

# EIR

Executive Intelligence Review

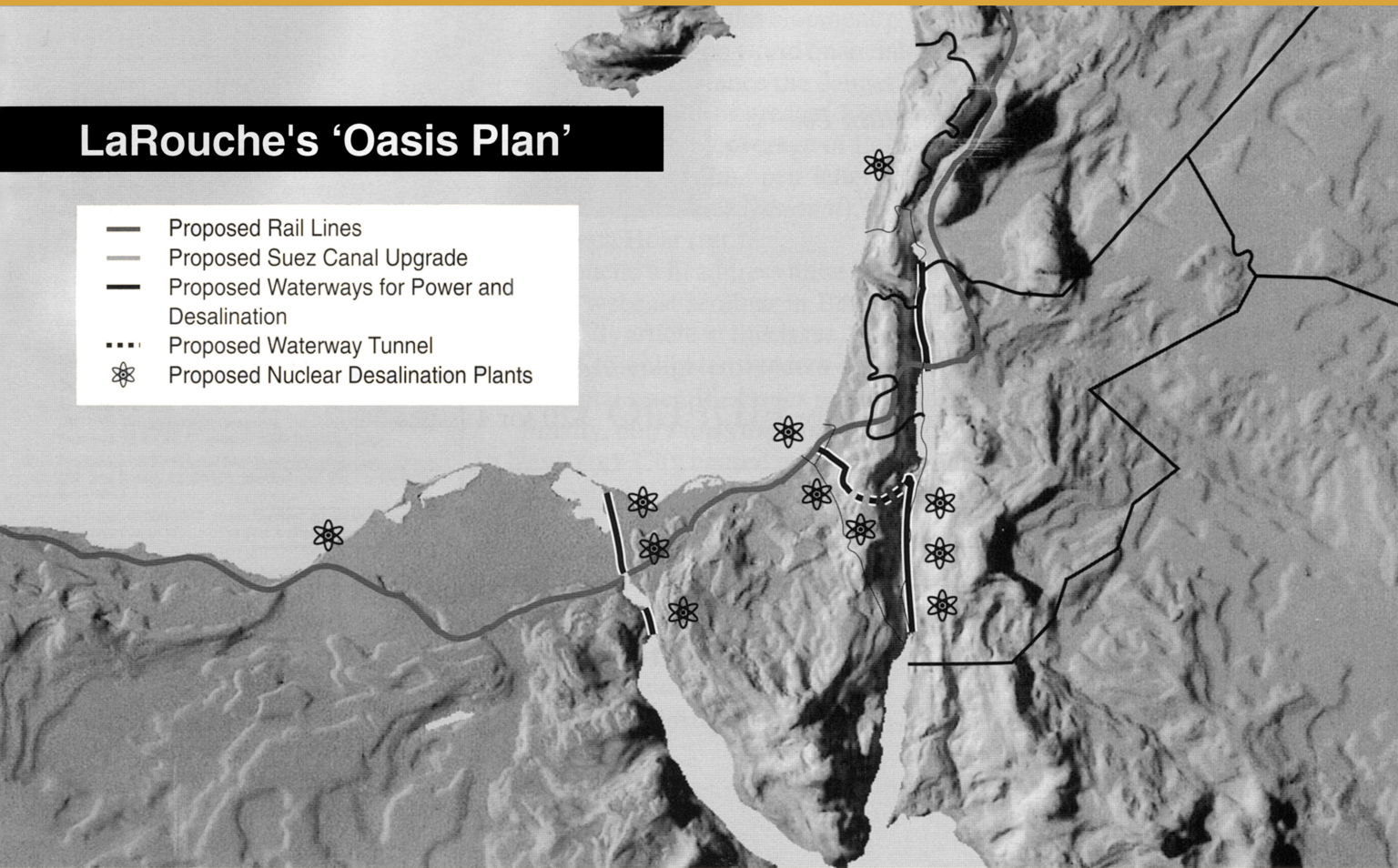
August 25, 2006 Vol. 33 No. 34 www.larouche.com \$10.00

LaRouche on 'Dynamics and Economy'  
Big MAC: Rohatyn's Model for Destroying Government  
Russian TV Airs LaRouche Warnings on Mideast War

## 'Peace of Westphalia' Or World War III

### LaRouche's 'Oasis Plan'

- Proposed Rail Lines
- Proposed Suez Canal Upgrade
- Proposed Waterways for Power and Desalination
- ⋯ Proposed Waterway Tunnel
- ✱ Proposed Nuclear Desalination Plants



# FIDELIO

Journal of Poetry, Science, and Statecraft

*Publisher of LaRouche's major theoretical writings*

Spring/Summer 2006

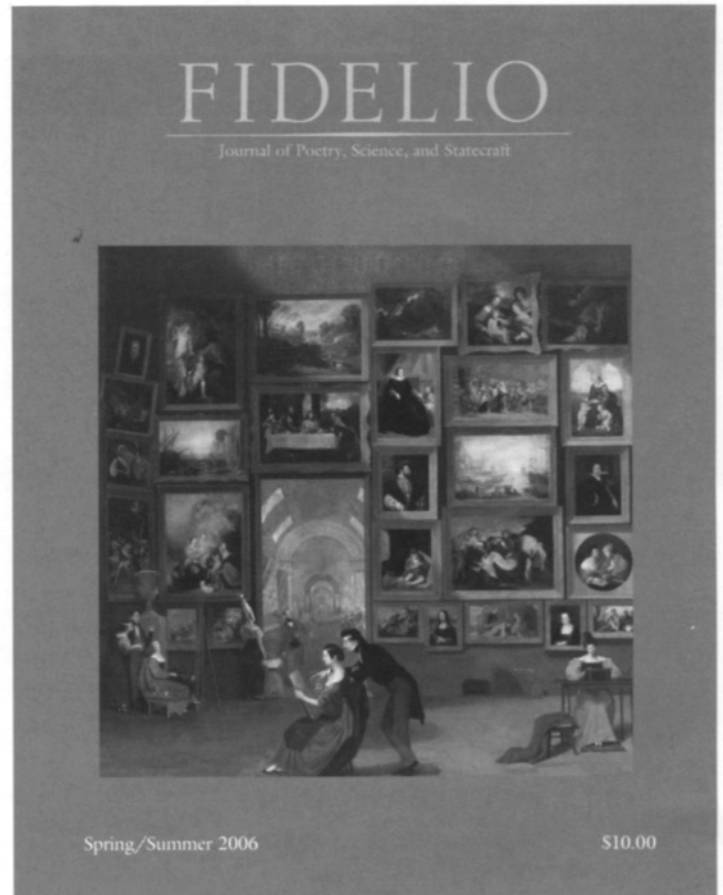
## *Of British Fools and 'Post' Reviewers*

Lyndon H. LaRouche, Jr.

No strategy is worth much for long, unless it is rooted in, and controlled by a clear understanding of the actual, non-Hobbesian, non-Lockean nature of the human being. If we evoke a sense of the nature, reality, and efficiency of creative mental powers of the individual, as through the expression of scientific and technological progress as objectives in and of themselves, we unleash a force for good within the individual which society, must in time, find tempting even to the point of being irresistible.

SYMPOSIUM: Edgar Allan Poe and  
The Spirit of the American Republic

- *The Purloined Life of Edgar Allan Poe*  
Jeffrey Steinberg
- *Edgar Allan Poe: The Lost Soul of America*  
Allen Salisbury
- *Edgar Allan Poe's 'Nemesis' Stories*  
Lewis Whilden



Sign me up for **FIDELIO** \$20 for 4 issues

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

TEL (day) \_\_\_\_\_ (eve) \_\_\_\_\_

Make checks or money orders payable to:

**Schiller Institute, Inc.**

Dept. E P.O. Box 20244 Washington, D.C. 20041-0244

[www.schillerinstitute.org](http://www.schillerinstitute.org)

Founder and Contributing Editor:

*Lyndon H. LaRouche, Jr.*

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

Editor: *Nancy Spannaus*

Associate Editors: *Ronald Kokinda, Susan Welsh*

Managing Editor: *John Sigerson*

Science Editor: *Marjorie Mazel Hecht*

Technology Editor: *Marsha Freeman*

Book Editor: *Katherine Notley*

Photo Editor: *Stuart Lewis*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Counterintelligence: *Jeffrey Steinberg,*

*Michele Steinberg*

Economics: *Marcia Merry Baker,*

*Lothar Komp*

History: *Anton Chaitkin*

Ibero-America: *Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

*Rachel Douglas*

United States: *Debra Freeman*

INTERNATIONAL BUREAUS:

Bogotá: *Javier Almaro*

Berlin: *Rainer Apel*

Caracas: *David Ramonet*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Melbourne: *Robert Barwick*

Mexico City: *Rubén Cota Meza*

New Delhi: *Ramtanu Maitra*

Paris: *Christine Bierre*

Rome: *Paolo Raimondi*

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

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

*EIR (ISSN 0273-6314) is published weekly (50 issues),  
by EIR News Service Inc., 912 Pennsylvania Ave., S.E.,  
Washington, DC 20003.*

*(703) 777-9451, or toll-free, 888-EIR-3258.*

*World Wide Web site: <http://www.larouchepub.com>*

*e-mail: [eirms@larouchepub.com](mailto:eirms@larouchepub.com)*

*European Headquarters: Executive Intelligence Review*

*Nachrichtenagentur GmbH, Postfach 2308,*

*D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205,*

*Wiesbaden, Federal Republic of Germany*

*Tel: 49-611-73650.*

*Homepage: <http://www.eirma.com>*

*E-mail: [eirma@eirma.com](mailto:eirma@eirma.com)*

*Executive Directors: Anno Hellenbroich, Michael Liebig*

*In Montreal, Canada: 514-855-1699*

*In Denmark: EIR I/S, Sankt Knuds Vej 11, basement left,*

*DK-1903 Frederiksberg, Denmark. Tel.: +45 35 43 60 40,*

*Fax: +45 35 43 87 57. e-mail: [eirdk@hotmail.com](mailto:eirdk@hotmail.com)*

*In Mexico: EIR, Manual Ma. Contreras #100, Despacho 8,*

*Col. San Rafael, CP 06470, Mexico, DF. Tel.: 2453-2852,*

*2453-2853.*

*Copyright © 2006 EIR News Service. All rights reserved.  
Reproduction in whole or in part without permission strictly  
prohibited.*

*Canada Post Publication Sales Agreement #40683579*

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

## From the Associate Editor

The war in Lebanon has disappeared from the newspapers' front pages, but anyone who's breathing a sigh of relief is living in a state of delusion. The global synarchist banking faction that sparked that war remains committed to permanent wars and destabilization, with Iran very much still in the target sights.

For all the 30 years since Lyndon LaRouche visited Baghdad, with plans for regional development in his briefcase, there has only been one viable approach to Mideast peace. It has never been tried, although some have promoted it. Only when great cooperative development projects are implemented, particularly addressing the water shortage, will the nations of the region have the foundations of mutual interest and trust to make the political compromises necessary for peace. That is what we address in our *Feature* on the "Westphalian" approach. The 1648 Treaty of Westphalia ended 150 years of interreligious warfare in Europe, on the explicit principle that each sovereign nation must act for "the benefit of the other." The proposal of Israel's Yossi Beilin (see p. 4) offers a venue for the discussions to begin immediately. Much blood has been spilled between Israel and its neighbors; but even now it is not too late. If it could be done in the 17th Century, it can be done now.

But an economic development policy will not occur, as long as the synarchists run the world financial-monetary system, and the U.S. Executive branch. Hence the danger of world war is as great now as it was a week ago—or greater. Recognition of this fact is expressed in the Russian press coverage of LaRouche's warnings (see *International*), as well as the open letter by top U.S. retired military and diplomatic figures (see *National*), as spelled out in our interview with Gen. Joseph Hoar (ret.).

LaRouche will address these issues, their causes and solutions, in a unique webcast seminar in Berlin, Germany, during the Sept. 6-8 interval. His article in this issue, "Dynamics & Economy," was written so as to enlighten readers prior to that event. It addresses the fundamental scientific issues required to revive the economy.

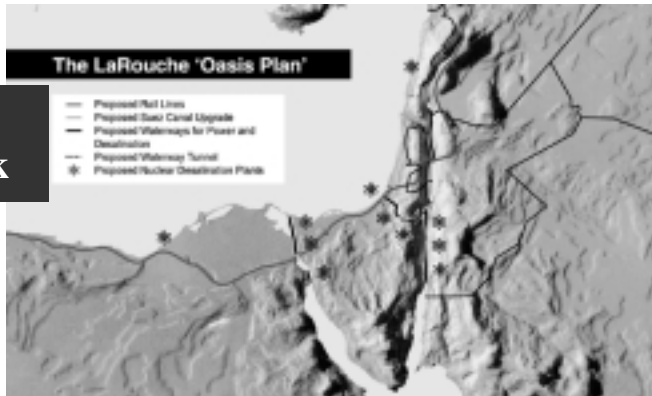
Finally, don't miss the story of how Felix Rohatyn's "Big MAC" in New York City caused mass disease outbreaks; and our report on an international conference in China on space exploration.

