and all the mistakes that we have made, look at what we achieved in 1978 and 1979, since the arrival of Sadat in Jerusalem. Sadat was a great man, and his policies are being continued by his successor, President Mubarak. . . . When people tell me, Mubarak is going back to the Arab world, I tell them, 'Where do you want him to go, to Scandinavia? He *is* the Arab world!' Peace with Egypt is the most important achievement of the past 40 years!"

For Weizman, the peace with Egypt was to be the stepping-stone to peace with what would become a Palestinian state, as well as all the Arab states. But no sooner was the peace agreement signed, than the hawks, led by Sharon, began to procrastinate on implementing the treaty's clauses that called for creating Palestinian autonomy in the occupied territories, which would lead to the creation of a Palestinian state. In 1980, hoping to create a government crisis that would force Begin to act on Israel's responsibilities, Weizman resigned. The rest is history: Sadat was assassinated, Sharon launched the Lebanon war in 1982, and the autonomy clauses were never implemented.

Opening to the Palestinians

In 1984, as head of the centrist Yahad (Together) party, he re-entered politics and brought his party into the national unity government in which Shimon Peres of the Labor Party was Prime Minister and the Likud's Shamir was the Foreign Minister. For Weizman, the primary task was to get out of Lebanon and to open up negotiations with the Palestinians. To his disappointment, Peres refused to negotiate with the PLO. Nonetheless in 1988, Weizman met, on his own initia-



Egyptian President Anwar Sadat (left) greets President Ezer Weizman, as Prime Minister Menachem Begin looks on, Sept. 7, 1978.

tive, with envoys of PLO Chairman Yasser Arafat, at a time when it was illegal. Shamir was enraged, but because of the restraints of the coalition he led, he could not fire Weizman.

Asked by *EIR* whether he would negotiate with Arafat, he said, "I would invite Arafat for talks. I would say: 'Look, you fought me and I fought you, but I think it is time to sit down and talk. You recognized [UN] Resolution 242; you recognized me; I recognize you. I am willing to meet wherever you want and I'll talk to you like I talked to Sadat.' . . . I would definitely invite him, were I Prime Minister. It could be that it is because of this that I am *not* Prime Minister. . . . Eventually, a Prime Minister will wake up one day and realize that he has to take this step." Four years later, Prime Minister Yitzhak Rabin, did "wake up," and in 1993, signed the Oslo Accords.

Weizman saw that the only future for Israel was to achieve peace with its neighbors, and that this would have to be premised on economic cooperation and development. In the interview he said, "What are the economic foundations throughout the whole world, but cooperation? I want to see a Benelux-type system here. I want to go back to the years when I was a youngster, when I used to go with my father to Beirut, Damascus, Cairo. I was never in Baghdad, but he used to go to Baghdad. Anyone who thinks that Israel can exist on its own, without communications and economic links with Egypt, Syria, Lebanon, Cyprus, and so forth, is wrong. I do not want to only sell vegetables to Bonn.

"There will be a Palestinian state; they will have an agreement with Jordan, and they will have an agreement with us. . . . They can live happily as well."

In 1993, Weizman had joined the Labor Party and become President of Israel at the very moment that the Oslo Accords

were signed. But these were only "interim" agreements, and Weizman did not think much of interim agreements, wanting to have well-defined peace treaties instead. With the assassination of Rabin in 1995, and the coming to power of Netanyahu, once more with Sharon in his Cabinet, Weizman would see these "interim" agreements collapse. Although as President, he enjoyed no real political power, he nonetheless continued to be "controversial." So in 1996, when Netanyahu was trashing the Oslo Accords, Weizman invited Palestinian President Arafat to his official residence in Jerusalem. This was only the second time that Arafat had been to Israel, and Netanyahu was enraged.

In 1998, in an unprecedented move for an Israeli President, Weizman gave a press conference calling on Netanyahu to hold early elections, and the next day gave an interview to Israeli television where he lashed out: "I have reached my red line. I am not willing to help Netanyahu any longer. It is impossible that ev-

everyone is angry at us—the U.S., Europe, President Mubarak, King Hussein—and only we are right. The peace process is not going anywhere, and no one should try and tell me otherwise." He told the newspaper *Yedioth Ahronoth* the same day, that "Bibi [Netanyahu] lives in a state of euphoria, in his own world, cut off from reality. The nation does not know where the Prime Minister is leading it. He is dumbfounded and wrong."

In 1999, when Ehud Barak became Prime Minister, Weizman continued to use his position as President to support the peace process in any way he could.

Current Prime Minister Sharon gave the eulogy at Weizman's funeral, like the mafia boss who attends the funeral of the man he had just ordered to be "rubbed out." Indeed Sharon, who did not want a "controversial" President who could serve as a focal point of opposition, was responsible for forcing Weizman to resign, just at the time Sharon came to power in 2000. The operation involved Yaacob Nimrodi, publisher of the daily *Ma'ariv*, and the former Mossad agent who made his fortune as one of the key Iran-Contra arms dealers (see *EIR*, Feb. 4, 2000). Nimrodi is an old crony of Sharon's, and reportedly stole documents from the offices of Weizman's attorney, which were then used to run a press campaign alleging Weizman had inappropriately accepted a large amount of money from a political supporter. Nimrodi was even accused of threatening Weizman that he would "eliminate" him. In July 2000, Weizman chose to resign, rather than be dragged through a long legal process while holding the office of the Presidency.

With his death, Israel lost a soldier, statesman, and peace advocate whose qualities are sorely needed by Israel, now more than ever.

Ecuador: Dollarization Brings Down Another Government in the Americas

by Gretchen Small

It was a familiar scene: On April 20, in the midst of mass protests escalating out of control, a rump session of the Congress of Ecuador voted to oust the President, Lucio Gutierrez, and replace him with his Vice President, Alfredo Palacio, who was sworn in the same day.

Gutierrez was the third Ecuadoran President in less than 10 years to be ousted in the midst of mass turmoil.

U.S. statesman and economist Lyndon LaRouche's assessment was blunt: The problem in Ecuador is dollarization, and until that is faced, no institutional re-engineering will solve the problem. LaRouche has repeatedly cautioned, over the past 10 years, that Ecuador's problems are but a marker for the general disintegration of the financial system globally. When the first in the series of three ousted Presidents, the nutty Abdala Bucaram, was impeached on grounds of "mental incapacity," in the midst of a mass strike in February 1997, LaRouche issued an international warning, titled, "The Cuckoo Fell From the Nest":

"What happened in Ecuador is not simply an internal affair of Ecuador, nor of South and Central America; the fall of the cuckoo from its Ecuador nest, signals an ongoing, worldwide, chain-reaction collapse of the International Monetary Fund's current policy. . . .

"The onrushing world-wide financial collapse impels the crazed monetarist desperadoes of the financial centers to force governments to impose ever-more-savage measures of austerity. This combination has prompted a booming wave of political mass-strikes, against the governments which bend to the financiers' will. . . . The days are numbered, when Gingrichism and even the mere pretense of 'democracy' can still dwell in the same house."

Revolving Door Governments

Exactly as LaRouche warned, no government of Ecuador has been capable of imposing the ever-increasing degree of austerity demanded, and remain in office.

