

## Electronic Intelligence Weekly

### Online Almanac

*From Volume 1, Issue Number 38 of **Electronic Intelligence Weekly**, Published November 25, 2002*

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## THIS WEEK YOU NEED TO KNOW

### **U.S. Congress Tells 1 Million Americans: Go to Hell! - - LaRouche Calls for Emergency Town Meetings on Super-TVA**

On Friday, Nov. 22, the United States Congress fled Washington, leaving behind a "Go to Hell" Christmas message to more than 1 million Americans, who will be cut off unemployment benefits on Dec. 28—simply because the Bush Administration and both the House and Senate, Democrats and Republicans, failed to reach an agreement on legislative language to renew the unemployment benefits extension that they passed earlier in the year. Representative Dick Armey (R-Texas), the outgoing House Majority Leader, who will not be returning to Congress in January, summarized the "screw you" attitude, telling the *Washington Post* on Saturday, Nov. 23, that the cutoff of a million Americans from any source of income in the midst of the Christmas holiday season was no big deal: The new Congress would restore the extension sometime after convening in January.

First of all, Armey was lying through his teeth. Just days before Congress abandoned their posts in the midst of the gravest economic crisis in more than a generation—without even passing a single non-defense-related departmental budget—the Federal government announced that the monthly budget deficit for October 2002 had reached \$54 billion! October was the first month of the new fiscal year! Factor out the \$4 billion in October deposits in the Social Security Trust Fund, which was counted in the Federal government revenues in the "unified federal budget," and the real one-month deficit for October was over \$58 billion! Even the most conservative estimates are that the FY2003 Federal deficit will soar past the \$500-billion mark. Projections are also that the deficit in trade in physical goods for FY2003 will surpass \$400 billion. Even Federal Reserve chairman Alan Greenspan has recently fretted that this situation is totally untenable.

The Federal government is broke. At least 46 of 50 states are bankrupt. State legislatures all over the country are being called back into special session, to come up with ways to cut social services, hike taxes, and take other suicidal measures. California Governor Gray Davis, for example, is convening a special session of the legislature on Dec. 9—to devise even more draconian austerity cuts to cope with a state budget deficit that has surpassed \$21 billion.

Typical of the suicidal clinging to wrong axiomatic assumptions is the announcement by Davis aides that the Governor will postpone, indefinitely, any implementation of the statewide high-speed rail project that he had advocated during his re-election campaign.

Under these conditions, it should be obvious that there is no alternative to the recent call by Lyndon LaRouche for the creation of a "Super-TVA" to dispense long-term, low-interest Federal government-backed credits to kickstart a massive infrastructure recovery program—starting with the rail and air transportation systems, which are on the verge of bankruptcy collapse. This is a crisis that no sane citizen can turn his or her back on. The solutions exist, but only if there is a full realization that all of the fundamental policy assumptions of the past 30 years—starting with deregulation—have got to be trashed.

Some senior figures in Washington are speculating that the present, bankrupt Democratic Party leadership could "pull a Goldwater," and virtually throw the 2004 elections, with the idea of saddling Bush and the Republicans with a bottomless

depression so the Dems can stage a 2008 comeback! This kind of institutional cowardice just won't cut it. We are rapidly approaching the moment of decision, when the American people wake up to the fact that they have been robbed by their elected representatives in Washington. Perhaps the Dec. 28 unemployment insurance cutoffs will provide the trigger. Perhaps the morphed consumer credit and home mortgage bubbles will explode, triggering mass household bankruptcies.

It is in this context—of widespread flight from reality on the part of many elected officials—that Lyndon LaRouche has called on his LaRouche in 2004 campaign organization to convene emergency town meetings all over the country, to take up the issue of infrastructure and re-regulation, wherever the opportunity presents itself.

On the LaRouche Show on Saturday afternoon, Nov. 23, broadcast live over the Internet, Dr. Debra Freeman, LaRouche campaign national spokeswoman, spoke bluntly about LaRouche's "Super-TVA" call. "Although it has precedent in U.S. history, in some of the policies of FDR," she declared, "in order for us to enact Mr. LaRouche's proposal, we are going to have to reverse deregulation, the crazy budget caps, and the entire balanced budget mentality. It requires a dramatic shift ... the most dramatic shift that we have seen, perhaps, since the American Revolution. This shift is 30 years overdue." She concluded, "We have to move now.... I don't want to even see what winter is going to be like in the United States, with these 46 out of 50 states in fiscal crisis, and I am not even sure about the other four states."

## LATEST FROM LAROUCHE

### The Unique Role of Today's Generation

*Lyndon LaRouche's opening remarks to the West Coast cadre school of the LaRouche Youth Movement, Nov. 16, 2002. LaRouche's opening statement is followed by a dialogue with members of the youth movement. LaRouche began the presentation, warning that he would be talking about "a touchy subject." The following is a transcription.*

It's touchy for the population in general. But I think that you have now matured sufficiently, to be able to digest, and accept, what I have to say; at least respond to it, in a constructive, rather than, shall we say, "freaked-out" manner.

The question is, the subject of history, and looking at the present moment, inside the U.S. and the world at large, as really *history*, not current events. By history, we mean that certain principles of behavior, which are embedded as fixed or changeable values, like axioms of a geometry, embedded in the institutions of the people, their government, and so forth, and among governments, around the world, determine a long wave of history, which runs from one, two, or more generations. As opposed to current events, which is sort of "connect the dots" of who hit whom recently, or is about to hit someone tomorrow.

So, as opposed to that connect-the-dots current events view of history—which is not history at all—we have to look at history as the unfolding effects of certain axiomatic features of existing institutions and culture. For example, take the case of your situation: You are now the victim of three successive generations of people who are more or less alive. People of my generation, who are, shall we say, the "grandfatherly generation"; we're a little bit nicer than your parents—the so-called "Baby Boomer" generation. And, you are the victims of rearing in a society, which is dominated currently, in most positions of government, and similar institutions—universities—by the Baby Boomer generation. And therefore, those changes which have occurred in U.S. and world culture over this period, which have molded the circumstances in which you live, and have molded, also, the set of rules, either stated or implicit, which control the circumstances to which people respond today.

So, that is really history—a process of unfolding Determination, of human voluntary changes, in the axiomatic assumptions and conditions under which they live. And these changes are looked at, not in terms of the short term, not immediate

reactions, not as current events, but changes in the course of the unfolding of the development of society: where society goes, toward Hell, or upward. Those are the kinds of things, which are most important. So, when we study history, we should be looking at that.

## Sense-Perception, Popular Opinion, and Tragedy

Now, my particular "schtick," as some people would say, is the way this works, from the standpoint of my function as the world's, now currently, most successful (that is, on performance) physical economist; the most successful forecaster known on this planet, today, over the past 35 years or so, that I've been on record as making written forecasts of the way things are going, and I've never been wrong. The reason I've never been wrong, is because I understand this principle of history: How events unfold; how, over successive generations, societies change.

Now, what I concentrate on, which is my *forte*, is not only that it is the so-called "Platonic principle" of discovery of universal physical principles, which enables us to cut through the veil, to cut through the curtain: the curtain of sense-perception, into the world of physical reality beyond what we sense. That is, what we sense is experience, but that is not the reality, which causes that experience. We have to look for the *principles*: The principle of universal gravitation, for example; or the principle of least action; or the principle of quickest action, which determine the way the universe actually works. Principles which can not be seen, can not be touched, can not be smelled, can not be felt. But we know them, and we are able to use these principles to change the way we behave, so that we gain increasing control of the human species, over the world around us, and the universe around us.

So, that's what we're concerned with. So, the question is, whether the principles, which people are using, enable them to control history, and to the benefit of mankind? Or whether people, on the contrary, are influenced, in some significant degree, by false assumptions, which they treat as principles, which lead societies, repeatedly, to doom?

In European history, the most common cause of the great catastrophes of civilization, has been *popular opinion*. That is, the embedding of certain beliefs, in popular opinion, like the *vox populi* of the ancient Romans. Rome was not destroyed by its Emperors. It was destroyed by its popular opinion. And the Emperors were a reflection of the sickness embedded in that popular opinion. In the case of *Hamlet*, Shakespeare's *Hamlet*, contrary to what is taught in incompetent courses in schools, Hamlet is not a tragic failure because he misled his population, because he caused the catastrophe. He was a tragic figure because he *failed to resist and counter popular opinion*, the popular culture of his time, in Denmark. **It was Denmark, that was the tragedy.** The **people** of Denmark were the tragedy, and Hamlet typifies the leading figure in Denmark, who went along with the people. And thus, contributed to the tragedy, *by bending to popular opinion*.

This is the case of tragedy, in all cases, that you have two situations: You have either a people dooms itself, by the evolution of its popular opinion. And it comes into a time, where popular opinion has created a threat of doom for that society, either total doom, or a considerable amount of doom: If the people do not change their ways of thinking, they will, like the mythical lemmings, will go over the cliff, into the tragedy.

The question is, will a leader appear, who induces the people to give up **bad popular opinion**, and to choose a different course? In Classical tragedy, the epitome of that, is the case of Jeanne d'Arc. France was doomed, by a continuation of the Plantagenet/Anjou/Norman tradition. It was not a nation. It was subjected to feudal wars, internal feudal wars, pure fratricide among themselves. Jeanne d'Arc went to the King, and said, "Stupid King, God tells me, he wants you to become a real King, and to unite France." Well, this is actual history. This is not just a play, this is the actual history. As a result of her courage, and unflinching adherence to that, despite her betrayal by her own King—betrayal to this crazy Inquisition, this Gnostic Inquisition—that her courage resulted in the creation of the first modern nation-state: the France of Louis XI. And played a key part in inspiring the Catholic Church to make the great reform, which is known as the 15th-Century Golden Renaissance, the reform centered on the great Council of Florence, in the middle of that century.

So, she, by changing, going "against the pricks," going against the culture, with a very straightforward, elementary idea—an axiomatic principle: France must be a nation; it must be made for the general welfare; God wants you to serve the general welfare by being an actual King, and creating an actual national monarchy to do this. Sticking to that very simple message, which she may have also developed, because of her religious education, from where she live, in the area she lived in: **That saved Europe.**

## The Sublime in the Proof of Principle

This is true in all the great heroism of history. An example of a great scientific discovery, like that work of Pasteur. Pasteur did not actually claim to have proven the principle of life, but he demonstrated it, and showed the direction in which his successors, such as Curie and Vernadsky, could prove, that life is a principle, intrinsically anti-entropic, which is not produced by the so-called "abiotic universe." So, his contribution, was this contribution of an idea, which he did not perfect, as Jeanne d'Arc did not perfect the conception of modern nation-state. But Pasteur's work made possible, this conception.

The same thing is true of Kepler. Kepler made possible a transformation of humanity. Kepler was the founder of a coherent, comprehensive form of mathematical physics, which did not exist prior to him. And everything from Europe that was good in science, followed from that work of his, therefore made successes.

The same thing is true in art. Bach was the great discoverer. He had precedents, precedents such as Orlando Lasso, and Orlando Lasso's interchange from the Flemish school, with the *bel canto* repertoire of mid-15th-Century Florence. Leonardo da Vinci wrote a book, *De Musica*, most of which was subsequently lost, but some fragments still exist. His concept of music, which harks back to the Pythagorean-Plato conception of music, became the basis, expressed by Bach, in the discovery of the well-tempered system. Which is not an equal-tempered system. The well-tempered system is based on the vocal polyphony—*bel canto* voice-training, vocal polyphony. Not on instruments. Even Pythagoras compared a monochord, by tuning the monochord with the human singing voice, and noted on the monochord, the difference between the human singing voice—singing through ostensibly the same notes, up and down, and in different modalities. And this demonstrated the existence of a phenomenon, determined by the *bel canto* human singing voice, actually, which was called "the comma." This is not a mathematical concept: It is a *physical concept*, which has some mathematical expression. But it is not a mathematical number. It is a **physical concept**, on the **physical difference**, between the **human singing voice**, and a monochord, which gives various tones by touching. So, the source of the comma is not a mathematical theory. The source of the comma, is the difference between a *human singing voice*, and an inanimate object: a monochord.

So, this is the nature of discovery. This is the nature of what we call "the Sublime," which Schiller calls *Erhabene*—the principle of the Sublime: That those who make discoveries, discoveries of principle, which lead mankind to overturn faulty systems, and to venture into new areas of mastering the universe—these are the Sublime.

## Our Present Crisis: A Credit-Card Society

When you come to a crisis, such as the present crisis of the world, and the United States in particular, it's obvious that a fundamental, sweeping change, must be made in the ruling assumptions, under which the United States and other nations have been governed over the past 35 years, in particular. The change is specifically from a **producer society**, which the United States was, in its tradition and practice, up until 1964, and what it became **since** 1964, with the launching of the Indochina War: It became transformed into a parasitical, consumer society, or a credit-card-debt society, where you don't have any income, you just have a credit-card debt, and a carrying capacity to carry that debt, on a monthly basis (or not carry it, as the case may be).

So, this society is doomed. It's doomed by certain assumptions, which have been adopted, which are characteristic of the so-called "post-industrial" or "consumer" society, or "New Economy" society, over the past 35 years, approximately. We've come to the point, that this world system is finished. The financial system is finished. The present economic system, as defined by current habits, is finished. Much of the law, which has been enacted by the Congress, over the past period, the past 35 years, has to be scrapped. On that basis, we can survive, because the ability of humanity to survive is there. The mind of man is capable of solving all problems—that is, all problems within man's reach. If we know the answer, if we know the changes of principle to be made, the solution lies at hand. That solution is the Sublime.

Tragedy is in the people. It's not in the people, as such: It's in their popular opinion. The habituation to those assumptions, which have led the society, step by step, over nearly two generations, into the present doom.

So, you have a generation, the Baby Boomer generation, entered adolescence in a period of transformation, such that they never, as adults, experienced a producer society, as a generation. They never were producers. Because, when they came to adulthood, they were parasites. They had joined a post-industrial, rock-drug-sex-counterculture, consumer society, whose dream was, that computers, or robots made like computers, would do all the work. Where we would have a New Economy, in which nobody had to work. Everybody could be a white-collar slob; or a "dingy jeans" slob, as you might choose. We didn't have to work, we didn't have to produce.

That society has now come to its end. It's over. Therefore, the question is: leadership. Leadership, as the leadership in science: The discovery and implementation of a fundamental physical principle. Or a political principle, which has the characteristics of a fundamental physical principle.

So, my particular role, has been to stick to my guns, over these decades: That this system is an inherently doomed system, which will go through a series of crises, which I have described—each major change in the system, I've forecast, over this past 35 years, and the forecasts were published. So, I've never been wrong, because I understood this process: a lawful unfolding of a system that was doomed **from the beginning**. And therefore, to understand the system, you had to simply follow the evolution or devolution of the system, in a lawful way, consistent with the discrepancy between reality, and these assumptions which were governing us.

So therefore, now, the survival of society, the survival of the United States, especially, because we are still a key power, with all our tattered weaknesses, in the world at large: If we don't behave, the world's chances of survival are poorer. We have to, ourselves, make the change in ourselves, which enables the rest of the world, in cooperation with us, to solve our common problem.

That solution exists. Objectively, it exists. I know all of the essential ingredients—not the details—but the essential agreements that have to be reached among nations, to get this planet safely through the next quarter- and half-century. That's clear, right now.

Will we make the change? My function, is to provide **that solution**. That has **been** my function, all along. I was the only person ever qualified to become President of the United States, among all Presidential candidates presented, from 1976 to the present. No other person, who ran for President, was qualified for that position. Because no other candidate, was either capable, or willing, to adopt those changes in policy, which would have led the United States to avoid the catastrophe which is now descending upon us.

Therefore my role, is the role of the Sublime. To be the person, who introduces into the situation, a concept, a personalized concept, which is capable of leading this nation, and the world, out of the present mess. *Failures will all try to go to popular opinion*: "But, can't you be more reasonable?" "You know, you want your ideas all time. Why can't you learn to compromise with other people?"



I say, "Well, you're already too compromised. That's your problem! You've got to stop being compromised! More compromises will kill you! You've got to *un*-compromise yourself.

"You've got to, at this point, be willing to change what you believe. And to get others to change what they believe. Because, if you don't, you—and they—are doomed."

And that's the proposition that faces us.

## Your Generation in History Today

Now, for you, who are younger, this choice is somewhat easier. You come from an age group, which, as I've said in other locations, you've come past the point of lawful insanity, which is called "adolescence." People who are adolescent are lawfully insane, by any adult standard. An insane person is anyone, who reaches the age of 25 to 30, and acts like an adolescent; that's a lunatic. But, a person who is under 18 or under 17, who acts like a lunatic, may be just an adolescent. And, you go along with that; you deal with that; you try to keep them from hurting themselves, or committing suicide, or something—because they are very prone to suicide. This existential crisis of passage from childhood to puberty, and so forth, does produce great emotional stresses, identity stresses; and it does lead to all kinds of disturbances, such as suicide, or propensity to suicide.

So, you're past that—I should hope. And, you entered a period, which we think of, or associate today with a modern university, taking the range of the so-called undergraduate through graduate program, through the doctoral program. You're on a track, which normally, if you've been around a university, or were led into it, you would normally follow the track of a healthy society, up through the level of becoming a professional, of some kind, on the level of what we would call a "doctoral" level. You would go into society as a professional; you would help to change the society; you would be one of the leaders of society, in economy and other respects. And you would be the leading edge of progress for the society as a whole. And our goal would be to have the entire adolescent population, continue into that same kind of program, to the same level of development over the coming period; to establish a kind of true parity within the society, a truly healthy society, which can think together.

We're not there yet. But that's the direction we have to move in.

So therefore, you are capable, of more readily assimilating ideas, such as what I've indicated to be the significance of Gauss's 1799 attack on d'Alembert, Euler, and Lagrange, on the issue of the fundamental theorem of algebra. This I've explained in other writings; I won't go through that here. That doesn't mean that all of you will instantly grab the solution. It means that some among you, as in any good university, will struggle through the process, and will actually begin to **see** the solution, to the paradoxes which I posed, and others posed. Then, you, in your discussions with others, say, "Now look, I don't understand it. Explain it." So therefore, you have a collegial process, among people in the movement, where some people grasp the idea more quickly than others, and by this kind of social process, the conception, the world outlook, is developed among you all. You share a common world outlook. You're able to work together.

You are, therefore, able to turn around, even as **younger** adults, to turn around to the previous generation, and to begin to educate them. And, that's how we're going to save society. It won't be done in any other way—but, it has to be done fast. And, we're doing it.

Now, you also have, as I've indicated in another location, where we're discussing this: You've got to realize, in the great sweep of history, what the great historical opportunity is before your generation: a greater opportunity than before any generation before you. You may feel like you're the "lost generation"; the "hopeless generation"; thrown in the mud,

especially when you find yourself in a university classroom—you say, "This is really a mud-hole, isn't it?," an intellectual mud-hole.

But, you are actually in a unique position, as a generation: Because we have, presently, with our knowledge—in parts of Europe, the United States, and so forth, especially—we have the ability, to produce from your generation, the beginnings of a new kind of mankind: A mankind, which really understands the implications of what is typified, by the issues posed by Gauss in that 1799 paper, which is why I emphasized it. Once you understand what an idea is, which **very few** university graduates in science, or professors in physical science, understand to the present day—all of you are potentially capable of understanding that, and similar ideas. That change, from ideology—which is what present science; today, what is taught as science is largely ideology. There are some truthful elements and very useful elements, in it. But it's all corrupted by this thick layer of ideology, coming directly out of things, of such as the influence of Lagrange and his successors. It's corrupted. You are capable of approaching this question, of how mankind thinks, how mankind is capable of organizing, in a way, which **no generation before you has ever succeeded in doing**. Yes, exceptional individuals, in previous generations, have done that. But, **no leading layer** of an entire generation, has ever succeeded in understanding this principle, upon which all true science is based: A principle on which an understanding, of the dynamic of history in general, is premised.

So, you have a unique opportunity.

My objective, as an old geezer, is to lead this nation safely out of the mess it has made for itself, and, to, in the process, mobilize people like you, to prepare to take over the society, to prepare to qualify yourself to play that unique role—in this case, as Americans—that unique role, which will lead man out of the dustbin of the past, into what is truly a true republic, or a republican form of government. And, a certain kind of humanity, among the sovereign nations of the world in general. *You* are capable of playing that role. **My** job, is to spark a process, which gets us out of this mess, and inspire **you**, or people like you, to undertake that great opportunity, that life-challenge, which lies before you.

Okay, that's what I have to say, so far.

## DIALOGUE WITH LAROCHE

**Question:** Hi, Mr. LaRouche. My name is Ed Clark, and I was curious about the history of the migration of people into North America, where the first humans—that sort of thing? Could you shed any light on that subject?

**Lyndon LaRouche:** Well, this is an area of a lot of *terra incognita*, in terms of subject-area. We really don't know. For example, you know how I define the difference between a man and an ape, which is kind of—shall we say—that's rather crucial for following me in anything. And, you probably have some comprehensive, if not a full comprehension, at least, of what I mean by my view of Vernadsky's definition of the Nöosphere; and the distinction among the abiotic phase-space; living, anti-entropic phase-space; and the cognitive, or specifically human Nöospheric phase-space.

But, taking that into account, we can not assume, that mankind as a species did not live on this planet for about the past 2 million years [?]. Now, this is 2 million years, which are defined, approximately, by the way in which the planetary shift of the plates, created the conditions under which we would have this glaciation of Antarctica and glaciation periodically, across much of the Northern Hemisphere.

Under these periods of glaciations, the seas would fall to levels about 400 feet below the present. And then, when the glaciers melted, the seas would come back to approximately their present world levels.

I also know, from studies I've done on this, that the development of civilization did not occur on land, in the sense of, interior of land-areas. Anyone who studied the nature of these things, would appreciate that: That, actually, civilization was developed around *maritime* cultures. Because the place you could get the greatest amount of food, to feed any concentration of population, was in the mouths of great rivers, near oceans, and so forth. That's where you get the fish. And this supply of fish from the sea, has been very crucial for mankind to get through some rather difficult periods.

Now, also, we know that, looking at the studies of vegetables, as I've looked at some of the work done in India, where they've collected wild seeds from all parts of the world, with the idea of being able to go back to the original, wild seed, because most of the seeds we use for plants are cultivated seeds, and these tend to have problems, after a period of time. So, the tendency is obviously to go back, and let's look at the primary source seed-form, and try to re-trace, re-enact the development of derivatives of that in the form of usable forms of plant life.

So, the way this occurred, is that the seeds came from all parts of the world, into various parts of the world. For example, you have—much of the edible plant life of the Mediterranean region, came from an area at the mouth of the Mediterranean Sea, in an area which is now northern Morocco, the so-called Atlas region. So, it was the Atlas culture, which provided, over the past 12,000 years or so, most of the food culture of the Mediterranean/European region and Egypt.

On this basis, and on the basis of certain digging deeper and deeper into the past, we don't know how long man has been on this planet. But we *do* know, the idea of talking about the American Indian as aboriginal, is nonsense. There have been populations moving around in the Americas, over long periods of time. There have been colonizations, like that of Central America, which came from China. There were large-scale maritime cultures, which trans-navigated the Atlantic Ocean and the Pacific Ocean, over thousands of years.

If you look at some of the calendars that survive from ancient times, you find remarkable evidence of the existence of maritime cultures. For example: Why would you find, in some ancient Central Asian calendars, evidence of the magnetic pole shift, which occurs as a long-cycle shift, in the Earth, where the magnetic pole migrates? Now, how would a land-based people ever get the idea of checking the magnetic pole shift? They did—well, obviously. So, the cultures are very ancient, and therefore, we can assume that humanity, as humanity—they may have looked somewhat different; they may have had larger jaws, or different shaped heads, or so forth—but, they're human beings, essentially, with all the capacities of any human being today. Different shapes and sizes, and skin colors, and whatnot. But, they're wandering all over the planet, back and forth, with these migrations. So, that, what we should do, is rejoice to find, that in North America and elsewhere, we can find traces of all kinds of cultural histories of mankind.

For example, take about 1000 A.D., you have a place in part of Newfoundland, which was a village, settled by the Norman-Irish, that is, by the Scandinavian-Irish. You know, the Scandinavians moved into the Ireland, and had a dominant influence in Ireland for a while. And from there, they moved into places like Iceland. In a warmer part of the world's climate, they settled in Greenland; they moved to Labrador; and they had permanent settlements on Newfoundland, among other places.

Many of the Indian tribes, so-called, were actually descended from the Irish, down along the Mississippi Valley. They were wiped out by disease later on, but they were obviously descended from the Irish.

So, the cultures are all over the world. And, for us, it is a fascinating subject, and it is a beautiful subject, to look at the prehistory of mankind, and to see it, and to trace and study and try to understand what some of this pre-history represents, in terms of the relics available to us today. I think it's a fascinating subject; it enriches the mind. And, even if doesn't have much use otherwise, it enriches the mind, and that is very useful.

## The Principle of the Socratic Dialogue



**Q:** Hi, Mr. LaRouche. I've been an organizer for about four months now, and the more and more I study, the more I realize how serious this fight is. And, in organizing, I'd like to increase my energy throughput, in getting people a sense of this, that I've already kind of begun. And I think it goes through the simultaneity of eternity, and I'd like you to—I don't know—elaborate for the group, and myself, this idea.

**LaRouche:** First of all, the main thing is the group. The youth organizing, as I've defined it, does not work effectively—and in very rare individuals it may—but, you won't get a youth movement in a simple individual-by-individual case. You have to look at, and read, and study Plato's Socratic dialogues—not one at a time, but get the feel of all of them, and the topics they cover. One aspect you must watch closely, in studying these: I've told people, "Don't just read them." I've recommended that people try to play the parts of the participants of the dialogue, as a Classical dramatic actor would; or as a cast of Classical dramatic actors. Try to re-create, in a way which is credible to you, and credible to onlookers watching this performance, that they are seeing a living performance of the type that existed in the **mind** of Plato, in writing these dialogues.