*Susan Welsh*

# EIRContents

## Cover This Week

*LaRouche's Oasis Plan for Mideast development has to be the core of a "Westphalian" approach to peace in the region.*



EIRNS

- 4 The Treaty of Westphalia Approach to Mideast Peace**  
The LaRouche Political Action Committee is circulating a press release, conveying Lyndon LaRouche's full support for former Israeli Cabinet Minister Yossi Beilin's proposal for a "Madrid II" conference, for a comprehensive Mideast peace agreement.
- 5 LaRouche Offers Qualified Endorsement of UN Res. 1701**
- 6 Peace of Westphalia Is a Model for Today**  
From a 1999 speech by Helga Zepp-LaRouche.
- 8 Westphalia Principle: From Madrid to Oslo**
- 10 Lebanon Debacle Sends Israel Into Disarray**
- 12 LaRouche's 30-Year Efforts for Mideast Peace and Development**
- 14 The Promise of Oslo, and Today, Lies in LaRouche's Oasis Plan**

## History

### **16 Put Out the Flames of the Oligarchy's Thirty Years' War**

From a 2005 speech by Helga Zepp-LaRouche, drawing out the lessons to be learned and applied to today's world, from Friedrich Schiller's dramatic study of the 1618-48 Thirty Years' War and the Treaty of Westphalia which ended it.

### **20 A Brief Chronology of the Thirty Years' War**

## Science

### **26 What Is an Economic 'System': Dynamics & Economy**

By Lyndon H. LaRouche, Jr.  
"There could be no competent systematic comprehension of the nature of, or remedy for the presently onrushing great global economic crisis of mankind now in progress, without taking the implications of [Gottfried Leibniz's and V.I. Vernadsky's] usage of the term 'dynamics' into account."

## Economics

### 40 NYC's Big MAC: Rohatyn's Model for Destroying Gov't

Lazard's Felix Rohatyn, who steered New York City's 1975 Municipal Assistance Corporation (Big MAC), boasted that his intervention meant that "the direction and philosophy of a large unit of government were fundamentally and permanently changed as a result of the involvement (some would say intrusion) of the private sector in government."

### 43 Impact of NYC's 1975 Fiscal Crisis on TB, HIV, and Homicide

Excerpts from an article which appeared in the March 2006 issue of the *American Journal of Public Health*. The authors demonstrate that the 1975 Big MAC program to cut the city's budget caused soaring rates of disease, poverty, and homicide, costing New York 5 to 15 times more than the total dollar savings in city expenditures during the fiscal crisis.

### 49 Bush Sees Katrina as Pretext for Reducing Health-Care Infrastructure

### 53 German Court Ruling Is Setback to Privatizers

## International

### 54 Russian TV Airs LaRouche Warnings on Mideast War

**Documentation:** An interview with Lyndon LaRouche by Russia's "Vremya" TV station.

## National

### 56 Retired Military, Diplomats Demand Policy Change on Iran

A prestigious group of 22 retired generals, admirals, and ambassadors has released an open letter to President Bush, calling for a fundamental policy change towards Iran and Iraq. They presented it on a conference call with the press on Aug. 17.

**Documentation:** Panelists reply to *EIR*'s question on Yossi Beilin's proposal for a "Madrid II" Mideast conference.

### 57 It Is Diplomacy or a No-Win Situation

An interview with Gen. Joseph Hoar.

## Science & Technology

### 62 Exploring the Moon Through International Cooperation

An international conference in Beijing at the end of July mapped out how to coordinate the global campaign that is under way for exploring the Moon.

### 68 An Opportunity for U.S.- China Cooperation in Space

An interview with Dr. Zhang Wei and Xu Yansong.

## Interviews

### 57 Gen. Joseph Hoar

U.S. Marine Corps Gen. Joseph P. Hoar (ret.), a four-star general, was Commander-in-Chief, U.S. Central Command (1991-94), commanding the U.S. forces in the Persian Gulf after the 1991 war. He also served in the Vietnam War.

### 68 Dr. Zhang Wei and Xu Yansong

Dr. Zhang Wei is the Director General of the Department of Foreign Affairs of the China National Space Administration. Xu Yansong works in the Space Administration's Department of Foreign Affairs, and has accompanied Chinese space officials on visits to the United States.

## Editorial

### 72 The Mad Hatter's War Party

## The Treaty of Westphalia Approach to Mideast Peace

*This press release was issued by the LaRouche Political Action Committee on Aug. 13, titled "LaRouche Gives Full Support to Yossi Beilin Proposal."*

Lyndon LaRouche today announced his personal, enthusiastic support for the proposal by former Israeli Cabinet Minister Yossi Beilin, for the immediate convening of a "Madrid II" conference, to implement a comprehensive Middle East peace agreement, including the creation of a fully sovereign Palestinian state on the West Bank and Gaza Strip, in line with a succession of proposals made by American Presidents from George H.W. Bush through Bill Clinton to George W. Bush, and dating back to 1991.

LaRouche urged immediate action on the Beilin call, "because forces are already working, feverishly, in the opposite direction." LaRouche said that now is the time to make a comprehensive peace deal work "while things are in flux," following United Nations Security Council Resolution 1701 and its endorsement by both the Lebanese and Israeli Cabinets. "We have an opportunity right now," LaRouche continued, "to get out of the war. I know Yossi Beilin and I am confident that he means what he says. He is not only promoting the two-state solution, which is the only thing that will work. He knows that there must be a solid economic foundation for any peace to be durable."

LaRouche added that the greatest danger right now is the eruption of "global asymmetric warfare, with the Middle East serving as the fuse." LaRouche also cautioned against any euphoric reaction to the Security Council resolution and the Lebanese and Israeli governments' support. "The war danger has not been eliminated, as ongoing events in both Iraq and Afghanistan emphasize." LaRouche noted that one benefit of a major breakthrough in the Middle East peace process is that it would help "bail the U.S. out of the terrible failure of the Bush Administration's bungling of the situation in Afghanistan. There was no U.S. victory in Afghanistan. Bush and Cheney suffered a terrible failure there."

---

### Documentation

---

*Beilin's proposal appeared in an article entitled "The 'Morning After' Commission," published in the Israeli daily Ha'aretz on Aug. 13. There, Beilin warns that Prime Minister Ehud Olmert will be hit with demands for a Commission of Inquiry into the disasters of the Lebanon invasion of July 2006, so Olmert himself should initiate one. But, what Israel really needs is a bold move for peace.*

*Beilin, who was a key Oslo negotiator, and was involved in the peace talks organized by former U.S. President Bill Clinton, said:*

An attempt to convene a second Madrid Conference would be a grand, dramatic political move that would be accepted, at least at the start, by a very large majority in the public and the Knesset. The first Madrid Conference, which convened in October 1991, changed the face of the Middle East and allowed, for the first time in history, direct negotiations between Israel and Syria, Lebanon, and a Jordanian-Palestinian delegation over a peace agreement. The discussions led exactly three years later to the Israeli-Jordanian peace treaty, which was made possible by the Oslo agreements signed by Israel and the PLO. The discussions with Lebanon were totally dependent on those with Syria, and therefore did not lead anywhere. The discussions with Syria, which ceased in 1996 and resumed in 1999, were halted again when the sides reached an agreement on all the problems on the agenda except for the northeast coastline of the Kinneret.

It is true that many terrible things have happened since: the second Intifada, the Hamas victory, 9/11, Iranian extremism, the conflict in Gaza after the disengagement and a second war in Lebanon. But there were also positive developments. Syria left Lebanon, Saddam Hussein's regime was toppled, Fouad Siniora was elected Prime Minister of Lebanon, and Bashar Assad and Mahmoud Abbas' willingness



www.socialistinternational.com

*Yossi Beilin addresses the Socialist International Council, Tel Aviv and Ramallah, May 2005. He is currently a Member of the Knesset and chairman of the Meretz-Yahad party.*

to begin negotiations with Israel create better circumstances for a second Madrid Conference than existed on the eve of the first.

It is also worth adding that the gaps in the matter of the final status arrangements have been greatly narrowed over the last 15 years. In Israel of 2006, there is a near-consensus about a Palestinian state, and Israel's Prime Minister is ready to give up 90 percent of the West Bank, unilaterally. The Clinton document, the Bush 'vision,' the Road Map, the Arab League Summit decision of 2002, and the Geneva Initiative all paint a clear picture of a permanent Israeli-Palestinian agreement. The public and secret talks with the Syrians since 1991 also sketch, nearly completely, the outline of an Israeli-Syrian agreement.

In 1991, it was the U.S. that invested the effort in persuading Israel to take part in such a conference. This time it will be Olmert's job to persuade President Bush that prying Syria out of the Axis of Evil, peace with Lebanon, and an end to the Israeli-Palestinian conflict are practical moves, which—if they work—could save the Middle East and help achieve the reforming vision Bush believes in so much.

## LaRouche Offers Qualified Endorsement of UN Res. 1701

On Friday, Aug. 11, 2006, the United Nations Security Council unanimously approved Resolution 1701, calling for an immediate ceasefire in Lebanon, and spelling out the terms of a phased withdrawal of all Israeli forces from Lebanon, as both an augmented United Nations Interim Force In Lebanon (UNIFIL) and troops from the Lebanese Army, assume security control of the area south of the Litani River. The resolution held Hezbollah responsible for initiating the crisis, demanded the unconditional release of two Israeli hostages, and also encouraged "efforts aimed at urgently settling the issue of the Lebanese prisoners detained in Israel."

After carefully reviewing the events at the UN Security Council, Lyndon LaRouche declared on Aug. 12 that the resolution represented a qualified triumph for former Presidents George H.W. Bush and Bill Clinton, Brent Scowcroft, and others who worked with U.S. Secretary of State Condoleezza Rice to get the Lebanon crisis under control. Although critical of some features of Res. 1701, including the focus of blame on Hezbollah, and other concessions to Israel and to President Bush, LaRouche observed that

"these kinds of things happen" in the course of difficult diplomacy. "Sometimes the truth is sacrificed for the sake of peace."

LaRouche, however, added that the full truth must be told. The situation remains, he warned, "tricky as hell." There are players in Washington, Tel Aviv, and elsewhere, who want the war to go ahead, despite the actions by the UN Security Council. The recent hype of the terror threat in London is but one indication that there are many possible triggers for a renewed larger war. LaRouche called for effective security and intelligence work, to roll up the potential terrorist networks, while refusing to succumb to the kind of war-hype tactics employed by Bush, Cheney, and Blair around the London arrests.

LaRouche added that the greatest threat to peace is the state of mind of President Bush, himself. Watch for Benjamin Netanyahu to pull some major move inside Israel, in the name of Dick Cheney, LaRouche cautioned. While saner voices in the United States prevailed for the moment over the would-be mass murderers, the threat of war has not been eliminated. Just one look at John Bolton's face as Condi Rice was casting the vote in favor of Res. 1701, tells you that the war party is very upset, and will not give up.

LaRouche concluded, the people around the Bush Sr. family deserve credit for trying to stop the war. Will it succeed? That is unknown.—*Jeffrey Steinberg*



# Peace of Westphalia Is a Model for Today

by Helga Zepp-LaRouche

**Editors' note:** *In the context of the Israel-Lebanon ceasefire and Yossi Beilin's call for a "Madrid II" conference on Mideast peace, it is vital to emphasize the principles of the Treaty of Westphalia, which ended the Thirty Years' War of 1618-48—religious wars which had ravaged Europe. We therefore reprint excerpts here of a speech given by Mrs. LaRouche to an EIR seminar in Washington on May 5, 1999, entitled "After the NATO Summit, What Next? The Post-Balkan War Perspective." Although addressed to the ongoing wars in the Balkans, the point has universal application. See also her longer historical overview of the Thirty Years' War and the peace treaty that ended it, in our History section. In this excerpt, emphasis has been added to highlight the crucial principles of the Treaty.)*

... The question is: If you want to create new institutions, new international law, a new order for peace and development that allows the survival of all nations of this planet, how could we get this peace together, given this condition of the Balkans—that they hate each other? The Kosovars hate the Serbs, the Serbs hate the Croats, the Bosnians hate the Serbs. And you have a war-torn area.

Let's be realistic. What do you do? . . .

The precedent is what was done after the Thirty Years' War and the Peace of Westphalia. The end of the Thirty Years' War was in 1648; it was a war which rampaged in waves, like tornadoes, for 30 years, involving many European countries, including Germany, the Hapsburg Empire, France, Sweden, Bohemia, and Denmark.

After 30 years, there was enormous destruction—on average, 40% of the population and wealth, taken together, in Germany, were destroyed. Some areas were more than 66% wiped out; many others, more than 40%. So, it was like Oklahoma after the tornadoes. This destruction had ravaged Europe for a long time. This was a so-called religious war, Reformation against Counter-Reformation. The hatred on both sides was enormous.

The Peace of Westphalia, when all the war parties came together, was the first time that a European community of sovereign states was established. And it was only possible because all of its members recognized each other as having equal legal standing, and guaranteed each other their independence. They had to recognize their international legal treaties as binding, if they wanted to be an international

community of law.