Following Bucaram, the next President to be ousted was Jamil Mahuad (1998-January 2000), whose government previewed the Argentinian blowout which would follow barely two years later. Faced with the collapse of Ecuador's banking system and the "trashing" of its currency by foreign speculators, Mahuad confiscated domestic bank accounts in March 1999 to secure money to pay the debt; was forced nonetheless

to default on Ecuador's Brady bonds in September 1999; and then, on Jan. 9, 2000, announced that Ecuador would eliminate its currency and the Central Bank's role as a generator of credit, in order to adopt the dollar as the national currency. Ecuador, in short, was giving up all economic sovereignty, through dollarization. The elimination of the currency was explicitly unconstitutional, but the bankers endorsed it heartily as the model for other nations.

Advising Mahuad, were the same financier wizards (Domingo Cavallo et al.) whose quasi-dollarization system ("convertibility") would also blow out, in succession, Argentina's domestic financial system, foreign debt, and government in December 2001. Within three weeks of dollarization, Mahuad was ousted, following a combined Indian-military uprising, led by a middle-level military officer, Lt. Col. Lucio Gutierrez. After three attempts to form a government came and went in the space of the 24 hours, Jan. 21-22, Mahuad's Vice President, Gustavo Noboa, was named President by the Congress. Dollarization, however, stayed.

As Noboa assumed his new office, LaRouche warned on Jan. 23, 2000, that dollarization was imposed on Ecuador as an "intentional" policy of imposing "slavery" and "genocide." It is "an intent to destroy the nation," LaRouche said. "They were not merely out to impose conditions. The deliberate purpose, by people such as the Inter-American Dialogue involved, is to eliminate the existence of the nation-state of Ecuador. And if we don't stop them, they'll do it".

They have yet to be stopped. Gutierrez was released after spending some months in jail; was elected President in 2003 after he ran on an anti-dollarization, anti-free-trade platform; quickly cut a deal with Wall Street and the IMF to instead enforce and deepen the policies he was elected to end; and was ousted in April.

"My government is the last chance to prevent Ecuador from self-destruction," the new President, Palacio, told an Ibero-American daily on April 26. "We're playing one of our last hands. I deeply love my country, but if we don't make necessary changes, the danger of national dissolution will be great."

Echoing LaRouche, former Argentine President Eduardo Duhalde, now president of the Mercosur Representatives Committee, warned in a column in the Argentine daily *Clarín* on April 25, that dollarization was the problem to be faced.

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

When he visited Ecuador at the end of 2003, he reported that because dollarization had left 50% less credit available than in 1998, there was no financing available for production. For every 10 barrels of oil that Ecuador sold, six went to pay the debt, forcing cuts in social expenditures to levels below those of the 1980s. Duhalde urged Ecuador’s neighbors to help it resolve its conflicts, and find an alternative path in which it can recover peace, institutions, and growth.

Turning Away from ‘Bucaram II’

The good news is, that around the Americas, governments are beginning to look for those alternatives. Goading them on, is the stark contrast between the desperate reality created by the collapsing system, and the insanity of the Bush Administration, headed by the United States’ own “cuckoo,” George Bush, Jr. That insanity was on full display when, on May 3, Randal Quarles, Assistant Secretary of Treasury for International Affairs, told the annual meeting of David Rockefeller’s Council of the Americas that, “recent economic performance in the region has been outstanding. . . . No countries are currently experiencing recession or financial crisis.”

Stark raving mad! Here’s Ecuador, which for four years has suffered a combined unemployment and underemployment, ranging from a high of nearly 80% in the wake of dollarization in 2000, to barely under 60% today. One out of six Ecuadorans have left the country, to seek a job elsewhere. The situation in the other countries is similar, and every government in the region knows they could face Ecuador-style turmoil and possibly uprisings, at any time. Even as the Organization of the American States (OAS) readied a fact-finding mission to Ecuador to assess whether this latest ouster of a President was constitutional, the OAS found itself issuing warnings on April 26 to two other countries, Belize and Nicaragua, that they resolve their “current difficulties”—i.e. mass protests against price hikes and austerity which threaten government stability—without violating “constitutional procedures.”

Condoleezza Rice got a first-hand taste of the rebellion brewing in the region, when she made her first trip to the region as Secretary of State, visiting Brazil, Colombia, Chile, and El Salvador April 26-30.

Defense Secretary Donald Rumsfeld had stomped through the region March 21-24, pushing the Bush Administration’s line that securing “democracy” and “free markets” requires ousting the Hugo Chavez regime in Venezuela, the alleged cause of all the region’s troubles. Less than a week after he left, the Presidents of Colombia (Alvaro Uribe), Brazil (Lula da Silva) and Venezuela (Hugo Chavez), joined by Spanish Prime Minister José Luis Rodríguez Zapatero, met

in Venezuela on March 29, to discuss how to foster peace in the region, by cooperating on cross-continental infrastructure projects. Everyone was clear: Cooperation, not regime change, was needed.

Three days later, Rice scheduled her trip to Brazil. Before she could get there, the OAS member-states delivered another blow to the Bush Administration, twice rejecting its candidate for Secretary General. First, on April 8, former Salvadoran President Francisco Flores, was forced to withdraw his sure-loser candidacy for the post. Its first choice shot down, the U.S. threw its support behind Mexican Foreign Minister Luis Ernesto Derbez, who was running against Chile’s Interior Minister, Jorge Insulza. Although Chile’s economic policy is certainly to Washington’s liking, Insulza’s candidacy, backed by Brazil, and especially Venezuela, was taking shape as a South American option, one which might not play ball with the Bush “regime change” obsession on Venezuela.

As one OAS Ambassador told this news service shortly before Ecuador’s government fell: “Things are changing around here.” Governments are beginning to dare tell Bush: “No.”

Will Bush Team Heads Roll?

Rice arrived in Brazil on April 26, just after the Ecuadoran government collapsed. President Lula da Silva reported, in an April 29 press conference, that his message to Rice was that Brazil and the other countries of the region need peace, “so that people can think of development, of economic growth, and generating wealth.” That’s why Brazil is pushing hard for the physical integration of South America; that’s why we created the South American Community of Nations; and “that’s why I told the U.S. Secretary of State, that President Bush should join Brazil and the countries of South America in this policy of creating infrastructure, of creating physical integration, because it will facilitate growth and the establishment of peace in our continent.”

Next stop, Colombia. Foreign Minister Carolina Barco reported that in their talks, President Uribe told Rice that it was time to stop speaking of right- or left-wing democracies in the region, and instead work towards social democracies. The region needs a consensus around programs which promote social cohesion. This is a theme repeated by Uribe on several occasions since the March 29 summit, including in a discussion at a university on April 26, the night before he met Rice. My generation in Colombia has never known a day of peace; why should the next generation live through that, too? he asked.

Arriving next in Chile, Rice spent hours negotiating an end to the impasse over the new head of the OAS. In the end, Mexico’s Derbez withdrew his candidacy, and the Bush Administration threw its support behind Chile’s Insulza, to avoid what would otherwise have been inevitable defeat. As it was, major U.S. dailies reported that not since the OAS was founded after World War II, had a Secretary General candidate initially opposed by the U.S., won.

Mexico's LYM: Ready To Change the World

by David Ramonet

"We are changing the world, and having lots of fun doing it," was the message delivered by Carlos Cota Moreno of the LaRouche Youth Movement (LYM) in Mexico, to more than 90 young people gathered May 2 at the University of Sonora, in Hermosillo. The youth had come to hear Bruce Director, a spokesman for U.S. economist and statesman Lyndon LaRouche, during Director's early May tour through the state of Sonora.