Because, then you see a principle involved: the principle of the so-called Socratic dialogue, the Socratic principle. It's when you have a social interaction, among a group of people, that you get the highest rate of fertility of development, of two things: first of all, of the knowledge, because you will always learn more, or in healthy situations, more by interchanging with other people. Yes, you have to have long periods of concentration by yourself. But, this has to be accompanied by an enriching exchange of the principled nature of ideas, among others. And so, you have a group of young people committed to this kind of dialogue. That's number one.

This gives you a sense, also, of how to communicate. See, you go out to a guy on the street, and you want to organize him. He's full of all kinds of nonsense. But, how do you get his attention? Sometimes, it takes a whole bunch of you—five or six—standing on a corner, to get one guy going through the hurdle that you set up there; and finally, they'll get an idea.

**You challenge them:** You challenge their assumptions. You show there's a paradox, in what they think is a simple matter of belief, on their part. And they'll stop. They'll turn. They'll look at you—if you succeed. "You got my attention, buddy. What do you mean?"

So therefore, that demonstrates the power of communication. You get the same thing with a great playwright, and the great actors, in a Classical drama. You won't see much of that on a Hollywood screen, or the video screen, these days. But in Classical drama, you'll see it. And you have a sense, that what's being demonstrated to you there—once you see the **idea** behind the drama—what's demonstrated to you, is a method of communication.

Now, this is not simply a way of "getting your point across." This is actually a way of transmitting knowledge to other people. And that is being effective, eh? Instead of yelling at them, or beating them up, or something, and saying, "Do as I tell you," you're trying to get something *in them*, to understand what you're saying, to accept its veracity, to feed it back to you, and to practice it, and to improve their practice in society, because of that experience.

So, your two things are: Experience this role of cognition, the Socratic dialogue, as a method of digesting ideas, proposing ideas, solving paradoxes. That's number one. And you have to have people who get big into that. Number two: See through the eyes of the great dramatists and the great actors, actor-companies. See how this applies to a method of communication, of actual ideas, of ideas of principle. That's where the power comes from. That's how you accelerate your capability.

## Organizing: Solving Paradoxes

**Q:** And my question goes along with Aaron's. I just, I would like to hear some ideas you might have on how to keep your patience, you know, with people a little longer. I feel like I'm building up a stack of enemies some times.

**LaRouche:** I look at that exactly.

Well, I think it's the same way. It does go along with that, the same way. If you practice this, by doing the Socratic method in dialogues. I mean, you've got all kinds of things to discuss, and I'm sure that among you, as you discuss, if you do it as I hear it's being done, you're actually getting a feel of that. That you find out that, compared to what you get in a typical university classroom, you find that you can, in a sense, learn faster, this way. Which is what should happen in a university classroom, but it doesn't, unfortunately. You learn faster when you go at it by this Socratic method, because you're actually looking at the thing as solving a paradox; you're looking at everything from a higher standpoint.

If you get at the idea of communicating, of the Socratic method as a method of communication of ideas, then, when you face a frustrating situation, rather than responding with anger, and frustration, you say, "What's the paradox?" "Let me stand back and look at myself talking to this guy. What's wrong here? What's his assumption? And why am I pounding, perhaps, on the wrong door? Maybe I should hit this thing on a flank."

The guy says, "Well, I don't think your man is going to make it. I don't think popular opinion will accept him." Well, you say, "Well, what if popular opinion, unless it's changed, will send us all to Hell? Do you think that people would like to survive? If popular opinion is going to go to Hell, are they willing to give up some part of popular opinion, for the sake of surviving? Do you think that's possible? Or do you think people are hopelessly insane?"

And, that's a paradox for them. It's a real paradox. It could be expressed in various ways. If the guys is thinking, he's got to think. "Well, I believe in this." "Yes, but how did we get to this mess? Look at the rules of accounting. Don't you believe now, that every accountant is crooked? Not because they intend to be, but because the rules by which they play are crooked? Don't you believe that what is accepted in the Congress, and the so-called free-trade system, is inherently crooked? Doesn't Enron teach you something?"

You've got all these examples. "Don't you think the splitting of the generation of power from distribution of power, by law—don't you think that was kind of nuts? Isn't the function of energy generation and distribution, to provide energy, for the economy and its people, at a fixed price, or a fairly determined price, which makes it usable for the people? Isn't it the function to have enough of that for the entire area, for all the needs of the population? Don't you think perhaps, then, there's something *wrong* with the opinion that keeps voting for free trade?"

These are just typical of the many kinds of paradoxes which are floating out there, ready to be tapped. And you have to judge, of course, get more and more insight, into the population, and what goes on in people's minds, to know which paradox is most likely, or is at least going to be effective, in getting them to see that what they're saying is paradoxical. That what they're saying they wish to defend, as an opinion, conflicts with what they think their fundamental interest ought to be. And that's the only way—that the **only** way you can solve this problem.

It's always this method, the Socratic method.

## When India Came Close to Revolution

**Q:** Hi, Mr. LaRouche. You have said that one of the things that shaped your understanding of inside politics, or real politics, was the Calcutta riots. And I was reading your biography, and you said that at that time, an independent government of India could have been established in Calcutta. And that the nationalists had the situation in their hand, and did nothing. I'm looking for an answer, if you have an explanation ... that Stalin and Churchill had agreed on Indian independence in 1947. Could you elaborate on that?

**LaRouche:** Oh, sure. I became, because of what I am, just naturally, I was in a sense a typical, atypical American. That is, most of the GIs, whom I knew, who passed through the China-Burma-India theater, had a sense, which coincided pretty much with the direction that Roosevelt's actions were leading: the idea of the independence of former colonial nations.

If you saw what I saw then, you'd see the extreme poverty, the deprivation, the cruelty, toward people, shown by the colonial powers, in those parts of the world. And the **extreme poverty**. You had a sense that this is wrong. And what we had to do, if we were going to have security in the postwar world—because by that time, it's pretty obvious the war was over—that we had to make sure that these nations emerged as sovereign republics, which were able to focus on their own fundamental interests, and their interest in good relations with other countries.

So, it was obvious to me that the British raj, had to go, absolutely. This was the most fundamental interest.

Now, I'm an American, I'm not an Indian, and I'm not a British subject. But here I am, under the command of this crazy Lord Louis Mountbatten—he was actually my commander in that area; he was both Governor-General, and the head of the military CBI organization, so I was actually under his command. So, here I am. I go into Calcutta, and in Calcutta, naturally I mingled with the population. I want to know the Indians. I had only seen the Indians, in India as such, in passing, on my way into Burma, and coming back out of Burma, coming down from the upper Ledo area, coming into Calcutta—wonderful. And the Bengalis are wonderful people. They're a very excitable people in a sense. They're quick, very quick, very witty, very curious, and very social. They're less withdrawn, and much more raucous, in a way, than Indians from other parts of India.

So, I had a grand time. I made a lot of friends among Indians. I would just meet them on the streets, and meeting one would lead to another, would lead to another—I met all kinds of people, in a very quick, very rapid succession. So, very quickly, I got a feel of the inside of the society.

Now, it happened that, this one case, in Calcutta there is a cross, in the center of Calcutta City is a park called the Maidan. It's a very large park. And over on the other side of the park, was the Governor-General's palace. Then there's the main street, which runs down there, by the park side, which is Chowringee, sort of a boulevard, the fashionable street. And then a cross street, called Daramtala, which runs on the top side of the park, runs in the direction of the Governor-General's palace, and in other directions. Comes from the direction of the railroads, for example.

So, I met some of my friends there, who were leading a routine procession, a protest, an Indian Independence protest. And they were going with a bunch of people from some trade unions, to make this routine political demonstration at the Governor-General's palace. Now, this happened all the time, and usually without any particular bloodshed. At least since the earlier food riots there. So, this time they went there, and some of my friends were killed, because the guards suddenly made a charge with these lathis which is a brass tip on a bamboo stake. And they killed some of these kids, and others.

So, this set forth an explosion in Calcutta, an overripe explosion. And they had a mass marching down Daramtala, toward the intersection of Daramtala and Chowringee, which is the direction of the Governor-General's palace. At that point, the British police, with heavy machine guns, set themselves in front of the crowd, and machine-gunned the crowd, coming down the street—a closely packed crowd filling the street. This set forth another chain reaction, which eventually resulted in millions of Indians from Bengal, all over Bengal, pouring into the city, and marching, for successive days. And you had a mixture of "*Jai Hind!*" ("Long live India!") from the Hindus, and Pakistan "*Jindabha!*" ("Long live Pakistan!"), from the Muslims, and they were both marching together, as one solid group, against the British raj.

If, at that moment, somebody had simply gone—because they controlled the city—if somebody had gone to the Governor-General's office, and said, "We're now declaring, **here**, the independence of India," India would have become independent. It's that simple. Because you had a total vacuum. It was a total, classical revolutionary situation. The authorities on the

scene had been totally discredited. No government on the scene had any credibility, and you had a mass of the population, which had a very simple objective: now is enough. Now is the time for our independence. They could have had it right then and there.

That was quite a lesson for me.

## How Nation-States Were Created

**Q:** Hello, Lyn, this is Quincy. I'm in the Los Angeles field. You had, in answer to an earlier question, you said that we as a species, had been running around the planet for a long time now. How does the concept of national sovereignty develop? When does a certain group, when is a certain group able to say, "this is our sovereign land?" And then, in that context, because the process of developing colonies, colonization, how was that—I've known it in terms of colonialism, as a negative experience, but how would you fit in the colonization of the Americas, and the development of the United States?

**LaRouche:** First of all, there were no nations, in general. The condition of mankind on this planet, as far as we know, was essentially, some people treating other people as human cattle. Either wild cattle, to be slaughtered, or tamed cattle, to be herded, bred, and culled. The majority of the population lived as human cattle. These were not nations, they had none of the attributes of nations. There were certain cultural currents, but the cultural currents were divided by the fact of a man-eat-man culture. So, a man-eat-man culture is an evil culture, intrinsically.

So, all we know of the cultures, is that most of them were evil, in this respect. They're based, as many parts of the world still are today, on some people eat other people. Some people enslave other people. Either in formal slavery, as chattel slavery, or in informal forms of slavery, such as the condition of many Mexican-Americans, for example, Mexicans working in the United States. They're implicitly slaves. They get paid a little bit, but they do not have rights. The U.S. government does not recognize the *rights* of these people, even though the Mexican government has given many of them identity cards, which identify them as Mexican citizens.

So, the idea that all these fine people, with these nice cultures, and these terrible fellows came in, and imposed these bad cultures, colonial cultures, on them, is bunk. That is not human history. Everything I know of human history, is mostly ugly, in this respect.

The first time that we had a conception of a nation-state, in a functional sense, was, as an idea, in Greece. The clearest expression of that idea was, first of all, Solon of Athens, whose idea was expressed not only by what he did to overthrow the debt-holders of Athens, but in a poem he wrote, to the Athenians, in his older years, where he scolded them, for the way they had betrayed their revolution, which had given them their freedom.

The second one was, of course, Plato's conception of the republic, which had no real precedent, except this thing from Solon. And it was never realized, except as an idea.

The first time this was realized, was in the 15th Century in Europe, where, as a result of several things, the Europeans created the first two sovereign nation-states: France under Louis XI and England under Henry VII. The distinction of these, is that the idea was, that prior to that, in Europe, especially under the Babylonian Empire, the ideas of Sparta, the ideas of the Roman Empire—the idea was that a ruling group herded the rest as human cattle. There was no notion of a right of a human being. There was the notion of a right of a power, over human beings, who'll be treated as cattle.

This was the condition of mankind, *throughout the planet*, to the extent we know. There were no good cultures, in that sense. There were no colonial oppressors who came in and crushed good people. It didn't happen that way. All people are

born good, but all societies have been, so far, pretty much bad.

So, when you talk about oppression, you have to look at it from the standpoint of the Sublime. What *should* we be giving people, as justice? What *should* we be doing? Now that we know we should do it, aren't we obliged to do it? The difference in the 15th-Century Renaissance was, that the king had no authority, except as he efficiently promoted, and served, the general welfare of existing and future generations. That's the difference.

Prior to that time, in Europe—that is, from the time that we know in, says, ancient Mesopotamia, through the 15th Century, the idea of law was imperial law. Imperial law meant, what is meant in the mouths of the Romans, when they called it Pontifex Maximus.

The way the thing worked, is you had, as in the case of the Pantheon, the Roman Pantheon—and you had various pantheons in history, which you can find. The Mesopotamian pantheons, and so forth. You have different religions and different cultural groups, which were organized as religions, official religions. So the Romans, for example, in the Pantheon, would set up, in these niches, they would set up these images. Each image corresponded to a specific religion.

Now, the religions were all subjects of a Pontifex Maximus, who we call "Emperor" in later usage. This continued. This was the characteristic of European civilization, from the Roman Empire—before that, actually, but from the Roman Empire, in particular—until the 15th Century. And this is what we find in every part of the world. India, Africa, and so forth. You find predominantly, to the extent we have any evidence, this is the way it worked. You have an emperor, who made the law, above religions. In other words, the emperor represented a world religion, like the Moonies, or like the Moral Rearmament, which placed itself above all other religions, as Prince Philip demands a "world religion," above all other religions. They attempt to codify every religion, to be supervised by a state, or imperial authority. So, the Catholic religion, the various Protestant sects, Islam, and so forth, would all be subject to directives by the emperor, who would tell them what it was lawful to believe. And if they didn't believe it, you could be hunted down by the Roman legionnaires, or others, to kill them off. Which, as you see, is an idea that's emerging among certain circles, utopian circles, in the United States right now. That's the situation.

What happened in the 16th Century, is, the Venetians, who represented the old system—they were an imperial maritime power, based on financier oligarchical power—they dominated the Mediterranean from about 800 A.D. up until the 17th Century. They launched, with their Hapsburg puppets, they launched a religious warfare, beginning in Spain, from 1511 to 1648. It was an attempt to destroy civilization.

Despite the work of Cardinal Mazarin, and of his protege, Jean-Baptiste Colbert, in establishing the first steps of modern civilization, and getting through the Treaty of Westphalia, which ended the religious wars, in 1648—despite that, the world was corrupted. By the fact that the Renaissance, which had actually established a precedent for the modern nation-state, had been ruined by this religious warfare, organized by a corrupt Papacy, and with the Hapsburg influence leading, but also many others, on a world scale: It ruined European civilization.

So, it came down to the point, that only in North America, in English-speaking North America, could you establish a republic. We established it, but we couldn't hold it, because we found ourselves isolated in the world, and subject to internal, as well as external, problems, mostly imposed from outside, from Europe. The Spanish monarchy was always the enemy of humanity. There was no case in which it wasn't, from the time of Charles I on. The Spanish culture was corrupted, therefore, you could not get a true republic. The way we got republics in the Americas, was on the basis of the American model, which resulted eventually, in the evolution of the Mexican model, in South America, in Argentina, and so forth. Other countries adopted this model, based on the American model, and largely under the direct influence of the United States. And also, the United States, in itself, was never intrinsically a colonial power. The Confederates were. The American Tories were. But the United States was never a colonial power.



The policy of the United States was, you had to keep European systems out of the Americas. You could not let Europeans establish colonies in North America. Because European systems, of continental Europe, or the British, would destroy us, and destroy the possibility of a republic on this planet. Therefore, we had this doctrine of Manifest Destiny, which took shape—was actually the idea in the mind of people like Franklin, and President George Washington, and others—but it took shape essentially in our diplomacy, through the functioning of John Quincy Adams as Secretary of State, later, and in the articulation of this idea by James Blaine, another great diplomat of the United States. The idea of Manifest Destiny is: We must unite the nation from coast to coast, to exclude the possibility of any European intervention to colonize North America, and the Americas in general. Our policy was, to defend the independence of emerging republics in South and Central America: that is, to keep *all European powers out* of the Americas. Because otherwise, we couldn't have republics, and we wanted a community of republics, in the Americas.

Our policy toward China, was similar. This continued to become, as Blaine indicates, our Pacific policy. Our policy was: China must develop as an independent nation. The nations of the Pacific must develop a *community* of nations, as we desired for the Americas. And we must fight for that. Sun Yat-sen, who was educated by U.S., by the tradition, actually, of John Quincy Adams, through the American Missionary Society, was educated, became the leader of the creation of modern China, is an expression of that.

The British used the Japanese Emperor, from 1894 on to—well, actually, Hirohito wasn't to blame, but through 1945, the British used the Japanese emperor, as a way of trying to disrupt a stable China, and to prevent the United States from having a Manifest Destiny relationship to the nations of South and East Asia.

So, that's real history. So the idea of colonialism, case by case, and so forth, makes no sense. All cultures generally stink. All were unjust to their subjects. And that injustice persists today.

The problem is not to remove injustice, because the injustice lies in the systems. It lies in the system of the existing nations and peoples. Our job is to get the people to uplift themselves, to a higher level, so they don't do that to themselves any more. And don't allow others to do it to others anymore.

This is broadly what the policy of Franklin Roosevelt was. The end of the war, he told Churchill plainly, at the end of the war, *your* British system, your 18th-Century methods in economics. That is, the methods of Adam Smith, and your colonial system, is doomed. We're going to shut you down as soon as the war is over. And we're going to free these nations, and we're going to help them to develop, as independent nations. That's smart policy. The policy is to help the nations of the world develop as independent, sovereign nations, so we can live in a safe world, *free* of what we fought against, especially in the cases of the degeneration of the cultures and systems of Europe.

## Assert Only What You Know

**Q:** Good day, Mr. LaRouche. My name is Dax from Los Angeles, and my question is: In the process of discovery, how can you distinguish between truth and myth, in reference to religion?

**LaRouche:** Ah, that's what I do all the time!

I've laid it out in this paper recently, exactly that. You stick to what you know. Don't assert anything you don't know. Don't assert something because you were taught it. Assert only what you know. And if you're asked about something else, say, "Well, I don't know." Or if you do know it's wrong, you say, " Well, in my belief, it's wrong." But generally you emphasize, what I know is the following.

Now you start from very elementary principles, as I do: What is the difference between man and a monkey? I'll bet you a lot of Republicans couldn't tell you. They wouldn't know the difference. And you can tell by their marriage habits, they probably don't know the difference. So, that's the difference between man and a monkey: this cognitive power.

Because this is a power, an efficient physical power, in the universe, unique; not found in any beast, not found in so-called abiotic nature. This power is a universal physical power in the universe: the power of cognition. This tells you that the universe is organized. The fact that we can discover a principle, and control the universe to that degree, like the principle of gravitation, for example. Or the principles of least action, or quickest path. Or the principles of the fundamental theorem of algebra, of Gauss. We *control* universal processes, as a willful act of mankind, through these discoveries. Thus we *know* that these discoveries are true, because we discovered them, we are able to validate them experimentally, in a way which shows they have a universal character—therefore, we know it.

Therefore, we know the universe is organized that way.

Well, what's the organization of the universe? It's God. The will of God. As Kepler says, the *intention*, God's intention, determines gravitation. That you know.

There are other things you know. You know, for example—the case of Christ. And it becomes clear when you look at this crazy Moonie—this actually Satanic cult—it's an anti-Christ cult, the Moonies. His doctrine is, that sex is God. He is the god of sex, and his job is to breed women, and men, by sex. And to control sexual behavior, and to create a religion of sex—and also money. Wealth and sex.

We've seen this before. This is the classical gnostic cult form, from the First Century A.D. this kind of stuff. One gnostic would say: Christ did not die, he went off and married Mary Magdalene; they went off to Tibet and made a race of people. That's one gnostic cult. Another gnostic cult says, no, Christ failed. That's Moon. And Moon says, "I'm God." And he publishes statements saying, "I'm quoting God," and God is saying, according to Moon, "Moon is my man." And Jesus is saying, "I failed. Moon is the guy who's going to do what I failed to do." That is religion? Well, it's the anti-Christ doctrine.

And it's pretty filthy stuff on top of it. I mean, the biggest dope peddlers we know of, the biggest single group of dope-peddlers we know of, are the Moonies. They are also a rightwing fascist organization, which were created—.

During the Korean war, you had two groups in Korea. One group had fought against the Japanese occupation of Korea. The other group had been agents of the Japanese in Korea. The group in Japan, for whom the latter group had been agents, were revived by the United States and Britain, at the outbreak of the Korean War. And the Koreans, with the backing of these Japanese, who had been part of the former policy, set up an organization with the intent to control Korea. This organization was reflected in what became known as the KCIA, now nominally headed by Bo Hi Pak, Colonel Bo Hi Pak. And they picked up this bum, a brainwashed bum, out of the prisoner, political prisoner camps, of North and South Korea, a bum who had actually been indicted and convicted of child-molesting on a large scale. Sexual child-molesting. And they made him a religious figure. on the model of the Bertrand Russell-H.G. Wells Moral Rearmament movement.

This became the integral part, from Korea, of an international organization, which is international fascism today. It's racist, it's fascist, it's drug-pushers, it's corruption, it's everything of that type. And it's the anti-Christ.

So, therefore, when you're faced with something like that, you say, "Well, I know. This is not a question of a difference of opinion. I *know*. I know what kind of a beast this is, what it represents." It's a denial of the difference between man and the beast. When you say that the sex act defines man, as opposed to reason, you're degrading man to a beast. If you say *God* is based on this principle, then you're degrading God to a beast. And that's pretty nasty stuff. It's dangerous stuff. I don't think God would like it very much, actually. I'd do something about it.

But that's the nature of the situation. So, therefore, my point on this: Stick to what you know, in a scientific sense, to be true. And it's also possible to apply that method to know certain religious things.

For example, did Christ die uselessly? Did Christ die for mankind? Of course, he did. Did he die to rescue mankind from evil? Yeah, from the Roman Empire. Did he sacrifice himself for that? Yes. How? He sacrificed himself exactly as described by Socrates.

Socrates had the ability to leave Athens, after this frameup trial, and not die. He said, "I will not abandon Athens. I will accept the death penalty, rather abandoning my country." He *died* for his people. Witness the *Apology* and so forth, and the question of the immortality of the soul, as presented by Plato, and also as discussed by Moses Mendelssohn, deal with exactly that. Now, did this happen? Is this the effect? Of course it is.

Did the image of Christ's sacrifice inspire humanity to overcome the degradation, the satanic degradation, which was the Roman Empire? Absolutely. It was under the inspiration of Christianity, and its reverberations on Islam, and its reverberations in Judaism, which enabled European civilization to develop, as a civilized form. Otherwise, it would not have done. So, therefore, we know, as a matter of fact, that what Christ said his mission was, is what he accomplished. To save mankind.

This is what Jeanne d'Arc, in saving the people of France. Again, the sublime act. You know that your talent, your model talent, is finite; that you're going to die sooner or later. Therefore the question is, your interest in life, is *how you should spend it*. Not *when* you should spend it, but *how* you should spend it. As Martin Luther King did. Martin Luther King walked in the footsteps of Christ. And the reason that the civil rights movement failed, all the leaders around him, the top leaders around him, all failed—*every one of them*—after he died, is that none of them were willing to walk in the footsteps of Christ, as he was.

So, there are some things we know. And many things we don't know. I'm not worried about what I don't know, not in this matter. I take what I do know, and that's enough for me. And if I claimed any more, I'd be a faker. And I don't intend to become a faker.

## What Happened to the Civil Rights Movement?

**Q:** I'm Germain, from the Los Angeles office. In the period between the '40s and the '60s, when FDR catapulted the nation out of depression and war, African-Americans, in particular, that I associate with, give the argument that the revolution in policy-making, and infrastructure-building, that FDR headed, was ineffective and unchanging to our plight.

My question is, what will the renewing of these policies, and others, do to really elevate those who are at the bottom of the barrel, so to speak?

**LaRouche:** There's a fraud in that argument, by those sources, because they choose to interpret what they choose to interpret, and they ignore the facts.

The characteristic feature of the Roosevelt Administration, is that, except for a few people called Uncle Toms, African-Americans deserted the Republican Party, and joined the Democratic Party. Why did they do that? Because they understood the process in which they were engaged.

The African-Americans, so-called, or Americans of African descent, which is a more accurate term—I don't think there are,

I don't believe in hyphenated Americans, I believe there are Americans of African descent, and mostly of partial African descent; it's also Cherokee descent, and so forth. This African-American thing is too much of a stereotype. But, persons of African descent, or designated as having African descent, or self-designated as having African descent—what difference does it make? They're all Americans. They all have rights. And discrimination against any of them, is the issue.

Now, the problem is this: The Democratic Party, with a few exceptions here and there, was the party of slavery and treason, from its inception with President Andrew Jackson, the guy who destroyed the Cherokee nation, until Roosevelt. And that was the basic issue. The party of slavery and treason, with a few exceptions here and there, and some. Roosevelt changed that. It was the American Whigs, typified by Lincoln, who freed the slaves—in the *only* way in which that could be done. It was the assassination of Lincoln, and some other problems, in New York, the New York Republicans, who allowed, in 1877, and so forth, allowed the reversal and, with the aid of Democrats such as the Woodrow Wilson, to bring in the Jim Crow. Grover Cleveland was a key part of Jim Crow, the Democrat from New York.

Teddy Roosevelt was a key part of the same process. Woodrow Wilson was the guy who reorganized, revived the Klan, from the White House. Coolidge was part of the same process. Roosevelt changed it.

Now, what you're dealing with is a process of revolutionary change. Revolutionary change back to the intent of the Constitution.