It was clear that this not only required good will, but a minimum of efficient guarantees. Most important, was the idea that the *raison d'être*—the reason for its existence, the identity of this new alliance—of this community of states, could never be only its self-preservation. It would be morally justified only if it realized ideas and principles which had a higher unifying purpose than just the states themselves.

There is a precedent for this kind of thinking in American history; namely, the idea of John Quincy Adams, that the United States must work toward fostering a community of principle among nations of the world. I would say that the Peace of Westphalia was probably the most important predecessor of this idea.

Such principles exist in the treaties of 1648. Some were expressed for the first time in history. These negotiations lasted for four years, during 1644-48, and in the end, Protestants, Catholics, monarchies, and republican forms of government, were treated as having equal status in negotiations and in the treaty.

The peace treaty defined the principles of sovereignty and equality in numerous sub-contracts, and in this way became the constitution of the new system of states. It included mutual defense and support agreements.

I want to read it to you—and please forgive me for the somewhat awkward language, because I tried to translate it straight from German without going through an official editorial board, and it is ancient language, so it sounds awkward. But try to be patient and follow me.

Article I of the peace treaty starts like this: "A Christian general and permanent peace, and true and honest friendship, must rule between the Holy Imperial Majesty and the Holy All-Christian Majesty, as well as between all and every ally and follower of the mentioned Imperial Majesty, the House of Austria . . . and successors, but especially the Electors, Princes, and Corporate System of the Reich, on the one side, and all and each Heir and Successor of the mentioned All-Christian Majesty and their Heirs and Successor, first of all, Her Highness the Queen, and the Kingdom of Sweden and the Electors and Princes in Cooperative System. *And this Peace must be so honest and seriously guarded and nourished that each part furthers the advantage, honor, and benefit of the other*, and that both form, from the side of the entire Roman Reich with the Kingdom of France, as well as the other way around, form the Kingdom of France with the Roman Reich. A faithful neighborhood should be renewed and flourish for peace and friendship, and flourish again."

This is a very precious idea. It is essential to have peace. It is the idea of Nicolaus of Cusa, which he had in the 15th Century, that peace in the microcosm is only possible when you have the development of all microcosms. You can only have peace among different nations if each nation develops itself fully, and regards as its self-interest to develop the others fully, and vice-versa.



It is like the idea of a family, where each member of the family wants the other members of the family to have the best possible life.

You need to realize that the whole world wants President Clinton to be such a passionate lover of the international community of peoples. President Clinton could emerge to seize this historical moment, and do what all the poor, beaten-down countries in Africa and Ibero-America, and many parts of Asia, wish him to—to love the idea of an international community of peoples. And it needs passion. It needs passion for this, without which it will not be realized.

The damage is so great. We will not go back to peace in the world by bureaucrats, by who pays what, by nitty-gritty accountants who ruin the whole thing. We need extraordinary people who have a passion for mankind, as parents do for their children.

Article II of this treaty says: “On both sides, all should be forever forgotten and forgiven. What has from the beginning of the unrest, no matter how or where, from one side or the other, happened in terms of hostility, so that neither because of that, nor because of any other reason or pretext, should commit, or allow to happen, any hostility, unfriendliness, difficulty, or obstacle in respect to persons, the status, goods, or security himself, or through others, secretly or openly, directly or indirectly, under the pretense of the authority of the law, or by the way of violence within the Reich, or anywhere outside of it, and any earlier contradictory treaties should not stand against this.

*“Instead, all and every, from here as well as from there, both before as well as during the war, committed insults, violent acts, hostilities, damages, and costs, without regard of the person or the issue, should be completely put aside, so that everything, whatever the one could demand from the other under his name, will be forgotten in eternity.”*

This is really a bombshell, if you think about it, because the treaty talks about eternal peace, true friendship, and the permanent forgetting of the past. This notion of *Amnestia* of the second article, is not the modern idea of amnesty, meaning the abandonment of criminal prosecution. It is the noble idea of forgetting for the sake of peace.

Compare this idea, *In Amnestia Consista Substantia Pacis*, “In Forgiving Lies the Substance of Peace,” with the paragraph about war debt of the Versailles Treaty of 1919. The difference in conception is why Versailles and Trianon did not produce a peace order, but led to World War II, and is breeding further wars, as we see in the Balkans right now.



clipart.com

*Ratification of the Treaty of Westphalia in Münster in 1648. Ending the devastation of the Thirty Years' War, it was based on the principle of “the benefit of the other,” which, paradoxically, became the basis of national sovereignty. The era of nation-states is known as the “Westphalian era”—which today’s synarchists seek to destroy.*

## The Role of the State

The Treaty of the Peace of Westphalia states that peace is the highest goal of the community of states. It was the first time that the framework was created where a different principle from that of the limitless right of the victorious party was implemented.

The Peace of Westphalia was not perfect. It had some problems, because at that point, there still was a big influence of the Venetian Party, so to speak, or Venice directly, as a negotiator. So it led, among other things, to the cementing of the sovereignty of the princes in Germany, which definitely was a not-so-good development. Also, Germany, 40% of which was destroyed, was burdened from there on with a much larger influence of foreign powers which could ally with these sovereign princes, and so forth. So I am not saying that this peace treaty was perfect.

But, I think that the conclusion of the Thirty Years' War, and the Peace Treaty of Westphalia, were a gigantic step forward in international law, and also for another reason: that the amount of the destruction made necessary the role of the state in economic reconstruction. The state had to take control of this.

This had an enormous significance for the evolution of the theory of the state in Germany. And all of these ideas, like cameralism, or the ideas of Friedrich List, were the direct outcome of the experience of the requirements of reconstruction in this period. . . .

# Westphalia Principle: From Madrid to Oslo

by Harley Schlanger

The original Madrid peace conference, which convened Oct. 30, 1991, under U.S. direction, adjourned with little apparent progress in December of that year. It had been undermined by the intransigent behavior of Israeli Prime Minister Yitzhak Shamir, who made it clear, both in his defiant opening statement, and in his continuing effort to move more Jewish settlers into the occupied territories, that he had no intention of reaching an agreement with any of the participants at the conference.

The impetus for the conference grew out of the worsening situation between Israel and the Palestinians, resulting from the Intifada, the revolt of Palestinian youth, which began in December 1987, against the unyielding occupation of territory by Israel. Shamir responded to the Intifada by imposing curfews, mass arrests, punitive economic measures, deportations, beatings, and assassinations. Simultaneously, he and his Housing Minister, Ariel Sharon, were engaging in a massive expansion of Jewish settlements. Sharon was particularly zealous, proclaiming that the new settlements would be “irreversible facts on the ground,” which would minimize the potential for the establishment in the future of a Palestinian state on the West Bank.

When President George H.W. Bush, through his Secretary of State James Baker III, threatened to withhold \$10 billion in U.S. loan guarantees to Israel, Shamir agreed to scale back the construction of settlements, and to engage in a dialogue. Though Shamir continued to build new settlements, he reluctantly agreed to Israeli participation in a peace conference in Madrid.

## Shamir Flops in Madrid

Shamir, who was a devoted follower of Vladimir Jabotinsky, the Hitler-admiring founder of the “Revisionist” movement in Zionism, and a leading member of the terrorist Stern Gang in the 1940s, remained true to Jabotinsky’s belief in a “Greater Israel,” in which Palestinians, if allowed at all, must accept a role of complete subservience. Though he agreed to the participation of Syria, Jordan, and Lebanon in Madrid, he insisted that the Palestine Liberation Organization (PLO) of Yasser Arafat be excluded, and that the Palestinians instead be represented as part of the Jordanian delegation.

The PLO accepted this, as it marked its first opportunity

to be included, by Israel, in a dialogue. The Palestinian representative, Dr. Haidar Abdel Shafi, in his opening statement, offered an eloquent, powerful contrast to the obviously infuriated Shamir. Reflecting the principle of the Peace of Westphalia, Dr. Shafi said, “In the name of the Palestinian people, we wish to directly address the Israeli people, with whom we have had a prolonged exchange of pain: Let us share hope instead. We are willing to live side by side on the land and the promise of the future. Sharing, however, requires two partners willing to share as equals. Mutuality and reciprocity must replace domination and hostility for genuine reconciliation and coexistence. . . . Your security and ours are mutually dependent, as intertwined as the fears and nightmares of our children.”

These words did not move Shamir, and the Madrid phase of this process disintegrated, to be replaced by bilateral talks in Washington—which also yielded no progress. Shortly after this failure, Shamir’s coalition government collapsed, leading to new elections, which occurred June 23, 1992.

The outcome was a decisive defeat for Shamir and his Jabotinskyite rejection of honest negotiations with the Palestinians. That he had no intention of changing his rejectionist ways was clear in comments he made, two days before the election, to his old terrorist comrades at a memorial meeting of members of the Stern Gang. Shamir, a proponent of continual conflict, told them, “We still need the truth today, the truth of the power of war, or at least we need to accept that war is inescapable, because without this, the life of the individual has no purpose and the nation has no chance of survival.”

After the election, the defeated Shamir admitted that he would have “carried on autonomy talks for ten years and meanwhile we would have reached half a million people in Judea and Samara,” i.e., Jewish settlers living in the occupied territories, Sharon’s “facts on the ground.”

## Rabin, Beilin, and Oslo

The newly elected government was headed by the old war horse of the Labor Party, Yitzhak Rabin, who had patched up long-standing wounds from past battles with Shimon Peres, to present a unified front. Rabin ran on a scaled-down platform, which emphasized three points: agreement on Palestinian self-government within six months to a year; allow residents of East Jerusalem, who had been excluded from Madrid, to participate in the Palestinian negotiation teams; and a freeze in building settlements.

He won with what counts, in Israeli politics, as a virtual landslide: Labor’s seats in the Knesset increased from 39 to 44, while Shamir’s Likud representation dropped from 40 to 32.

Rabin first attempted to revive the Madrid process, identifying the difference between his approach and that of his predecessor. “We inherited the framework of the Madrid conference. . . . But there is one significant change: the previous



EIRNS/Stuart Lewis

*What's needed now is the leadership of "those with the courage to change axioms," as former Israeli Prime Minister Yitzhak Rabin advocated, to try to bring about peace through cooperative development.*

government created the tools, but it never intended to use them in order to advance peace.”

However, when the sixth round of bilateral talks in Washington bogged down in August 1992, Rabin recognized that a change in thinking was needed. First, in December 1992, he repealed a law introduced by Shamir which proscribed contact between Israeli citizens and the PLO, thus allowing direct negotiations.

Secondly, in January 1993, he authorized secret talks in Oslo, between representatives of Israel—overseen by Yossi Beilin and directed by Uri Savir—with representatives of the PLO, headed by Ahmad Qurei (Abu Ala), a banker who worked directly with the current President of the Palestinian Authority, Abu Mazen (Mahmoud Abbas).

The Declaration of Principles, which was hammered out by these teams, was first presented to the Israeli Cabinet on Aug. 30, 1993. This included two parts: a political agreement, centered on Palestinian recognition of Israel's right to exist, and Israel's acceptance of a Palestinian state (this included many thorny issues, such as Palestinian right-of-return and the status of Jerusalem, which were postponed to future negotiations); and a wide-ranging series of economic protocols, which included cooperation in water, power, agriculture, sci-

ence, and technology. Savir noted later that he was “surprised by the degree of Palestinian interest in economic ties with Israel. They saw such cooperation not just as beneficial to their economy but as a bridge to regional development.”

### **The Courage To Change Axioms**

The historic nature of the Oslo Accord was identified by historian Avi Shlaim in his insightful book, *The Iron Wall: Israel and the Arab World*. Prior to Oslo, he writes, both “national movements, Jewish and Palestinian, denied the other the right to self-determination in Palestine. Their history was one of mutual denial and mutual rejection. Now mutual denial made way for mutual recognition, however grudging.”

This change was clearly seen in the evolution of Rabin. Once a staunch opponent of Palestinian statehood, he had served as the Defense Minister in a coalition government headed by Shamir, with the task of crushing the Intifada. This experience soon convinced him that there was no alternative but to make peace with Arafat and the PLO.

His wife, Leah, wrote of this change. “The Intifada made it wholly clear to Yitzhak that Israel could not govern another people.” By 1989, he “was gradually moving toward advocating Palestinian autonomy and self-determination.”

When Rabin came under fierce attack from opponents such as Benjamin Netanyahu, who denounced him for considering Arafat to be a “partner in peace,” he responded with biting irony, saying “You make peace with your enemies, not with your friends.”

This Westphalian principle was again on display on the White House lawn, when the Oslo Accord was signed on Sept. 13, 1993. With U.S. President Clinton looking on, Rabin shook the hand of his old enemy Arafat, and declared, “We who have come from a land where parents bury their children, we who have fought against you, the Palestinians, we say to you today in a loud and clear voice: Enough of blood and tears, enough!”

Later that night, at a reception in the White House, he proposed a toast to “those with the courage to change axioms.”