Director described the revolution that LaRouche began in the United States following the Nov. 2 fraudulent Presidential election, to stop the fascist offensive of Bush and Cheney to privatize Social Security on the Chilean "Pinochet model." Since then, Democratic Congressmen, and a few Republicans as well, have begun to defend the legacy of the American System of political-economy, as expressed in the institutions that President Franklin Roosevelt created.

The response of the youth was explosive: seven immediately said that they wanted to get on board LaRouche's revolutionary train, and joined youth from other parts of the state and from Baja California, for a discussion of LaRouche's latest book, *Earth's Next 50 Years*, which was held May 5 in Ciudad Obregón, Sonora.

One day earlier, Director had given the keynote address at a conference of the Technological Institute of Higher Studies of Cajeme (Itesca) in Ciudad Obregón, before more than 200 students, teachers, and institute officials. The event, on the anniversary of the institute's founding, was dedicated to Albert Einstein.

The change that LaRouche has catalyzed in U.S. politics has had repercussions throughout the world, with both a resurgence of Rooseveltian thinking on the one hand, and of desperation on the part of the synarchist right-wing on the other, as they see that globalization is pushing situations out of their control. This was the case with the Vicente Fox government in Mexico, for example, which had to do an about-face in its effort to impeach and jail probable Presidential candidate for the Party of the Democratic Revolution (PRD), Andrés Manuel López Obrador, due to international pressure, and after a mass protest rally of more than 1 million Mexican citizens in the center of Mexico City, in López Obrador's defense.

'No' to Pinochet's Chile

Director brought LaRouche's ideas to the State Workers

Union—which opposes the privatization of Social Security—in several meetings that he held in Hermosillo, and another with the Social Security Workers Union in Ciudad Obregón. Director's tour is part of the LaRouche movement's campaign in Mexico to warn the population and political circles that they had better end their association with Bush, who has become increasingly impotent politically, or that impotence will stick to them, too, as has happened to Fox.

One week earlier, LaRouche associate and *EIR* editorial board member William Wertz, author of a detailed investigation of synarchism in Ibero America, was in Saltillo, Coahuila, and in Monterrey, Nuevo León, where he held similar discussions with trade unionists, businessmen, and university students and faculty.

In Saltillo, Wertz opened up a debate around the bankruptcy of General Motors, a company which, in that region of Mexico, directly and indirectly supports some 40,000 workers, and whose international directors want to close GM's productive plants to try to bail them out of their debt crisis. Wertz proposed to trade union and business leaders of the state that they join the fight to launch a program of great infrastructure-building on both sides of the U.S.-Mexico border, as LaRouche has proposed, while converting the automotive plants into the most important base for machine-tool production in the world.

Wertz and Director arrived at a critical moment in world politics, which is reflected in Mexico, in the way Bush's insane policies are dragging down the Fox government. On the heels of the fiasco surrounding the attempted impeachment of López Obrador, the Fox government and Bush were defeated at the Organization of American States (OAS), when Mexican Foreign Minister Ernesto Derbez—the Bush regime's favored candidate for Secretary General of that organization—was forced to withdraw his candidacy on April 29, for lack of support (see article on Ecuador).

The revolution that LaRouche has initiated in the United States has established the guidelines within which Mexico and the rest of the continent can build new relations, outside the rotten framework of globalization. This was the essence of the forum that Wertz gave at the Humanities Department of the National Autonomous University of Mexico on May 3, where the youth asked, "What will happen if what LaRouche proposes isn't done?"

South America is coming together around the idea of economic integration, based on the construction of large-scale infrastructure, an idea that came to the fore at the summit of the Presidents of Brazil, Colombia, Venezuela, and Spain on March 29 in Ciudad Guayana, Venezuela. Under its current government, Mexico will continue to be the supplier of NAFTA slave labor. The Anglo-American financial elite is doing everything possible to ensure that López Obrador distances himself from "popular statist" positions in opposition to the current neo-liberal program.

LaRouche's collaborators are proposing an alternative, and Mexico's youth are stepping up to the challenge.

Communicating Real Musical Ideas: A Life-Long Mission

A Conversation With Norbert Brainin

Violinist Norbert Brainin died on April 10, 2005. His obituary was published in EIR, April 29. The following interview appeared in the German magazine Ibykus in July 2004, and was translated from German by Katharine Kanter. The new introduction below was supplied by Ibykus.

The late Norbert Brainin, first violinist of the legendary Amadeus Quartets, gave many interviews to *Ibykus* over the past 20 years, but none perhaps so dense as the one below, which may perhaps be seen as his artistic Testament.

The fact that in 1947, Brainin, then a young violinist who looked to make a great name as a virtoso soloist, quite deliberately decided to focus uniquely on the string quartet, clearly points to his qualities of musicianship, and of character, that led him to place the musical idea above all else, the *raison d'être* of a true artist.

The countless concerts the Amadeus Quartet gave worldwide, their numerous recordings, many of which have won the highest critical acclaim, most especially for their interpretation of the late Beethoven quartets, are very impressive proof of how Brainin and his colleagues (the violinist Siegmund Nissel, the violist Peter Schidlöf and the 'cellist Martin Lovett) took up the challenge to “get under the listener’s skin” with Classical music, and uplift the soul.

In Hamburg in 1950, when the Quartet made its German début with works by Haydn, Mozart, and Beethoven, sponsored by the British Government through the organization known as Die Brücke (the Bridge), the public’s enthusiasm was such that the “the walls nigh caved in.” So began the worldwide career of this extraordinary group, that ended only with the quite unexpected death of Peter Schidlöf in the Summer of 1987. Thereafter, the Quartet was dissolved, but Norbert Brainin continued to share his deep knowledge of Classi-

cal art through sonata recitals, seminars, master classes for young artists, and more especially through the Brainin Foundation, that he set up shortly before his death.

Brainin showed remarkable strength of character from his early youth, when in 1938, due to his Jewish background, he fled from Vienna following the Nazi *Anschluss*. In England, as a refugee, he became acquainted in the enemy-aliens internment camp during World War II with two of the men who were later to join the Quartet. In the 1980s and 90s, on learning that Lyndon LaRouche was persecuted by the U.S. neo-conservatives, and sentenced to prison after a show-trial in 1988, Brainin spoke out unreservedly in his defense.

Thus, seconded by the pianist Günter Ludwig, Brainin gave solidarity recitals for LaRouche, including several within the United States itself. He also visited LaRouche in prison, and there, under those otherwise-unfortunate circumstances, he discussed with LaRouche his own work on Haydn’s fundamental discovery of the compositional principle known as *Motivführung* [motivic thorough-composition]. LaRouche responded with enthusiasm, and then wrote, from his prison cell, “Mozart’s 1782-1786 Revolution in Music” [*Fidelio*, Winter 1992], in which he developed the concept further. This led to a fruitful dialogue, from which came musical seminars by Brainin and philosophical writings by LaRouche on this precise issue, one so critical to the future of Classical music.

Unforgotten is also Brainin’s involvement in the LaRouche campaign for so-called Verdian concert pitch, A=432 Hz.

Brainin gave several lecture-demonstrations, where he demonstrated the superiority of the lower, Verdian pitch, over the higher, and quite arbitrary “Karajan pitch.” In December 1989 shortly after the Berlin Wall fell, Brainin gave a



Norbert Brainin and Günter Ludwig rehearse for a concert honoring Lyndon LaRouche in Washington, D.C., December 1988. LaRouche was subjected to a political show-trial, which ended in his unjust incarceration the following January. The two musicians' courageous stand for truth and justice was remarkable, especially in view of the media's propaganda assault against LaRouche.