The development of the nation was the precondition for freeing people from the legacy of Jim Crow and slavery before that. And the problem is, that the people who make these criticisms, are people who will generally condemn Frederick Douglass. Frederick Douglass typifies the freed slave. The freed slave wanted the best of European culture; he demanded it as a right, and got it as a right. Frederick Douglass and his sons epitomized that, of the freed-slave movement.

The problem was that after Lincoln's assassination, people came in with this idea that: Don't educated freed slaves above their future station in life. Keep them poor and simple, and down on the farm. Don't give them funny ideas about actual equality. So the education of the so-called African-American, after freedom, in the United States, was more and more patronizing degeneracy. We had to change the policy.

The policy is not some reform. The policy is a commitment to the principle of humanity, and the principle of humanity means the development of the human quality of the individual, the mind, above all. The freedom to express that. The ability to live a longer time. And the changes that were made, and the conditions that led to the Civil Rights movement, the Brown v. Board, and similar kinds of things, the basis for this was laid in the Roosevelt Administration, during the 1930s and 1940s.

The impetus for this came out of the war. The returning soldier, of African descent, returned to the United States, after the end of the Second World War, as too significantly after the First World War, where he had a similar phenomenon on a smaller scale—this person of African descent was not going to take the crap that the earlier generation had taken. So, you had this movement, which was betrayed. And the betrayal of Martin Luther King, happened early. It happened in the early '60s, before his assassination. It happened with people like Stokely Carmichael, with a lot of so-called black nationalist movements, which were used to divide the struggle, which was led by Martin Luther King by that time. And to say, "No, we don't want to mix with 'whitey.' We want our own separate nation." And that is what destroyed, or contributed greatly, to destroying all the achievements of civil rights.

You have—even the leaders of the so-called African-descent movements today, who made no protest against the Democratic Party's overthrow, with the consent of the Supreme Court, overthrow of the Voting Rights Act of 1964.

So, these are the problems, with dealing with these guys. They're faking it. Somebody tells them something. They go out

and they say a lie. They probably got it from Moonies. Like this reparations language the Moonies brought. When Satan brings you something, boy, be careful, be careful about accepting it. The Moonie says, "Well, Moon may be Satan, but his money's good." That is when "Old Scratch" comes in and takes over.

So, that's the problem. The point is the people who make the argument themselves, are corrupt. Because they don't tell the truth. They don't even try to find out what the truth is, which is sometimes worse than telling a lie.

The truth is, that the process that began with Roosevelt, is what led to the possibility of what was achieved in the civil rights movement in the postwar period. And that effort was already in progress, during the 1930s, under Roosevelt. *And*, the public works project was one of the major steps in liberating people of African descent, from the kinds of problems which had existed under Wilson, Coolidge, and so forth.

Jobs! Eating! Agriculture! All these improvements benefitted everybody, and the idea of getting these improvements, and the war experience, gave courage to those who supported the Civil Rights cause in the postwar period.

## Setting the Stage in the Audience's Imagination

**Q:** I was wondering about the principle of infinity, based on the maximum/minimum principle.

**LaRouche:** Well, I don't like that term, because, the way it's used, it creates more problems than it solves. I think the better way to look at it, is to look at the way in which—use the example, which Leibniz developed, in discussion with Jean Bernouilli, of the principle of least action. That's a very clear demonstration.

And, then, you go to a next step. You take the principle of least action, which is actually the idea of the generalized catenary function; or the catenoid function, or the hyper-catenoid function. And you take that principle (which is the basis of natural logarithmic functions, actually); and you take that, and you put it inside Gauss's definition of the complex domain.

Now, when you do as I've done, and you say, "Now, what does this lead to?" It leads to Riemann's conception of a manifold (as in his 1854 habilitation dissertation), which is the extension of the idea of the complex domain, as expressed by Gauss, as early as 1799 in that report. But also in Gauss's work on the general principles of curvature, as in his Copenhagen essays of the middle 1820s. This becomes, then, as Riemann states, in the course of his habilitation dissertation, this becomes the basis for the generalized notion of the complex domain.

Now, in the complex domain, the question is, how are these physical principles related. And, Riemann points out, that you don't know how they're related from a mathematical/deductive standpoint. Therefore, to try to find a maximum/minimum principle, in terms of a deductive method, does not exist—though many people try to do that; it doesn't function.

You have to realize, it's experiment, as in the third section of the dissertation, as Riemann emphasizes: It's entirely physical-experimental. As he says there: This take us out of the department of mathematics, into the department of physics.

So, what you're getting, though, in effect, is, the relationship within the manifold, defined by a Riemannian manifold, is one of curvature; it's a geodesic relationship. For example, in the universe, does the universe speed up or slow down, with an increase or decrease of the number of dimensional impulses—principles involved—in that phase-space? It does. So, the idea of least action, as defined by Leibniz, in connection with the catenoid function, that principle of least action is the principle which defines the *characteristic*, as Riemann defines it. The *characteristic* of action of the manifold.



So, as you change the number of principles, operating in the manifold, you change the manifold; the result is a change in the characteristic of the geodesic characteristic; that is to say, that the universe is speeding up or slowing down, based on the number of physical principles operating.

That's a more challenging approach. But, I think it's a better approach, because you know what you're doing every step of the way. Whereas attempts to try to get a deductive treatment, as if from a deductive model, of a maximum/minimum principle, it leads to confusion. And, people walk away, thinking they've solved the problem and understanding nothing.

## The Principle of Irony in Art

**Q:** Hello, Lyn. This is Montez in Los Angeles. And I've been looking at the *Science of Christian Economy* for a while, and there was a section, where you were discussing the importance of polyphony and language in the communication of ideas. And I was wondering if you could give me more of a sense of what you were getting at, when you were talking about a "musically spoken construction geometry."

**LaRouche:** Right. Well, that's a nice idea. I like it. That's why I did it.

First of all, you go back and you say, "Think like a physicist. Don't think like an accountant." When you want to discuss science, you say, "Any accountants in the room?" They raise their hands. "Okay. You guys go in a closet and lock yourselves in, until we get this discussion over with." Because you don't want them around for this kind of discussion.

You start from **physical** reality, **not** formal, a priori, ivory tower, reality. Now, what is the speaking voice? It has been demonstrated that the human speaking/singing voice has certain physical characteristics, which are shown most clearly when the voice is trained, according to the Florentine standard of *bel canto* singing-voice training, and practice, and warm-ups. That is, a competent singer will always go through *bel canto*, of the Florentine *bel canto* type, as vocal exercises **before singing**. They will **never** go on stage, and just sing. They will always do the warm-ups beforehand, because you have to tune the voice. Just like tuning a musical instrument, right?

Now, this has certain implications. We have six basic types of voices, as singing-voice types, defined by registration. But then, you have among them, certain qualities, difference in qualities of singing-voice within these types—like the various soprano, mezzo, tenor, baritone, bass. So, you have various singing qualities of the voice.

You also have, historically, you have the way the keys are defined by comma: That is, if you try to put all of these types of singing-voices together, and you engage in any change in mode—minor/major are, of course, the archetypical mode in a well-tempered system, but not the only ones; all the other modes exist. But the minor/major near, neighboring-key principle goes in all composition.

Now, once you introduce the idea of counterpoint—that is, one voice against the other, coming in against the other—in a fugal form, or something like that, you introduce a factor, of inversion and so forth; you introduce a factor: The comma becomes a very significant part of the behavior of the human voice, going up and down, in various key ranges, and through register shifts. So, this is the natural way, in which all human beings, who are not somehow deformed in their natural capacities, will speak: They will speak most efficiently; they won't strain their voices speaking so much; they will speak with more effectiveness; they will be more clearly understood and heard—if they sing this way. And if they speak this way.

So, the normal process of human communication, in all languages, is that. This is expressed most clearly, when you study various languages, from the standpoint of Classical poetry. Now, the best we know—take the case of what I learned in India, on the history of the Vedic Sanskrit literature, which dates essentially, from at least about 6000 B.C., something in

that range. This literature was transmitted, obviously, largely by oral tradition. But, the scholars who investigated this, found that, even in the old tradition, very slight changes which occur from one case to the other, somehow there's a built-in memory-characteristic of this poetry. So that, even a chanter, who does not know what the words mean, will replicate these across quite a span of time!

So, thus, there's embedded a certain code, in the characteristics of the human speaking-singing voice. All of these, are characteristically sung. They have slightly different characteristics, based on the language: That is, if you go from the *bel canto* singing voice, from modern German, to Classical Italian and French, and so forth, you find there are certain differences; differences in the way the registration works. But, they all follow these laws.

So therefore, in poetry, what you're trying to do, is the following—and this comes back to the position of all Classical composition: If you're acting on stage, in a play, and if you're trying to get the audience to admire *you*, for your performance, as you, you're a bum actor. The great actor works as if from behind the mask, as in the Classical Greek drama. You're not trying to be *seen*, by the audience, as a person. You're trying to create on the stage of the audience's imagination, you're trying to create the character, and the situation which you're projecting, as an actor. So that, if the actor—at the end of the performance, and you come back on stage, to take the bows, during the final curtain bows—if the audience is not astonished to see it's merely **you**, as the actor standing on stage—not the person they imagined, from the play—then you have failed as an actor.

Now, this is true in poetry. In poetry, as in all good communication: You are not trying to be admired, for the way you speak. What you're trying to do, is get the idea you're presenting, in a dramatic way, on the stage of the imagination of the hearer. You're trying to enable the hearer to re-create that character, that situation, on the stage of his or her imagination. Thus, this goes into the *cognitive* powers of the mind of the audience, rather than the sense-perceptual powers of the mind of the audience. And thus, the audience is capable of getting an **idea**, from a drama.

In all Classical poetry, the same is true: No poem of any worth, is ever recited, as if by a single speaker, in a single mode, from beginning to end. And when you hear most of these fellows reciting poetry: They don't have the slightest idea what poetry is, especially Classical poetry. They think there has to be a "right way of appearing"; a right kind of sing-song, or something. They don't have a sense. In an actual poem, the essence of Classical poetry, as Classical drama, is **irony**—what's called Classical irony. These are always forms of paradox, or quasi-paradox. Metaphor is pure paradox.

So, in a poem, you will—. What you should do is, listen to a very simple poem, relatively simple poem, by Goethe, as set by Schubert: *Erlkoenig*. By any great singer. Listen to the different voices, and get a sense of the importance of the difference in the voices, as the parts played by the singer, in the performance. And the essence of the poem, which is a fairly simple poem, like a ballade form; in this poem, the success of the poem, lies in the fact that you don't hear a single singer! You have a speaker, who introduces the character; you have a father; you have the Erlkoenig; you have the child, the son; you have the Erlkoenig's daughter; you have the Erlkoenig mother, brought in by reference. And all of these are actors, within a single poem! A continuing, single poem, a continuing, single song. And, obviously, Schubert has an insight, into what Goethe's intention is, and how the poem should be delivered! And Schubert gives a very good realization of Goethe's intention, in composing the poem.

Now, look at that, and similar types of poetry, and song, and you see the idea. The idea is not to be admired for your recitation. The idea is to make the audience **forget about you**. And to get something going, on the stage of their imagination. That's where they get the idea. The same thing true in any great Classical drama.

The same thing is true, in any scientific discussion. A scientist, who's trying to present an idea to a class, does not wish to be admired for his moustache, or his hairdo, or the cloak he wears; or his idiosyncracies with the chalk, or whatever. He wants you to ignore him, as a physical personality. He wants to get inside **your** imagination, to get you to concentrate on a

paradox; and to be fascinated with trying to solve that paradox; and grabbing, eagerly, for any hints that might help you to solve the paradox. And, if you think you see something, you may raise your hand—say, "Yeah, yeah, yeah!" You're excited. You're happy.

And that's the same thing that goes on in great poetry, and great Classical drama.

So, the function of these specific tonalities, in music, is to take that principle to the highest form; to go to the pure form of communication as such, as how the imagination is capable of developing complex ideas. For example, the case that I cited, of my experience in 1946—it was January of '46—with first hearing a Tchaikowsky symphony, as conducted by Wilhelm Furtwaengler. This changed my life, because his method of conducting, was precisely what I just described to you. It's called, "playing between the notes"; performing "between the notes," in one of his expressions for this. Which means, that, instead of playing the notes, pret-t-i-ly, for an audience, what you do is, you **capture the imagination**.

Furtwaengler's conducting, for example, is typical of a problem of a great performing artist: That, many musicians, who are excellent musicians; who know all the possible techniques, that they might desire; all possible knowledge of composition, that they might desire—but, they fail as performers. They fail from the first instant, that they perform. In any great performance, musical or otherwise, the first thing, is what's called "the lunge." What Furtwaengler would do, for example: He's hold back, let the audience—and the orchestra and the chorus—completely in anticipation: "When is he going to give the beat? When is he going to start?" And, he tricks 'em! He catches them off-balance, with a certain **suddenness**! And, they rehearse at this. And, that suddenness gets the performers to fall into place, in the sense of the way they perform. So, the idea is **to capture the imagination of the audience, with the first note**, the first tone. And, to keep that imagination going, as the flow of the composition, up to the very final note and its aftermath. So that, the audience, in a great performance, of a great work, experiences the performance as a unity of a single conception, which is going through a development, an unfolding, and conclusion.

And, that's the art. Therefore, the polyphony, the understanding of polyphony; the understanding of how people can speak; how they can sing; how they can convey **ideas**, rather than merely babble, so to speak—words, recite words. That is extremely importantly. Therefore, the very experience of learning to sing; learning to sing Classical composition; learning the principles of *bel canto* voice-training: Just learn the principles. Learn how to do it. You can begin to get the hang of it, very quickly; you'll begin to see the difference, very quickly. It may not be perfect, but you'll see what the difference its. Now you understand the difference. Now you can begin to follow it, musical performance, that is. **Then, you're in the inside. You're in the inside of Classical culture.** And you have a kind of power to understand, that other people may lack, who don't have that benefit.

## **LaRouche to Excelsior: The IMF Is Bankrupt**

*Mexico's prominent national newspaper, Excelsior, published the first half of its lengthy interview with Lyndon LaRouche, beginning on its front page on Nov. 19, under the title "LaRouche Says IMF 'Is Bankrupt.' The World Monetary and Financial System Is in Its Terminal Phase." Journalist Fausto Fernandez Ponte had submitted written questions to LaRouche, answered during the latter's Nov. 4-7 visit to Saltillo, Mexico. After the newspaper's introduction, which has been translated from Spanish, the following text is that submitted by LaRouche in English.*

Lyndon H. LaRouche, influential political thinker in the United States—who describes himself as the most important economist in the world of the past four decades, and heir to the U.S. classicism of Hamilton, Clay, Carey and others, and at the same time of the legendary Franklin D. Roosevelt—stated during a visit to Mexico, that the world monetary and financial system is in the final phase of a general debacle.

The IMF "is bankrupt." He says of his own country, that it is moving toward economic disintegration. And about Mexico-U.S. bilateral relations, he describes NAFTA [as] "a terrible error for all involved."

LaRouche—who a few days ago gave the keynote address to a conference at the Autonomous University of Coahuila, in Saltillo—gave written responses to questions formulated by *Excelsior* about a wide variety of issues.

The responses reflect LaRouche's theoretical formulations, his general statements on economic and political matters which have generated such controversy in the United States and Europe, and his "bedside" reading—classical drama, poetry, and "classical science in the Platonic tradition."

His book, *So You Wish to Learn All About Economics*, circulates in several languages—English, French, Spanish, Russian, German, Italian—as well as Ukranian, Armenian, and Polish.

He addresses the following issues:

1. Bilateral Mexico-U.S. relations. Since Operation Juárez, formulated by him in 1982, relations "have substantially worsened."
2. Trans-border Mexico-U.S. integration. "I emphasize (a) expansion of the generation and integrated distribution of energy; (b) large-scale water management; (c) development of East-West and North-South railway networks."
3. The problem of water in the U.S. Southwest and northern Mexico. "Leaving aside the matter of desalination for the moment, we mainly have two options for resolving the lack of water: one, bringing water to the north from the South of Mexico; the other, the NAWAPA project."
4. Migration of Mexican labor power to the United States. "Continued injustice." There is "malicious intent" on the part of Americans.
5. U.S. dealings with other countries. "The dogma of 'preventive war' is accelerating deteriorating relations with the rest of the world."
6. The international financial and monetary system. "There are no alternatives but to replace it." That system "is an international graveyard." The original principles of the Bretton Woods System must be revived.
7. The U.S. Federal Reserve. "It must be put through bankruptcy reorganization, as must the International Monetary Fund." The United States "is sinking under threat of a crisis of economic disintegration."
8. The victory of Luiz Inácio Lula da Silva in Brazil. "It will affect inter-American relations."
9. The economic situation of Brazil and Argentina, and the danger of the Argentinization of Mexico. "If we manage to prevent Brazil from sinking into a situation similar to that of Argentina, it is probable that we will also be able to save Argentina, while preventing a similar wave of horror from reaching Mexico."
10. The Free Trade Agreement of the Americas (ALCA). "Those who cherish such illusions should consult a psychiatrist."

QcmFrom your vantage point as a thinker, how do you view Mexico's economic, political and social situation, given the manifestations of crisis—seven of every ten Mexicans live in poverty—which are visible wherever you are in the country?

LaRouche

I see today's situation as a vindication of my published views, and proposals of Summer and Autumn 1982, including my book-length, August 2, 1982 report, *Operation Juárez*. Conditions have greatly worsened since October-November 1982; these changes of the recent twenty years must now be taken into account. That much said, what is essentially new today, relative to twenty years ago, is that the world's monetary-financial system is presently in the terminal phase of a general collapse. Twenty years ago, in "Operation Juárez," I presented a proposed action among the states of the Americas which would have opened up a new wave of prosperity throughout the Americas. Today, my proposals and recommended objectives are the same, but those reforms of 1982 must now be restated as a renewal of the principles of the original post-war Bretton Woods system, all within the context of a replacement of the presently bankrupt (in fact) IMF system.

Q

What is your opinion of the current state of affairs between Mexico and the United States?

LaRouche

At this moment, U.S. official relations with the world at large have been deteriorating. The U.S. government continues to refuse to acknowledge the reality of the general collapse of the world's present monetary-financial system, and the accompanying collapse of the physical economies of all of the Americas, of Europe, Africa, and in much of Asia. This pathological denial of economic realities, and Washington's increasingly hysterical commitment to its "preventive war" dogma, have caused a recently accelerating deterioration of U.S. relations with the world at large. Current U.S. policy-trends are seen by virtually all other nations of the world as intolerable imitations of a Roman-Empire style in international relations.

At this juncture, the current policies of the U.S.A. itself are in a terminal crisis. The United States is plunging into not merely a depression, but the immediate threat of a general economic breakdown crisis. If the United States is to outlive the coming two years successfully, it must begin, more or less immediately, now, to adopt policies of reform and economic reconstruction along the lines I have been demanding.

Many of those of us in the U.S.A. who are able to exert some influence, are not merely opposed to these trends, but are working, hopefully, to bring about a change in policy. I am more conspicuous in this than most U.S. influentials which share such concerns, but I have put myself at personal risk for such causes in the past. I now do so again. Of this risk, I do not complain. We are all mortal; therefore, what else does our mortal life contain, but the wish we might be able to contribute to mankind's better future?

Q

More than a few Mexicans, and Americans, think and demand that NAFTA be revised, and posed in terms that are more equitable to Mexico's interests. What would your position on this matter be, Dr. LaRouche?

LaRouche



NAFTA, like the "new economy" hoax, was a terrible mistake for all involved. The idea of "cheapest price" reflects the 1964-2002 degeneration of the U.S.A. as the world's leading producer nation, into the ruined and decadent economy of a "consumer society."

Agreements like the NAFTA so violently defended by then-Vice-President and "Baby Boomer" Al Gore, would not have been tolerated by representatives of the wiser previous generation; to understand NAFTA we must take into account the cultural shift in the U.S.A. and Europe, from a commitment to a producer economy, to the spiralling decadence of what has been called a "post-industrial" or "consumer" society. This change in thinking was induced in those passing through adolescence during the 1960s, the so-called "Baby Boomer" generation. That generation, which rose toward leading positions in society over the course of the 1980-2000 interval, not only lacks any collective insight into the principles of productive economy, but most of them today have developed an obsessive hatred against the values of a successful economy.

During the course of the recent thirty-seven years, especially since August 15, 1971, the internal basic economic infrastructure of the United States itself has been destroyed. The transport, power, water-management, sanitation, health-care, and education systems we had prior to August 1971, have been largely destroyed by a form of madness called "post-industrial" and "consumerist" ideology. Since those ideologies have become the prevalent impulses of the U.S. generation under fifty-five years of age today—the generation dominating higher posts in the private sector and government alike—leading circles in the U.S.A. and elsewhere, tend to cling to defending a continuation of "consumerist" and credit-card-debt ideologies, even past the point it should have become obvious that those ideologies had been proven insane in practice.

Therefore, when all those combined considerations are taken into account, we face not only a breakdown in the financial and economic systems, but also [in] the mental stability of the leading circles of influence drawn from the under-fifty-five age-group in the U.S.A. and Europe. Both the economic and mental-health problems must be taken into account in attempting to understand and to deal with the immediate situation in the world at large today.

**Q**

In terms of the migration of Mexican labor to the United States: What, in your opinion, can actually be done to benefit the immigrants who, in practice, are victims of racism, ethnic and cultural discrimination, of exploitation and even flagrant persecution?

LaRouche

I, like others, in both the U.S.A. and Mexico, have been wrestling with this injustice for more than two decades. The problem existed much earlier than 1982, but, as long as the principles of a producer, rather than consumer society, prevailed in leading circles on both sides of the border, reformers viewed the social and economic aspects of this injustice in terms of politically activated improvements in the social and economic conditions of family life and employment on both sides of the border.

Recently, as in the case of the ancient Rome which rejected the proposed economic reforms of the Gracchi, the under-fifty-five generation in leading positions of private and public authority in the United States today, has tended, increasingly, toward viewing the majority of the populations on both sides of the border as serf-like "human cattle," rather than as citizens of a republic. This is to be recognized in the collapse of the physical standard of living of the lower eighty percentiles of U.S. family-income brackets since 1977. This moral degeneration in U.S. government policies of practice, is typified by the fact that the current majority of the U.S. Supreme Court has upheld a doctrine of "shareholder value" adopted from the Lockean slave-holder traditions of the treasonous, 1861-65 Confederate States of America. The ideological basis for the

continued injustice toward Mexican citizens laboring in the U.S.A., comes less from malicious intents such as that erring majority of the U.S. Supreme Court, than the cruel indifference of that large mass of the U.S. population which has been morally corrupted by the rampant influence of the combination of "consumerist" and "credit-card-debt" ideologies.

I think that my own intentions in this matter are implicitly obvious.

**Q**

Mexico's internal market is dominated by American goods and services, which displace those of national and local manufacture, with the resulting shutdown of companies, unemployment, and social uncertainty. In your opinion, what should be done; and, above all, what can be done to reverse this situation?

LaRouche

The worst of such effects are the natural consequence of NAFTA. However, such results were always the trend of developments built into the "free trade" policies imposed upon every part of the world but its own territories.

There are no existing alternatives to this deterioration except measures which require the replacement of the world's present monetary-financial system (sometimes seen as a "cemetery-financial system") by one resembling the original, post-war Bretton Woods system.

**Q**

Many Mexicans and Americans think, and are apparently convinced, that the U.S.-Mexico bilateral relationship is in crisis, even though Presidents Fox and Bush deny this. How do you see it?

LaRouche

I suspect that President Fox's views may have been suddenly changed somewhat, as a result of some painfully disappointing behavior by President Bush. The conflict is actually between the current Bush Administration and the rest of the planet, including a growing, head-on collision between that administration's current trends in policy and the majority of the U.S. citizens.

**Q**

Regardless of whether there is a crisis in the bilateral relationship, one fact is undeniable: It is unequal, asymmetrical, and it favors the United States to the detriment of Mexico's economic, political, and social interests. How, in your opinion, can this bilateral relationship be improved?

LaRouche

At this moment, my emphasis is upon the relations between the states of the southwestern U.S.A. and those of northern Mexico. The presently urgent need for large-scale expansion of development of basic economic infrastructure within that portion of the U.S.A., and complementary needs of the same classes of investment in Mexico, suggest a politically practicable approach to this problem. I emphasize: a.) the expansion of integrated generation and distribution of power; b.) large-scale water management; and, c.) combined east-west and north-south development of modernized rail grids.

Notably, the common characteristic of a section of North America running north toward the Arctic Ocean from the area of Mexico between the two branches of the Sierra Madre is a rich area of potential development with a grievous shortage of water. If we put desalination aside for a moment, we have principally two approaches to overcoming the relevant water deficits. One is coastal canals bringing water from southern Mexico to the north; the other is the so-called NAWAPA project whose design was developed by the United States' Parsons firm and others.

Thus, the infrastructural development needs of the states of the southwestern U.S.A. and of northern Mexico, are not only complementary, but are integral features of improved U.S.A.-Mexico cooperation. These also represent relatively large-scale potential for employment to absorb the effects of the collapse of employment in large sectors affecting Mexicans resident in the U.S.A. or employed in Mexico producing products exported to the U.S.A. Any initiatives on such infrastructure programs from within the U.S.A. will foster cross-border cooperation in the same kinds of programs for Mexico.

**Q**

What is your opinion of the very controversial way in which the current Mexican government conducts relations with other States, particularly with Cuba?

LaRouche

Simply, we must return to the orientation of the Franklin Roosevelt and John F. Kennedy administrations.

**Q**

Does the victory of Luiz Inácio "Lula" da Silva in Brazil prompt any particular reflections?