That Rabin had demonstrated that courage was reflected in the moving tribute to him delivered by President Clinton as a eulogy, at his funeral, after he had been gunned down by a Jewish extremist: “Your Prime Minister,” Clinton said, “was a martyr for peace, but he was a victim of hate. Surely, we must learn from his martyrdom that if people cannot let go of the hatred for their enemies, they risk sowing the seeds of hatred among themselves.”

### **The LaRouche Factor in Oslo**

Lyndon LaRouche's endorsement of Yossi Beilin's recent call for a second “Madrid Conference” is especially appropriate, given the role played by LaRouche in shaping the discussion process which led to the Oslo Accord. LaRouche worked tirelessly for decades, insisting that peace in the region were possible only through cooperative economic devel-

opment, which would explicitly reflect a change in axioms.

In August 1977, the influential newsletter *Israel and Palestine*, published by Maxim Ghilan, ran an article by LaRouche entitled “A Future for the Middle East.” LaRouche wrote, “Poor Palestinian Arabs squatting in misery along Israel’s borders are not the solution. What is wanted is sovereign nations undergoing effective internal economic development. If Israel, Lebanon, and a Palestinian Arab state, have the same objective policies and basic interests, that is, the mobilization of their populations through an inspiring process of economic development, then we have the basis for a durable agreement, and not otherwise.”

He continued: “Economic development as the objective basis for the solution of the Middle East crisis will succeed, to the extent this solution is seen as the forward march of humanity, as a self-conscious effort to eradicate backwardness and irrationalism, through making sensuous and real the environment of technological and scientific progress. Hence, ignore those babblers who profess to be practical politicians. Their failures have discredited them fully.”

In a memo prepared by LaRouche for release on May 23, 1986, in response to a call by then-Prime Minister Shimon Peres for a “New Marshall Plan,” LaRouche outlined the economic development plan, which he calls the “Oasis Plan,” which was incorporated into the economic annexes of the Oslo Accord. After presenting detailed plans for joint infrastructure development, which will lead to improved living standards, through improved productivity, both for Israel and her neighboring sovereign states, LaRouche identified the deeper philosophical approach he employed, one which is coherent with his—and Beilin’s—insistence on the adoption of the principle of Westphalia today.

LaRouche wrote: “In the relations between Arab and Jew in the Middle East, we discern two opposing cultural movements among each. On the one side, there is the heritage of the Arab Renaissance; on the other side, the Sufism which destroyed that Renaissance from within. Post-Hitler Judaism is of two general views: the one bases itself, optimistically, on 2,000 years of Jewish survival under the diaspora; the other takes Hitler’s holocaust, pessimistically, as its point of departure.

“The cultural basis for peace between Arab and Jew, is the coherence of the impulses of the Arab Renaissance to the principles of 2,000 years of Jewish survival in Europe. The function of regional economic development, is to unleash a cultural renaissance among both Arabs and Jews of the region, to establish the movement for stability within each nation, and to foster among the nations a common view of the dignity of the individual, such that the life of the person of each nation is sacred to all nations.

“Economic development by itself, will not suffice to bring the desired renaissance into existence; but that renaissance can not be effected without a basis in vigorous economic development.”

## Lebanon Debacle Sends Israel into Disarray

by Dean Andromidas

The ceasefire between Israel and Hezbollah that ended four weeks of bloody conflict, has ignited a brutal political backlash in Israel, as the scope of the war’s failures sinks into the Israeli consciousness. Commentators are comparing the backlash to that of the October 1973 Arab-Israeli war, in which Syria, and especially Egypt, delivered a military blow to an arrogant Israel, which many say led Israel in 1979 to return the Sinai Peninsula in exchange for a peace treaty with Egypt.

Despite efforts by Prime Minister Ehud Olmert to paint the United Nations-sponsored ceasefire as a victory, the manifest failure of the Israeli political and security establishment has left the population dazed, asking, “What was that all about?” A poll by Israel’s largest daily, *Yedioth Aharonot*, revealed that 30% of those polled believed Olmert’s spin, while another 30% believed that Hezbollah actually won the war, and 36% believed that no one won. Meanwhile, 69% of those polled demand a national commission of inquiry to examine the gross failures of the political decision-making process and the military failures that led to the debacle.

Writing in the Israeli daily *Ha’aretz* Aug. 16, Reuven Pedatzur, one of Israel’s leading commentators, exposed the country’s profound strategic failure, in a commentary titled, “The Day After: How We Suffered a Knockout.” “This is not a mere military defeat,” he wrote. “This is a strategic failure whose far-reaching implications are still not clear. And like a boxer who took the blow, we are still lying dazed on the ground, trying to understand what happened to us. Just like the [1967] Six Day War led to a strategic change in the Middle East and established Israel’s status as the regional power, the second Lebanon war may bring about the opposite. The Israel Defense Forces’ failure is eroding our national security’s most important asset—the belligerent image of this country, led by a vast, strong and advanced army capable of dealing our enemies a decisive blow if they even try to bother us. This war, it soon transpired, was about awareness and deterrence. We lost the fight for both. . . .”

After outlining the military failures, Pedatzur, who is a reserve officer in the Israeli Air Force, continued: “Just as before the Yom Kippur War [October 1973], there was a destructive combination of arrogance, boastfulness, euphoria and contempt for the enemy. The generals were so certain of the air force’s success that they did not prepare an alternative. And when it became clear after about one week that Hezbollah

was not disintegrating and that its ability to fire rockets had not been significantly thwarted, the IDF [Israeli Defense Forces] found itself in a state of acute distress and embarrassment. . . .”

Pedatzur, a strong advocate of peace, is far from a lone voice; he is expressing what broad swaths of the military-security establishment and the general public are now thinking: Heads are about to roll in both the political and military spheres. Already political commentators are predicting that Olmert’s government will be gone by the end of the year—at the latest.

### **Call for Commission of Inquiry**

No sooner was the ceasefire announced, than calls for a commission of inquiry on the conduct of the war were made across the political spectrum. The failures were indeed great. Israeli casualties in four weeks of fighting were 118 soldiers and 42 civilians killed and thousands of soldiers and civilians wounded. The military side of the war cost \$1.6 billion, and the economy, especially in the northern part of the country, lost at least \$2 billion in production. The full economic impact has yet to be totalled. Israel inflicted billions of dollars in damage on Lebanon’s infrastructure and killed hundreds of innocent civilians, but the actual number of Hezbollah fighters killed is unknown. Intelligence sources have told *EIR* that Hezbollah had deployed only a small portion of its resources.

A commission will have to ask some big questions: Why did the government approve an attack up to Lebanon’s Litani River knowing that, in a few hours, the United Nations Security Council would vote and likely approve a ceasefire resolution backed by the United States and France? Why did the Northern Command lower the level of alert on the northern border, two days before the capture of two Israeli soldiers by the Hezbollah? Why had the reservists who had been called up for the operation not received any training in the armored corps for six years? Why did the logistics system fail so miserably that soldiers lacked necessary equipment and even sufficient food and water?

But the main question will be, why did the government enter a war that ended in such a disaster? One Israeli source told *EIR* that an inquiry has to investigate why the government and the generals entered the conflict without any clear strategy on how the war could be brought to an end. He called the decision to launch an offensive up to the Litani River, an insane move that cost 24 Israeli lives, and gained nothing. It was the “glory of the generals fighting for survival,” he said, and he expressed the hope that an inquiry would bring down all the generals and senior politicians responsible for this bloody disaster.

### **Chief of Staff Must Resign**

Within minutes of the implementation of the ceasefire, *Ma’ariv*, one of Israel’s leading dailies, revealed that three hours after two Israeli soldiers were captured by Hezbollah,

and just before he was to recommend going to war to the Israeli Prime Minister and Defense Minister, Israeli Chief of Staff Dan Halutz called his banker to instruct him to sell his investment portfolio. In the next three days, as Israel went to war, the stock market took a nose dive. The political firestorm following the revelation has led to calls across the spectrum for Halutz’s resignation.

The lead editorial of *Ha’aretz* Aug. 16, titled “First Halutz Must Go,” reads: “Without claiming that blame or responsibility rests solely with the Chief of Staff Dan Halutz, based on the criteria of conduct, preparedness, and results, Halutz must resign immediately. This resignation should occur even before investigations and inquiries begin, and not only in order to underscore the gravity of the situation and the facts that no failure can occur without someone taking responsibility, and no failure can be disguised as a victory with empty words.”

As for cashing in his investment portfolio, *Ha’aretz* writes: “The cumulative feeling created by the fact that the chief of staff took time off on that bitter day to hastily sell his stocks, while the justice minister found time on that day to be photographed with, and take down the telephone number of, a passing clerk who later accused him of sexual harassment, is one of despair, as if the public has no one on whom to rely.” This latter reference is to Justice Minister Haim Ramon, who could be criminally indicted for trying to kiss a secretary. Ramon is infamous for having called for taking down the entire electricity capacity of Lebanon during the war.

After outlining the failures of the military, *Ha’aretz* concludes: “The government as a whole is also not innocent in this failure. But first of all, Halutz must go.”

The only ones to come out in support of Halutz have been the cronies of the now-comatose Ariel Sharon, who as Prime Minister had named Halutz Chief of Staff. In fact, almost the entire current General Staff was appointed during Sharon’s tenure, and Halutz is said to have been a favorite of Sharon’s son Omri. Among his defenders is Sharon’s former Defense Minister, and now Transport Minister, Shaul Mofaz, who also faces flack over the war’s failure. One of few journalists who came to his defense is Uri Dan of the *Jerusalem Post*, who has made a career as the leader of Sharon’s fan club.

Halutz is not the only head on the chopping block. On Aug. 17, a day after the ceasefire took effect, it was revealed that the Israeli State Comptroller Micha Lindenstrauss is investigating Prime Minister Olmert for receiving a \$600,000 discount on a \$1.2 million apartment—a discount that is being seen as a possible bribe. Lindenstrauss is expected to turn over his findings to the Attorney General with the recommendation that a criminal investigation be opened. Commentators are predicting Olmert could be out of office within two months.

### **War or Peace**

Israel’s only option for survival is to become part of a Madrid II-type peace conference as proposed by Knesset (parliament) member and Yahad Party leader Yossi Beilin, and

endorsed by American statesman Lyndon LaRouche. But Israel's political class is still split, and a faction led by Likud Party Chairman Benjamin Netanyahu is calling on Israel to prepare for the next war. Netanyahu, who conspired with Vice President Dick Cheney to drag Israel into the war in Lebanon, told the Knesset, "Unfortunately, there will be another round [in this war] because the government's just demands weren't met."

Meanwhile, Knesset speaker Dalia Itzik of the ruling Kadima party called for the formation of an emergency government that would include the Likud. Addressing Olmert in a session of the Knesset, she said: "Prime Minister, establish a national emergency government that will determine the mistakes we made over the years that led to this war. This new government must prepare us for the next war." Itzik went so far as to hold talks with Netanyahu—without informing Olmert—on forming such a government. Thus, there is a great danger that an even more hawkish government could come into power if Olmert's government falls.

Nonetheless, on Aug. 15, Israeli Defense Minister Amir Peretz called for Israel to prepare for negotiations with Syria and Lebanon, and a renewal of talks with the Palestinians. Speaking at a ceremony for Orphans of the Israeli Defense Forces, Peretz said that "every war creates opportunities for an extensive diplomatic process," and "we need to hold negotiations with Lebanon, and lay the groundwork for negotiations with Syria. . . . I plan to do whatever I can to restore the diplomatic support for Israel. We need to resume negotiations with the Palestinians."

Peretz's call, as well as Beilin's call for a Madrid II peace conference, have not fallen on deaf ears. Commenting on Beilin's proposal, an Israeli military source said: "Reopening the peace process will help Israel. Olmert has to take the initiative; otherwise, he will disappear from the political scene." The source added that Israel should also accept the Saudi peace initiative, known as the Beirut Peace Initiative. Such an agreement would put Israel on the road to establishing and expanding relations with other Arab regimes, including Syria, Egypt, Jordan, Lebanon, and Saudi Arabia, and would also help to neutralize tensions with Iran.

Another source, who has played a key role in negotiations with Syria in the past, said that the Israeli government "should now adopt a broad perspective" and initiate peace talks with Syria. "I know the Bush Administration doesn't agree with me," he said, "but Syrian President Bashar Assad should be encouraged to join in talks that would lead to concrete results, including a peace agreement."

## LaRouche's 30-Year Efforts for Mideast Peace and Development

*This timeline emphasizes Lyndon LaRouche's programmatic efforts with regard to the Middle East, which have always been based upon the principle that economic development in the mutual interest of all parties in the conflict ("the benefit of the other") is the only foundation upon which peace can be achieved. Of course, LaRouche has also focussed his fire against those who have sabotaged such potential—most notably the British and synarchist bankers, plus now, the insane Bush-Cheney Administration.*

**April 1975:** Lyndon LaRouche, after travels to Baghdad, Iraq for meetings with Arab leaders, announces a proposal for Mideast peace based on economic development of the region, as part of his proposal for a new International Development Bank (IDB) reorganization of the world monetary system. The proposal details a plan for the industrial and agricultural development of the region stretching from the Persian Gulf to the Mediterranean, and from Syria to Afghanistan.