“Beethoven Matinée for German Unity” in the West Berlin Musikhochschule before a thousand people, eight hundred of whom had come from East Germany, and entered free of charge.

Why Germany, and “German music” ever remained so critical to the Amadeus Quartet, and how this Quartet, whose members never changed for nearly 40 years, “tracked down” the secrets of interpreting Classical music, is the subject of the interview below, that Norbert Brainin gave Ortrun and Hartmut Cramer in London in July 2004.

Ibykus: Mr. Brainin, relative to a half-century ago, there have unquestionably been major changes in cultural politics. Just after the war, it seemed quite obvious that the task was to ennoble man, as Schiller would put it, through Classical art, and create a climate of cultural optimism throughout society.

That so-called pop music, which is utterly shallow, might ever be taken seriously, as it now is, or that “Crossover” music would become acceptable (by Crossover, I mean “crossing” major Classical works with Rock-slop), would have struck one as simply out of the question in the 1950s or 60s, when the public would have rejected, out of hand, any such attempt to make a mockery of art.

The public had a more-or-less unflinching sense for how great art should be interpreted.

When, in 1950, you returned to the continent, Germany to be precise, with the newly founded, then-unknown Amadeus Quartet, your Hamburg concert unleashed an absolute sensation. In your first *Ibykus* interview (20 years ago now!) you said: “The public was so enthusiastic, the walls nigh caved in!” Why were people so excited then about Classical music?

Brainin: Naturally, it had to do above all with the times, and the political circumstances.

Germany had practically been destroyed, and its people had lost all confidence. The horrors of war were all-too-fresh in people’s mind. Despite all the horror, people understandably had a great hunger for Classical music, beauty, and in general, art.

Ibykus: The Nazis had banned not only so-called degenerate art, but a number of Classical works that they considered dangerous, such as Schiller’s *Don Carlos* (“Give us freedom of thought”) as well as his *Wilhelm Tell*, as Hitler and Goebbels rightly saw these works as a call to overthrow and murder tyrants. Other great works, such as Beethoven’s Fifth Symphony or his *Eroica*, were misused by the Nazis for propaganda purposes.

Brainin: . . .The British used Beethoven for their *own* purposes too. . . . That is why so great a craving for an adequate presentation of Classical art, and—in Germany especially—for great Classical music, was quite understandable at that time.

But, the enthusiasm unleashed by our Hamburg recital in 1950 naturally also had to do with our being Jews. That certainly played a big role. People thought, “Classical art will create the environment for peace. For peace among all men, and most especially, for peace between the Jews and Germans.” Apart from ourselves, there were other Jewish artists who, right after the war, committed themselves to reconciliation, and notably Yehudi Menuhin. Today, among musicians Daniel Barenboim has endeavored to do this. Such artists have made an absolutely incredible contribution to understanding

among peoples and nations. Barenboim brings Muslims, Jews, and Christians together, especially of course Israelis and Palestinians; he organizes concerts with them, where he plays and conducts. That's exactly the right way! One has got to show that Classical music and art belong to *all* men, irrespective of their cultural background. This understanding, for which Barenboim, particularly amongst the youth, has acted in so exemplary a fashion, is critical. The more so, as these efforts have tended to become rather more feeble these days, compared to what was done just after the war.

Ibykus: The Nazis, and after the war, their many Anglo-American sympathisers, were very concerned at the incredible influence of what Schiller refers to as the Sublime, a moral power, that Wilhelm Furtwängler, with "his" Berlin Philharmonic, was able to get across in a very unique way. Furtwängler represented, beyond any doubt, the "true Germany," including during the Nazi period and of course after the war. The Anglo-American "re-educators" knew that only too well; they, then as now, wanted to promote totally different character traits among the Germans, than the Sublime.

Brainin: In respect of the Sublime, which Schiller consciously placed at the center of all Classical art, as only the Sublime, is "truly free," allow me to report an amusing, but quite accurate example, which indicates the high moral standards that still existed in the 1960s, and the sort of intellectual and moral demands that artists then placed upon themselves.

We were rehearsing a recital for the Aldeborough Festival, with Benjamin Britten, where we were to play a Mozart quartet with piano, as well as Britten's second string quartet. Britten was at the piano. After we'd practiced the Mozart quartet, Ben put aside the Mozart score, and said with a smile (we were expecting that the composer, being himself present, was about to explain to us how his work should be played): "And now, from the sublime, to the ridiculous!"

Ibykus: When you compare, in general, the moral standard in music in the 1950s-60s, with the situation today, what differences do you see?

Brainin: Things are quite different now of course, as there are many more quartets and ensembles. In the 1950s, the very well-known musicians were, in the main, pianists and violinists. Some of today's quartets play extremely well—perhaps not always as I personally would like; but technically, they know what they're doing. But the real difference is on what I call the "receiving end"—the listener, and above all, the press.

There is less and less understanding of Classical music, and the fault lies rather less with the public, than with the press and the music critics, who have played a fairly significant role in altering, or perhaps one should say "perverting," what culture actually is, and the importance of the mission represented by culture in our society.

That is one aspect that the Norbert Brainin Foundation,

which I've just established, intends to change. The Foundation aims at rooting out, as it were, the flaws in interpreting Classical works; in other words, flaws that have to do with "making music" and interpreting it, that I would like to shift over into a Classical direction. Plainly, I could not do that alone, so I've found several colleagues who will be collaborating on the project.

Ibykus: Could you give an example of what you mean by perverting the understanding of how one should interpret, over the last half-century?

Brainin: It's hard to put into words. Above all, it has to do with the *singing* quality, with how one produces the tone. As a singer, the essential question is how one places the voice, failing which one will never be "in tune," neither the intonation, nor pitch, nor the actual quality of the tone.

The same can be said of violin-playing, or indeed, playing any instrument at all, that one could in fact call "singing through the instrument." What's wrong with the way we teach violin technique today, is that the teachers do not have a clue why the student has produced the wrong tone. It has something to do with the current craze for the "big tone," that a "big" violinist is supposed to be able to produce.

In so doing, a notion that should be critical to any true artist, is ruined—the notion that what one has got to get across to the public is, first and foremost, the *idea* behind the composition, through form and development of the overall concept. This means producing a tone with a very precise degree of *intensity*, which is not the same thing as volume. Pop music, that ghastly stuff, has much to do with this form of perversion; pop music has had a devastating influence on our contemporaries' "taste," because pop-musicians, among other things, literally slither into the tone, thereby eliminating all true sense of dynamics.

The same could be said in a figurative sense, especially at the beginning of a work. The best example of how an artist can, in the very first instant, "grab" the listener's attention, and "tune him in" to the way the entire work will proceed before him, was Wilhelm Furtwängler. The tone was there, straight off, and his famous or, if you will, notorious "attack" was the textbook example of how a conductor can awaken that peculiar mixture of emotional tension and lively intelligence in his musicians and in his audience, that is so indispensable if one is to properly interpret a Classical work. (And forget trying to imitate him! One never knows what will come out.)

In general, here is how one could attempt to explain Furtwängler's brilliant approach to the orchestra: He would seek to bring his musicians to play in the manner *he* intended them to play (i.e., from the standpoint of the composition as a whole). Never would he allow people to play the way *they* might have wished to. During rehearsals, by the way, Furtwängler rarely spoke, because words are of little use under such circumstances. Apart from the fact that everyone

was expected to know the piece, the musicians were expected to focus entirely on the music, and “listen into” the music; musicians must, in the finest meaning of the word, develop a “feeling” for the music. Through his gestures, and his laconic “Take it again,” Furtwängler succeeded. I knew exactly what he was getting at, and I did the same in my Quartet.