LaRouche

If Brazil is forced to submit to currently proposed types of conditions, the resulting collapse of Brazil will set off an immediate chain-reaction, blowing out not only the U.S. banking system, but also the IMF system. If Brazil is permitted conditions under which it could survive, that would also blow out the U.S. banking system and, therefore, the IMF, too. The only solution, therefore, is a general reform in bankruptcy-reorganization of the U.S. Federal Reserve System, and a reorganization-in-bankruptcy of the IMF by concerted emergency action of the most relevant sovereign nation-states whose property the IMF is.

This puts Lula in an interesting situation, whether he wished it, or not.

**Q**

Do you foresee any changes in Inter-American relations as a result of Lula's victory in Brazil, and a change in the U.S. attitude toward Brazil?

LaRouche

Yes, as I have indicated above.

**Q**

On the FTAA (Free Trade Area of the Americas): In your opinion, could Lula's victory delay the United States' objective of creating a captive market in the Americas for U.S. goods and services, excluding Europe?

LaRouche

If the U.S.A. currently has such intentions, those in the U.S. entertaining such delusions should consult their psychiatrists.

**Q**

What is your opinion of the hounding of Hugo Chávez in Venezuela?

LaRouche

I see no leading faction there which offers much hope of benefit for Venezuela or its neighbors. I would hope that Venezuela outlives the folly being created by both leading forces visible there in recent developments so far. I sympathize with Brazilian President-elect Lula's generous and statesmanship-like admonitions to the less experienced President Chávez.

**Q**

In your view, could Argentina's crisis extend to Mexico?—although there are many Mexicans who think that our country has been in a process of Argentinization for many years.

LaRouche

Yes. If we can prevent Brazil from being plunged into similar situation, which is now immediately threatened, we could probably save Argentina, too, and also prevent such a tide of horror from reaching Mexico.

**Q**

What is your opinion of Vicente Fox as the head of the federal Executive Branch, that is, as Head-of-State? Would you agree with some American and Mexican economists to the effect that Mr. Fox has no ideas, no Congress, and no political aptitude?

LaRouche

As a U.S. patriot, I am committed, despite the shortcomings and follies of President George W. Bush, to defend the U.S. Presidency as an institution, and to do what might be implicitly required to defend his life. I am a long-standing friend of Mexico, and treat its Constitution and institutions with the same quality of respect I extend to my own. My concern is the institution of the Presidency of Mexico, which means that I would wish Mr. Fox's Presidency to prove to be successful a one for Mexico, whatever his personal capabilities. The practical implications of what I have said involves principles of statecraft and other history which, admittedly, relatively few on this planet understand. It is perhaps sufficient, for the

moment, that I state that fact, adding one qualifying observation, as follows.

Those of us who are actually qualified to seek election to the office of head of state, as I am, know two things which are indispensable points of guidance for any occupant of that office. First, that every man is mortal, and, therefore, his fundamental interest in life is what his life's work leaves as a benefit to the society which lives after him. Second, that once you swear the oath of office, you are, therefore, accountable to no personal or other special interest but the benefit of that nation, and to its unborn even more than its presently living. The power you have assumed is not yours to buy or sell; it partakes of the nature of a sacred responsibility, by which the future should rightly judge the outcome, the meaning of your having lived.

We have had more fools than geniuses as occupants of the U.S. Presidency. That should warn us, that it is the Presidency which is primary, and, only rarely, was there a truly qualified U.S. President, one of such true greatness as George Washington, Abraham Lincoln, or Franklin Roosevelt, who were, each in their time, an indispensable choice of occupant of that office.

**Q**

On APEC: What failed, in your opinion, during last week's APEC (Asia-Pacific Economic Cooperation Council) meeting?

LaRouche

It was necessary, useful, but not yet an adequate response to the emerging situation.

**Q**

On Iraq: What is your opinion of the so-called "Bush Doctrine" of pre-emptive military attack against Iraq and the overthrow of Saddam Hussein?

LaRouche

This is a virtual copy of Adolf Hitler's invasion of Czechoslovakia; a violation of the U.S. Constitution, an act of military-strategic lunacy which no competent flag-officer of any nation, including the U.S.A., would condone; and a mere pretext for launching a virtually perpetual, Roman-imperial-style, "Clash of Civilizations" war throughout the world at large. It is, in short, an unconscionable abomination.

**Q**

On Cuba: Would you propose that the United States suspend the economic blockade of Cuba?

LaRouche

Yes. To the extent I have influence on Washington, I would desire the mediating role of Mexican institutions, which understand conduct of relations with Cuba, in reaching the relevant changes in trading relations. I would hope a discussion of practical steps toward that would be on the agenda of early discussions between the Presidencies of the U.S.A. and Mexico.



Q

On OPEC: What negative or positive effect would a war against Iraq have on Mexico's role as a supplier of oil to the United States?

LaRouche

It would precipitate a collapse of the world economy, and of trade, from which every national economy, including Mexico's, would suffer monstrously. Under the conditions of global economic collapse such a war would trigger, supply would exceed demand to such degree that no net advantage to Mexico's position as an petroleum-exporting nation would occur. Quite the contrary.

Q

On China: How would you evaluate China's future in the political chess game among the world's powers?

LaRouche

My Eurasia policy is based on developing a land-based system of Eurasia cooperation centered on such crucial pivots as the following: a) The "Eurasian Land-Bridge" development policy which my wife and our associates have been actively promoting since 1992-1993; b) The use of what I defined in 1998 as the "Strategic Triangle" of cooperation among Russia, China, and India, to bring other nations and regions of Asia, such as the ASEAN group, into a general agreement on security, Asia internal development, and global cooperation with western Europe as a leading long-term trading partner; c) A replacement of the present, hopelessly bankrupt IMF world-system of monetary-financial rule, by a new system modelled upon the pro-development, protectionist principles of the 1945-1958 Bretton Woods system of fixed exchange-rates. d.) Within the setting of those reforms, commitment to promotion of denoted types of mission-oriented physical-economic programs, featuring large-scale infrastructure development and technology development and transfer among nations.

Q

On the European Union: What prospective scenario do you see in international affairs, with the emergence of the European Union as an economic and political power, through the expansion of its membership from 15 to 25 states?

LaRouche

The European Union is, presently, implicitly bankrupt. The rumor that it threatens to become a trade-rival of the United States in economic progress, is a diversionary fairy-tale to be told to credulous children. We are facing an immediate collapse of the present world financial system as a whole. Nothing could save that system; either we replace it, or a general physical-economic collapse all of the Americas and Europe were presently inevitable for the near future.

Q

On the UN: What should the United Nations Organization do in the face of the apparently imminent war

of the United States against Iraq?

LaRouche

If that foolish war were ever actually launched, the chain-reaction after-effects of launching that war would probably topple the world as a whole into a prolonged new dark age. That war must be prevented, unconditionally. Were the UNO so foolish as to consent to such a war, there would be no life after death.

**Q**

As for you personally, what are your plans in the political life of the United States? Will you seek the Democratic Party's nomination for President of the United States?

LaRouche

Right now, I am the only visible personal actually qualified to become the next President of the U.S.A. Presently, I am functioning as an "FDR Democrat" and also a future such "President in the wings," providing the policy-guidance which a President of the United States should be providing now, trying to make the incumbent President, in effect, a real President, despite the fact he was never, in fact, prequalified to become one.

**Q**

How do you see yourself, Mr. LaRouche? Or, in other words, who is Lyndon LaRouche according to Lyndon LaRouche?

LaRouche

On performance so far, the world's leading economist of the recent thirty-odd years; a statesman in the image of Plato's prescription for a "philosopher king;" and the U.S. individual who has been shown by 1973-2002 developments, to have been the political intellect most feared by the American Tory faction in the U.S.A. today. Two known, documented attempts at assassination of me through operations directed by a certain, "Wall Street"-controlled section of the U.S. Department of Justice, and the most massive, decades-long libel attack by mass media on any presently living political figure of the world today, have made that fearful hatred of me by the American Tories clear to all who have studied the matter closely.

**Q**

Where do you situate yourself in the American ideological spectrum: to the right or to the left of center?

LaRouche

I have no kinship with any among those three. I am a representative of the Classical tradition and today's leading intellectual representative of that American System of political-economy so described by Alexander Hamilton, Mathew Carey, Henry Clay, Friedrich List, and Henry C. Carey. Broadly, I represent the President Franklin D. Roosevelt current of the U.S. Democratic Party, and am the opponent of those who have rejected his tradition in the party.

**Q**

What are the books that you hold in highest regard?

LaRouche

Classical drama, poetry, and Classical science in the Platonic tradition.

**Q**

Where is the world headed, as you see and feel it?

LaRouche

Toward the greatest change in world affairs, either for the better or worse, since President Lincoln's victory over the treasonous Confederacy.

**Q**

It is obvious to many Mexican men and women that there is a terrible struggle for power in the world. What outcome do you foresee for that struggle?

LaRouche

I do not deny that we could lose this fight. If we fail, the world is now at the cliff's edge of a plunge into a planet-wide new dark age. If we win, as is possible, we shall establish a new order in the world based on a commitment to become, at last, a community of principled cooperation among perfectly sovereign, globalization-free nation-state republics. The present choice is, almost certainly, nothing other than one of those two choices.

We might be defeated by those bestial creatures seeking to establish a world empire through nuclear-armed tyranny; but they could never actually win. The only danger is, that we might all be destroyed by the failure of some among us to defeat them.

**Q**

Should we assume that the United States will be consolidated as the only superpower, or will other superpowers, such as China, emerge?

LaRouche

Neither is possible. Peaceful cooperation among most nations, or ruin of the planet as a whole, are the only available options.

**Q**

Millions of people think that the world today is more unstable and uncertain than a generation ago. If this evaluation is true, what can be done to change it?

LaRouche

We must win; no middle-ground solutions exist.

Q

Were you elected President of the United States, what would your priorities be?

LaRouche

Exactly what they are at this moment, and have been since my Spring 1946 days as a U.S. soldier returned from northern Burma, in Calcutta, India: A just new world economic order among sovereign nation-states, an order consistent with objectives of what Alexander Hamilton named the American System of political-economy.

## PEDAGOGICAL MUSEUM

### Mind as Power Generator — by Bruce Director

Rene Descartes (1596-1630) was, for all intents and purposes, a Bogomil. The geometry that bears his name is brainwashing. Anyone exposed to it, unless cured, will suffer from cognitive deficiency. Symptoms include impotence and an inability to distinguish fantasy from reality.

Gottfried Leibniz, writing to Molanus, c. 1679, recognized the deleterious effects of Cartesianism: "Cartesians are not capable of discovery; they merely undertake the job of interpreting or commenting upon their master, as the Scholastics did with Aristotle. There have been many beautiful discoveries since Descartes, but, as far as I know, not one of them has come from a true Cartesian.... Descartes himself had a rather limited mind."

Descartes' method is impotent—it lacks power. Go back to the investigations of the Pythagoreans, Archytas, Menaechmus, and Plato, on the matter of doubling the line, square, and cube. These discoveries demonstrated the relationship between objects and the principles from which they are generated. Each principle possesses a characteristic power. The succession of objects—line, square, and cube—is produced by a succession of higher powers (*dunamis*). These powers are not defined by the objects. The objects are produced by the powers. The powers cannot be known through the senses. The characteristics of the physical powers are, nevertheless, made sensible through their harmony, which only the mind has the power to grasp.

As can be seen from the solutions to doubling the cube by Archytas and Menaechmus, the harmonic relationship among these powers reflects a characteristic curvature that, when projected onto straight lines, produces the relationships the Pythagoreans recognized as the arithmetic, geometric, and sub-contrary (or harmonic) means. The arithmetic mean is three numbers related by a common difference:  $c-a=b-c$ , or,  $c=1/2(a+b)$ . Geometrically, it is represented by the halfway point along a line; musically, it corresponds to the interval of the fifth. The geometric mean is three numbers in constant proportion:  $a:b::b:c$  [a is to b, as b is to c]. Geometrically, it is represented by the middle square between two squares; musically, it corresponds to the Lydian interval. The harmonic mean is the inverse of the arithmetic mean:  $1/c=1/2(1/a+1/b)$ . It is expressed geometrically in the hyperbola and musically by the interval of the fourth. These harmonic relationships are number shadows cast by the curved onto the straight (see "[Riemann for Anti-Dummies 33](#)," on the *EIR*

website).

Bernhard Riemann generalized these Greek discoveries by his notion of multiply-extended magnitude. The line is an artifact of a simply-extended manifold, the square an artifact of a doubly-extended manifold, and the cube an artifact of triply-extended manifold. For Riemann, as for Pythagoras, Archytas, Menaechmus, Plato et al., each increase of degree of extension, from "n" to "n+1", occurs by the addition of a new principle, not a new independent "dimension." Consequently, a square cannot be produced from a line, nor a cube from a square, because the square is generated by a different principle than the line, as the cube is generated from a different principle than the square. But Riemann also made clear that extension alone is insufficient to determine physical geometry. Another principle is necessary: physical curvature (see "Riemann for Anti-Dummies," Parts 28, 29, 33, 34).

In Descartes' make-believe world, the concept of power is excised. "Any problem in geometry can easily be reduced to such terms that a knowledge of lengths of certain straight lines is sufficient for its construction," is the opening of his treatise on analytical geometry.

As a true Bogomil, Descartes is perverse. He begins ass-backwards, starting with numerical relationships, stripped of their power, and pretending to generate curves, from only these numerical relationships which he wrote down in the form of an algebraic equation. This is pure fakery, as Descartes never derived any curve from these equations. All the numerical relationships had already been discovered by Apollonius, through the investigations of the relationship between curvature and power. Descartes never generated a single curve whose harmonic relationships had not already been discovered by the Greeks. Descartes' intention was to strip the power from ideas and the idea of powers from geometry.

To illustrate this point concretely, look at Menaechmus' solution for the problem of doubling the cube, presented in "Riemann for Anti-Dummies [33](#)." Menaechmus demonstrated that the magnitude that doubles the cube is formed by the intersection of a parabola and an hyperbola. Each curve embodies a different set of proportions that emerge when the curved is combined with the straight. For example, the hyperbola is formed by the corner of a rectangle whose sides change such that the area remains the same. The parabola is formed by the corner of a rectangle in which one side is always the square of the other. These rectangles are made up of straight lines, whose proportionality is determined by the curves. The curves possess the power to produce that proportionality, and that power is expressed in the relationship between the curve and the straight lines produced by it. In other words, only a faker or a fool would separate the curve, the straight lines, and the proportionality that produces this complex of action. As Menaechmus demonstrates, when the hyperbola and parabola are combined, a power is expressed by the resulting proportionality, which is higher than exists in either curve independently.

For Descartes, the straight lines are independent entities, created without reason. The curve and the associated powers are deviations from these straight lines. "Here it must be observed that by a 2, b 3, and similar expressions, I ordinarily mean only simple lines, which, however, I name squares, cubes, etc., so that I may make use of the terms employed in algebra," he confessed. Thus, the fantasy make-believe world of independent straight lines is taken as primary, and the real world of physical action is only a deviation from the fantasy world. Since, as Leibniz stated, this way of thinking is incapable of producing discoveries, the only intention of those teaching it, is to condition the students into believing the fantasy world has more power than reality. (The Baby Boomer populist's obsession that money equals economic security is a typical result of this type of education.)

To hammer this home and to prepare the ground for taking on Riemann's physical differential geometry, look at two physical examples: the conic section orbit of a heavenly body around the Sun; the catenary; and Gauss' Geoid.

In the first case, the heavenly body is conforming to a unique curved pathway around the Sun, which Kepler and Gauss demonstrated was a conic section with the Sun at a common focus for all orbits. Thus, the orbits define a physical pathway,

and the Sun a physical origin. The straight lines that have physical significance are the ones related to the physical action. For example, the major axis of an elliptical orbit is the line that connects the points of minimum and maximum speed, which are also the points of maximum curvature. The parameter of the orbit is the line going through the Sun that is perpendicular to the major axis of the conic section. The minor axis of the elliptical orbit is the line connecting the points of minimum curvature of the orbit. These lines express the harmonic relationships of the arithmetic, geometric, and harmonic means, which in turn reflect the higher powers, the "reason" why the planet's orbit takes the shape it does (see Appendix to "[How Gauss Determined the Orbit of Ceres](#)," summer 1998 *Fidelio*).

Now look at the catenary. Despite Descartes' boast that his method could solve any problem in geometry, the hanging chain proved him wrong. The catenary presents a different problem than the conic section orbits. It did not conform to any known geometrical figure, so its nature had to be discovered only from its physical characteristics. This presented a problem for Descartes because, unless the nature of the curve was known, he could not determine where to put his straight lines.

Leibniz and Bernoulli demonstrated that the physical nature of the catenary is expressed by the relationship between any point on the chain, and the lowest point. That relationship is measured by the tangents to the curve at these two points (see "Justice for the Catenary," Schiller Institute website). The tangent to the lowest point is always perpendicular to the pull of gravity, i.e., horizontal. The relationship of the force between any point on the catenary and this lowest point, is measured by the sines of the angles formed by the tangents to these two points, and a vertical line drawn from the lowest point. In other words, the physical action at any point on the catenary, is expressed by a "differential" relationship between the angles formed by these three lines: the horizontal tangent to the lowest point, which is perpendicular to the pull of gravity, a vertical line drawn from that point, which is along the direction of the pull of gravity, and the tangent to the point on the curve.

Leibniz and Bernoulli showed that this "differential" change does not conform to any previously known algebraic curve. It does not exist in Descartes' world. Descartes could not determine how to construct this curve from straight lines. (Anyone indoctrinated in Descartes' method will be getting very uncomfortable now.) But, obviously, the chain exists in the real world. As we just observed, the only lines that are relevant are those determined, physically, by the changing relationship of the catenary to the pull of gravity and the perpendicular to the pull of gravity. This changing relationship is not determined by Cartesian geometry. It is determined by the physical curvature of the pull of gravity. Leibniz and Bernoulli demonstrated that this relationship is expressed by the exponential and hyperbolic functions, both of which are expressions of a succession of higher powers, and as such, undiscoverable by the Cartesian method (see "Riemann for Anti-Dummies" [33](#), *EIR* website).

Gauss' Geoid presents a still different problem. In the two previous examples, the "differential" of action was along a pathway determined by the principle of universal gravitation. In these cases, the "differential" could be determined with respect to a doubly-extended magnitude (the major axis and parameter for the orbit and the pull of gravity and its perpendicular for the catenary). In determining the shape of the Earth, Gauss confronted the addition of a new principle. Instead of measuring along a pathway in a doubly-extended surface, he was measuring changes of the surface itself. For pedagogical purposes, think of measuring a triangle on a perfect sphere. How does the shape of that triangle change as the area of the triangle increases? Compare this with measuring a triangle on an irregular surface, such as a watermelon. On the sphere, the sides of the triangles change because they are circles in all directions. However, on a watermelon, the sides of the triangle change according to a different principle, depending on the direction. To measure this type of change, Gauss invented a new type of complex differential, which will be developed more fully in future pedagogical articles.

To summarize the epistemological issues raised in this discussion, we quote Leibniz disputing Descartes' theory of motion:

"There was a time when I believed that all phenomena of motion could be explained on purely geometrical principles, assuming no metaphysical propositions.... But, through a more profound meditation, I discovered that this is impossible,

and I learned a truth higher than all mechanics, namely, that everything in nature can indeed be explained mechanically, but that the principles of mechanics themselves depend on metaphysical and, in a sense, moral principles, that is, on the contemplation of the most perfectly effectual efficient and final cause, namely, God....

"...I discovered that this, so to speak, inertia of bodies cannot be deduced from the initially assumed notion of matter and motion, where matter is understood as that which is extended or fills space, and motion is understood as change of space or place. But rather, over and above that which is deduced from extension and its variation or modification alone, we must add and recognize in bodies certain notions or forms that are immaterial, so to speak, or independent of extension, which you can call powers, by means of which speed is adjusted to magnitude. These powers consist not in motion, indeed, not in conatus or the beginning of motion, but in the cause or in that intrinsic reason for motion, which is the law required for continuing. And investigators have erred insofar as they considered motion, but not motive power or the reason for motion, which even if derived from God, author and governor of things, must not be understood as being in God himself, but must be understood as having been produced and conserved by him in things. From this we shall also show that it is not the same quantity of motion (which misleads many), but the same powers that are conserved in the world."

## **U.S. ECONOMIC/FINANCIAL NEWS**

### **U.S. Budget Deficit Roars to \$54 Billion as Tax Revenues Evaporate**

The U.S. Treasury Department announced Nov. 21 that the budget deficit for October rose to \$53.99 billion, reflecting the collapse of tax revenues. This marks the first month of the fiscal year 2003 (which starts Oct. 1), and thus, the United States has started off on a very bad foot. In October of 2001, the deficit was \$7.66 billion, thus a nearly seven-fold increase has occurred since last year.

Amazingly, the Treasury Department asserts, according to its own Nov. 21 statement, even after it acknowledges a deficit of \$53.99 billion for October, that the U.S. government will run a mere \$103.20-billion budget deficit for the entire fiscal year 2002—that is, it believes that over the combined next 11 months, the budget deficit will rise by only \$50 billion. This is extreme fantasy.

### **Congressional Scrooges Leave 1 Million Americans Without Jobless Benefits by New Year**

The House and Senate failed to approve an extension of unemployment insurance Nov. 22, the last day of the lame-duck session, thus leaving 830,000 Americans without any temporary Federal unemployment benefits as of Dec. 28, when the last extension program ends. An additional 95,000 unemployed workers per week—more than 1 million by January—will exhaust their state benefits with nothing to fill the hole. (The program was started 10 months ago to deal with skyrocketing unemployment, as new jobs failed to materialize in the non-existent recovery.)

These 830,000 Americans to be cut off from the extended benefits are people who have already exhausted their state benefits. In Indiana, at least 10,000 will have no income, as the state was counting on the Feds for help. Nationally, as of September, 1.5 million people had exhausted both their state and Federal benefits, according to a recent study released by the Center on Budget and Policy Priorities (CBPP). Thus, by Dec. 28, well over 2 million Americans will have no income protection.

The CBPP, using official unemployment figures, says long-term unemployment—those out of work for 27 weeks or longer—grew to 1.66 million in October; that is, one in five unemployed persons has been without work for more than six months. Actually, the number is much greater, since official data leave whole categories of people out of the equation.



## Corporate Bankruptcies Soar in All Sectors of Economy

### ENERGY

\***AES**, the former giant in privatized and deregulated energy markets, is trying to refinance a \$300-million-plus interest payment due Dec. 16. Another \$1.6 billion in debt comes due in 2003. Citigroup is leading the refinancing effort! One of their big problems is \$1.4 billion in project debt that has been defaulted on in Brazil, Argentina, and Colombia—as well as possibilities that the defaults could trigger demands for accelerated repayment of the parent company AES's debt.

AES is asking bondholders to decide by Dec. 3 whether they will postpone the interest payment due date, in exchange for a partial cash payment (\$650 on a \$1,000 current note) and new notes for the rest of the debt at a higher interest rate (10% instead of 8.75%) maturing in 2005. And AES is offering a share of its equity in its power projects.

The local projects carry more than \$17 billion in loans and notes, while AES has about \$6 billion in debt.

\***Reliant** mentioned the possibility of seeking bankruptcy protection, in its most recent filing with the Securities and Exchange Commission. The energy trader, which provides power to 1.5 million Texas residents, has been trying to refinance all of its short-term debt, with \$3.6 billion coming due before March 31.

### FINANCE

\***Conseco**, an insurance and finance behemoth, said on Nov. 19 it would file for Chapter 11 bankruptcy protection if it can reach an agreement with creditors to restructure \$6.5 billion in debt, in a filing with the Securities and Exchange Commission. The company posted a \$1.8-billion third-quarter loss, including \$1.2 billion in costs to write down the value of securities and goodwill—the difference between the price paid for an acquisition and its book value.

\***Morgan Stanley**, the investment bank, reportedly will fire 2,200 employees, in the fourth round of job cuts since the start of 2001, as stock underwriting, mergers and trading have fallen to their lowest levels in more than six years.

\***Deutsche Bank** is in talks to sell about \$3 billion of investments to managers of its private-equity unit, supposedly to reduce risks.

\***Credit Suisse** may sell its unit that processes trades for securities brokers, in order to raise \$1.5 billion.

### TRANSPORTATION

\***United Airlines**, trying to get a \$1.8-billion Federal loan guarantee to stave off bankruptcy, will shrink its capacity by about one-fourth, relative to where it was on Sept. 11, 2001. The nation's second-largest airline will also cut wages and benefits of salaried and management employees by \$1.3 billion over five and one-half years. The second-largest U.S. airline said it will cut an additional 9,000 jobs, leaving it with 26% fewer employees than on 9/11; reduce its flight schedule by another 6%, making capacity about 23% smaller; retire 49 of its larger aircraft; and delay deliveries of at least 25 more planes through 2005 (with dire implications for Boeing).

**Boeing**, after slashing nearly 30,000 jobs this year, said it will cut 5,000 more jobs in 2003, as companies in the deregulated airline sector—such as United Airlines—face, or have already entered, bankruptcy. The world's biggest maker of airplanes expects to slash commercial jet output in 2003 by nearly 50% compared to 2001, to 275-285 units. Seattle, Washington will bear the brunt of the job cuts.

**\*General Motors** will cut hundreds of jobs over the next few weeks at its Saab unit, which is expected to lose about 500 million euros for all of 2002.

## OTHER

**\*Xerox**, the world's largest copier maker, said it will eliminate 2,400 more jobs and close more plants, in order to slash spending by an additional \$1 billion, as \$9 billion in debt comes due over the next three years.