LaRouche states in that proposal: "With an IDB policy in the wind, the pro-peace faction of the Mapai should become hegemonic. . . . The Israelis and key Arab states could readily agree on durable terms of continued negotiation concerning the Palestinian Question within the context of immediate firm agreement for cooperation in development policies. . . . Within such a policy framework, the Near East Jew will tolerate no continuation of keeping any section of the Arab population in oppressed backwardness; this provides the positive basis for finally settling the Palestine issue to the satisfaction of Jews and Arabs generally, including of course, the Palestinian Arabs."

**November 1975:** LaRouche and associates organize a seminar in Paris to present his Middle East development plan to the Arab nations.

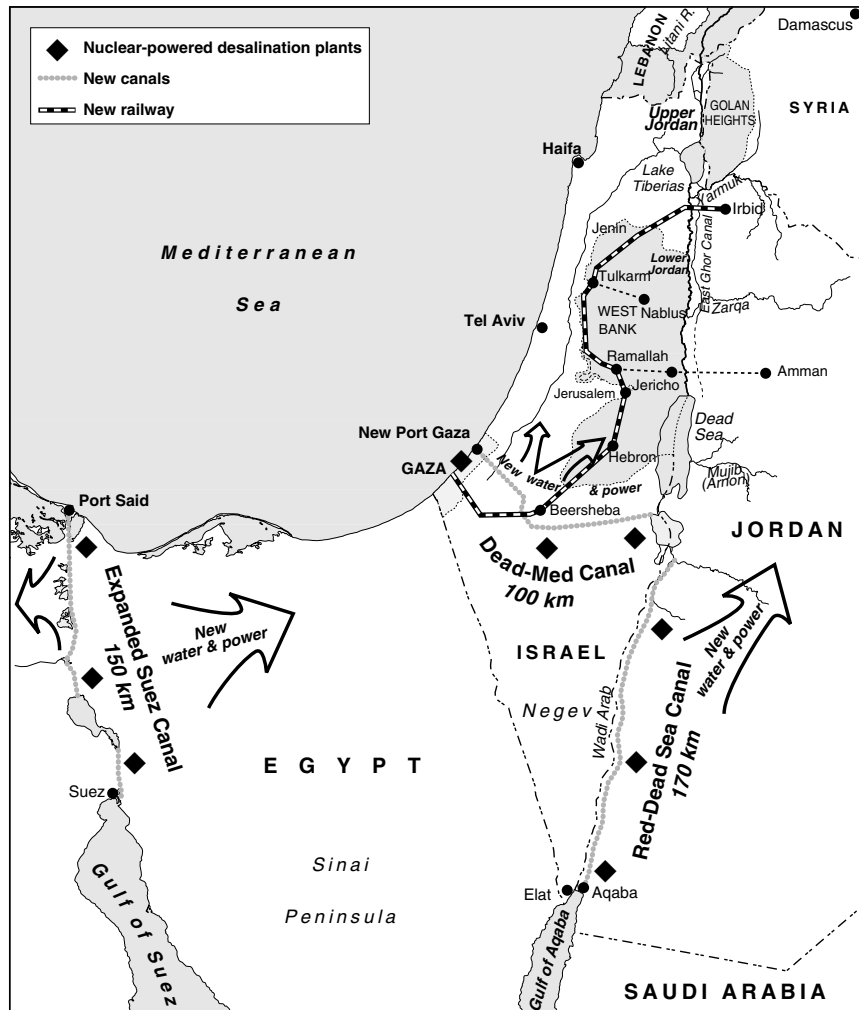
**November 1975:** LaRouche meets in New York with Israeli leader Abba Eban on his proposals.

**1977-78:** LaRouche holds several meetings with World Jewish Congress President Nahum Goldmann on his economic proposals in the Mideast.

**August 1977:** LaRouche writes an article, "A Future For the Middle East," which is published in Max Ghilan's Paris-based Israeli newsletter *Israel & Palestine*. "In general, without direct negotiations between Israel and the PLO there can be no Middle East settlement for the foreseeable immediate future. The objective basis for a Mideast settlement is the economic-development package we have indicated. Any

— FOR A —  
DIALOGUE OF CULTURES  
[www.schillerinstitute.org](http://www.schillerinstitute.org)

## Features of the LaRouche 'Oasis Plan'



other approach will fail, will be quickly degraded into farce— and probable war.”

**March 1978:** LaRouche writes a strategic evaluation report titled “A Machiavellian Solution For Israel,” which emphasizes: “Without a massive economic development program for the Middle East, no political basis for peace exists in that region.” Addressing Israel’s criminal practices against Lebanon and the Palestinians, LaRouche says: “The test of the qualities of a shepherd is the power to look directly at the full measure of evil the Israelis have perpetrated in Lebanon, the Israelis’ willingness to plunge the world into Armageddon rather than be ‘forced’ to regard the Arab as a human being, and once seeing this in all its undiminished horror, nonetheless nod, and say that this solution we propose for Israel is all the more imperative.”

**Spring 1980:** LaRouche’s Presidential campaign circulates a white paper titled “U.S. Middle East Policy.”

and the psychological impact of economic decay upon the populations and political stability of both Israel and Arab nations. . . . The problem has been aggravated to the extreme, by the lunatic ‘conditionality’ policies of the International Monetary Fund.”

**August 1988:** LaRouche’s Presidential campaign issues “A New Middle East Policy Is Urgent,” which is circulated widely in the region.

**July 1990:** LaRouche warns of British and Israeli efforts to trigger a new Mideast war; issues “Oasis Plan,” again calling for an emergency program to economically develop the Mideast.

**September 1990:** In an *EIR Special Report* titled “Bush’s Gulf Crisis: The Beginning of World War III,” LaRouche stresses again that “without a policy of development, the Arabs and Israelis have no common basis for political agreement; no common interest.”

**December 1982:** LaRouche representatives travel to Egypt to discuss economic development proposals. Egyptian Agricultural Minister Yossef Wali endorses *EIR*’s call to make Egypt into the “Japan of Middle East”; adds that “it is stupid to follow the IMF’s orders like the Bible or Koran.”

**December 1983:** LaRouche calls on Israel to work with PLO leader Yasser Arafat to bring peace to the region. “Mr. Arafat is the established leader of what is in fact a government in exile of the Palestinian Arabs. . . . If we are going to deal successfully with the Palestinian Arab people, it is with Mr. Arafat’s leadership that we must deal.” LaRouche issues *Proposal to Begin Development of a Long-Range Economic Development Policy for the State of Israel*, which is circulated widely there by LaRouche representatives sent there for that purpose.

**1984:** Three trips to Israel by LaRouche representatives, who argue for his development proposals.

**August 1986:** LaRouche extends full support for the renewed proposal of Israeli leader Shimon Peres for a new Marshall Plan for Mideast-wide development. “What Mr. Peres, and also the authors of a parallel Egyptian proposal, have presented as a ‘New Marshall Plan’ policy, addresses two immediate problems suffered by both Israel and by moderate Arab nations . . . Egypt most notably: the depressive effect of a debt-accumulation that is no longer payable,



**April 1991:** LaRouche's Presidential campaign widely circulates a pamphlet titled *Demand Development in the Middle East! Stop Bush's Genocidal New World Order*.

**September 1991:** Under the direction of Lyndon LaRouche and his wife Helga Zepp-LaRouche, the Schiller Institute issues a policy proposal titled "For a True Fourth UN Development Decade: A Concrete Solution to the World Economic Breakdown Crisis; a Discussion Paper for the 46th Regular Session of the UN General Assembly." LaRouche's "Oasis Plan" is prominently featured.

**March 6, 1992:** A full-page advertisement by LaRouche's campaign committee appears in the *Washington Times*, titled "LaRouche Was Right; Great Projects To Develop the World." Among the 18 Great Projects referenced is the Mideast Oasis Plan.

**July 1992:** LaRouche representatives in Jordan distribute LaRouche proposals on regional economic development.

**September 1993:** Responding to the announcement of the Oslo Peace Accords, LaRouche hails this event as "monumental as the fall of the Berlin Wall." "The urgent thing here, is that we must move with all speed to *immediately* get these economic development projects, such as the canal from Gaza to the Dead Sea, going, because if we wait until we discuss this out, enemies of progress and enemies of the human race, such as Henry Kissinger and his friends, will be successful, through people like Ariel Sharon's buddies, in intervening to drown this agreement in blood and chaos."

**April 1994:** LaRouche addresses the Institute of Oriental Studies in Moscow on his Oasis Plan.

**June 2002:** LaRouche addresses a conference at the Zayed Center for Coordination and Follow-Up, in Abu Dhabi, devoted to the question of "Oil and Gas in World Politics." In his speech, entitled "The Middle East as a Strategic Crossroad," LaRouche deals with the ecological, economic, and strategic aspects of the petroleum-rich Southwest Asian region, from the standpoint of its potential role as an economic crossroads in a world economy revitalized under a new world monetary system.

**June 2003:** LaRouche travels to Turkey, where he speaks of reshaping the Southwest Asian region for peace. One of his speeches, entitled "Eurasia: New Key for Global Development and Peace," deals with the role of this region in the Eurasian Land-Bridge project.

**April 17, 2004:** LaRouche issues a policy statement, "Southwest Asia: The LaRouche Doctrine," published in *EIR* of April 30, 2004. See also [www.larouchepub.com](http://www.larouchepub.com).

**May 14, 2004:** LaRouche gives a webcast speech to a Washington audience on "The Keys to Peace" for Southwest Asia, emphasizing the need for an approach based on the Treaty of Westphalia, which ended the Thirty Years' War (1618-48)—an approach that would uphold the sovereignty of the nation-state, while halting religious warfare without retribution or revenge.

# The Promise of Oslo, And Today, Lies in LaRouche's Oasis Plan

by EIR Staff

*Adapted from EIR, Nov. 26, 2004.*

From 1976 forward, economist Lyndon LaRouche had argued that the only possible route to a lasting, or developing, peace between the Palestinians and the Israelis, would be through the adoption of an economic development plan that would demonstrate to both populations that the conditions of peace and cooperation were to the benefit of themselves, and their posterity. Over time, LaRouche's proposal came to be known as the "Oasis Plan," especially because it revolved around the development of new water resources for the now water-starved region. This plan was the subject of intensive organizing activity with Israelis, Palestinians, and representatives of other nations as well.

The potential for its realization appeared most likely at the time of the announcement of the Oslo Accords, which were made public at the beginning of September 1993. For not only did those accords lay out provisions for political accommodation, but they included economic annexes (III and IV), which defined areas of cooperation in the fields of water, electricity, energy, and transportation, among others. The second annex also proposed cooperation on regional development programs.

Not surprisingly, these areas were precisely the ones which LaRouche had specified for years, and he threw himself, and his supporters, into an emergency mobilization to realize the opportunity. LaRouche, who was in prison at that time, responded to the news of Oslo by insisting that crucial projects had to begin—ground had to be broken for them—by the end of September, in order to create and preserve the momentum behind the Accords. In an interview Sept. 8, 1993, LaRouche said:

"The urgent thing here is that we must move with all speed to *immediately* get these economic development projects, such as the canal from Gaza to the Dead Sea, going, because *if we wait until we discuss this thing out, enemies of progress and enemies of the human race, such as Kissinger and his friends, will be successful, through people like Sharon's buddies, in intervening to drown this agreement in blood and chaos.*"

## Israeli-Palestinian Agreement

There were leading factions on both the Israeli and Palestinian sides who agreed with LaRouche. Israeli Foreign Minister Shimon Peres, who crafted the agreement on the Israeli side along with Prime Minister Yitzhak Rabin, had been campaigning since 1985 for a Marshall Plan for the Middle East, on the order of magnitude of \$50 billion. In September 1993, he called for implementing the economic agreements, in order to “convert the bitter triangle of Jordanians, Palestinians, and the Israelis into a triangle of political triumph and economic prosperity. . . . Let us build a Middle East of hope, where today’s food is produced and tomorrow’s prosperity is guaranteed, a region with a common market, a Near East with a long-range agenda.”

Peres’s words were effectively seconded by PLO Executive Committee member Mahmoud Abbas, known by his *nom de guerre* Abu Mazen, who had been the chief negotiator for the accord on the Palestinian side. He said: “Economic development is the principal challenge facing the Palestinian people after years of struggle, during which our national infrastructure and institutions were overburdened and drained. We are looking to the world for its support and encouragement in our struggle for growth and development which begins today.”

Astute observers will note that this Abu Mazen is the very same individual who is at the head of the Palestinian Authority today, having participated, with Yasser Arafat, in the peace process for more than a decade. Such a continuity contrasts sharply with developments on the Israeli side, where Oslo architect Yitzhak Rabin was assassinated by an Israeli extremist in 1995.