The other major problem in the interpretation of Classical works is a tendency towards romanticizing them, with quite arbitrary use of *rubato* (changes in the tempi, and even erratic mood swings) that have nothing whatsoever to do with the work’s actual flow, the way it unfolds from within. That’s something else that my Foundation will set about altering.

Ibykus: How will the Foundation work?

Brainin: I intend to take only truly gifted music students, because I want to foster people of genuine talent. There will be no cost to the student, neither for the lessons, nor for his lodgings. We are now working on financing, as we have not yet quite made the grade in this respect. It will be in Italy, at Asolo, a town that lies between Venice and Lake Garda. A real school will be set up there, and later, there will be festivals, master classes, and so forth. I have already found some colleagues who are willing to teach there, but, at least at the beginning, I’ve got to be there myself. I hope to live long enough to bring it all into being.

Ibykus: Your long life is a good motto: But why, when you were a young violinist with so promising a future as a soloist, did you opt for the string quartet?

Brainin: That’s right. I was, in point of fact, on the verge of a soloist’s career, in the Autumn of 1946, after winning the Carl Flesch Competition at London, which I had entered essentially as a tribute to my great professor Carl Flesch, who had just died. The prize was a concert with the BBC Symphony Orchestra, and I played Beethoven’s violin concerto in London. I’d won the Carl Flesch prize for interpreting the Brahms violin concerto, and as I did not want to play the same concerto twice, I chose Beethoven. While I practiced for the concert, which was to take place one year later, I began to play quartets with other string players, and, increasingly frequently, with some students of Max Rostal, who had been Carl Flesch’s assistant. I myself had studied with Rostal during the War.

We future colleagues worked really intensively (as is well known, I’d met our violist Peter Schidlof in an internment camp; Peter knew Sigmund Nissel from another camp, and our ’cellist Martin Lovett was a friend of another of Max Rostal’s students); but it was only in 1947, that we began to play as a quartet. My “leisure hours,” so to speak—i.e., when I was not preparing the Beethoven concert—I spent playing quartets with my three friends. For whatever reason, after that Beethoven concert, I somehow lost interest in a solo career, because I was so strongly attracted by quartet playing. Plainly, that was my focus. And since that time, I became ever-more

engrossed in quartet compositions.

Early on, playing quartets was just an interesting hobby, my purpose being thereby to develop myself further as a musician and as an artist. But suddenly something decisive happened, in my mind, in my soul, and in my heart, and the reason for it all, was the music itself. Above all, it was Beethoven’s quartets, as well as those of Schubert, Mozart, and Haydn, that music, that had so colossal an impact on me, to a degree, that I could *think* of nothing else. And so it was that my solo-career slipped into the background.

Ibykus: For almost 40 years, the Quartet held together, without ever replacing one of the players—this must be a record in the history of music. You have often explained that the art of interpreting the quartets, especially the late Beethoven quartets, became your *raison d’être*, the purpose for your whole existence. How did that realization affect your decision?

Brainin: It was a *decision, pure and simple*, neither for, nor against. But as early as 1947 I already had a premonition that the string quartet would be the actual content of my life. What that meant, was something that I recognized in the great quartets that I had heard as a young violinist in Vienna, notably the Rosé Quartet, headed by Arnold Rosé, who also acted as concert master for the Vienna Philharmonic, and the Busch Quartet, which was already a legend in its own time, and which I’d often listened to on the radio. The greatest influence was, I would say, in fact the Busch Quartet, and the tremendous personality of its First Violinist Adolf Busch; it was the intensity that the Busch Quartets had, in playing Beethoven. In the slow movements, no other group had ever achieved the singing quality, and the intensity, of the Busch Quartet.

But our own Quartet started out with Mozart and Haydn. We worked very seriously on Mozart’s KV 499, the so-called. “Hoffmeister Quartet,” which Mozart wrote after the six “Haydn Quartets.” That’s how we began. Incidentally, we had to work the hardest on Mozart, as that is where the major interpretative difficulties lay. The stages through which Mozart moves in his quartets—his intensive study of Bach while he composed the “Haydn Quartets,” along with the notion of *Motivführung* that Haydn himself had initiated, that was very, very hard for us to grasp. We simply had no inkling of it. Only in the course of time did we begin to understand the actual process of unfolding in each of Mozart’s quartets. Non-professionals will simply not get it; it will be a complete blank to them, because for the layman, Mozart is “just so beautiful.”

Ibykus: How did you begin to understand it?

Brainin: Paradoxically, at first I found that I understood less and less! But we refused to let ourselves be led down the primrose path, and we were intent on “listening into” the music, again and again. Through playing, very intensely, and listening to one another no less intensely, our essential aim was to grasp how his musical thought unfolded. We could not



Lyndon LaRouche, Helga LaRouche, and Brainin in 1994. Lyndon LaRouche and Brainin spent many hours discussing the breakthrough in musical composition which Brainin identified as “Motivführung”—motivic thorough-composition. The idea would shape LaRouche’s thinking for years to come.

get enough of playing! Finally, we tried the following: I said: “I shall play, and you must follow. Naturally (at the relevant passages) you must play as you see fit, or better said, as it suits, and I’ll go along.” That was a huge step forward in our understanding of the work, and also, of ensemble playing.

Many would tend to think of Mozart’s music as light and agreeable, a view that one very frequently came across in those days—and one would play his works “softly.” I insisted that one should *not* play Mozart “softly,” but rather with *intensity*, as there is a terrific strength and dynamic in his music. It took *years* until we managed to really bring that to the fore. Of course, in the meantime we had often played Mozart at our recitals, and through performing, we had learned a great deal, partly because at our concerts, we gave our fullest attention to the music alone. We played extremely well in recital, which did not prevent us from constantly experimenting in rehearsal, to better it. We wanted to really understand Mozart’s music, and at the end of the day, we did.

Ibykus: Could one say that the Amadeus Quartet learned how to play from Mozart? Was the study of Mozart the key-stone?

Brainin: Actually, yes, but not Mozart alone, it was Beethoven as well. We worked very hard on Beethoven’s first quartet, Op. 18, No. 1. One of the reasons being that the public wanted it from us, as well as Schubert’s “Death and the Maiden” and his *Quartettsatz* in C-Minor.

Ibykus: In terms of their contents, Beethoven’s quartets Op. 18 are closely related to Mozart’s “Haydn Quartets.” Beetho-

ven had studied the latter very carefully, notably the A-Major quartet, KV 464. Dedicated to Haydn by Mozart (“to his dear friend”), Haydn studied them with great attention, as one sees from his quartets composed after 1785. The two composers were thus in a fruitful dialogue, and learned much from one another.

Brainin: Without a doubt. We knew it, in a way, but at the beginning, we didn’t have quite the right approach. We had to work extremely hard until we truly *knew* what it was, and how it was employed, so as to get it across to the public. In January 1948, when we made our debut at the Wigmore Hall as an ensemble, our entire repertoire consisted of five pieces, of which three were on the program.

Ibykus: And what were they?