## Dems Charge Funding Levels 'Grossly Inadequate' Despite Raid on Social Security

Due to the revenue collapse and GOP tax cuts, trillions will be taken from Social Security, and still, the funding levels will be "grossly inadequate" in the 2003 Federal budget, according to a report issued Oct. 25 by the Democratic Caucus of the House Budget Committee. The report, "Republican Budget Slashes Domestic Priorities and Spends Social Security Surplus," charges that callous shareholder-value assumptions are embedded in the Republican budget, and argues that the reason "only five of the 13 annual appropriations bills" were voted on before the Nov. 5 election, is that the GOPers didn't want their budget cuts aired during the election campaign.

"To pay for the excessive tax cuts, the Republican 2003 budget plan not only diverts \$2 trillion from the Social Security Trust Fund surplus, but also assumes grossly inadequate levels of funding for domestic activity." As revenues have worsened, the Democrats expect the "cuts could grow deeper" and this analysis "may be too rosy." (Of course, the Democrats aren't doing anything to reverse this; they blame GOP tax cuts, but will not vote to rescind them.)

Some of the cuts: \$4.1 billion (13%) of Federal aid for highways; \$90 million from the No Child Left Behind Act; \$567 million (10%) from employment and training programs; elimination of Community Access Program, which aids the under-insured and uninsured; \$54 million (41.9%) from rural health programs; \$402 million to eliminate AmeriCorps; \$2 billion (72%) of state and local law enforcement programs; Amtrak, needing \$1.2 billion, would only get \$762 million, which is also \$64 million less than in 2002; and \$300 million from LIHEAP fuel-assistance funds for people in poverty.

## States Gamble on Slots Instead of Economic Growth

Rather than getting on board LaRouche's "Super-TVA" infrastructure policy, U.S. states are buying into the delusion that gambling revenues would patch up budget shortfalls. Some examples:

**\*New York's Governor George Pataki (R)** is expected to move full-speed ahead on a plan to build six Indian casinos, including four along border regions from Niagara Falls to the Catskills, and to install slot machines in at least five horse-racing tracks.

**\*Pennsylvania** has legislation pending, supported by Governor-elect Ed Rendell, to authorize slots at four horse-racing tracks near the state line, dubbed "racinos."

**\*Maryland** is looking into adding them, too.

**\*In Massachusetts**, a commission has been appointed to study the possibility of casino gambling.

**\*Rhode Island** has created a commission to study adding casinos to the state's two slot machine sites.

\*In New Jersey, a new hotel and casino is slated to open next summer in Atlantic City; and a study is being done to make the case for allowing slot machines at two race tracks.

## Slumping Sales of McMansions Signal End of Housing Bubble

Those humongous, overpriced, and under-acreaged McMansions that have been popping out of the ground all over the country, may soon go on the auction block: Falling nationwide sales of million-dollar-plus homes portend the bursting of the housing bubble. Sales of these homes fell 10% in the third quarter 2002, compared to the second quarter, as the financial-services sector has been hammered by job cuts.

In New York, apartment sales in the most expensive 10% of the market fell 18%; California, which accounts for 65% of luxury home sales, had a 9.5% drop. *Bloomberg* hints at the impending popping of the bubble, by calling the sales drop a "sign the housing boom may fizzle." But maybe there is some good news in all this: Those huge white elephants could be divided up into affordable rentals for deserving non-wealthy families.

## Bipolar Greenspan Lauds Derivatives, But Warns of Possible Meltdown

The increasingly out-of-touch Federal Reserve chairman Sir Alan Greenspan had nothing but praise for the derivatives bubble that now threatens to blow out the global financial system. Greenspan, in a Nov. 19 speech at the Council on Foreign Relations, blithely asserted that derivatives have made the financial markets "far more flexible, efficient, and resilient." Contributing to this mythical "dispersion of risk," he said, has been the burgeoning market in asset-backed securities (ABS) such as securitized bank loans, credit-card receivables, and commercial and residential mortgages. The secondary mortgage market (Fannie Mae and Freddie Mac), by using ABS-like interest-rate swaps and options, he noted, has "facilitated the large debt-financed extraction of home equity" that has propped up consumer spending.

In a fit of bipolarity, Greenspan was forced to recognize the reality of the impending derivatives blowout, admitting that these instruments are highly leveraged, even warning that there is a possibility of "a cascading sequence of defaults that will culminate in financial implosion," requiring liquidity pumping by Fed, using its "unlimited power to create money." Central banks, like the Fed, have become, he said, "lenders of last resort." Citing the Fed's "responsibility to prevent major financial market disruptions," he acknowledged the use, in rare circumstances, of "direct intervention in market events."

## WALL STREET POLICE BLOTTER

This past week, in addition to the usual suspects, more bloodsuckers in the health-care and pharmaceutical companies left their prints on the Police Blotter, joining the line-up of Wall Street scoundrels:

The **Bush Administration** and **Thomas Scully** (head of the Medicare program) have been accused by Sen. Charles Grassley (R-Iowa) and others of being too soft on **Hospital Corporation of America (HCA)**, the nation's largest for-profit hospital cartel. It seems they were not enforcing the False Claims Act in the settlement of Medicare claims. The Department of Justice is holding up the settlement, negotiated by HCA and Medicare officials in March, for HCA to pay the government \$250 million to resolve disputed expense claims that it had submitted to Medicare for treating elderly and disabled patients from 1993 to 2001.

In 1997, the DOJ conducted a fraud investigation of HCA and raided the company. HCA paid a fine of about \$800 million.

**Candidates for Jail: Richard Rainwater** launched his **Columbia Healthcare** looting scam with **Richard Scott**. Hospital

Corporation of America (HCA) was founded in 1968 by former Kentucky Fried Chicken owner **Jack Massey, Dr. Thomas Frist, Sr., and Thomas Frist, Jr.**, who bought up hospitals and then shut them down to enforce "shareholder value." When Columbia merged with HCA in 1994, Scott took over as CEO (Frist, Jr. again became CEO in 1997). Scott was prosecuted for fraud. **Senator Bill Frist**, Columbia/HCA's man in Congress, promoted legislation to cap Medicare expenditures and privatize the program. **Tom Scully** was the head of the Federation of American Hospitals, a for-profit healthcare lobbying group.

The Securities and Exchange Commission announced an informal inquiry into the steep fall in **Tenet Healthcare's** stock amid unusually high trading volume. Over the past three weeks, the second-largest for-profit hospital chain has seen an FBI raid at one of its California hospitals over unnecessary surgeries; a Medicare audit into special reimbursements paid to Tenet to handle costly cases; and an inquiry by the Federal Trade Commission into one of its hospital mergers.

**Candidates for Jail: Jeffrey Barbakow**, former investment banker at Merrill Lynch and Donaldson, Lufkin & Jenrette, became chairman and CEO in 1993, embarking on an acquisition binge.

\***Credit Suisse First Boston** and **Citigroup** are facing fines of \$200 million each to settle conflict-of-interest investigations. Ten other firms face fines ranging from \$120 million to \$150 million. The case became public last April when New York Attorney General Elliott Spitzer released e-mails showing that *Merrill Lynch* analysts privately disparaged stocks which they were publicly promoting. Merrill settled last May, for \$100 million, and that fine is being used as a benchmark for the others. Regulators met in New York on Nov. 18 to determine exact penalties before presenting them to the brokerage firms.

A complaint filed by the California State Teachers Retirement system, as part of an ongoing lawsuit against **Homestore.com**, alleges that *Homestore* and **AOL Time Warner** conspired to inflate revenue of both companies, by creating three-way transactions that used bogus advertising buyers as intermediaries. Sources involved in a Federal investigation of AOL Time Warner say the complaint is based on information provided by three former Homestore executives who pleaded guilty and are working with investigators.

## WORLD ECONOMIC NEWS

### Lula Will Propose Argentine and Brazil Create Common Currency for Trade

Brazilian President-elect Lula da Silva will propose that Argentina and Brazil create a common currency for trade when he visits Argentina on Dec. 2, Senator-elect Aloizio Mercadante told reporters in Brasilia on Nov. 20. Stressing that "Argentina is really a strategic partner," the new government proposes that the two countries increase their trade and cheapen the cost of food for both, by establishing a "green currency," Mercadante said. The idea, as he elaborated it, would be to use the common currency as a unit of accounting, with any trade imbalances between the two nations settled periodically in dollars by the central banks.

Why call it the "green" currency? "We call it 'green' because at the beginning it would be used exclusively for agricultural trade," Mercadante explained, but it could become the embryo of a future common currency. "The idea is that trade be carried out without the necessity of using foreign currencies. Put another way, a single market would be formed between Brazil and Argentina where the producers of each country would operate as locals. The Argentine producer receives pesos, in their 'green money' equivalent, for their sales in Brazil. In the same way, the Brazilian receives reals for his sales in Argentina. Under this plan, the central banks of each country pay the exporters in local currency."

Both countries face financing problems for anything in dollars, because of the cutbacks in their credit lines, but this way,

agricultural trade would be carried out without the necessity of using any foreign exchange. This could not only increase trade, but cheapen the cost of food, while increasing its supply, he argued.

Mercadante will accompany the President-elect on his trip to Argentina.

## **Bank of England Alarmed by 'Explosion' in Home Prices, Consumer Debt**

Last week, Bank of England (BOE) deputy governor Mervyn King rang alarm bells about the "enormous uncertainty" surrounding the British housing market. The dramatic rise in home prices "exceeded" the Bank's expectations and, in combination with global developments, poses "significant risks" for both growth and inflation in Britain, King stated.

According to the BOE, household debt has grown to a record 801 billion pounds, or 111% of disposable income. In September, household debt was up 13.1% compared to one year ago, the highest year-on-year growth recorded since the BOE began collecting these figures nine years ago. The BOE warned that "the larger the build-up of household debt, the greater the risk of a sharp correction."

Britain's Institute for Fiscal Studies (IFS) put out a new study emphasizing that the burden of consumer debt is spread highly unevenly across the population, and that a slight increase in interest rates or unemployment would lead to mass insolvencies by British households. As in the United States, the rise in household debt is being accelerated by a giant housing bubble. According to most recent figures, average house prices in Britain are now rising at a rate of 25% to 30% per year.

## **German Bankruptcies Head for All-Time High This Year**

According to the federal association of German debt collection firms, BDIU, the number of corporate bankruptcies in Germany this year will go up to 41,500, almost one-third higher than last year, which already marked a postwar record. Bankruptcies for 2002 have generated 50 billion euros (about \$50 billion) in bad debt, and have directly caused the elimination of 650,000 jobs in the German economy. For the next year, the BDIU expects "another sharp increase" in German corporate bankruptcies.

At the same time, states the BDIU, there are now more than 2 million private households in Germany which are over-indebted. The average debt of any German households has reached 40,000 euros. Due to the economic downturn and rising unemployment, the BDIU expects a sharp rise in private insolvencies as well.

## **Bank of Japan Chief Warns of 'Unprecedented' Bank Stock Crash**

Bank of Japan Governor Masaru Hayami said Nov. 21 that an "unprecedented" plunge in bank shares has the BOJ on alert to provide cash to the banks. "Stock prices, especially those of banks, have fallen in an unprecedented manner," he told a news conference when asked about a BOJ policy decision to move to the upper range of credit targets. "The fall in bank shares is extremely troubling," he said. "I think it's the first time in the postwar period that we've seen such a situation. I don't recall any such rapid falls in bank share prices since I entered the BOJ in 1947—that's been 55 years." The BOJ tweaked monetary policy Nov. 19, announcing it would keep system funds at the top of its \$122-\$163 billion range, rather than in the middle.

Shares of the \$700-billion UFJ Bank have fallen 52% this month alone, and 72% since Sept. 30, amid a barrage of media reports that it will be nationalized soon, plunging 10% this week. Moody's warned it may soon downgrade UFJ stock to "Ba1"—junk - from "Baa2." Shares of the world's largest bank, the \$1.3-trillion Mizuho Holdings, have fallen 46% this



month, and 51% since Sept. 30. Similar figures apply to Sumitomo Mitsui Bank and Mitsubishi Tokyo Bank. The Tokyo Stock Exchange's banking index has fallen 18.7%. Among the Big Four banking groups alone, \$500-\$600 billion of their loans are estimated to be non-paying at this point.

With UFJ's total market capitalization now shrunken to \$4 billion, and Mizuho's to about \$8 billion, these banks "are now a buyout targets for cash-rich financial institutions in Europe and the U.S.," *Nikkei* reported with some alarm Nov. 19. Only the government threat of nationalization is preventing it at this point; there are no other Japanese buyers around.

Japanese industrial companies, which under the traditional "cross-share" system still hold a lot of stock in their main lender bank partners, are desperate now to unload bank stocks before they have to declare major financial losses. According to an estimate from Daiwa Institute of Research, nonfinancial companies had unrealized portfolio losses of roughly \$17 billion in bank stock holdings over the last six months.

In fact, without announcing the full range of LaRouche measures and nationalizing the banks, there is almost nothing Japan can do to stop the "market value" of these banks from falling to zero.

### **Standard Chartered Advises Asian Central Banks: Get Out of Dollar**

Gerard Lyons, chief economist and head of global research for Standard Chartered Bank, at a conference in Thailand advised the Bank of Thailand (BOT) and other Asian central banks to begin diversifying their foreign-exchange reserves out of U.S. dollars in anticipation of a fall in the value of the greenback, *Business Day* reported Nov. 15. "The mood within the U.S. has become more pessimistic," he said, "and it is not clear whether the country will produce below trend growth or go into a deep recession. Even if the uncertainty over Iraq and the Middle East is resolved, the U.S. has to do extensive economic housecleaning. The consensus is that the dollar is overvalued, maybe by as much as 25% on a trade-weighted basis."

Lyons pointed out that Asian central banks' purchases of dollars, to add to their reserves, have been a factor in helping to keep the dollar strong. About 80% of the world's foreign-exchange reserves are now held in dollars—and in some Asian countries it is as high as 95%—much higher than the 62% portion in dollars a few years ago.

### **India Revives Water Project To Link Himalayan and Peninsula Rivers**

A great water-infrastructure plan for India, to "link the Himalayan and Peninsular Rivers," is now being revived as an answer to drought, according to Indian press reports Nov. 22. The monsoon failed in many areas of the Subcontinent this year, causing the worst drought in 15 years.

On Nov. 20 in New Delhi, Indian Prime Minister Atal Behari Vajpayee said that the national government is proposing to take up the plan to link the rivers on a "war footing" as a long-term, permanent solution to the recurring problem of drought. Vajpayee said that the government saw the plan as a permanent solution to India's water crises, which could "change the destiny of the country."

The plan, first proposed in the 1950s, by Dr. K.L. Rao, Irrigation Minister in Jawaharlal Nehru's cabinet, was then worked out in much more detail by the engineering company Dastur in the 1970s.

The plan would link by canals and reservoirs the huge Himalayan rivers, including the Ganges, Bramaphutra, and Meghna river basins, which frequently flood, to the smaller rivers of the Indian peninsula, most of which are rain-dependent. A key area to benefit from this plan would be India's dry northwest.

Vajpayee told the Parliament that resources and political will would not be lacking to solve the drought problem. Congress Party leader Sonia Gandhi responded that "we welcome the government's proposal for linking of river waters."

Vajpayee said he would soon convene an all-party meeting to seek consensus on the project, which could take two to three decades to build.

### **Transrapid Shanghai-Beijing Maglev Ahead of Schedule**

On Nov. 21, the new head of the Transportation Systems division at Siemens, Hans Schabert, announced at a press conference in Berlin, that the Shanghai Transrapid maglev project is fully on schedule, and that there is a good possibility for further Transrapid projects; in particular, the very important Shanghai-Beijing route.

Last week, he said, the Transrapid was tested successfully on the 32-km route between Shanghai and the Pudong airport, reaching a speed of 405 km per hour. On Dec. 1, one month ahead of schedule, the Transrapid will reach the supposed maximum travel speed of 430 km per hour. And there can be no doubt, Schabert said, that German Chancellor Gerhard Schroeder and Chinese Prime Minister Zhu Rongji will be able to officially open the Shanghai Transrapid at a celebration at the end of December, as scheduled.

Furthermore, he said, negotiations are well under way for building a 303-km Transrapid route between Shanghai and Nanjing, part of the Shanghai-Beijing corridor, and along the 242-km stretch from Shanghai to Hangzhou in the southwest. The Chinese, he said, are making tough demands, such as lower prices and higher local content (local workforce and supplies). But these demands can be met, as the new routes are much longer than the present one.

## **UNITED STATES NEWS DIGEST**

### **D.C. Council Wants a Public Hospital, After Greater Southeast Goes Bust**

Furious members of the D.C. Council grilled District officials and officers of Greater Southeast Community Hospital last week, as to how they intend to keep Greater Southeast operating. A ruling in Federal bankruptcy court in Washington will keep the five DCHC hospitals open until a hearing Nov. 26, but there is no plan for after that.

The *Washington Times* reports that several Council members are proposing the creation of a new public hospital. "I want to look at getting another hospital," said Council president Linda Cropp. "We don't want to be caught in circumstances where we can't provide services for our residents."

Council members were reportedly infuriated that D.C. Mayor Tony Williams was not present at the hearing, and that he had had only one discussion with the D.C. Department of Health about the crisis at Greater Southeast. They were also angry that neither the Health Department, Greater Southeast, or the D.C. Healthcare Alliance has any contingency plan for what to do when the hospital runs out of money.

Council member David Catania attacked the idea that DCHC was victimized by National Century Financial Enterprises. "They [DCHC] did business with a national finance company now in bankruptcy and under investigation for fraud," he said. "It was all out there two years ago. That's why we didn't want to enter into a contract with them."

### **Tax Hikes, Layoffs, Fare Hikes Dominate Discussion in New York City**



Tax hikes, layoffs, and transit fare hikes are dominating the discussion in New York City over what to do about the city's projected \$6.4-billion budget hole. New York City Schools Chancellor Joel Klein announced on Nov. 22 that he would be laying off 550 school administrators as part of an effort to cut \$200 million out of the school budget. Talk at City Hall is that an increase in the city's income tax, along with an increase in the property tax, will be needed to save essential services. According to the *New York Post*, there is considerable skepticism as to whether Mayor Michael Bloomberg (R) will be able to squeeze another \$1 billion out of those who pay income tax, including 800,000 commuters.

Meanwhile, the Metropolitan Transportation Authority unveiled proposals to jack up transit fares and tolls at bridges and tunnels. The *New York Times* poses the issue in the form of who will be hit harder, commuters who travel into the city on trains, or those who ride buses in the city. Maximum fare increases could be 50 cents for buses and about \$1.40 for the trains.

## **Perle Disputes Military Experts on Iraq's Military Strength**

The Nov. 17 *Washington Post* reported that senior military and CIA officials believe that Iraq's 15,000-strong Special Republican Guard will be a formidable combat force. Defense officials say that the 17 divisions of the regular army (300,000) are considered poorly trained and equipped, and only half of it is expected to put up much resistance once under attack, but the 80,000-man Republican Guard is considered a much more viable fighting force.

Former arms inspector Scott Ritter says that the Special Republican Guard are not the world's best soldiers, but "they're tough, they're loyal, and they will fight to the death." Saddam has created loyalty among his own and other Sunni tribes through marriages and appointments to official positions, Ritter says, and this strong tribal loyalty insulates Saddam against defections. Ritter also says that a bombing campaign would strengthen Saddam, not weaken him.

But warhawk Richard Perle of the Defense Policy Board knows better, saying that Saddam is weaker than most military planners suspect. "I don't believe we'll have to go into Baghdad, because I don't believe he will survive in Baghdad for any length of time," Perle says. "Dictators like Saddam do not last very long once it is clear they have been effectively challenged."

Perle is charged with blurring the lines between official and civilian roles, by a number of sources quoted in a *U.S. News & World Report* profile. They note that Perle uses his chairmanship of the Defense Policy Board and its access to classified information as if he were a government official; yet he can speak and write op eds as a civilian. "He enjoys all the benefits of being an insider without any of the constraints," says an unnamed former Clinton Administration official.

A senior State Department official says he's "appalled" by Perle's multiple roles. "To have access to both the councils of state, and to ink and pen, smacks me as a dangerous situation," he says. "That's not the way a good government should work."

Among those quoted as praising Perle, are Iraqi opposition figure Ahmed Chalabi (who says "Richard was of tremendous help," has arranged meetings with "very powerful people," and has invited him to address the Defense Policy Board), Michael Ledeen ("Richard believes America is a revolutionary country with a revolutionary mission: to spread freedom"), Frank Gaffney, and James Woolsey, former CIA head.

"Many times, those who have experienced war look at it as a last resort, and those who haven't, see it as a first resort," says retired Marine Corps Gen. Anthony Zinni, commenting on Richard Perle and his ilk. "Those who didn't show up for Vietnam and are now hawks—that's the worst." A Pentagon general agrees: "Guys like that talking about combat is like a monk talking about sex. It's interesting and titillating, but have they ever been there? No."

## **Administration Will Arrest Some Iraqi Americans in Event of War**

The Nov. 17 *New York Times* reports that the Bush Administration has begun to monitor thousands of Iraqis who are in the U.S.—including Iraqi-Americans with dual citizenship—to identify potential terrorist threats; this includes students and Iraqis working for U.S. corporations. Some are already being subjected to electronic surveillance, under national security warrants.

In the event of a U.S. invasion of Iraq, the *Times* says, there will be arrests and detentions of Iraqis or Iraqi sympathizers if they are believed to be planning terrorist operations.

However, officials say that no specific threats against the U.S., or against U.S. interests overseas, have been detected so far, from either this domestic surveillance, or from overseas monitoring and surveillance operations.

## **Ashcroft Moves Fast To Expand Wiretaps, After Favorable Ruling in National Security Case**

Within a few hours of a ruling by the Foreign Intelligence Surveillance Court of Review, Attorney General John Ashcroft held a press conference to announce that the Justice Department is vastly increasing its capability to conduct national-security wiretaps.

The ruling, the first ever by the Court of Review, overturned a May ruling by the secret Foreign Intelligence Surveillance Act (FISA) Court, which had blasted the Justice Department and the FBI for misleading the FISA Court on numerous occasions, and said that restrictions on the use of information derived from national-security wiretaps, in criminal cases, must be maintained, despite the Justice Department's interpretation of the USA/Patriot anti-terrorism act passed last year right after Sept. 11.

For many years, the Justice Department has (at least officially) operated on the presumption built into DOJ Guidelines since the late 1970s, that the standard of evidence for national-security wiretaps is lower than for a criminal investigation and prosecution.

The FISA Court of Review is composed of three judges selected by Chief Justice William Rehnquist; all three are Reagan-Bush Administration appointees.

The Justice Department is planning to assign lawyers to terrorism task forces in Washington and New York, in order to facilitate the securing of secret warrants, now that the way has been cleared by a special appellate panel of the Foreign Intelligence Court of Review, weakening the barrier between criminal and intelligence investigations. The court decision allows the use of wiretaps in criminal prosecutions of terrorist suspects. A senior Justice Department official told the *New York Times*, "We're working very quickly and we want to get as much help out to the field as possible."

Some civil libertarians are warning of a return to the days of J. Edgar Hoover's FBI, when agents routinely surveilled and investigated people and groups for political reasons. The ACLU makes the point that the standard of evidence for warrants has been lowered, such that the FBI might use secret warrants not only to spy on a terrorist suspect, but also anyone who innocently comes into contact with him.

"A Green Light To Spy," is how a *New York Times* editorial characterized the ruling on national-security wiretaps. "Anyone who worries that the war on terrorism will inspire an era of unprecedented government spying on Americans has new cause for concern today," the editorial says, and it calls on the Supreme Court to reinstate the original ruling of the

lower FISA Court, and for Congress to redraft the law. A *Washington Post* editorial, entitled "Chipping Away at Liberty," blames Congress, but is softer on Ashcroft than is the *New York Times*.

## **CSIS Lunatics Decide Quick Iraq War Could Help U.S. Economy**

A dozen military, Middle East, economic, and oil utopians met Nov. 12 at the Center for Strategic and International Studies to discuss "theoretical scenarios" of the likely economic impact of an Iraq war on the U.S. economy. Leading figures from Salomon Smith Barney, Deutsche Bank, Goldman Sachs, the Petroleum Industry Research Foundation, and the National Defense University participated, along with a gaggle of CSIS nuts and former Federal Reserve Board Governor Laurence Meyer. These august fools decided that there is a 40%-60% chance of a "swift victory" within four to six weeks, of any war with Iraq, and that it would improve the U.S. economy by the second quarter of 2003, what with the equity markets rally they projected for the second quarter of 2003, with all the current messy "uncertainty" removed.

Of course, the war might turn into a six- to 12-week war, with "moderate" civilian deaths and a conventional military exchange between Iraq and Israel. That would knock things down a bit, but by 2004, there would be no residual economic effects left. In any case, there is only a 30%-40% chance of that occurring. Now, if Iraq used weapons of mass destruction against Israel and other Arab/Turkish bases and oil facilities, and the Arab League used oil as a weapon against the United States, it would knock down GDP for most of 2003, what with \$80 per barrel oil prices, and all. But, the chances are only 5%-10% of this occurring, they concluded.

## **Clinton Impeachment Honcho Henry Hyde Tied into Moonies**

Henry Hyde, the Republican Congressman from Illinois who led the impeachment witchhunt against former President Bill Clinton, turns out to be tied into the Sun Myung Moon cult, a collection of sexual perverts who make the Monica Lewinsky episode look chaste by comparison.