In fact, the definitive blow that was delivered against the rapid economic development plan envisioned in the Oslo Accords, came neither from the Israelis nor the Palestinians. It came from the international community, which not only refused to step forward with the necessary resources and credit, but also threw its support behind the plans of the World Bank. The World Bank, which held a conference on Sept. 20, 1993, refused outright to fund the heavy infrastructure projects, especially in the field of water and energy, which were absolutely required for progress to be made. As a result of the failure to implement an economic development plan, economic conditions have worsened in the region, “proving,” particularly to the Palestinians, that peace does not pay.

## The Oasis Plan

As LaRouche has argued consistently, there is no possibility for the peoples of the Israel-Palestine-Jordan-Syria area to live in peace, unless there is development of *new* water resources. The Jordan River Valley, on which all these nations depend, has a water flow that can support less than *half* of the people living the region, and it is getting more inadequate all the time.

Thus, the core of LaRouche’s plan consists of water development and management programs, buttressed by projects for transportation, energy production, and industrial and agricultural growth. The supply of water must be drastically increased, through the creation of what LaRouche called new “man-made River Jordans.” This, he argued, depends absolutely upon the use of nuclear energy, for both energy and desalination.

These projects include two canals, one linking the Mediterranean with the Dead Sea, and another linking the Red Sea to the Dead Sea. These links require large-scale desalination through the use of fourth-generation meltdown-proof high-temperature nuclear reactors, which would simultaneously provide abundant electrical energy for the people of the region.

Such waterways would be vital for improvement of transport as well, and along the canals and reservoirs, LaRouche proposed building “nuplexes,” complexes of nuclear power and industrial-agricultural production. Complementing them would be the construction of railroad lines, necessary for the movement of people and freight.

LaRouche’s Oasis Plan also included a “soft infrastructure” component, involving the provision of housing, health care, education, and all manner of social infrastructure. But such improvements in living standards would be absolutely impossible to sustain, without the agro-industrial base fed by *new* and adequate water resources. In turn, the provision of those resources absolutely depends upon the use of nuclear power.

Such plans for the region were not unique to LaRouche. Back in the 1950s, the men who successfully established the Tennessee Valley Authority in the United States, had worked up a plan for the Jordan Valley Authority, which they presented to the nations of the region and the UN. The political combination required to fund such projects, was never realized at that time, and in the later “post-industrial” period, the International Monetary Fund (IMF), World Bank, and international bankers exercised their veto.

Today, with the whole of the Southwest Asian region exploding, there is a new urgency for putting the Oasis Plan on the table. A commitment from *outside* the region, to fund and otherwise support such projects is a *sine qua non* for reversing the pessimism of both the Palestinian and Israeli people, and building the basis for stability, which could grow into lasting peace and prosperity.

See [www.schillerinstitute.org](http://www.schillerinstitute.org) for details and maps.

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

## Put Out the Flames of the Oligarchy's Thirty Years' War

by Helga Zepp-LaRouche

*The following is an excerpt from Mrs. LaRouche's keynote speech to the Schiller Institute/International Caucus of Labor Committees Presidents' Day weekend conference on Feb. 19, 2005, in which she demonstrated that a new Thirty Years' War had already begun, and indicated the lessons we can learn from Schiller's Classical drama of the 1618-48 Thirty Years' War, and the Treaty of Westphalia which ended it, to deal with the present crisis situation in the world. The full text is in EIR, March 11, 2005.*

The world is already sitting on a powderkeg, and the name of this powderkeg is World War III. The fuse has already been lit, at five, six, seven, eight points. And this, without any question, is the stuff world wars are made of.

How do we deal with that? How do we approach that? And how do we find a way out of that? Lyn has said, and written many times, that we have to look at history like tragedy. And we have to learn from Classical tragedy, how to uplift ourselves, how to uplift the population in order to find a way out.

In this tragedy, you're not looking at "a stage"—but you, we—we are the leading characters of the play. And we can learn from historical Classical dramas, from Shakespeare, from Schiller, and let the drama of these great tragedians teach us historical lessons.

### Schiller's Historical Insight

The problem we face today can be understood best from that point of view. And therefore, I want to talk a little bit about my favorite poet, Schiller, who was a first-class historian, and compare his historical writings with his dramas, at least one drama, as the most efficient way to get to the point. This is something modern historians completely fail to grasp. And if

they talk about Schiller as an historian at all, they say, "Well, he was not really an historian, because—" But, actually, Schiller was the best historian: He had a better understanding of history, than almost all so-called professional historians, because he grasped the ideas, the real dynamic of history.

He tackled the problem of European history and European civilization, starting with his description of "The Laws of Lycurgus and Solon," where he describes the republican model of the wise lawgiver, Solon of Athens, who has created a state, where the *aim* of the state is the progression of the people—the progress, the perfection of the population. Versus the evil system of Lycurgus of Sparta, which is run by a small, oligarchical elite, where, according to Schiller, everything looks perfect in the beginning, but then, you see that this very well-organized state is actually based on slavery, on a system of helots, where parts of the population can be thrown away as human cattle, and can be killed. And from time to time, when the helots, which is the name for the slaves in Sparta, get too many and become too dangerous to the system, the youth have a free-shooting—they can go out and shoot these people.

Schiller portrays this, that you can learn from this whenever the humanist cause makes progress, and when it turns into the opposite, such as Lycurgus. And the entirety of European history has been the struggle between these two tendencies. And it helps you to see turning points, when mankind moves upward, and when it moves downward to degenerate. And how a continuation of failed systems leads to doom, because the society adheres to false principles.

As I said, and I think if you look at the map of the present hotspots that there is no doubt about it, that we are, already, in a global, new Thirty Years' War.

Now therefore, let's take a look at the old Thirty Years'



EIRNS/Helene Möller

*We must stop the wars going on now, "because the alternative is perpetual war," said Helga Zepp-LaRouche. To do this, we must give America its soul back, that of the Declaration of Independence and the American Revolution.*



www.lebanonembassy.org

*The modern image of what could become a Thirty Years' War: devastation in Lebanon by Israeli bombing raids.*

War, which lasted from 1618 to 1648: which, as I said, was limited to Europe at that point, and therefore only devastated parts of the world. Let's take a look at how Schiller deals with this issue of the Thirty Years' War.

Now Schiller, in the Spring of 1786, found a book about the Peace of Westphalia, and according to his own testimony, this triggered his acute interest to study deeply and thoroughly real history. This he wrote in a letter to his friend Körner, on April 15, 1786.

In the beginning of this book, there is a lengthy essay about the character of Wallenstein, who was the general of the Imperial Army of the Habsburg Empire, and who was the opponent of the Swedish King Gustav Adolf. Three years later, Schiller undersigned a contract with his publisher, Göschen, to write a comprehensive study of the history of the Thirty Years' War, on which Schiller worked, then, for three years, until 1793. And soon, it was clear for him, that he not only was writing history, trying to comprehend historical lessons, but that he had found a really, absolutely prime topic for a Classical drama. Because Shakespeare, Schiller, and others are always looking, "What is a good subject to write a drama?" because you need a good topic, and it's not so easy

to find such.

Therefore, after extensive studies, which took him, among others when he went to Carlsbad, which was a famous health spa, he had extensive discussions with Austrian military officers, to study warfare. He visited Eger, which was the main place where Wallenstein's camp stayed. So, Schiller really worked deeply to familiarize himself with the different aspects of this war.

### **Wallenstein Builds an Army**

Now, let's take a look at the period of the Thirty Years' War, which is relevant for our purpose here. In the Third Book of the *Thirty Years' War*, Schiller describes how Gustav Adolf is making victory after victory in the north of Germany. Wallenstein, at this point, is sitting in Prague, because he has been ousted from the command of the Imperial Army by Emperor Ferdinand, due to an intrigue which involved the Spanish court, which involved the Duke of Bavaria; and therefore, Wallenstein is not completely unsatisfied with the progress of Gustav Adolf. And he even puts out feelers, trying to make

friendship with him, and invites him to make a military alliance. He proposes to Gustav Adolf to link 15,000 of his troops with his own troops (which Wallenstein doesn't have yet, but he intends to recruit in Bohemia and Mären), and then attack together and conquer Vienna, and chase the Emperor out, and chase him into Italy.

At this point, Gustav Adolf hesitates. This sounds all too daring to him, like a chimera, he cannot believe in; so he basically wastes the only chance to end the war quickly. Wallenstein's pride is very much hurt, and he never forgave Gustav Adolf for this low estimate of his proposal.

So, what does Wallenstein do? He needs an army to get rid of the Habsburg Empire. He cannot recruit one in secrecy, because this would cause the maximum suspicion at the court in Vienna. Also, he cannot tell the soldiers what his real plans are, because if he tells them to join his, Wallenstein's, army, to topple the Habsburg Empire, in that period, it would have been regarded as high treason, and people would not have joined. Therefore, Wallenstein has to find a way, how he could convince the Emperor to officially give him unlimited power over such an army. But Wallenstein is a proud person, who does not want to beg. So, he's sitting there waiting, until the threat from the Swedish army is so bad, that the Emperor has to make the decision, against the opposition from Bavaria and Spain, to give him the control over the army.

Now, Wallenstein, according to Schiller, is indirectly secretly supporting the advances of Gustav Adolf, probably also furthering the attacks of the Saxonians on Bohemia, and the progress of Gustav Adolf along the Rhine [see **Figure 1**]. At the same time, Wallenstein is having his supporters in Vienna complain badly, that it is only the demotion and ouster of Wallenstein which is the cause for the defeat.

Wallenstein, at that point, was an extremely rich man. He had gigantic respect; the speed with which he, six years earlier, had recruited an army of 40,000 people, the small price it had cost at that time, his rapid victories—so when the crisis became big enough, the Emperor put his feelers out, to see what Wallenstein's state of mind would be. At that point, Wallenstein played very hard to get. He said, "I'm not interested—I'm interested in retirement." But, privately, he was triumphant, because the time for revenge had come. Vienna wanted to curb his power, by putting the King of Hungary at his side, which Wallenstein absolutely refused. And then, eventually, after Gustav Adolf advanced even further, he agreed to put together an army, but only to take command for three months, to arm the troops, but then not to lead it beyond that.

He was convinced that the army would immediately disintegrate once he was not the commander, and he used the army only as bait. Gustav Adolf, at that point, still did not believe this whole thing was for real. But, when Wallenstein had put the army together, he just mobilized what his networks were, he had been building on for years before. His fame attracted

FIGURE 1



masses of soldiers, the size of the promised pay, the quality of the food; then Wallenstein paid 200,000 gold thaler from his own money, to speed up the armament, and he instigated other rulers to spend their own money to pay the troops.

Soon he had an army of 40,000, which was attracted by the glory of Wallenstein's name, his gold, his genius—and at that point, Wallenstein threatened to resign. The danger of Gustav Adolf grew, but Wallenstein wanted guarantees that he would not be demoted again, and would have unrestrained control, the sole power to punish and to reward the army, and, basically demanded that the Emperor would be robbed of all control of the army. Essentially what this was, was a plan for mutiny.

At that point, he also demanded that all Austrian provinces be open for his retreat, in an emergency, which was essentially the idea to keep the Emperor prisoner in his own empire, in case of such an emergency. But Ferdinand needed Wallenstein very badly, because Gustav Adolf was advancing, so he agreed to all of these demands.

Wallenstein was in no hurry, and let the Emperor and the Elector of Regensburg wait and worry. But eventually, it came to the unification of the Imperial and Bavarian troops at Eger, and Wallenstein commanded, at that point, 60,000 troops.

### The Siege of Nuremberg

Gustav Adolf requested the support of the Saxonian troops, and when he realized Wallenstein's army was marching towards him, he saw only one chance: to move into

Nuremberg. And even if this meant the danger of encirclement by Wallenstein, it seemed to him to be better to be fortified in a position in Nuremberg, and prepare for the encirclement than to just have an open battle. Wallenstein, at that point, said, "In four days, it will be decided who is the ruler of the world, Gustav Adolf or I." Wallenstein immediately started the siege of Nuremberg, waiting for hunger and epidemics—and this was not so easy, because Nuremberg was not that big a city at that point, and they had tremendous difficulty foraging, getting food and other supplies, and often the resupplies fell into the hands of the Swedes.

On both sides, very soon, infectious diseases broke out, bad food caused poisoning; soon Duke Wilhelm von Weimar came to the aid of Gustav Adolf. Four Saxonian regiments and troops from the Rhine area joined, so that they were, altogether, 50,000 troops, 6,000 cannon, 4,000 wagons. Gustav Adolf on the other side, had 70,000, and the militia from Nuremberg, which was 30,000 citizens for an emergency. Wallenstein was reinforced from Bavaria, and soon, in the Wallenstein camp, there were 120,000 soldiers, 50,000 horses, 15,000 women, and 15,000 servants. (Because, at that time, it was the custom that the soldiers would have their families with them in such a battle.)

But soon such an enormous amount of people could not be maintained, and hunger erupted. A certain number of the horses starved to death; epidemics were spreading. At that point, Gustav Adolf considered an attack, which Wallenstein answered from a distance from his fortifications, and it was Wallenstein's intent to run Gustav Adolf down, through attrition. Wallenstein was sitting there, calmly, as Schiller writes, "like a god."