Brainin: Mozart’s D-Minor quartet, KV 421, which is the trickiest of all the Haydn Quartets, and the hardest to inter-

pret. Then the Verdi string quartet, which was less of a problem for us, and the third piece was Beethoven’s Op. 59, No. 3, the last of the three Rasumovsky Quartets. The latter was incredibly well-received, as I imagine that in London, no one had heard it played with such life in it. Needless to say, at our *début* we hadn’t really understood the piece; nevertheless, we had “listened into” the music so deeply, and we had allowed ourselves to be so uplifted and inspired by Beethoven (and by our audience too), that it became a terrific performance, and the audience was inspired.

Ibykus: And what were the other two pieces?

Brainin: A Haydn quartet, und Mozart’s quartet in C-Major, the “Dissonant Quartet,” KV 465.

Ibykus: And then what happened?

Brainin: Our success at Wigmore Hall caused a very big stir, and at our next recital, people queued for tickets. At the time, our fee was £40, so each one of us got £10, less than the cost of lunch in London today. But for those days, it was a right good fee. By comparison, lunch in a simple restaurant used to cost only two shillings, a tenth of a pound.

We worked very hard indeed, as for every recital, we had to rehearse a new repertoire.

Ibykus: How were those pieces chosen?

Brainin: The choice was in the hands of our agents, and at the end of the day, of the public. Both the perceived need, as well as the “taste of the times,” inclined almost without

exception to Classical music. We played many Haydn quartets, Schubert—and of course Mozart and Beethoven.

Ibykus: So an intellectual dialogue with the audience was essential to you?

Brainin: Absolutely, that was most important for us. Almost to a man, our audiences were music lovers, members of musical clubs and societies, who were extremely keen on good music. Such societies existed in other countries as well, not only in England of course. Which explains—in addition to our own ability!—the great success we enjoyed within a few short years throughout Europe. After England, we toured Spain, and then as I've said, we made our first recital tour to Germany in 1950.

It was that recital at Hamburg that opened doors for us in Germany, where we were then to give so many recitals. The Hamburg recital was organized by the organization called "Die Brücke" (The Bridge), which in the post-war period had been assigned by the British government to promote cultural relations between England and Germany.

Ibykus: When did you begin to work on the later Beethoven quartets in depth?

Brainin: Very early on, in the fifties; by the late fifties we had already performed a complete Beethoven cycle for the Stockholm radio. It was an enormous effort, playing the entire cycle within a couple of days. Later, we had the opportunity to do the same in Italy. Initially, my colleagues were not so keen on the idea, as they found it too much, and very heavy going. But I insisted upon it, as each and every time, I learned something new, both in rehearsing, and in performing it. We rehearsed very thoroughly—although of course not overdoing it—and when it came time to perform, then we really went for it. Whatever the public might have thought about this being "strong meat," was irrelevant to me; I wanted to test out the idea we had in mind, and focussed intently on what it was we were actually doing. As a result, the atmosphere became one of great concentration, and the public was held in thrall. The listeners were an inspiration to us.

Ibykus: That was in southern Italy, Sicily?

Brainin: The public—and this is something we found in recitals everywhere in the world—first, was swept up in the very greatness of Classical music, and secondly, they were moved by how seriously we performed it. My method, aided and abetted by the fact that I have made a point of truly listening to, and "listening into" so much music, is to play precisely as the composer wrote it.

That means following the indications to the letter, whether *piano*, *forte*, *crescendo*, *legato*, and so forth, I did precisely what was written. And I "listened into" the music, which gave me a "feel" for the correct manner of *expression*. Needless to say it was not always right, but we became ever better.

A further hitch was that editions were not satisfactory in the fifties, and the *Peters* editions were notoriously rife with

mistakes. There was only one way to deal with this, which was to say, "I'm not entirely sure *how* it should go, but it most definitely *cannot* be this way." As we always attempted to understand the composition as a whole, what *we* played often proved to be correct. Later, thank God, the *Urtext* [original] editions came out, against which we could check what we had been playing. And we found that we had often been right, in the way we had "listened into" the music, and that we had interpreted it adequately. This is one area in which things really have looked up, thanks to the *Urtext* editions.

Ibykus: At one time, the Amadeus Quartet took private lessons with the great violinist Georges Enescu, on the Beethoven quartets?

Brainin: That was sensational. It happened during a festival at the Bryanston School in the mid-fifties. It all started, with the fact that we had interpreted "over-literally" indications for tempi that were thought to have come from Mozart himself. At one recital there, we had played Mozart's first "Haydn Quartet," KV 387, in G-Major, for the very first time in public, and it just had to happen, that Enescu himself turned up to listen. We did not play badly, but when we heard that he was in the room, we did become a little anxious.

The next day, Enescu came up to me at lunchtime in the cafeteria, and said to me—in German: "Thank you for yesterday evening's recital, it was very fine; but to be frank, you took the *Minuet* far too slowly. To which I retorted: "But it's clearly marked *allegretto*." And Enescu said, "I know, but it's wrong. Later, Mozart changed, and in fact, improved upon it, and wrote *allegro*; and the effect is quite, quite different." To which I replied, "Terribly kind of you to have pointed that out, thank you so much, now I know." And Enescu said, "Have you got plans for the afternoon?" We'd planned to rehearse, but of course I said, "No, nothing, nor have my colleagues." Thereupon, Enescu replied that "I'd very much like to show you how to play Beethoven's quartets, but unfortunately, it will have to be on the piano."

After lunch, the five of us appeared in the recital hall, and Enescu sat at the grand piano with his back to the "audience," and began to play. He played by heart; each tone was absolutely precise, and his expressiveness, was a sheer phenomenon.

Ibykus: He began with Op. 18, No. 1?

Brainin: Yes, with Op. 18, No. 1, and then he played straight through all the quartets, including the late quartets. He did of course leave out the repeats, and sometimes, when the development process was clear, he left out a few passages, saying ("You know how this bit goes"). He did change the order a little though. He ended by playing the C-Sharp Minor Quartet, Op. 131. The thing took the entire afternoon, straight through to evening.

Meanwhile, word had got about in the Conservatory that "Enescu is playing the Beethoven quartets on the piano for the Amadeus Quartet, one after the other." The students tip-

toed into the hall, sat down quietly, and listened, without of course Enescu ever noting their presence. As he concluded the C-Sharp Minor Quartet and turned round “to us,” he saw everyone sitting there, and the entire room broke out into wild applause. It was incredible. Enescu knew the four voices of each quartet, and played and articulated them very precisely. As a pianist, he was so unbelievably good, I do believe he was a finer pianist than a violinist!

Enescu played all the voices on the keyboard, and not just correctly, but with the ideal equilibrium, dynamically, and in a word, perfectly. Yehudi Menuhin told me of something similar concerning Enescu; he had been a student of Enescu’s in Paris in the 1920s. On the occasion of Menuhin’s 70th birthday, he was often interviewed on the BBC, and when a journalist referred to his “fantastic” memory, Menuhin retorted: “Oh, mine is so-so. Let me rather report on a real feat of memory. When I was a very young lad in the ’20s, studying with Enescu in Paris, the house-maid came in, and whispered something in Enescu’s ear. He told me to stop, and explained: ‘Excuse me, Monsieur Ravel is at the door; he wants to show me his new violin sonata. Could we break off the lesson for a moment, and carry on a bit later?’ Menuhin said: ‘Of course, Maestro.’