In early October, a letter denouncing Luiz Inacio "Lula" da Silva (then a Brazilian Presidential candidate, now President-elect), was drafted by Moonie associate and Hudson Institute anti-Communist ideologue Constantine Menges, and released over the signatures of 12 Republican members of the U.S. House of Representatives. On Oct. 27, following Lula's victory in the first round of the Brazilian elections, Hyde, as chairman of the House International Relations Committee, issued his own public letter to Bush warning of the danger of a Lula Presidency, citing the earlier Menges-authored letter of his colleagues:

"Recently, many of my colleagues in the Congress wrote you a letter in which they expressed their concerns about the 10-year-long association of Mr. Lula da Silva with Latin American, European, and the Middle Eastern terrorist organizations.... They also expressed their concern about Mr. Lula da Silva's recent statement indicating an interest in reviving Brazil's nuclear-weapons program.... There is a real prospect that Castro, Chavez and Lula da Silva could constitute an axis of evil in the Americas, which might have nuclear weapons and ballistic missiles (which Brazil developed in 1990)."

So who did Hyde hop in bed with, on this one? The same Constantine Menges who sits on the board of directors of, and helps fund, the "Victims of Communism Memorial Foundation," a wholly owned Moonie front-group headed by former World Anti-Communist League leader Lee Edwards, currently editor of Sun Myung Moon's magazine, *The World and I*. Menges has taken the lead internationally in casting President-elect Lula as part of a new "nuclear axis of evil" in the hemisphere, and is acknowledged as the "intellectual author" of the Congressional letter Hyde cites.

## **IBERO-AMERICAN NEWS DIGEST**

## **Rumsfeld Calls for Supranational Military Force for Western Hemisphere**

U.S. Secretary of Defense Donald Rumsfeld proposed the creation of a supranational military force for the Western Hemisphere, at the 5th Defense Ministerial Meeting of the Americas, held in Santiago, Chile Nov. 18-22. The utopians have been trying to create a regional military force for decades, but Ibero-American nationalists always blocked it. Senior Defense Department officials accompanying Rumsfeld in Santiago told reporters that this time, "We have done a lot of homework ahead of time"; have "put some serious thought into it, and looked into some serious resourcing issues"; and have had extensive inter-agency discussions to come up with "real substantive proposals" on how to set up "broader regional capabilities."

Rumsfeld flew down to deliver the message personally, before leaving for the NATO summit in Prague. "Narco-terrorists, hostage takers, and arms smugglers operate in ungoverned areas, using them as bases from which to destabilize democratic governments," he said in his speech opening the Ministerial. He put two initiatives on the table: one for regional naval cooperation that "could potentially include cooperation among coast guards, customs, and police force"; and a second, to integrate the hemisphere's specialized peacekeeping capabilities "into larger regional capabilities—so that we can participate as a region in peacekeeping and stability operations." He specified in an interview with the Chilean daily *El Mercurio*, that the latter initiative would target the "unoccupied parts of countries" where terrorists and the like operate, specifically mentioning Colombia, and linking the proposal to similar efforts for Yemen, Somalia, and the Philippines.

Comments by Rumsfeld and other U.S. briefers made clear that the Caribbean, Central America, and the Triple Border area of Argentina, Paraguay, and Brazil would, along with Colombia, also be immediate targets for the "stability force."

## **Brazil Justice Minister: Moon Cult Still Under Investigation**

On Nov. 12, Brazilian Justice Minister Paulo de Tarso Ribeiro informed the Senate Parliamentary Investigatory Committee (CPI), which is looking into possible illegal activities by NGOs operating in Brazil, that the Federal Police are investigating charges against a number of NGOs, such as the Canadian-based FOCUS, which is trying to block Brazilian soy farming. "There are other cases," the Minister added, "such as that of Rev. Moon's cult, which was acquiring land in an irregular fashion in [the state of] Mato Grosso, which are being investigated.... If there are illegal acts, they will be punished under the law."

Brazilian authorities began a full-fledged inquiry into Moon's operation to establish a giant no-man's-land straddling the Brazilian-Paraguayan border in Mato Grosso, in 2001. The Justice Minister's statement makes clear the investigation is live, and at the highest levels of the government. The Justice Ministry in Brazil functions as an Interior Ministry, with overlapping functions with those carried out in the United States by the Attorney General's office.

The first witness called to testify on NGOs before the Senate CPI in May 2001, was *EIR* correspondent Lorenzo Carrasco. In his testimony. Carrasco detailed the activities of Prince Philip's Worldwide Fund for Nature (WWF) in attempting to thwart Brazil's development, as exemplary of the danger to the nation from unregulated NGOs.

The Justice Minister's statements were reported in the *Senate Journal* of Nov. 13.

## **CFT Man Smears LaRouche with Menges Brush; Demands Establishment 'Work with' Lula**

In a recent *New York Review of Books* article, Kenneth Maxwell, the British Brazil "expert" who heads up the Council on Foreign Relations' Latin American Program, insisted fervently that the United States can, and must, work with Brazilian President-elect Luiz Inacio "Lula" da Silva, because Lula can be roped into staying with the system. Those who argue that

the "red tide" swept Brazil in this past election are wrong—just as it is, also, "an exaggeration to call this vote a rejection of the Washington Consensus and neoliberalism," Maxwell asserted wishfully. Maxwell goes so far in his promotion of Lula, as to compare him to "another ex-union man" of simple tastes with popular ties, elected with a huge number of votes: Ronald Reagan!

Maxwell savages the idiotic line coming from the Moonie nut Constantine Menges, that Lula's election as President brings to power the narcoterrorist Sao Paulo Forum and sets up a new "axis of evil" in the hemisphere among Fidel Castro, Hugo Chavez, and Lula. Maxwell cites the Oct. 27 letter sent by House International Relations Chairman Henry Hyde to President Bush (see USA DIGEST), raving about the danger that Lula could create a nuclear-armed "axis of evil," as exemplary of how far this line has gone. He also reports that the *Pittsburgh Tribune-Review* (owned by Richard Mellon Scaife) recently attacked CIA head George Tenet as "Lula's greatest benefactor," because he allegedly failed to recognize the danger of a Lula Presidency, and to head it off.

Maxwell attempts to drag Lyndon LaRouche into Menges's Moonatic campaign—which LaRouche's publications denounced from the outset—with the clear desire to cut off LaRouche's growing influence within Brazil, and within Lula's Workers Party. Maxwell protests that no one in Brazil even knew what the Sao Paulo Forum was, but when he went to track back "the origins of this anti-Lula campaign, I find it begins with no less an 'authority' than Lyndon LaRouche, whose webpage asserts: 'The Sao Paulo Forum has very high-level sponsors inside the financial and political establishment of the Americas, in the form of a Washington-based think-tank founded in 1982 by David Rockefeller, McGeorge Bundy, and others, known as the Inter-American Dialogue.'"

Maxwell footnotes this most interesting of quotes to chose, to the Nov. 10, 1995 *EIR* article by Valerie Rush on the ties between the Sao Paulo Forum and the Dialogue, directing people to the LaRouche website where it is available.

### **Lula To Visit Argentina, Chile; Then on to Washington**

Brazilian President-elect Luiz Inacio "Lula" da Silva has announced he will visit Argentina on Dec. 2, and continue on to Chile for a brief visit. On Dec. 10, he will meet with President George W. Bush in Washington. Lula's spokesman, Andre Singer, said the President-elect had decided to accept Bush's invitation, when the U.S. President phoned to congratulate Lula on his election victory on Oct. 27. Other members of Lula's team pointed out that Argentina, considered "a strategic partner" for Brazil, was chosen by the incoming President as the first foreign country he will visit, in order to signal the foreign policy priorities of his Administration.

### **Chavez Move vs. Police Drives Caracas Toward Armed Conflict**

On Nov. 16, Venezuelan President Hugo Chavez ordered the 8,000-strong police force of the nation's capital Caracas placed under direct control of the national government, and out of the hands of the city, whose government is controlled by an outspoken leader of the opposition, Mayor Alfredo Pena. To enforce the order, Army and National Guards units were deployed in and around police stations, some of which have refused to accept their new command. Opposition protesters immediately surrounded the heavily armed troops which were, in turn, surrounding these police stations.

The city police force is now split, creating the live possibility of shooting between the divided security forces, in the context of the escalating clash between the forces supporting the Chavez regime and those supporting the opposition.

The first person Chavez named to head up the revamped police force refused the post, saying he remained loyal to the police chief appointed by the Mayor. The second, Gonzalo Sanchez Delgado, is a leader of one of the Bolivarian Circles, the *squadristi* mobs being organized and armed by the Chavez regime, according to the reports of two Venezuelan dailies. Fire-bomb and grenade attacks were carried out Nov. 17-18 on the headquarters of the Globovision television station and



union, business and Church buildings associated with the opposition.

As the situation spiralled out of control, the drug-tainted, globalist Secretary General of the Organization of American States (OAS) Cesar Gaviria—proud recipient of the Moonie *Washington Times*' "International Leadership Award" in May 2002—continued his vain efforts in Caracas to get government and the opposition to settle their differences through some unprincipled "consensus," satisfactory to "the international community," but without relevance to the nation itself, the latter equally ignored by both Chavistas and opposition.

Meanwhile, indicating the underlying economic disaster in the country, food sales in Venezuela are projected to have fallen by a whopping 13% over the course of 2002, according to the Venezuelan Chamber of Food Industries. Food sales dropped by 6.2% in the first half of 2002. Food prices rose 34% from January to October 2002.

### **Ecuador Presidential Candidate Promises To Continue Dollarization; Bring in Blue Helmets**

Former Lt. Col. Lucio Gutierrez, leading in the polls for the Nov. 24 run-off Presidential election in Ecuador, travelled to Miami, Washington, and New York in the first week of November, to sell his services to "the powers that be." Gutierrez led a military/Indian coup in January 2000, which was reported by U.S. intelligence services to have received funding from Venezuela's President Hugo Chavez, and is active in Teddy Goldsmith's World Social Forum's fraudulent "anti-globalization" movement. His main pitch while in the United States was that he would not buck Wall Street.

Shedding his military uniform, he argued his coup was different from Chavez's, because his was bloodless. He promised that he would continue the dollarization program imposed upon Ecuador under the Clinton Administration; that he would negotiate a new accord with the IMF; and, that he would invite in United Nations "blue helmets" to police the Colombian-Ecuador border, and help "mediate" with Colombia's narcoterrorists. In short, Lucio Gutierrez put himself forward as the man who could implement Wall Street's "Grasso Abrazo" in Ecuador, with dangerous consequences for the entire Andean region. Lyndon LaRouche, upon hearing this report, reiterated his warnings that dollarization and Blue Helmets are the death of a nation.

## **WESTERN EUROPEAN NEWS DIGEST**

### ***Al-Ahram Daily Highlights Helga Zepp LaRouche's Leadership***

Egypt's semi-official *Al-Ahram Daily* published a significant article on Nov. 18 about German Civil Rights Movement Solidarity (BueSo) leader Helga Zepp LaRouche's alternative to the current collapsing financial system. The *Al-Ahram* correspondent in Germany, Abdel-Azeem Hammad, interviewed three "leaders of the anti-globalization movement in Germany," but especially highlighted Zepp LaRouche, because, unlike the others, she fights for an alternative, that proposed by her husband, "most known American economic thinker and rebel against the American regime, Lyndon LaRouche."

Hammad wrote that Zepp LaRouche's "main concern is to call in Germany and Europe for the implementation of the theories of her husband, the most known American economic thinker and rebel against the American regime. These theories consist of convening a new Bretton Woods conference to replace the current financial-monetary system, which was established by the old Bretton Woods agreement after World War II. The objective, she says, is to ensure just worldwide economic development."

Hammad asks the Germans, "Why do we never hear what you exactly want? ... what is your idea of an alternative? This means that you are merely critics and not creators." Then, he publishes a lengthy answer from Zepp LaRouche, who unlike

the others, had no trouble with the question.

"This question is not fair," she says, "because the opposition groups do not get enough attention from the controlled mass media to address and express their complete visions to the national and international opinion." The BueSo's idea, writes Hammad, is that "it is proven now that the international financial system is bankrupt, and that the postwar system is on its way to disintegration." Examples are cited from the enormous economic crises that have swept Argentina, Brazil, Russia and South East Asia before, with Zepp LaRouche stressing that "If these nations are allowed to default, the major banks in the U.S. and Europe would go bankrupt. Therefore they try to cheat, by allowing the IMF bailout package to these countries to keep them alive and to pay their debt. If you add to that the depression in Japan and the U.S., passing through Europe, it would be easy to see that the entire system is going to collapse." This is not pessimism, but "an objective reading of the phenomenon."

"The successful solution is represented by the vision of Lyndon LaRouche, according to his wife Helga, the leader of the BueSo," Hammad writes.

She says that "Governments must assume their social responsibilities in the national economies, and in changing the structure of the current financial economic system." This is not a completely new idea, Zepp LaRouche emphasizes, referring to the Lautenbach plan and the work of Friedrich List in launching the industrialization of Germany. She stresses the difference between List's economic model and British free trade, which has returned in the form of globalization. She emphasizes the role of building and maintaining major infrastructure projects and other public investments. She also contrasts Lautenbach with Keynes, and says that American President Franklin Roosevelt, who saved the American economy through the New Deal, adopted some of the ideas of Lautenbach.

"Then, the discussion with Helga moves to the international domain," writes Hammad. He cites Helga's references to the progress achieved internationally for Lyndon LaRouche's idea of a New Bretton Woods conference, emphasizing "this is no longer a cry in the wilderness." She gives examples from the Italian Parliament, Brazil, Russia, adding that such developments are being discussed in many other parts of the world. "She demands that the Bundestag adopt a similar resolution," says Hammad. "She believes that the calls for a New Bretton Woods from around the world will increase and accelerate, because it is the solution which can put an end to exploitation and hegemony."

Hammad promises the readers to send a second report on "how these German leaders think and work." The Arabic text is posted at: <http://web2.ahram.org.eg/arab/ahram/2002/11/18/REPO2.HTM>

### **German Chancellor: 'No' to Active Support for Iraq War, But Signals U.S. Can Use Its Bases**

Interviewed on the sidelines of the NATO summit in Prague last week, German Chancellor Gerhard Schroeder reaffirmed that Germany will not support a war against Iraq, but signalled that the U.S. can use its bases in Germany for such a war. He told journalists that "we have stated clearly and keep doing so, that an active role of Germany will not occur because of the reasons which I have mentioned and which have also been understood."

Asked about indirect support for the Americans, like use of German airspace or movements of American troops in Germany, the Chancellor said: "Listen, I do not intend to issue statements in public, before experts have examined what is being discussed, here. But one thing is clear: We cannot limit movements by our friends in Germany; that is determined by the respective treaties, and these treaties we intend to respect."

From the television footage taken of in Prague, it was clear that despite the hearty handshake between Schroeder and President Bush, the atmosphere remains extremely tense between the two men.



## **British Chief of Staff Calls into Question Britain's Ability to Fight in Iraq War**

British Chief of the Defence Staff Sir Michael Boyce stunned the Blair government last week when he called into question the British Armed Forces' capacity to participate in a war against Iraq, under conditions where the Armed Forces might also need to be used for domestic reasons, in the event of continuing firefighter strikes. The unreadiness to fight exposed by Boyce confirms exactly the situation forecast in the Nov. 1 *EIR* in an article by Alan Clayton, "Firefighters Strike Looms in Britain."

Admiral Boyce, Britain's most senior military officer, made the statements at a press conference Nov. 20, while standing next to a most uncomfortable British Defence Minister Geoff Hoon, a leading figure in the "War Party" faction of the Blair government. The press conference occurred only 48 hours after the American Ambassador to Britain, William Farish, had personally delivered a formal American request for British military participation in an Iraq war.

Asked by the *Daily Telegraph* whether he was worried about the impact of an eight-day fire-fighters' strike on Britain's ability to participate in Iraq military action, Boyce said he is "extremely concerned. Clearly, we do not have a box of 19,000 people standing by to be called upon to do fire-fighting duties. They must be drawn from operation units.... We cannot perform at the fullest end of our operational capability, while 19,000 people are tied up, standing by to do the firefighting duties."

A London *Times* headline paraphrased Boyce that "demoralized troops cannot fight on two fronts," and ran a long quote: "There are a lot of people coming straight off deployment from Bosnia, from Afghanistan or whatever, and gone straight on to these duties without the benefit of any hometime, and so there is a morale and motivation problem to be addressed as well."

## **German Discontent Grows, as Government Ratchets Up Austerity**

More and more German media have begun to document that the new budget cuts and tax increases already announced by the re-elected Schroeder government amount to an extra financial burden of 90-100 euros a month per taxpayer, from January 2003 on. The pre-Christmas "consumer boom" is not occurring, so unemployment shows a net increase, and by the end of January, joblessness nationally is expected to be 4.5-5 million. And, as is becoming clear, the government's insane commitment to balance the budget by fiscal year 2006 implies further budget cuts of 10 billion euros for each of the coming years.

It comes as no surprise, therefore, that Germans feel betrayed by the government, and that deep discontent is spreading, reflected in the fact that the popularity of Chancellor Gerhard Schroeder's Social Democrats is dropping like a stone: A ZDF poll speaks of a 10% drop for the SPD since the Sept. 22 elections; an Allensbach Institute poll sees a drop of more than 6%; polls from Emnid Institute and Forsa Institute report a drop of 6.5%. The gains for the opposition Christian Democrats are about the same as the SPD's losses—not because the CDU is seen as more competent, but because the SPD is losing the electorate's confidence. Had the national elections been held on Nov. 17, the winner would have been Christian Democrat Edmund Stoiber, by a margin of several percent over Schroeder.

Reflecting this shift in public sentiment is an opinion column by former SPD chairman and former Finance Minister Oskar Lafontaine in today's *Bildzeitung*, the nation's leading mass tabloid: Lafontaine warned that the present government is putting the nation into the same kind of downward spiral that was characteristic of the 1930-32 drastic austerity regime under Heinrich Bruening, in the final days of the Weimar Republic. The only chance for Germany is a change of policy, forced upon the government by the Social Democratic Party base and the labor unions, Lafontaine wrote.

A well-connected European strategist commented in conversation Nov. 19, "Germany will have no choice but to move

toward an SPD/CDU-CSU Grand Coalition.... This current Red-Green government is not capable of running the show, it's that simple. So, within a year or less, there will have to be a grand coalition, and that new government will have to do whatever it entails, to bring some reason into this impossible situation."

According to this source, "The situation in Germany is very serious. All the assumptions of the past 40 years are being called into question, with Germany's ability to be the economic engine for Europe being doubted, and the psychological effect on the German population cannot be underestimated."

### **Mont Pelerinite Gloats: German Crisis Can Lead to 'Implosion' of EU**

*EIR Strategic Alert* spoke to a leading Mont Pelerin Society figure in Germany last week, who exclaimed that "the current policies of this government will lead to disaster for the German Republic. We may see a Parliamentary vote of no-confidence in the Schroeder government, maybe some kind of Grand Coalition. But the real disaster, will be for the European Union (EU) as a whole. I hope we will see the EU implode, as the Soviet Union did before." He added that Milton Friedman gave a speech three weeks ago, forecasting the implosion of the EU over the next decade or so.

This individual was very favorable to the draconian views of German political analyst Arnulf Baring, as published in *Frankfurter Allgemeine Zeitung* today (see below).

### **Anglo-American Asset in Germany Calls for Bruening-Style Rule by Emergency Decree**

In a commentary in the culture section of the Nov. 19 issue of Germany's *Frankfurter Allgemeine Zeitung*, Arnulf Baring, a 70-year-old political scientist and author in the transatlanticist/Mont Pelerinite camp, attacks the present German government for its anti-Bush polemics, and its friendliness towards the Russians, but even more for its failure to impose what he, Baring, believes is necessary today: a regime by emergency decree, of the kind that Chancellor Heinrich Bruening operated from the spring of 1930 to the summer of 1932, based on Emergency Article 48 of the Weimar Republic's Constitution.

He argues that, with Germany on the brink of financial default, of turning into a "DDR of the West," it lacks that kind of Article 48 which would enable it to impose "painful reforms bypassing the Parliament, based on presidential emergency decrees."

"No one would call for a democratic dictatorship, today," Baring assures us. "But what if the normal procedures do not work any longer? We have to probe seriously whether the Constitution of 1949, with its cautiously constructed division of power, is not preventing any energetic consolidation of Germany," he continues. "Not just the party system, also the Constitution finally needs a review, now."

Students of history know that it was in the period of the austerity regime overseen by Bruening (known as the "Hunger Chancellor") that Adolf Hitler's Nazi Party went from being a fringe party, to being the largest party in Germany. Six months after the fall of Bruening's government, of course, Hitler was being sworn in as Chancellor.

### **More Labor Strikes Coming in Several European Countries**

With the first of several announced one-week national strike actions of the British firemen having begun Nov. 22, French truckers have also warned of protests and road blockades, beginning with nationwide actions through this past weekend. The British Trades Union Congress (TUC) is backing the firemen in their struggle against the government.

In Italy, daily protests of Fiat auto workers culminated with a rally of 70,000 workers and supporters in Turin, Fiat's corporate headquarters. Earlier, Fiat workers had blocked the road to the Milan airport, and the Rome-Naples highway.

In Poland, miners have begun a new wave of protests, strike actions, and hunger strikes, in their struggle to save 28 coal mines which the government wants to shut down. In Katowice there took place the biggest mine workers' protest rally took place, with more than 10,000 taking to the streets.

## **Italian Court Sentences Andreotti to 24 Years for Murder**

In a development which stunned the Italian political world, an Italian appeals court last week reversed a 1999 acquittal, and sentenced former Italian Prime Minister Giulio Andreotti, now a Senator for Life, to 24 years in prison for complicity in the 1979 killing of a journalist.

Parliament members of many leanings described the decision as "scandalous," "shocking," or "incredible." Italian Premier Silvio Berlusconi condemned the ruling, and telephoned Andreotti to offer his solidarity, as did the leaders of both houses of Parliament. "The 24-year sentence imposed on Senator Andreotti is the ultimate stage of a judicial scheme, through which politicized sectors of the magistrature have tried to change the course of democratic politics and are trying to rewrite Italian history," said Berlusconi.

The witness against Andreotti was the now-deceased FBI informant Buscetta, convicted in the U.S. in the "Pizza Connection" case, and an admitted Mafioso.

This insane decision occurs after the Italian Chamber of Deputies voted up LaRouche's New Bretton Woods proposal with Andreotti's strong support, and immediately after the Pope addressed the Italian Parliament, calling on Italy to exercise more influence internationally on behalf of the fight for civilization.

In a process which might remind one of the developments surrounding Henry Kissinger's earlier inspiration of the assassination of Italian Prime Minister Aldo Moro in 1978, left- and right-wing parties and currents alike, are moving towards agreement with the call of Berlusconi's Economics Minister Giulio Tremonti, that Italy needs a Franklin Roosevelt-style "New Deal."

Andreotti is expected to appeal the court's decision.

## **Russia and Central Asia News Digest**

### **Bush and Putin Emphasize Bilateral Cooperation**

President George W. Bush flew to St. Petersburg, Russia Nov. 22, directly from the final session of the NATO summit in Prague. He was in Russia for a total of two and one-half hours, for a conversation with his Russian counterpart, Vladimir Putin. After their meeting, Bush and Putin held a brief photo opportunity and took several questions.

Putin emphasized the frank but friendly nature of the dialogue between the two leaders, telling the reporters, "We discussed practically everything between the sky and the earth," including the "problem" of NATO expansion, the war on terrorism and issues of "strategic stability."

Bush responded to Putin's opening by restating, "I consider Vladimir Putin one of my good friends." Bush announced he

had accepted an invitation from Putin to return to St. Petersburg in May.

Putin later said that "the interests of Russia and the United States coincide not only in many economic fields, but they are also identical in many strategic areas." Asked about the Iraq situation and the war on terror, Putin made two interesting observations: He reminded the press that 16 of the 19 terrorists who hijacked the planes on 9/11 were said to be Saudi citizens; and he noted that, while President Musharraf of Pakistan has been cooperating in the war on terror, there are credible reports that Osama bin Laden and other top al-Qaeda leaders are hiding in the Afghanistan-Pakistan border area, and there is worry that terrorists may get their hands on Weapons of Mass Destruction from Pakistan.

Putin also emphasized that the Iraq situation must be handled within the framework of the United Nations Security Council: "Diplomats," he said, "have turned out a very difficult, a very complex work, and we do believe that we have to stay within the framework of the work being carried out by the Security Council of the United Nations. And we do believe that, together with the United States, we can achieve a positive result."

### **President Putin Embarks on Diplomacy with 'Strategic Triangle'**

Russian President Vladimir Putin will visit China, then go directly to India, before the end of this year. The *Times of India* played up this news on Nov. 22, citing the Kremlin's announcement. Putin will first head to Beijing on Dec. 1, for a three-day visit on the invitation of his Chinese counterpart, Jiang Zemin. He will for the first time meet new Chinese Communist Party head Hu Jintao, who will most likely be elected President of China in March 2003.

Directly from Beijing, Putin will fly to India to meet with Prime Minister Atal Behari Vajpayee. He is to arrive in New Delhi late on Dec. 3, according to Indian statements. He will then hold a summit with Vajpayee Dec. 4. Then, on Dec. 5, Putin will meet with leaders of Indian industry, before departing for Moscow.

The plans for this "Triangle" diplomacy were made last June, according to the Kremlin. This was at the summit of 16 Eurasian nations at Almaty, Kazakhstan June 3-4, associated with the inaugural meeting of the Conference on Interaction and Confidence Building Measures in Asia (CICA). CICA, proposed by Kazakhstan's President Nursultan Nazarbayev in 1992, was to have first met in November 2001, but this was prevented by the launching of the U.S.-led war on terrorism in Afghanistan.