He had, around his camp, 100 cannons, and 500 soldiers of Gustav Adolf's army went to certain death; heavy cavalry followed, and then German troops, Finnish troops, one regiment after the other went into certain death.

Soon, a thousand mutilated corpses were lying on the ground. Heavy fighting on the left wing of the Swedes started; both sides had severe casualties. Wallenstein's horse was shot from under him. Two thousand were dead on Gustav Adolf's side. Fourteen more days and the armies stayed opposite to each other; hunger pain increased, soldiers dissipated, the peasants became their victims. Need dissolved order, violence spread, and a despicable decay of military discipline occurred.

Nuremberg for weeks had to feed large crowds of people, and after 11 weeks it came to an end, because there was absolutely no food left, and Gustav Adolf, who had the larger army, because of that, withdrew first. Nuremberg had lost 10,000 inhabitants; Gustav Adolf, 20,000 through war and epidemics; and all villages and fields were destroyed. The peasants were dying on the roadsides. There was the smell of mold, decaying corpses, and long after the retreat, misery and need remained. Gustav Adolf retreated. Wallenstein let him



arttoday.com

*Sweden's King Gustav Adolf. After he rebuffed Wallenstein's offers of alliance, the battles between them devastated Europe, including notably the siege of Nuremberg, which left 50,000 dead, without bringing the war any closer to an end.*

go, and soon after that, left himself, burning down the camp.

The siege of Nuremberg alone had left 50,000 people dead, without bringing the war one inch closer to an end. Austria was saved for the short term, but nothing was decided.

### **Combat Resumes: No End in Sight to War**

As a result, Wallenstein went back to his plan to separate the Saxonians from the Swedes. The Saxonian army had, in the meantime, attacked Silesia, so no defense was left and Saxony was open for attack from all sides. Wallenstein left Bavaria for Gustav Adolf to loot, hoping that he would not disturb him in Saxony, and marched toward the Thuringian woods. General Holk did the advance, and destroyed the defenseless province with fire and with sword. Generals Gallas and Pappenheim followed, making things worse—destroying churches, burning down villages, destroying the harvest, robbing families, murdering people, and the army turned into barbarians, only to advance for the even bigger misery caused by Wallenstein's army which followed immediately afterwards.

At that point, Gustav Adolf decided to follow Wallenstein, and the population from the nearby areas gathered to see him, celebrating him as the savior, falling on their knees to kiss him, and touch his clothes, because they looked at him like a god. The adoration was so overwhelming, that Gustav Adolf expressed that he feared vengeance from Heaven for such idolization.

At that point, Wallenstein *had* to win against Gustav Adolf, or lose his reputation. Near Naumburg, Gustav Adolf started another fortification, and Wallenstein sent the larger part of his troops to Cologne, which had been attacked by the Dutch troops under the leadership of his General Pappenheim. As soon as Gustav Adolf heard that, he left his camp to attack the weakened army of Wallenstein, having 20,000 against 12,000 troops. Wallenstein hoped that Pappenheim would return quickly.

At Lützen, it came to an open battle, man against man. Gustav Adolf was in the battlefield at the left side; and at one point, he was shot in the arm, and a second shot killed him, and that news actually invigorated the Swedes to fight even harder.

The minute Wallenstein had almost lost, Pappenheim returned, and the battle started all over, in a murderous fight. Nine thousand people were dead. Many more wounded. The whole plain was covered with dead, wounded, and dying peo-

ple. The Swedish victory was a sad one, because their King Gustav Adolf was dead.

### Wallenstein Mobilizes for a Revolt

And when it was clear that the Emperor of Austria wanted to demote Wallenstein a second time, Wallenstein activated his plan for a revolt. In the year 1634, he called the commanders of the army to Pilsen. The demand from Vienna at that point, was not to put up the army for Winter in Austria, because putting up the army was always a big drain on the country, and to reconquer Regensburg, still during the Winter, also was a big difficulty.

This was a large enough issue, for Wallenstein to call together the entire war council, and secretly, he also invited the Swedes and the Saxons. But, the most important three commanders were missing.

What Wallenstein was planning here, was not a small thing, because he wanted to convince the army and the nobility for a revolt. But Wallenstein was blinding himself. He didn't see the danger which was hanging over his head. Wallenstein was sure that the army, which was very bitter against the Emperor, would follow his orders as usual. And he thought that it was his personal authority, and not the authority of his position, which caused this obedience from the troops.

Then, through an intrigue, he wanted to get the command-

## A Brief Chronology of The Thirty Years' War

The Thirty Years' War (1618-48) ravaged central Europe, and especially what is today Germany, with religious and political wars.

**1618:** The Roman Catholic archbishop of Prague, in Bohemia, ordered the destruction of a Protestant church. The Protestants appealed to Holy Roman Emperor Matthias for protection, but when he ignored their protests, they revolted. In the so-called Defenestration of Prague, rebels threw two of the Emperor's officials out a window. The Catholic King of Bohemia, Ferdinand, was ousted and replaced by the Protestant Frederick.

**1619:** Ferdinand was chosen Holy Roman Emperor.

**1620:** Emperor Ferdinand's forces defeated the Bohemian Protestants.

**1625-29:** Other Protestant countries joined the fray. Danish King Christian IV and others fought Ferdinand's forces in Saxony. Gen. Albrecht von Wallenstein came to Ferdinand's aid, along with forces of the Holy League (a military alliance of German Catholic states), defeating the

Danish King. The Emperor dismissed Wallenstein.

**1630-31:** Sweden's King Gustav Adolf (Gustavus Adolphus), a Protestant, sent troops against Ferdinand. Wallenstein makes unsuccessful overtures to Gustav Adolf for a military alliance. Ferdinand called back Wallenstein, agreeing to his conditions, and also made an alliance with King Philip IV of Spain.

**1632:** Wallenstein's army fought the Swedes at the Battle of Lützen. The Swedes won, but King Gustav Adolf was killed.

**1634:** The Swedish army was destroyed in the Battle of Nordlingen. Wallenstein activated his plan for a revolt against the Emperor. The Emperor ordered him arrested. Wallenstein tried to escape, but was assassinated.

**1635:** France intervened on the side of the Protestants, and the struggle continued, now between the French Bourbons and Austrian Habsburgs.

**1644:** Peace negotiations, under the leadership of France's Cardinal Mazarin, began in two cities of Westphalia (now western Germany), with the Catholics and Protestants meeting separately.

**1648:** The Peace of Westphalia was signed, enshrining the principles of national sovereignty and "the advantage of the other."



ers to sign the paper of loyalty to Wallenstein, which had a clause in it: As long as Wallenstein deploys the army in the service of the Emperor, they should all be loyal to Wallenstein. Nobody had reservations against signing such an innocent statement. And they served a gigantic meal, asking the commanders to sign afterward, giving them a lot of wine; and then, when they gave the same paper after the meal, that particular clause was missing. But, then the betrayal became known, and a big uproar occurred.

Wallenstein at that point was completely blind to the fact that the two most important generals, Gallas and Piccolomini, were there only as spies for the court at Vienna. And Schiller says, Wallenstein's pride was the daughter of his bride. At that point, Wallenstein planned to go to Prague, to collect the troops there, and to attack Vienna from there. He was left basically alone, but he didn't give up his plan. And Schiller writes, "But it is in such situations, where great character is demanded. Betrayed in all expectations, he did not give up any of his designs. He gives nothing as lost, because he still has himself. But he reveals himself to the wrong person, the wrong confidant, which then speeds up the plans to murder him."

So, for Schiller's account of the Thirty Years' War, he writes this history, but then, you look at what he does with this historical material.

### Schiller's Portrayal of Wallenstein

In the beginning of his historical writings, he portrays Wallenstein as a limitlessly ambitious man, recklessly violent, only occupied since his demotion with total revenge against the Emperor, and he wants to use the army to destroy the Habsburg Empire and take power himself. But, then, at the end of the Fourth Book, Schiller makes a very interesting change, and says: "So, Wallenstein ended his life, at the age of 50 years, a life full of deeds which was extraordinary, elevated through ambition, toppled by the desire for fame. But, despite all his faults, he was great, and he was to be admired. He would have been unmatched, if he had kept in proportion. He had all the virtues of a leader—wisdom, justice, firmness, and courage—in a colossal way. But, he was lacking the gentle virtue of man, which decorates heroes, and which causes the leader to be loved."

And then, at the end of Book Four, Schiller surprisingly touches upon another level of this history. He writes: "His bright mind elevated Wallenstein above religious prejudices of his century. And the Jesuits never forgave him, that he had seen through their system. It was the intrigue of the monks, which caused him to lose the command the first time in Regensburg, and to lose his life in Eger. And it was through the monks that he lost something that was even more important than both: Namely, to lose his honest name. For the sake of justice, one has to admit that the story of this extraordinary man has not been transmitted faithfully, that his treason is not



*Wallenstein, Duke of Friedland (1583-1634). Schiller's character was the true Wallenstein—with both virtues and flaws—and his peace efforts were a prelude to the Peace of Westphalia, which ended the Thirty Years' War 16 years after his death.*

proven, and in his publicly proven deeds is none which would have been not based on innocent motives. Many of the steps he was criticized for the most, any proof his serious desire to establish peace, and others, are accused of being based upon his justified mistrust against the Emperor, and the excusable effect to emphasize his own role. None of his deeds allows us to think that treason on his part is proven. He did not fall because he was a rebel, but he was a rebel because he was falling. It is a misfortune for the living to have made the victorious party an enemy, and it is a misfortune for the dead, that this enemy outlived him and wrote his history."

Now, this is very, very interesting, because, as Schiller was working through the historical material—and you have to appreciate that the actual sources were not what you have today, where you can go to the Library of Congress and you have everything you can possibly wish—but he had only a few records; but, eventually Schiller, as always, came to the real dynamic behind this period of history.

From these lines, it is clear that Schiller absolutely was on the track of the real historical issues. The real issue was not loyalty to the Habsburg Empire; but the real issue was how to end the Thirty Years' War, how to end the religious war. And Schiller, who probably would have written a history of the Peace of Westphalia if he would not have died pre-

turely of his diseases, called the Peace of Westphalia the “greatest achievement of statecraft.”

### Schiller’s Wallenstein Trilogy

But, it was only through the drama Schiller wrote, based on this historical material, for which the actual historical record was relatively limited, that he found with scientific precision what was the actual story of this period of history. In the famous *Wallenstein Trilogy*, which was the first Classical drama in German—I mean, Schiller wrote the youthful dramas up to the *Don Carlos*, but the real, first Classical drama was the *Wallenstein Trilogy* about the Thirty Years’ War. I’m saying it was the first real Classical drama, because it fulfilled the highest standard of Schiller’s and Goethe’s own aesthetic conceptions of what Classical art must be based on. And it focussed on this period of the Thirty Years’ War which I just told you about.

The *Trilogy* starts first with *Wallenstein’s Camp*, and this alone is a masterful portrayal. It probably describes the Wallenstein camp near Nuremberg, during the siege. And what you see is how, through the viewpoint of the different soldiers of the army in the camp, the panorama of the camp during the war, is painted from the view of the simple soldiers.

Then, the second part of the *Trilogy*, called *The Piccolomini*, has the story of the plan of Wallenstein to turn the army against the Emperor, and the counter-intrigues from the court of Vienna, for which Octavio Piccolomini, after whom this second part is called, is the chief agent, and whom Wallenstein unfortunately trusts completely. And Schiller said, “Only the arrogance of pride was the cause of Wallenstein’s blindness not to see through.”

Schiller’s work on the Wallenstein play was interrupted many times, because he had many, many severe intestinal and other diseases—as a matter of fact, when he died at the age of 45, and an autopsy was made, people were surprised how long this man could have lived, because his entire internal organs had completely dissolved. And he had a gigantic domination of willpower over his weak body. But, in this whole period of six years, Schiller was also working on his aesthetic writings.

He had the problem that Wallenstein was a general—he was in the middle of a war, he was not exactly a sympathetic person, at least at first view; and the question was, how to make this very ambiguous figure, who was not really great, who had essentially no noble motives, but a general in the middle of battles—how to get the audience to feel with Wallenstein, and to make him an understandable and even sympathetic hero. Which, according to Schiller, is necessary, because, as he develops in his theoretical writings “The Theater as a Moral Institution,” Classical theater must elevate the population.

When the ordinary people go to the theater, and they see a king, or a general, or an emperor, or anybody on the stage,

they have to be uplifted to identify with the large issues of mankind, and they have to put themselves in the shoes of the hero on the stage, what would *they* do, if, on their action, the fate of their people for centuries and generations to come, would depend? That requires, that the audience, when they look at the hero on the stage, identifies—and you cannot identify with somebody whom you detest.

So Schiller had the problem of how to use this historical material, to cause people to somehow have a different identification with Wallenstein. And in the very beautiful prologue, he writes, “Wallenstein, his character is torn in different directions, by love and hatred of the different parties. But, through art, I will present him in front of your eyes, and bring him closer to your hearts.”