“So Maurice Ravel walked in, and showed Enescu the score for his sonata. It was in manuscript; Enescu glanced at it, played a little, and with the words: ‘*Ja, ja—ach so—ja,*’ read through the entire sonata. Then he said to Ravel, ‘Okay, let’s start.’ The two artists played the full sonata, Enescu from memory, and the composer, his own work, with his nose glued to the score! Although Enescu had never once seen the sonata before—phenomenal! And what about that, for a feat!” When I heard Yehudi say that, I nonetheless insisted that “Enescu playing the Beethoven quartets at the Bryanston School was another notch higher.”

Ibykus: And you learned a lot that afternoon?

Brainin: What we learned, was colossal; Enescu may have played the quartets “only” on the piano, but there is a great deal to be shown, and learned from that instrument.

It is hard to believe, but no less true; on the piano, one can produce every nuance, whether hard, soft, *legato*—and one can *sing*, especially sing! I think it was Schnabel who said that the piano is the most expressive of all instruments. Not the violin, but the piano, truly *sings*. Beethoven knew that. It so happens that his violin concerto Op. 61 was initially a piano concerto, out of which, he made a violin concerto. One can hear that quite clearly, as many passages are not of the type that one would expect to hear in a violin concerto.

In fact, Beethoven never wrote another violin concerto. Either he wasn’t pleased with it, or he found it unsatisfactory. In any event, he never repeated that “experiment.” But he wrote five piano concerti, with passages that rather sound like a violin concerto. Manifestly, Beethoven thought “I cannot make the violin sing, the way I can do with the piano.”

Ibykus: In the violin concerto, Beethoven actually makes the kettle-drum into a *singing instrument*. Beethoven wanted to show that the most unexpected instruments, can sing.

Brainin: That is so, and above all in the string quartet, where the voices sing with still greater freedom. And how grandiose the manner in which Beethoven has distributed the voices! It is a single, over-reaching composition, where four independent voices nonetheless sing; this becomes particularly notable from Op. 127 on, where Beethoven had come to a complete mastery of the compositional method of *Motivführung*; the technique of composing, where, from a single motif, a core motif as it were, all themes, the entire movement, and then the entire work unfold. In the later Beethoven quartets, the motifs of the various quartets are even related to one another. This revolutionary technique of composing, as I have already explained, that began with Haydn’s “Russian Quartets,” Op. 33, developed further, and decisively, by Mozart in his “Haydn Quartets,” and then fully perfected by Beethoven in his later quartets, is less pronounced in his earlier quartets.

The exception is the Second Rasumovsky, Op. 59, No. 2; there, Beethoven has written passages where, in the space of but a bar or two, all the motifs appear. In the two opening chords of Op. 59, No. 2, the quintessence appears: all the motifs are, essentially, in those two chords, in seed-form, so to speak. The rest is “merely” variation or modulation. When I pick up the score now, and compare how we first played it, then I must acknowledge that we had not yet understood that when we began; later, especially once I had, thanks to careful perusal of the Haydn and Mozart quartets, discovered the *Motivführung* principle, and then studied how Beethoven took it further, I could see the connections ever-more clearly. One has simply got to give thanks to God, that one can understand such an idea. It is quite literally a gift from God, that we mortals can come to grasp such an all-embracing notion.

Ibykus: Johannes Kepler, in the introduction to his fundamental *New Astronomy*, gives thanks to the “the Creator of the Cosmos” for having “allowed Man to understand the mysteries of the Heavens.”

Brainin: It is a gift from Heaven, and I believe that had I not already discovered the notion of *Motivführung*, I would not have understood that either. As I’ve said, not all of Beethoven’s works are written like that; the quartet Op. 59, No. 1 is written quite differently, literally quite differently. His quartet Op. 59, No. 3 resembles Op. 59, No. 2, but not in all respects. And even in Op. 59, No. 2, Beethoven uses the *Motivführung* technique only here and there, as he does in the quartet Op. 74. The first time Beethoven uses the revolutionary method of composition straight through—and masterfully—is in fact in Op. 127.

Ibykus: The later Beethoven quartets pose quite a problem to the relativists, who enjoy getting things mixed up; they claim Beethoven was a forerunner of Schönberg, Webern, and Stravinsky, etc., which is simply not the case. But that is

what we are teaching people at the Conservatories. How do you see this?

Brainin: Very early on, I had some *inkling* of how development proceeds in Classical music, and perhaps that is why I discovered the principle of *Motivführung*. As for Beethoven being a forerunner of Stravinsky? Stravinsky's music is utterly unlike that of Beethoven, it has nothing to do with it.

Here another anecdote—that relates, yet again, to Benjamin Britten—is relevant. Ben told me that as the war ended, he met with Stravinsky in America, and he told me about it, to make it clear that Stravinsky knew virtually nothing of Classical music, and indeed, was acquainted with practically nothing but his own works. During a conversation with Britten, Stravinsky suddenly said, “Incidentally, a few days ago I heard a Mozart Symphony, in G-Minor, what a lovely piece.” What can one do, but shake one's head in disbelief? Stravinsky became acquainted with Mozart's great G-Minor Symphony (KV 550) well after the age of 60! What is this? A supposedly great composer hasn't a clue about Mozart! He discovers one of Mozart's major works, as an old-age pensioner! Thank God, at least Stravinsky did not claim that he had written the thing himself. I mean, Stravinsky's rattling and clattering music [*Klappermusik*] is so far afield from Beethoven's, that they are out of each other's lines of sight.

Were Mozart ever to hear how his works are often performed on the radio these days—not to speak of this business with “Contemporary Music”—he would laugh his head off; it has nothing to do with new or old music, but simply with good, or bad.

Ibykus: We had a question about the influence of Johann Sebastian Bach: There is a relation to the string quartet, perhaps not so obvious though.

Brainin: It is his method of voice-leading, which was later worked up into *Motivführung*.

Ibykus: Generally speaking, what role does Bach's ability—what Haydn called the “science of composition”—have for the art of the string quartet?

Brainin: Naturally, an outstanding role.

Bach's polyphony, his science of voice-leading, is something absolutely unique, and reveals itself essentially in four-voice settings. In every symphony, but especially in the Classical string quartet, one perceives Bach's polyphonic counterpoint. A good example is Mozart's G-Major quartet, KV 387, of which we have just spoken. Although very free in design, the final movement is in counterpoint, an “applied counterpoint” so to speak. I was deeply impressed by this quartet, and especially by the final movement, a double fugue.

Ibykus: Very freely composed; but as Beethoven wrote later in his Great Fugue: “*So streng, wie frei*” [“As rigorously as free”]; double-fugal counterpoint.

Brainin: And what other musician had attempted anything like that before him? While, as a composition, that Mozart



Brainin at a Schiller Institute conference in Augsburg, West Germany, in 1986. His firmly held belief was that Classical art belongs to all people, irrespective of their cultural background.

quartet is complex and complicated, it is very “pretty” nonetheless.

Ibykus: That was Mozart's sphere, as he himself wrote in a letter, often to compose in such a way that “only those who know, will find true delight, while the layman too will be pleased, without, however, knowing why.”

Brainin: That is Mozart's genius, and that is the genius of Classical music as such. I must admit that when I played that movement for the first time, I literally broke down crying, so moved was I by what Mozart had achieved here. How can one have written that? And then Beethoven presses ahead, with still greater freedom, in his late quartets. It is of colossal importance, it is the sign of genius.

As a string quartet, to bring that out adequately, so that the listeners begin to grasp the actual concept, is for an artist like myself, my *raison d'être*, the meaning of a fulfilled artistic life.

Ibykus: You have given us much to think over, Mr Brainin, for which we thank you.