Now, according to the *Times of India*, New Delhi has requested of Putin that he stay for one more day, but he has declined this, saying that bilateral relations are "cloudless."

### **'Italian Breakthrough' Towards LaRouche's New Bretton Woods Covered in Russian Monthly**

The November 2002 issue of the Russian financial magazine *Valyutny Spekulyant* (Currency Dealer) carried a two-page report by Sergei Dyshlevsky, on the Italian Parliament's adoption of Resolution No. 6-00030 "On the Economic Crisis in Argentina." The article is headlined, "The Italian Breakthrough," and illustrated with a picture of the Spanish Steps in Rome and a portrait of Lyndon LaRouche, who is identified as the intellectual and political author of the conceptions put forward in the resolution.

*Valyutny Spekulyant* reports that the resolution called for creation of a "new financial architecture." This "new system of world financial relations, Italian parliamentarians call 'a New Bretton Woods'—the initiative for which belongs to the American economist Lyndon LaRouche."

Before summarizing the Italian resolution in detail, Dyshlevsky situates it within LaRouche's record of forecasting and

policy proposals: "Lyndon LaRouche has become widely known, thanks to two of his successful long-term forecasts. In the first of these, made in the late 1950s, he predicted the demise of the Bretton Woods system, which indeed was liquidated in 1971. The second was his forecast of a systemic crisis—a general collapse of the global economic system. And indeed, during the past decade world monetary and financial markets began to experience a continuous series of 'seismic shocks,' testifying to the onset of a global systemic crisis of the world economy.

"After the publication of an article about L. LaRouche and an interview with him [in VS No. 11 and 12, 2001], some readers expressed to VS their genuine skepticism about the possibility of introducing a new gold-reserve standard: this 'archaic system,' they said, was replaced with good reason and should not be restored. Nonetheless, resolutions calling for signing a New Bretton Woods agreement have been put forward and discussed during the past two years, in not only the Italian Parliament, but also the European Parliament."

In addition to details and excerpts from the Italian resolution, Dyshevsky reports Representative Giovanni Bianchi's words during debate of the resolution, about LaRouche's leadership in forecasting the crisis and developing the solution (see [www.larouchepub.com/other/2002/2938\\_ital\\_parl\\_report.html](http://www.larouchepub.com/other/2002/2938_ital_parl_report.html)). The VS article concludes with news of the Oct. 9-10 conference held at the Financial Academy of the Russian Government, where National Banking Council chairman Victor Gerashchenko endorsed the Italian resolution and called on the Russian State Duma to follow its example.

VS also provides the web address where a complete Russian translation of the Italian resolution is posted: [www.larouchepub.com/russian/nbw/020925\\_ital\\_parl.html](http://www.larouchepub.com/russian/nbw/020925_ital_parl.html).

### **Franco-Russian Talks Center on Iraq**

Concluding three days of talks in Paris, Russia Defense Minister Sergei Ivanov and Foreign Minister Igor Ivanov had a one-hour meeting with French President Jacques Chirac on Nov. 15. The Iraq issue, discussed at that meeting, also was on the agenda of the first official session of the newly created Franco-Russian Council for Strategic Consultations, which met on the level of the Defense and Foreign Ministries, also in Paris and also Nov. 15.

Chirac's spokeswoman Catherine Colonna said after the meeting that both sides categorically made clear that they wish an undelayed and efficient inspection mission in Iraq, to be able to deliver the expected report on Iraq's armaments to the United Nations Security Council in February next year.

### **Ivashov Speaks on Geopolitics of Russia-Europe Relations**

In a review of the NATO expansion decision at the Prague summit, the former head of the international department of the Russian Defense Ministry, Gen. Col. Leonid Ivashov, wrote in the Nov. 23 issue of *Junge Welt* that the future of the expanded NATO is not clear. "It is difficult to forecast which direction political developments in Europe will take, if the geopolitical situation there changes. It is not at all a secret that the world community is going through a systemic crisis today," Ivashov observed.

If one of the prime objectives of the U.S. war drive is to gain full control of the Mideastern oil, he said, which implies a desire to make Europe energy-dependent and gain access to Russian oil, then Russia must also watch out, because its oil resources are very attractive. Russian diplomacy should be wise and balanced, and follow economic interests, which converge with those of Europe: "Today, a unique opportunity is offered to use economic leverage for the solution of Russia's problems abroad. Thus, Europe's dependency on Russian crude oil and natural gas is increasing. But this does not only concern energy carriers. Under conditions of a deepening world economic recession and the ensuing stagnation, Russia is turning into an attractive sphere for capital investments for the Western countries, into a giant market for Western goods. In dealing with controversial aspects of the NATO expansion, Russia's diplomacy should not only use political, but



also economic leverage more decisively."

## **MIDEAST NEWS DIGEST**

### ***Al-Ahram Daily Highlights Helga Zepp LaRouche's Campaign***

Egypt's semi-official *Al-Ahram Daily* published a significant article on Nov. 18 about the campaign by German Civil Rights Movement Solidarity ("BueSo") leader Helga Zepp LaRouche's to offer an alternative to the current collapsing financial system (see [EUROPE DIGEST](#) this week).

### **Regime Change? U.S.-Backed Iraqi Coup Plotter Arrested for War Crimes**

Regime changers are having problems these days finding sponsors for their plotting. This is the conclusion to be drawn from the news that: a) a leading U.S.-backed Iraqi opposition figure, Gen. Nizar Khazraji, slated to replace Saddam Hussein in a new government, was placed under house arrest in Denmark on charges of war crimes, violating the Geneva convention, and human rights violations; and b) a conference of Iraqi opposition figures scheduled for Nov. 22 in Brussels, has been cancelled, due to "organizational problems." In addition to difficulties created by raging disputes among the opposition factions, the Belgian authorities, who share the German position opposing any war against Iraq, decided not to grant visas to the participants.

This conference, with 200 Iraqis, was to plan out future political arrangements. According to a spokesman for Belgian Foreign Minister Louis Michel, the government decided to cancel the conference because it believed that, since the United Nations inspections teams are going into Iraq, in a process which could prevent a war, it would be intolerable to have a gathering in Brussels of people committed to toppling the Iraqi government.

Representatives of six Iraqi exile groups were to meet British Foreign Office officials Nov. 20, to get an okay for the conference to be held instead in London in mid-December. The British government might let the conference take place, but it would not get involved in funding or organizing any such meeting, a Foreign Office official stressed to *Reuters*. The thinking, according to a diplomatic source, was that it made no sense for Britain to sponsor an opposition conference while the international community was seeking a peaceful resolution with Saddam.

### **U.S. Should Help UN Achieve Inspections by Providing Intelligence**

Scott Ritter, the weapons inspection expert who served seven years as a chief weapons inspector for UNSCOM and has become an active political opponent of any U.S. war against Iraq, told *EIW* that he "hopes that the U.S. will turn over to the UN inspectors" the information that the U.S. has on alleged Iraq weapons of mass destruction. Ritter, who is a strong backer of weapons inspections, said that if the U.S. has intelligence about Iraq, "it's legitimate" for the U.S., or any other country, to have it.

But at the same time, Ritter said, the UN has requested that all member countries help the inspections by turning over the intelligence they have, and the U.S. should therefore do that. "We'll find out whether or not the information is legitimate by whether [the Administration] turns it over to the weapons inspection team," he added.

On Nov. 21, the *Washington Post* reported that disputes by the pro-war faction in the U.S. with Iraq's "declaration" on its Weapons of Mass Destruction, due to be submitted to the UN on Dec. 8, "appeared likely to become the next tripwire for U.S. consideration of military action." While acknowledging that Hans Blix, head of the UN inspection team, has requested help from member countries, the *Post* said that "the U.S. has its own information on the Iraqi programs." *EIR* has been

monitoring the activities of a special rogue intelligence unit set up in the Pentagon under Israeli Jabotinskyite agent and Assistant Secretary of Defense Doug Feith, a unit that is tasked with developing a "case book" on Iraqi links to terrorism and WMD. Feith hails from the network of neo-conservative thinktanks that house the notorious "chickenhawk" warmongers, who are telling rightwing reporters that President Bush should "refuse" to accept Iraq's declaration of weapons programs, and go for a "short, fast war," before inspectors start their mission.

## **Chickenhawks Out To Sabotage UN Weapons Inspectors**

On Nov. 19, for the first time in nearly four years, the UN weapons inspection team (UNMOVIC), and the International Atomic Energy Agency (IAEA), arrived "on the ground" in Iraq, and conducted talks to begin the inspections. Iraqi President Saddam Hussein agreed on Nov. 13 to admit weapons inspectors under UN Resolution 1441, which was unanimously adopted by the Security Council on Nov. 8. UNMOVIC chairman Hans Blix told reporters, "Now there is a new opportunity [that] we hope ... will be well utilized, so that we can get out of the sanctions, and in the long term have a zone free of Weapons of Mass Destruction in the Middle East." Blix said full inspections can begin on Nov. 26.

The same day, before leaving for a NATO summit in Prague, President Bush, while still threatening possible war, told Czech reporters, "I hope we don't have to go to war with Iraq," that Saddam will "disarm ... for the sake of peace."

The Iraq war that the Washington war party had planned to have take place *before* the Nov. 5 elections, was put off by diplomacy at the UN, but war party influentials such as the Defense Department's Paul Wolfowitz, Doug Feith, and Richard Perle, are foaming to get back on track towards unilateral war, and have mapped out a number of ways to sabotage the work of the UN. For these neo-conservatives, the issue is not only Iraq, but the very doctrine of "preventive war," against any and all Islamic and Arab states, including Saudi Arabia and Egypt, in a "Clash of Civilizations."

Included in their bag of sabotage tricks:

- \* Accelerating U.S./British bombings of Iraqi air defenses and radar in the illegal "no fly zones" of North and South Iraq, even *after* the weapons inspectors were accepted. Lyndon LaRouche has compared this to the U-2 spy plane incident, set up by then-CIA director Allen Dulles to sabotage the Eisenhower/Khrushchev summit in 1960.

- \* Adoption of Israeli-style murder of suspected terrorists in foreign countries, especially those with Muslim populations. Wolfowitz announced this "preventive assassination" policy with the Nov. 3 killing of six men in Yemen, including an American citizen, and threatened that the U.S. will carry out these killings "anywhere" necessary. This policy would serve—and is intended—to further spread radicalization among Muslims.

- \* The continuing danger of a "Reichstag fire" type of incident to be blamed on Islam, or Saddam Hussein. This type of staged terrorism is a specialty of the Likud-nuts around Israel's Ariel Sharon, Benjamin Netanyahu, and Rafi Eytan.

## **Perle's War Talk 'Like a Monk Talking About Sex'**

Represented by high-priced PR agent Eleana Benador, an Islam-hating operative from the Middle East Forum, Richard Perle has been getting a massive amount of press, including interviews in Europe and profiles in major U.S. magazines like *U.S. News and World Report*.

Perle's main job is to try to recover the momentum for an immediate war against Iraq—which was lost when George W. Bush was persuaded by massive pressure, and some reasonable advice from Colin Powell, to go through the United Nations. Perle considers this decision a major failure, and is hyping the story that an invasion of Iraq will be "a cakewalk,"



as one of his Defense Policy Board cronies called it.

But the top military leaders are not buying the hype from Perle (who has never been in a war, or even in the military). "Many times, those who have experienced war look at it as a last resort, and those who haven't, see it as a first resort," says retired Marine Corps Gen. Anthony Zinni, commenting on Richard Perle and his ilk. "Those who didn't show up for Vietnam and are now hawks—that's the worst." A Pentagon general agrees: "Guys like that talking about combat is like a monk talking about sex. It's interesting and titillating, but have they ever been there? No." The comments appear in *USN&WR* Nov. 25.

### **Sharon's Assassinations Sabotage Palestinian Talks**

Leaders of Palestinian Authority President Yasser Arafat's Fatah faction of the Palestine Liberation Organization (PLO) and Hamas completed talks in Cairo, Egypt from Nov. 9-13, as part of an ongoing multinational effort to establish unity among the various Palestinian factions, and end suicide terrorism. This is part of an Arab-European effort to get back to peace negotiations. But Israeli Prime Minister Ariel Sharon scorns the talks, and has done everything possible—through his policy of assassination and widespread military campaigns that target entire Palestinian cities—to sabotage any movement that could lead to reopening peace negotiations. Earlier PA agreements with Hamas ended after a series of brutal IDF "preventive assassinations." Like "clockwork," the IDF carried out a brutal assassination of an Islami Jihad leader on Nov. 9, the day the talks began.

The Fatah delegation was headed by Zakaria Aggh, the movement's leader in the Gaza Strip; Fatah officials Tayeb Abdel Rahim and Sakher Habash; and Palestinian Energy Minister Abdel Rahman Hamad. Also present was Arafat's economic adviser Mohammed Rashid. Hamas was represented by Moussa Abu Marzouk and Osama Hamden. These were the first talks since 1996, when the PLO engaged Hamas in an effort to convince them to join the Palestinian Authority.

Although an agreement ending suicide attacks in Israel was apparently not reached, Hamas and Fatah decided to form a joint committee within the Palestinian Authority, and continue talks on cooperation. A statement called for joint activity, to strengthen and buttress Palestinian national unity. Also included was a call to resume talks among all Palestinian factions "in order to reach a diplomatic ... common denominator for the Palestinian nation," since "diplomatic opposition to end the occupation is the legitimate right of the Palestinian nation and it serves Palestinian national interest."

Even this agreement is unprecedented in Fatah-Hamas relations. If strong cooperation can be established on the political level, then attacks by the armed groups such as the Fatah-linked Al Aqsa Brigades and the Hamas armed wing, Islamic Jihad, could be curbed.

These talks are very much related to the peace initiative begun in March by Saudi Arabia's Crown Prince Abdullah, for settling the Arab-Israeli conflict, and subsequent developments by the Arab League to neutralize the danger of a U.S.-led attack on Iraq, which would inflame the entire region. Egypt, which has the best relations with Arafat, and Saudi Arabia, which supports Hamas, are playing the leading role as mediators. But Syria was also involved, since Hamas' Political Bureau is based in its capital, Damascus. Egyptian sources noted the talks would not have been possible without Syria's help.

The European Union has also played a very important role, with an ongoing six-month effort led by EU's Middle East security specialist Alistair Crooke.

### **Palestinian State Emerges as Front-Burner Issue**

On Nov. 21, two days after the Labor Party victory in Israel of retired General Amran Mitzna, reviving the peace policy of slain Israeli Prime Minister Yitzak Rabin, there has been a somewhat sudden re-emergence of discussions of a Palestinian state, and pressure on the ultra-rightist Israeli government to go back to peace talks.

Most interesting was the appearance of a widely circulating op ed in the Nov. 21 *Washington Post* by Brent Scowcroft, titular head of President Bush's President's Foreign Intelligence Advisory Board (which is inactive). Scowcroft, who served as National Security Adviser to two Republican Presidents (George Bush the elder, and Gerald Ford,) tells George W. Bush that he should expend the same amount of energy on reaching a diplomatic victory on the Israeli-Palestinian peace agreement, as he expended to reach the "victory" of the UN Security Council diplomatic decision on Iraq.

Scowcroft says that those who want to stop peace talks because it might "endanger" the Israeli elections are *wrong*. The Israeli Labor candidate has put peace on the table, writes Scowcroft, and "clarity" from the U.S. would give a better perspective to the Israeli voters in their elections, and to Palestinian voters, if they have elections soon. Bush should stop demanding "preconditions" of "reform" and "stopping terrorism," but go ahead with the talks now, because otherwise "those on both sides who oppose peace" will have veto power, and nothing can be done.

The same day, at a press conference following a side meeting at the NATO summit in Prague, President Bush and British Prime Minister Blair both condemned the Nov. 21 suicide bombing in Jerusalem by Palestinian terrorists. And both also reiterated that the U.S. and British goal for Israel/Palestine is have two independent states living side by side in peace. Bush said he'll continue to work with "those who share that vision."

These statements reiterating the priority of a Palestinian state are very significant, considering that Israeli Foreign Minister Benjamin Netanyahu is trying to defeat his rival, Prime Minister Ariel Sharon, in the Likud Party, by promising the Israeli people that he will never allow a Palestinian state. Netanyahu is very close to America's neo-conservatives, Congress, and to the Christian Zionists, who have threatened Bush that he should *not* support a Palestinian state; but it appears that Bibi will not be backed by the Americans.

## Asia News Digest

### President Putin's Remarkable Diplomacy in the 'Strategic Triangle'

See this week's [RUSSIA DIGEST](#) for developments relating to cooperation in the Russia-China-India "Strategic Triangle."

### Vajpayee Visit to China a Major Topic in India-China Talks

The visit of Indian Prime Minister Vajpayee to China is a leading topic at the current India-China talks in New Delhi, where Chinese Vice Foreign Minister Wang Yi is attending the 14th meeting of the Joint Working Group (JWG) on the India-China boundary issue. Wang is meeting his Indian counterpart Foreign Secretary Kanwal Sibal. According to the Indian press, it is also "widely expected" that the situation in Iraq and terrorism will also be discussed.

In Beijing Nov. 21, Chinese Foreign Ministry spokesman Kong Quan said that the visit of Vajpayee to China, would be a "positive step" to promote the "smooth" development of bilateral ties. It is likely Vajpayee will visit China early next year.

"We believe that the exchange of visits between the two countries is of great importance, promoting the bilateral ties," Kong Quan said at a press briefing. Kong Quan said that Vajpayee had "happily" accepted the invitation from Chinese Premier Zhu Rongji, to visit China "at his convenience"; the invitation was extended when Zhu Rongji was in India in January. The "specific schedule is still under discussion," Kong said.

## **India-China Boundary Talks Are Progressing**

The India-China talks that began Nov. 21 in New Delhi concern the two sides working on moves towards demarcation of a 4,000-km Line of Actual Control. Disputes remain over the "Western Sector" above Jammu and Kashmir, for which area maps are still to be exchanged.

Chinese Vice Foreign Minister Wang Yi told Indian television from Beijing, that he is optimistic about the talks.

After the discussions on Nov. 21, Indian Foreign Secretary Kanwal Sibal said that the two sides "have reached a reasonable understanding on how to deal with this matter and on how to move forward. Both sides felt that hurdles should be overcome in the complicated exercise of delineating the Line of Actual Control."

Indian Foreign Minister Yashwant Sinha said "the talks were positive and satisfactory." Other officials added that "both sides [are] keen to sort out differences relating to the western sector of their border."

## **Transform Himalayas From Barrier to 'Passage Between Two Great Civilizations'**

"The time is now" for India and China to "declare their national commitment to transform the Himalayas from the political barrier they are today into a passage between the two great civilizations," wrote leading Indian commentator C. Raja Mohan in *The Hindu* Nov. 21.

This must be the leading issue of the planned visit of Indian Prime Minister Vajpayee to China, says Mohan. "To avoid it from becoming an empty slogan," he wrote, "the two leaders must give decisive instructions to their bureaucracies to sort out in quick time the many difficulties that stand in the way of making the Himalayas a bridge between the two large markets."

Vajpayee's visit will be the first by an Indian Prime Minister to China since that of P.V. Narasimha Rao in September 1993. Before that, it was Rajiv Gandhi in December 1988 who visited, to normalize relations with China.

Mohan called for "annual visits by the top leaders" of both countries, and said that this must "be one of the decisions from Mr. Vajpayee's visit."

Since there are many problems between the two sides, Mohan wrote, it is important to have "one big idea" which "could drive bilateral relations forward in the coming years." That would be making the Himalayas "a passage between the two great civilizations."

The Himalayas are now the locus of many of the long-term disputes between China and India, but these geopolitical ideas are "inherited from the imperial age.... The time is now for India and China to begin the transformation of the geopolitics of the Himalayan region from confrontation to cooperation." This would include "reopening of the historic silk road that runs between Sikkim and Tibet."

## **The 'Eastern Silk Road on Water'**

The "Eastern Silk Road on Water" is being developed among China, Russia, and Japan, which are cooperating to develop a shipping route to directly connect Northeast China's Heilongjiang Province to northern areas of Japan.

The shipping route will begin at the Songhuajiang and Heilongjiang Rivers in China, go through the Tatar Strait in Russia, and then to Japan.

The three countries said they attach great importance to the construction of this international trade passage and will fund infrastructure and transportation services, China's official news service *Xinhua* reported Nov. 21. Compared with the current water route via Dalian, this new "Eastern Silk Road on Water" will cut distance by one-third, travel time by half, and costs by 20%.

The agreement had been signed in 1992, but is only now being realized.

### **Thailand Proposes To Fund Major Dam in Myanmar; Asks Chinese To Join**

Thailand has proposed a major dam project in Myanmar with Chinese help, without any private investment. The proposed \$5.5-billion hydroelectric scheme for Myanmar's Salween River would provide energy for Thailand's Electricity Generating Authority of Thailand (EGAT), and save EGAT \$1.5 billion over 15 years.

China has been asked to participate, but has not yet agreed. But Thailand is willing to pay the entire cost for the 5,000-MW power plant, and has made clear that it will be purely a government project, without private investments. EGAT Governor Sithiporn Ratanopas will visit Myanmar's capital Yangon, this week to discuss the plan.

### **South Korean President Hits Sanctions as Leading to War**

South Korean President Kim Dae-jung told press and unification experts that economic sanctions would not force North Korea to give up its nuclear program, but would force the North to restart the process creating plutonium to build nuclear bombs, and "lead to another war on the Korean peninsula," the *Korea Times* reported Nov. 19. The prominent lead article was entitled "Sanctions on NK Will Not Help, President Says."

"In another scenario, the North Korean economy could simply collapse, not being able to bear the impact of economic sanctions," President Kim said. "This would trigger an exodus of millions of North Koreans to South Korea. Economic sanctions are not a cure-all.

"We are offering the North a way out of its current crisis in return for a promise to abandon its nuclear program," he said. Regarding President Bush's Nov. 15 statement promising the North "a different future," Kim said it was made in response to Pyongyang's demand for a bilateral non-aggression treaty.

"I closely coordinate with President Bush and Japan—but we are responsible for our own fate. We will say whatever we feel is necessary," Kim said, implying that South Korea will continue to work closely with its allies but maintain its stand on the resolution of the looming nuclear crisis. Kim urged the North to respond quickly, saying, "Time is running out."

As reported in last week's *EIW INDEPTH*, the decision by the U.S. and European nations to cut off energy shipments is creating a crisis. North Korea may experience severe energy shortages if the heavy oil shipments from the Korean Peninsula Energy Development Organization (KEDO) are stopped, experts on North Korea told *Yonhap News* Nov. 18.

The suspension of fuel oil will hit the energy supply in the North hard as the country relies on thermoelectric power plants during wintertime. Hydroelectric-power generation accounts for 60% of the North's total electric power production, but normal operations of such power plants will become impossible from the end of October when temperatures drop below

freezing, the experts said.

The experts pointed out that the freeze lasts until March before a period of drought ensues, reducing the effectiveness of hydroelectric power plants. They estimated the North's electric power production will decrease to 2 million kilowatts from 7.39 million kw due to outdated facilities mostly built between 1910-40, and to a lack of parts.

## **Indonesia Works To Settle Conflict Over Aceh Separatism**

Southeast Asia's longest running separatist struggle—the Free Aceh Movement (Gerakan Aceh Merdeka/GAM) in North Sumatra, is preparing for peace. If all goes well, a treaty may be signed on Dec. 9 by Indonesia and leaders of the movement, ending a 26-year-old secessionist struggle. This would end not only the longest still-running regional conflict, but the last major separatist conflict within Indonesia. Similar conflicts in the Malukus and in Papua have taken turns toward accommodation with Jakarta.

Discussions between the GAM government-in-exile in Sweden, and Jakarta have been assisted by the Swiss-based Henry Dunant Centre for Humanitarian Dialogue, in which U.S. Gen. (ret) Anthony Zinni played an important role as mediator.

Aceh, an independent sultanate before the Dutch invasion in 1870, was the first province to support Indonesian independence in 1945, but attempted to secede in 1976, not unrelated to the discovery of major oil and gas resources. At least 12,000 people, mostly civilians, have died in the struggle, including 2,000 in 2002.

## **U.S. Trade Rep Wants Singapore To Drop Sovereign Rights**

Although the press is reporting that the long-stalled U.S.-Singapore Free Trade Agreement is about ready, the last significant block is most revealing. In wire reports, Nov. 19, Tommy Koh, Singapore's chief negotiator, described that last issue as a major matter. "If there is no agreement," he said, "it's a deal breaker."

The issue is Singapore's right to impose capital movement restrictions in times of financial or economic crisis. Under IMF and WTO provisions, member nations can fix the exchange rate or curb capital flows in an emergency situation to stanch a financial crisis. But, "the U.S. would like us to modify our commitment," said Singapore Trade Minister George Yeo. "We are not comfortable. We are still having discussions ... we should be able to resolve this in good time."

U.S. Trade Rep Robert Zoellick, a leading cohort of the Cheney/Wolfowitz cabal, tried to pressure Singapore by going public with the deal, even though there is a major issue unresolved. "I am delighted to announce that Singapore and the U.S. have completed the substance of a free-trade agreement except for one issue," he told a news conference in Singapore.

Zoellick, apparently trying to bum's-rush Singapore into accepting this demand, said he expects a draft legal text of the FTA to be completed in a matter of weeks, and definitely by year's end. "I am hopeful that we would have final action during 2003 and it would come into effect in 2004," he said.

## **Christian Fundie Extremists Threaten Global Security, Says Malaysian Foreign Minister**

Malaysian Foreign Minister Syed Hamid Albar Said President Bush should put anti-Islam televangelists Jerry Falwell and Pat Robertson in jail for anti-Islam extremism, the same way that the U.S. is demanding other governments around the world act against Islamic extremists.

"These anti-Islam extremists pose as much threat to global security as any terrorist group, because their lies about Islam



could fan more hatred, which could spark more violence and atrocities against the innocent. The U.S. government should, in fact, put them in prison, the same way it is demanding all of us act against extremist elements which oppose its interests around the world," reported the *New Straits Times* on Nov. 16.

He was asked to comment on a statement by U.S. President George W. Bush which sternly repudiated the recent anti-Islam rhetoric of some U.S. Christian figures. "It is not enough to just verbally oppose these people. A definitive action must be taken against them if we want to avoid a Clash of Civilizations between Islam and the West," said Syed Hamid.

Jerry Falwell has described Prophet Mohammad as a terrorist, and Pat Robertson said Muslims were a bigger threat to Jews than the Nazis. "Personally, I don't think they really understand the consequences of the indignities inflicted on the Muslims, nor care about how we feel about being labelled terrorists after the Sept. 11 tragedy," said Syed Hamid. "They should remember that Muslims, despite not having all those sophisticated weapons, make up one-third of the world population."

Syed Hamid also expressed his "extreme disappointment" with the remark by Russian President Vladimir Putin in Brussels regarding circumcision, with malice for Islamic radicals. "Leaders like Putin should bear in mind that those who are oppressed will most likely spring back to defend themselves," he said.

## **AFRICA NEWS DIGEST**

### **Kansteiner Sings Praises of Peace in Sudan; Punts on U.S. Oil Policy for Africa**

Speaking Nov. 22 at the Heritage Foundation in Washington, a center for neoconservatism and the "Clash of Civilizations" drive for war with Iraq, Walter Kansteiner, Assistant Secretary of State for African Affairs, reported on the "very good news" towards bringing peace to Sudan, and said he was cautiously optimistic and hopeful. He credited this accomplishment to the commitment by the Bush Administration, lucky timing, and leadership provided by Kenya. The next step would come in January, he said, when the government of Sudan and John Garang's rebel SPLA meet to discuss proposals for power sharing.

Kansteiner would not answer directly when he was asked by *EIR's* reporter if the U.S. commitment to settling the war in the Sudan were part of the Bush Administration's strategic orientation to Africa based on its large oil reserves. He simply said that the U.S. imports 15% of its oil from Africa, that that could go up to 20% in five to seven years, and Americans would like that. Africa's oil export depends on the markets and its geological gift from God, he said.

Disagreeing with the *EIR* reporter, Kansteiner said that the Sudanese Peace Act passed by Congress was a positive factor in helping bring the Sudanese government to the peace table, because it showed them there were "consequences" to failing to respond. In answer to another question, Kansteiner said the Administration was pleased with Sudan's help in the war against terrorism.

Kansteiner, in appearances at the West Africa Oil and Gas Forum in Houston on Nov. 19 (see below) and at Heritage, is playing down the strategy put forth at a Washington symposium of the Likud-Sharon-linked Institute of Advanced Strategic and Political Studies (IASPS) in January for the U.S. to militarily control the Gulf of Guinea to suck oil from Africa's west coast. Whether this is just public relations by Kansteiner, or represents a change in policy, is unclear.

However, as reported in previous issues of *EIW*, Kansteiner has been linked to the plans of the pro-Likud Washington-Jerusalem IASPS think tank to cultivate an Africa oil grab in the event of a blowup of the Middle East in a "Clash of Civilizations" war.



## **Kansteiner Denies Military Plans for Gulf of Guinea**

At the Houston conference, "West Africa Oil & Gas Forum," Kansteiner was again "preemptive" in underplaying plans for West African oil, and a military presence in the Gulf of Guinea, which has been reported in African wire stories and newspapers. "The U.S. has no battle plan for the Gulf of Guinea," said Kansteiner, the Bush Administration's man in Africa.

In response to a query from a former U.S. ambassador as to whether West African oil and gas were of "strategic importance to the U.S.," Kansteiner refused to clarify matters when it was pointed out that he had avoided using the term in his remarks. On the sidelines, a Corporate Council on Africa representative confirmed that U.S. government policy on Africa is "evolving," and the Bush Administration has not reached a consensus following the Nov. 5 elections; it depends on the war against Iraq. Rumors have been widespread that the U.S. is planning to set up a military base in the Gulf of Guinea.

John Brodman, Acting Deputy Assistant Secretary for International Energy Policy, U.S. Department of Energy, also poured some cold water on the forum, citing what he termed, "the geological facts of life": most of the proven oil and gas reserves are in the Middle East, and he linked the significance of African oil to the regional stability of the Middle East, implying that there may be major changes in Middle East oil supplies.

Kansteiner, like other speakers, emphasized that it is "market-driven" decisions that will determine investments in West Africa, not decisions made by the Administration. Transparency, corruption, and good governance were all hammered on, as issues that effect "the investment climate."

American International Group, an insurance giant, and Kroll Associates, the top-level Anglo-American private intelligence group, were there to make clear the "risk management" dimension. The West Africa Oil and Gas Forum can be seen as a follow-on to the U.S.-Russia energy summit, held in Houston seven weeks ago, with related issues involved. Surprisingly, only 165 people participated in the conference, and U.S. corporate representation was on the level of corporate vice presidents and "hands-on" specialists. Mining and Energy Ministers from West African nations attended, some 30 representatives of African nations in all. Three African ambassadors attended. But it wasn't until the end of the plenary session, initiated by an ExxonMobil vice president, that the guest Ambassadors were recognized.

## **Eritrean War on Sudan Feared, as U.S. Plans Eritrean Military Base**

There is a danger of war between Sudan and Eritrea, warned Sudan's Ambassador to Ethiopia, Osman El-Sayed, in an interview with the Ethiopian weekly *The Reporter*, published Nov. 13. Tensions between the two countries have been high since Sudan accused Eritrea of supporting attacks by Sudanese NDA rebels in early October. Ambassador El-Sayed, who called Eritrean President Issaias Afwerki "unpredictable," said, "We have information that he has already started making trenches in areas bordering Sudan," and that Sudan had reported the alleged aggression to the UN Security Council and other bodies.

Khartoum has decided to treat the Eritrean National Alliance (ENA), an opposition umbrella group, as a possible future government of Eritrea, said *ArabicNews.com* Nov. 4-6. Presidential adviser Qutbi al-Mahdi told the Sudanese daily *al-Hurriyah* Nov. 4 that Sudan would provide political, but not military support to the ENA.

These tensions came to the fore as reports emerged that the U.S. may build a major base at Assab, Eritrea, which could become the command center for the joint U.S. task force for the Horn of Africa. The U.S.S. Mount Whitney will be arriving within a month in the Gulf, and will serve as a floating headquarters, until headquarters can be moved ashore. Djibouti, to the east of Eritrea, is now the site of 1,500 Marines and others, as well as 2,850 French troops, but Djibouti says its territory

may not be used for any attack on Yemen.

That special treatment from the U.S. is planned for Eritrea, is reflected in *Associated Press's* report that questions about Eritrean President Afwerki's human rights abuses and Eritrea's war with Ethiopia, are overridden by the needs of the U.S. in the war on terrorism.

### **Arab League to Eritrea: Do Not Interfere in Sudan**

On Nov. 10, all 22 Arab League Foreign Ministers signed a resolution, which called on Eritrea to "respect the sovereignty and security of Sudanese territory and regional security." But two days later, Nov. 12, the Eritrean Foreign Ministry said that the resolution was "unnecessary." Eritrea has often denied backing Sudanese rebels, one of the concerns that led to the resolution.

Sudanese Foreign Minister Ismail on Nov. 11 declined Egypt's offer to mediate between Khartoum and Asmara, but Egypt appears not to be taking "no" for an answer. Egyptian Foreign Minister Ahmad Maher, about Nov. 12, met with al-Sadeq al-Mahdi, leader of Sudan's Umma Party, and Eritrean President Issaias Afwerki arrived in Cairo Nov. 12 for talks with Egyptian President Hosni Mubarak.

According to *ArabicNews.com* Nov. 16, Afwerki dismissed reports that Eritrea had offered the U.S. port facilities at Massawa for use in moving troops into Iraq; denied there were U.S. pressures on Eritrea not to join the Arab League; and dismissed reports of a growing Israeli presence in Eritrea as "malicious rumors."

### **Ethiopia Appears To Decline Using Eritrean Ports for Food Delivery**

Ethiopia appears to be declining the Eritrean offer to open its ports to get food aid into landlocked Ethiopia. The offer was made by the Eritrean government Nov. 14, which will allow its ports, Assab and Massawa, to be used to transport food aid inland to the millions starving in Ethiopia. The border between Eritrea and Ethiopia has been closed since the 1998-2000 war between them began.

Ethiopian Minister of State for Information Netsanet Asfaw, speaking in Addis Ababa, said her country had adequate port facilities in neighboring countries.

UN officials have said that getting food to Ethiopia without using Assab and Massawa is a logistical nightmare. In the last major famine before the war, more than 80% of aid to Ethiopia passed through Eritrean ports.

Fourteen million people now face a catastrophic famine in Ethiopia, Eritrea, and Somalia—as many as are threatened in southern Africa (see *EIR* Nov. 15).

### **British Sabotage Zimbabwean Land Reform**

The Zimbabwean banks' refusal to lend money to many farmers, possibly intensifying severe food shortages, is based, in large part, on the resettled farmers not having title deeds, which could serve as security for the loans. The government has told the evicted owners to hand over their titles, but the owners say they will do so when they have been compensated. The key bottleneck is that the British government refuses to honor its 1979 agreement to compensate white landowners.

Banks in Zimbabwe are therefore only lending to white commercial farmers who haven't received eviction notices. The restriction is contributing to national economic collapse, since about 54,000 black Zimbabweans have applied to be settled

under the A2 commercial farming scheme. Many of these have already received land.

In an attempt to get around this deadlock, 15 banks led by Syfrets Corporate and Merchant Bank (Sybank), in a scheme worked out with the Reserve Bank and the Ministry of Finance, will issue Z\$60 billion (U.S. \$4 million) in short-term Agrobills and long-term Agribonds November 26. It is hoped that pension funds, insurance companies, banks and individuals will buy the bonds. But they may not. The *Financial Gazette* of Harare wrote Nov. 14, "One of the major problems could be the interest. The agri-bond is attracting about 24.47% interest and investors are tired of the low returns on the money market and might not feel inclined to support the bond."

Meanwhile, even if the bond issue were successful, it is coming after the rains have already begun—time is of the essence. According to the *Gazette*, Sybank "says it has negotiated bridging finance to enable financial institutions to process applications and make loans under the facility from Nov. 12, 'in view of the farmers' urgent need for finance now that the agricultural season has commenced.' "

There is then the problem of the time-taking bureaucratic processing of the applications. And even if the farmers get the money, that doesn't guarantee that they will be able to turn it into inputs and equipment under current conditions. The *Gazette* noted, "Many growers are still unable to secure tillage services because the government-controlled District Development Fund (DDF) does not have the capacity.... Only 50% of the DDF's tractor fleet is said to be operational, while private contractors are demanding large sums of money.... Farmers are also finding it difficult to buy fertilizer because manufacturers say they are unable to secure foreign currency to import raw materials, especially nitrogen."

In addition to the A2 commercial farming scheme for black farmers, another 300,000 black farmers have been allocated land under the A1 "villagized" scheme, according to the *Daily News* of Harare Oct. 22. The figures for both schemes contradict the impression conveyed by propaganda articles in major Western media, such as the *Washington Post*, that only Mugabe's cronies have received land. The *Daily News* is not a government-controlled newspaper.

## **Zambia Rejects Genetically Modified Maize**

The Zambian government announced Oct. 29 that it has made a "final" decision not to allow the distribution of genetically modified (GM) maize in the country, even if it is milled, and is asking for relief organizations to provide non-GM food. Some African countries have agreed to allow milled GM maize to be distributed, while maintaining the ban on the distribution of whole-kernel GM maize, which could be used for future crop production. Zambia is refusing to do this.

Zambia had sent researchers to South Africa, Belgium, the U.K., and the United States to study whether GM maize is safe. The final report of this study says that the safety of GM maize is not conclusive. Three million people are suffering from famine in Zambia, and the World Food Program says it will be hard to find enough non-GM food for the country.

In mid-October, the European Union, which had previously banned GM foods, adopted strict rules for the approval of GM foods, so that their development and sale could be allowed. Meanwhile, Saqwibo Sikota, leader of the Zambian UPND opposition party, told *BBC* that there is no scientific evidence that GM food poses a health risk.

## **This Week in History**

### **November 25 - December 1**

While it is traditional in discussions of the Thanksgiving Day holiday, to celebrate the abundance of the harvest, that

approach eliminates the crucial political and historical elements of this event. For, beginning in 1777, when the U.S. Continental Congress declared the first national day of Thanksgiving, the occasion was always intimately linked with the accomplishment of vital national objectives, which the nation's political leadership, now always the President, considered to be an advancement for the solemn, principled purposes of the founding of the United States of America, and for which they thanked the bounty of the Creator.

In this presentation, there is no intent to denigrate the First Thanksgiving, which, given the purpose of the migration to the American continent, also had its political aspects. But, we concentrate here on the national declaration of Days of Thanksgiving in 1777, 1789, and 1863.

The 1777 Proclamation came approximately two weeks after the surrender of British Maj. Gen. John Burgoyne at Saratoga, a turning point in the War of Independence, significant enough to play a major role in convincing France to officially pledge its support to the American colonies. This proclamation read:

"Forasmuch as it is the indispensable duty of all men to adore the superintending providence of Almighty God; to acknowledge with gratitude their obligation to Him for benefits received, and to implore such further Blessings as they stand in need of; and it having pleased Him in His abundant mercy not only to continue to us the innumerable bounties of His common providence, but also smile upon us in the prosecution of a just and necessary war, for the defence and establishment of our unalienable rights and liberties; particularly in that He hath been pleased in so great a measure to prosper the means used for the support of our troops and to crown our arms with most signal success; it is therefore recommended to the legislative or executive powers of these United States, to set apart Thursday, the 18th day of December next, for Solemn Thanksgiving and praise; that with one heart and one voice the good people may express the grateful feelings of their hearts, and consecrate themselves to the service of their Divine Benefactor...."

Throughout the rest of the Revolutionary War, the Continental Congress continued to proclaim yearly Thanksgiving days, but 1784 was the last one designated by the Congress.

It was George Washington who picked up the tradition again, in reverent celebration of the launching of the first Administration of the newly founded United States under its Constitution. Note here that the new President chose to highlight the commitment of the new nation to promoting "happiness," the means of "acquiring and diffusing useful knowledge," and the desire for the same blessings for "all sovereigns and nations." We quote in full:

"Whereas it is the Duty of all nations to acknowledge the Providence of Almighty God, to obey His will, to be grateful for His Benefits and humbly implore His Protection and Favor; and

"Whereas both Houses of Congress have, by their joint Committee requested me 'to recommend to the People of the United States a Day of public Thanksgiving and Prayer, to be observed by acknowledging with grateful Hearts the many favors of Almighty God, especially by affording them an opportunity peaceably to establish a form of Government for their Safety and Happiness.'

"NOW THEREFORE, I do recommend and assign Thursday, the twenty-sixth day of November next to be devoted by the People of these States to the service of that great and glorious Being who is the beneficent Author of all the good that was, that is, or that will be; that we may then all unite in rendering unto Him our service and humble Thanks for His kind Care and Protection of the People of this Country previous to their becoming a Nation; for the signal and manifold mercies and the favorable interpositions of His providence in the course and conclusion of the late war; for the great degree of tranquillity, union and plenty which we have since enjoyed; for the peaceable and rational manner in which we have been enable to establish constitutions of government for our safety and happiness, and particularly the national one now lately instituted; for the civil and religious liberty with which we are blessed, and the means we have to acquiring and diffusing

useful knowledge; and, in general, for all the great and various favors which He has been pleased to confer upon us.

"AND ALSO, That we may then unite in most humbly offering our Prayers and Supplications to the great Lord and Ruler of Nations, and beseech Him to pardon our national and other Transgressions, to enable us all, whether in public or private Stations, to perform our several and relative duties properly and punctually; to render our National Government a blessing to all the people by constantly being a Government of wise, just, and constitutional laws, discreetly and faithfully executed and obeyed; to protect and guide all sovereigns and nations (especially such as have shown kindness to us), and to bless them with good governments, peace and concord; to promote the knowledge and practice of true religion and virtue, and the increase of science among them and us; and, generally, to grant unto all mankind such a degree of temporal prosperity as He alone knows to be best."

President Washington's model was not followed annually at that point. That waited until the aftermath of another extraordinary event in our national life, the Union victories at Gettysburg and Vicksburg in July 1863. On Oct. 3, 1863 President Lincoln proclaimed the last Thursday of November 1863, a national Thanksgiving Day, to be celebrated by the *whole* nation. The whole text follows:

## A Proclamation

The year that is drawing towards its close, has been filled with the blessings of fruitful fields and healthful skies. To these bounties, which are so constantly enjoyed that we are prone to forget the source from which they come, others have been added, which are of so extraordinary a nature, that they cannot fail to penetrate and soften even the heart which is habitually insensible to the ever watchful providence of Almighty God.

In the midst of a civil war of unequalled magnitude and severity, which has sometimes seemed to foreign States to invite and to provoke their aggression, peace has been preserved with all nations, order has been maintained, the laws have been respected and obeyed, and harmony has prevailed everywhere except in the theatre of military conflict; while that theatre has been greatly contracted by the advancing armies and navies of the Union.

Needful diversions of wealth and of strength from the fields of peaceful industry to the national defence, have not arrested the plough, the shuttle or the ship; the axe has enlarged the borders of our settlements, and the mines, as well of iron and coal as of the precious metals, have yielded even more abundantly than heretofore.

Population has steadily increased, notwithstanding the waste that has been made in the camp, the siege and the battle-field; and the country, rejoicing in the consciousness of augmented strength and vigor, is permitted to expect continuance of years with large increase of freedom.

No human counsel hath devised nor hath any mortal hand worked out these great things. They are the gracious gifts of the Most High God, who, while dealing with us in anger for our sins, hath nevertheless remembered mercy. It has seemed to me fit and proper that they should be solemnly, reverently and gratefully acknowledged as with one heart and one voice by the whole American People. I do therefore invite my fellow citizens in every part of the United States, and also those who are at sea and those who are sojourning in foreign lands, to set apart and observe the last Thursday of November next, as a day of Thanksgiving and Praise to our beneficent Father who dwelleth in the Heavens. And I recommend to them that while offering up the ascriptions justly due to Him for such singular deliverances and blessings, they do also, with humble penitence for our national perverseness and disobedience, commend to His tender care all those who have become widows, orphans, mourners or sufferers in the lamentable civil strife in which we are unavoidably engaged, and fervently implore the interposition of the Almighty Hand to heal the wounds of the nation and to restore it as soon as may be consistent with the Divine purposes to the full enjoyment of peace, harmony, tranquillity and Union.

In testimony whereof, I have hereunto set my hand and caused the Seal of the United States to be affixed.

Done at the City of Washington, this Third day of October, in the year of our Lord one thousand eight hundred and sixty-three, and of the Independence of the United States the Eighty-eighth.

*Abraham Lincoln*

From this time forward, every President has declared a National Day of Thanksgiving in November. Would that the noble spirit, and principles, of Presidents Washington and Lincoln, will soon come to characterize them again.

**Links to articles from *Executive Intelligence Review*\*.**

**\*Requires Adobe Reader®.**

## **Feature:**

### **Peace of Westphalia: France's Defense of The Sovereign Nation**

**by Pierre Beaudry**

Ending the Europe-wide devastation of the Thirty Years War in the middle of the 17th Century, the Peace of Westphalia was a crucial turn at the midpoint of a 300- year-long struggle for national, as opposed to imperial, sovereignty. This struggle began in the 15th Century with the sublime benevolence of Jeanne d'Arc, and the establishment of the first nation-state, France under Louis XI.

## **Economics:**

### **Argentina's Children Are Sacrificed to the IMF**

**by Cynthia R. Rush**

How is it possible that children are dying of starvation in Argentina, South America's premier food producer, whose exports feed hundreds of millions around the world? This is the question which shocked Argentines were asking themselves on Nov. 15, as the news broke that five young children in the northern province of Tucumán had died gruesome deaths of starvation and malnutrition.

### **NCFE: Death-Dealing Side of the Bubble**

**by John Hoefle**

Lyndon LaRouche has long maintained that it is not just the collapse of the world's largest financial bubble that is deadly. Attempting to maintain that bubble is measured in lives wasted, destroyed, and lost.

### **Privatization Scheme Collapses in D.C.**

**by Edward Spannaus**

The privatization scheme for Washington, D.C.'s public health-care system, which was rammed through in a corrupt deal last year—and which the U.S. Congress refused to reverse, even though it had the power and the duty to do so—has now entered into a process of rapid and terminal collapse.

### **Germany Is Paralyzed By Fiscal Emergency**

**by Rainer Apel**

'The next tax revenue forecast in November will reveal new financial shortfalls. Budget-cutting policy, however, is the worst choice under the conditions of combined world financial crisis and depression: every other round of budget cuts destroys more productive capacities, so that the hole in the state treasury increases further, because of shrinking tax income—it is an endless downward spiral.'



## Interview: Rajat M. Nag

### 'They Aren't Just Roads, But Economic Corridors'

This interview was conducted for EIR on Nov. 12 by Gail and Michael Billington.

**EIR:** We wrote an article for our journal last week on the GMS summit, and in fact, the title of the article incorporates something that you had said, which was 'infrastructure and what goes with it.'

## High Court Breathes Life Into Economy

by Michael Billington

The Philippines economy has been subjected to an escalating assault over the past year, on top of the destruction wrought by the 1997-98 speculative assault on the nation and its Asian neighbors.

## **International:**

### Death Threats Follow Brazil Victory for LaRouche's Friend

by EIR Staff

Dr. Ene´as Carneiro, the Brazilian Federal congressman who was elected in October with the highest vote count in the history of Brazil, went before millions of Sunday television viewers across Brazil on Nov. 17, to denounce mounting attempts to annul his historic victory, attempts which range from press smears to anonymous death threats against him and his associates.

### Peace Candidate Wins Israel Labor Vote

by Dean Andromidas

The Israeli Labor Party's chairmanship—and candidacy against Prime Minister Ariel Sharon in the Jan. 28 general elections—went to Haifa Mayor Amram Mitzna in a landslide on Nov. 19. Mitzna, who is also a reserve major general, ran on a policy modelled after that of slain Prime Minister Yitzhak Rabin.

### Belarus and Ukraine Are Targetted as 'Rogue States'

by Rachel Douglas

Zealous campaigners for pre-emptive war on Iraq, such as Sen. John McCain (R-Ariz.), have now trained their sights on two countries in the heart of Europe: Belarus and Ukraine. An array of Washington think-tanks and associated publications are applying the neo-imperial lingo of 'rogue states' and 'regime change' to these two countries, both of which were formerly within the Soviet Union.

### November Protests in Iran Stop Execution, and Strengthen Presidency

by Muriel Mirak-Weissbach

Since early November in Iran, student demonstrations sweeping across campuses in protest against the power of the conservative clergy, have raised the specter of social conflict and evoked memories of clashes with police, which, three years ago, led to casualties.

### Poland Struggles for Survival As European Depression Deepens

by Frank Hahn and Elisabeth Hellenbroich

The authors represented the Schiller Institute in a visit to Poland during the first week of November, where they presented Lyndon LaRouche's strategic evaluations and policies for rebuilding the bankrupt world economy.

## **National:**

### United States Needs the Best Intelligence Service in World

by Jeffrey Steinberg

The FBI's competence was a central question when on Nov. 11, a group of Bush Administration national security officials, including National Security Adviser Condoleezza Rice, Attorney General John Ashcroft, CIA Director George Tenet, White House Chief of Staff Andrew Card, and

FBI Director Robert Mueller, held a two-hour session to chart out the next phase of the Administration's anti-terror efforts.

## Darby Made 'Christian Zionism' for the Empire

by Mike Minnicino

Hundreds of thousands, if not millions of American Christians have now publicly pledged to uncritically support the state of Israel in any policy it chooses, including the juridical annexation of its occupied territories, and the expulsion, or worse, of the Palestinian population.

## 25-Year 'Shotgun Marriage' of Israel's Likud and U.S. Fundamentalists Exposed

by Scott Thompson and Jeffrey Steinberg

The Jerusalem Report magazine, on Nov. 18, published a lengthy opinion column by Gershom Gorenberg, assailing those in Israel who are promoting an alliance with American 'Christian fundamentalists,' like Rev. Pat Robertson and Rev. Jerry Falwell. Gorenberg warned that 'conservative evangelicals' 'love' for Israel is rooted in their theology. . . .It sees Jews as spiritually blind for rejecting Jesus.

## Loser Joe Lieberman Receives Moonie Award

by Scott Thompson

During the Nov. 5 elections, Sen. Joe Lieberman (D-Conn.), former chairman of the organized crime-funded Democratic Leadership Council (founded by Wall Street hedge-fund operator Michael Steinhardt), lost more than any other Democrat. ...Perhaps it was just to cheer an old pal up, that the Moonie front group, Victims of Communism Memorial Foundation (VCMF), on Nov. 12 named Joe Lieberman as one of its three annual winners of the 'Truman-Reagan Freedom Award.'

## Trompe l'Oeil: Seeing Is Not Believing

by Bonnie James

"After visiting the National Gallery of Art's new exhibit, I found myself wondering, what, really, is the difference tween trompe l'oeil, and what we call Art."

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