Editorial

The ADL, George Bush, and the Christian Right

In recent weeks, it has come to our attention that White House political hatchet-man Karl Rove has solicited the help of Abraham Foxman, the National Director of the Anti-Defamation League of B'nai B'rith (ADL), in going after some leading Democratic Party figures who have, of late, turned George W. Bush's nascent second term in office into a political near-death experience. While, on the surface, the idea of a Rove-Foxman collusion might strike you as a political oddity, a brief review of Mr. Foxman's decade-long flirtation with the Christian Right—including some patently anti-Semitic figures—sheds light on the current alliance-of-convenience.

In 1992-93, the San Francisco District Attorney conducted a criminal probe of the ADL, stemming from a series of police raids on ADL offices in San Francisco and Los Angeles, which turned up tens of thousands of illegally-obtained government files on political activists. Among the targets of ADL surveillance and dirty tricks, were members of the U.S. Congress, including Rep. Ron Dellums (D-Cal.), Rep. Pete McCloskey (R-Cal.), and Rep. Nancy Pelosi (D-Cal.); the NAACP; a wide range of other civil rights, labor, and Arab-American organizations; and the LaRouche political movement. ADL sleuth Roy Bullock, according to FBI documents, passed some of the illegally-obtained dossiers and surveillance data on to the apartheid regime in South Africa (future South African President Nelson Mandela and his African National Congress were a favorite target of ADL surveillance and disruption tactics).

In the end, San Francisco prosecutors decided not to press criminal charges against the ADL; however, a civil suit settlement in the late 1990s, still in force, bars the ADL from any more spying, and forced the ADL to pay millions into an educational fund.

Stung by the San Francisco probe, which exposed the ADL as anything but a liberal, civil rights organization in the tradition of such figures as the late Nahum Goldmann, the League, in 1994, embarked on a marriage-of-convenience with the emerging Christian Right, which had already forged a strong alliance with the Israeli Jabotinskyite faction of Netanyahu and Sharon, as well as the fanatical Temple Mount Faithful. After initially publishing a stinging critique of the anti-Semitic roots of many Christian

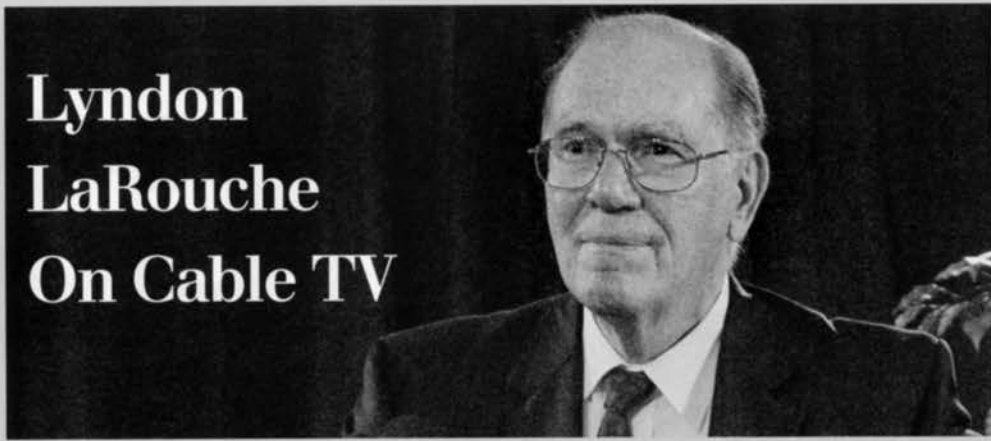
Rightist organizations, including the Christian Coalition of Rev. Pat Robertson, by mid-1994, Abe Foxman staged a series of high-profile public rapprochement sessions with the likes of Rev. Jerry Falwell and Christian Coalition director Ralph Reed. Foxman now describes Reed as one of his close friends; and in 2002, the ADL paid for a full-page *New York Times* ad, in support of the Sharon government in Israel, an ad written and signed by Reed.

As *EIR* recently revealed, Reed—now the Chairman of the Georgia Republican Party and a candidate for Lieutenant Governor—and his long-time Republican Party cohorts Jack Abramoff and Grover Norquist, are at the center of a massive Rightwing money-churning machine, which is now under Federal and State criminal investigation, in part, for ripping off American Indian tribes through casino gambling schemes, to finance Rightwing GOP campaigns. As well, the Gang of Three are subjects of a separate probe by the House Ethics Committee, centered around House Majority Leader Tom DeLay (R-Tex.).

At the heart of the Foxman-Reed-Falwell collusion has been a fierce opposition to the Oslo Accords and to the land-for-peace efforts overall. In the twisted world of the Christian Right, any kind of just, two-state solution to the Israel-Palestine conflict is a sin against God. For Christian Dispensationalists like Falwell, Robertson, and Reed, Middle East chaos is a hopeful sign that the End Times are near, and that the final Battle of Armageddon, in which the Jews and Muslims of the world will either convert to fundamentalist Christianity or die, is on the immediate horizon. The fanaticism of the Christian Right is, in many instances, in sync with the fanaticism of the Jewish Fundamentalists who murdered the late Israeli Prime Minister Yitzhak Rabin, for daring to make peace with the Palestinians.

These are the murky waters into which the ADL's Abe Foxman has waded over the past decade. It is no wonder that Foxman now reportedly shows up on the roster of political opportunists and hacks, who have been dispatched by White House sleaze-meister Karl Rove, to wage political warfare against those who dare to challenge the "mandate" of George W. Bush, including those who would put the full weight of the U. S. behind a just peace between Israel and Palestine.

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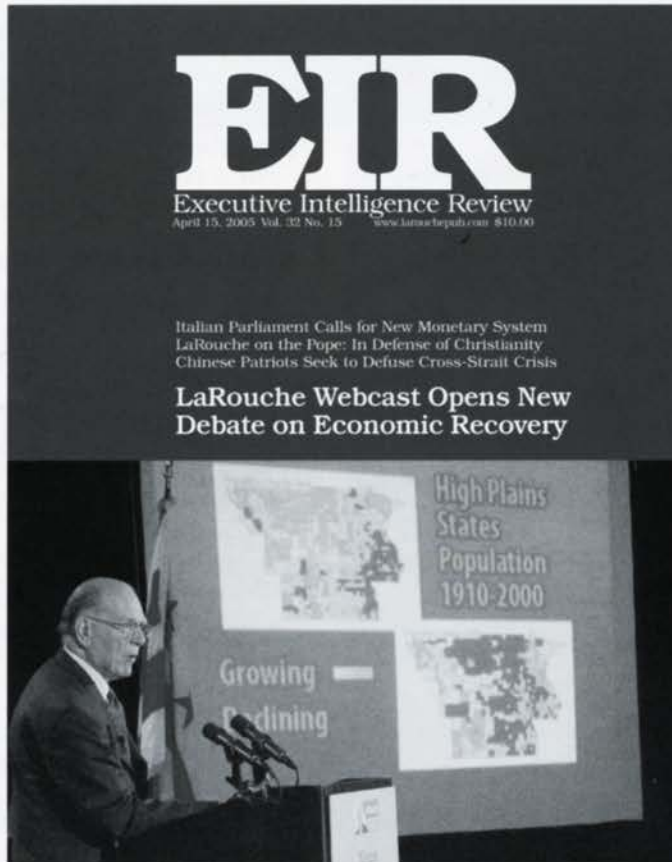
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