### ‘The Children of the House’

The way Schiller does that, is, he adds two figures which were not reported in real history, but do exist in the play. These figures are Max, the son of Octavio Piccolomini, and Thekla, the daughter of Wallenstein. They are what Schiller calls the “children of the house,” which is close to his ideal of the “beautiful soul.”

Schiller had, throughout his life, again and again, come back to what he called “the philosophy of childhood.” Which was the idea that children and youth are in a condition of innocence, that they are not yet crippled by the challenges of adult life. They are pure and integral. And that people later get hurt and get damaged, and they become crippled. But that always, they have the chance to revive and to create anew the totality of their human personality, through aesthetical education.

Schiller uses this means, to have two beautiful souls, which are not yet crippled by the Thirty Years’ War, the children of the two main figures—Octavio and Wallenstein—who represent this idea of the beautiful humanity. And it is them, alone, through which he portrays what is the ideal of Wallenstein in the Peace of Westphalia.

Max, in the play, is the counterpart of Wallenstein, and he represents Wallenstein’s own noble youth, which he sees personified in Max. And after Max dies in the battle, Wallenstein exclaims, “He was standing beside me, like my own youth. He painted reality for me, as a vision, as a dream.” And, Wallenstein, in the entire plan, he *never*—according to Schiller—really says, what is his aim for trying to topple the Habsburg Empire, but then, in the dialogue between Max and Octavio and another character, called Questenberg, Max actually describes why he is so absolutely determined to be on the side of Wallenstein. And I want Will [Wertz] to read that part:

**Max:** Soon will his dismal realm come to an end!  
O Blessed be the prince’s earnest zeal,  
He’ll intertwine the olive branch i’ th’ laurel

And donate peace to a delighted world.  
 Then his great heart has nothing more to wish,  
 He has performed enough for his renown,  
 Can live now for himself and for his own.  
 To his estates he will retire. At Gitchin  
 He has a lovely seat, and Reichenberg  
 And Friedland Castle both lie happily—  
 Up to the Riesenberge foothills stretch  
 The hunting ranges of his wooded lands.  
 With his great drive for glorious creation,  
 Can he then unrestrainedly, freely comply.  
 As prince he can encourage all the arts  
 And give protection to all worthy things—  
 Can build, and plant and watch the stars above—  
 Yes, if his daring power cannot rest,  
 then he may battle with the elements,  
 Divert a river, and blow up a rock  
 And clear an easy path for industry.  
 Our histories of war will then become  
 the stories told on lengthy Winter nights—

What Max portrays here, was Wallenstein's plan for the time when peace was established. And, as you can see, it is clearly the essence of the idea of the Peace of Westphalia treaty: the idea to build infrastructure for reconstruction, to divert rivers, to reconstruct the torched earth.

### The Function of Classical Tragedy

The third part of the Trilogy, is *The Death of Wallenstein*. Wallenstein gets killed, in an absolutely masterful way how Schiller describes this.

Now, in real history, the war as a result of this continued another 16 years, and it only ended, because at that point, it was clear that if the war would continue, nobody would be left alive. If you compare Schiller's historical writings about the Thirty Years' War and the *Wallenstein Trilogy*, something very interesting emerges: As I said, during the same period, Schiller worked on the history and the drama of the Thirty Years' War, he made extensive writings about the aesthetical laws of Classical art, the famous *Aesthetical Letters*, *On Grace and Dignity*; the *Kallias Letters*, the criticism of Burger's poems *About Naive and Sentimental Poetry*. And in that, he said, that the great poet, the great artist, needs to idealize a subject, because otherwise, it's not worth portraying it.

This word "idealizing" has been misunderstood a lot, by meaning "beautifying" "making it more nice," "idealizing it"; that's not what Schiller means, at all. It means to recognize the pure nature, the essence of the subject, to elevate it above the arbitrary, up to the general and necessary, and that is really the meaning of "idealizing," to find the true nature. Also, it means elevation to the level of the Sublime.

Schiller does not only want to evoke the spiritual power of the resistance through compassion in the audience, but he

also wants to do it in the play, in the heroes: With the idea, that even if there is an external destruction, an inner reliability and growth of greatness has to be the response. He wants to create a moral independence from the laws of nature in the condition of the effect. In the "Xenie," he writes, "The gigantic destiny, which elevates man while it may crush him physically."

In the same period, Schiller also studied the Greek tragedians, and also Shakespeare. And the motive was, all the time, how to heal the damaged person, because Schiller was fundamentally convinced that the people of his time had been crippled through the Enlightenment, through the Thirty Years' War, through the Seven Years' War, and how to heal and how to re-create the harmonious personality on a higher level.

In some of his unpublished works, he writes: "We are human beings, therefore we are subject to our destiny. We are under the compulsion of laws. It is important, therefore, to awaken a higher more vigorous power inside ourselves, and to train this power, so that we can re-create ourselves. Tragedy does not turn us into gods, because gods"—and he means "gods" here in the sense of the Greek mythology—"cannot suffer. Tragedies turn us into heroic people, divine human beings. Or, if you want, suffering gods, which were called Titans. Prometheus, the hero of one of the most beautiful tragedies, in a certain way, is the synonym of tragedy itself."

Now remember what Lyn wrote in his recent papers about the Promethean image of man. Prometheus, the story of the god who brought the power of fire to mankind, against the tyranny of Zeus, and for which he was then chained to the rock for eternity. This is metaphor for the very idea of the empowering man, of strengthening his cognitive ability, which is what separates man from the beast.

The real struggle of mankind to increase the spiritual side, the intellectual, cognitive side, is what this play is all about. So, in a way, what Schiller did with the Wallenstein material was to apply the Prometheus ideal to the historical material he had; he idealized Wallenstein.

The totally fascinating thing, is that Schiller created a Wallenstein image, which he could not have from the historical records as such. And only much later, it was confirmed by other historians, when new historical sources became available. The philosopher, Wilhelm Dilthey, noted that the epistemological significance of the *Wallenstein* play, consists in that it grasps the inner depths, the inner sensitivity of history. The historian Heinrich von Srbik wrote that Schiller anticipated what historical science could prove one and a half centuries later, precisely.

Schiller's Wallenstein, therefore, was the real Wallenstein, and the ideas he had were the prelude to what the Peace of Westphalia treaty became, 16 years later. And it contains the very important idea for today, that peace must

end and supersede war.

Max, in a discussion with his father and Questenberg, says, “You portray him” (meaning Wallenstein) “as a rebel, and God knows what else, because he shows mercy with the Saxonians, because he seeks to build trust with the enemy, which is the only way one can make peace. Because, if war does not stop, already during the war, where should peace come from?”

## The Enduring Importance of the Peace of Westphalia

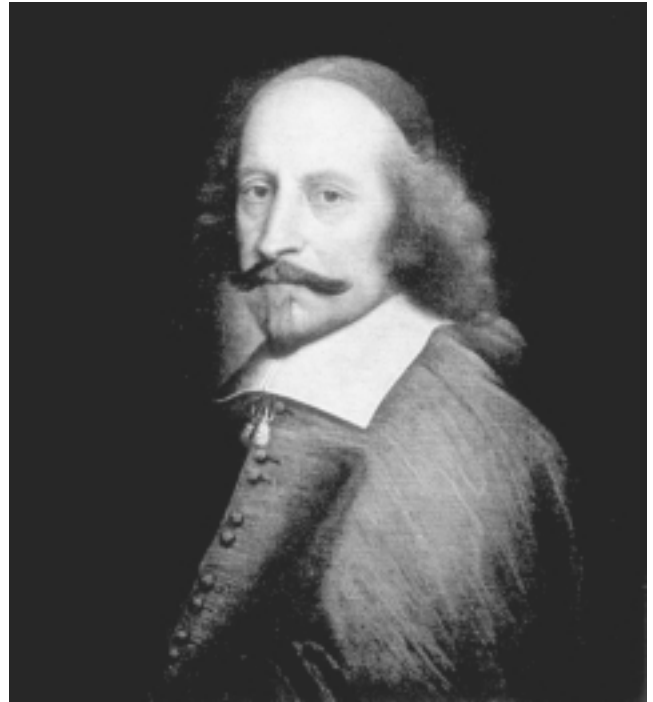
Therefore, that must be the lesson for us today. “War must stop during the war,” because the alternative is perpetual war. And, as Lyn said and wrote, especially in the five documents he wants everybody to study very thoroughly around this conference, “The Earth’s Next 50 Years” and the “Dialogue of Civilizations” and three other papers<sup>1</sup>—the world needs, today, more urgently than ever, a new Peace of Westphalia treaty.

What were the principles of the Peace of Westphalia, which was the result of four years of negotiations, under the leadership of Cardinal Mazarin? The first principle is, all peace must be built on the interest of the other. Also, security interest of the other; economic, cultural interest of the other.

This is extremely important today, because, that is the only conception by which we can get out of this scenario for World War III, which I talked about in the beginning. We have to go back to the ideals, which really underlay the Peace of Westphalia, where the influence of Nicolaus of Cusa was very clear. Nicolaus of Cusa, earlier, in the 15th Century, had developed the idea that “concordance in the macrocosm, can only exist if all microcosms develop to their maximum,” and that it is the very self-interest of each microcosm to develop the maximum of the other microcosms. Which also applies for nations. It must be the absolute self-interest of every nation, to further the well-being of the other, as its own, most fundamental interest, and that *only* if that happens, peace is possible.

Now, the ideas of the Nicolaus of Cusa, were obviously the ideas of the American Revolution. If you think about John Quincy Adams, and his idea of a community of principle of perfectly sovereign nation-states, who are, however, united through common aims of mankind, then that is exactly what must be revived in America today. And I would just ask President Bush: Does he really want to go down in history as Nero? Would he rather not like to be compared with John Quincy Adams? I don’t know if he will hear me. Or, if it does any good. But it is an old question, who will be the greater Presi-

1. “The Follies of the Economic Hitmen: Re-animating the World’s Economy,” *EIR*, Dec. 3, 2004); “Toward a Second Treaty of Westphalia: The Coming Eurasian World,” *EIR*, Dec. 17, 2004; “The Dialogue of Civilizations: Earth’s Next Fifty Years” *EIR*, Jan. 7, 2005; “The Global Option for this Emergency: Beyond Westphalia Now,” *EIR*, March 4, 2005; and “On the Occasion of Abraham Lincoln’s Birthday Memorial: Franklin Roosevelt’s Miracle,” *EIR*, March 4, 2005.



*France’s Cardinal Mazarin forged the Peace of Westphalia in four years of negotiations: stopping the endless cycle of revenge and counter-revenge, and getting each side to accept the principle of “the advantage of the other.”*

dent in history?

The number-two principle of the Peace of Westphalia, was, all crimes and injustices have to be forgiven, for the sake of peace, on both sides.

And the third, which was not an actual principle of the treaty, but it belonged to the whole thing, was, the state role in the reconstruction after the war.

And that is very obvious, why we need today a Franklin D. Roosevelt approach for the reconstruction of the torn areas of the war. It is why we need the proposal by Lyn to have a New Bretton Woods; a Eurasian Land-Bridge as the basis for a reconstruction of the world economy, which is based on the interest of the other: that, in the Eurasian Land-Bridge, each country must have the well-being of the other country as its own self-interest.

The Eurasian Land-Bridge *is* the modern version of the John Quincy Adams idea, the common interest of mankind. The *only way*—and that remains on the table, if people like it or not, and that’s a challenge to the Democratic Party and the sane Republicans—the *only way* how the fire in the Near East, in the Middle East, and the Gulf region can be extinguished, is through the beautiful plan of the Southwest Asia doctrine Lyn has developed, the LaRouche Doctrine, which basically says: There has to be an economic development of the entire region, from Central Asia, Iran, Iraq, Syria, Lebanon, Israel, Palestine, Egypt. There has to be a gigantic economic devel-

opment plan, as the higher incentive for all the warring parties to stop. And this has to be guaranteed by the power of the United States. And that is the *only way*.

If you think this is utopian, you'd better kiss civilization goodbye. It is up to *you*, and up to us, to force these ideas on the table.

Now, Lyn has added to this whole idea, the very beautiful conception of a 50-year agreement among the nations of the world, to have guaranteed supply and the development of strategic raw materials. The alternatives are *either*, we have World War III over the grabbing of raw materials in Central Asia, in Siberia, in the Gulf region, in China, and other places; *or*, we go the way of Lyn's vision for the 21st Century.

We have two choices. And America, predominantly, has to make this decision—and I'm calling upon you, and the Americans in general, to not have the world turn into barbarians, and turn the world into a global nuclear rubble-field, a Dark Age, where I have already a clear picture how it would look like, when the world's population has shrunk to half a billion. Warlords over a torched earth are the only ones who remain.

Let's have instead, a beautiful vision. Let's have reconstruction, and a new humanist Renaissance. And that has to start with the inner self-education of each of us, and the population at large. We will not come out of this crisis through pragmatism. We will not solve this crisis by giving excellent

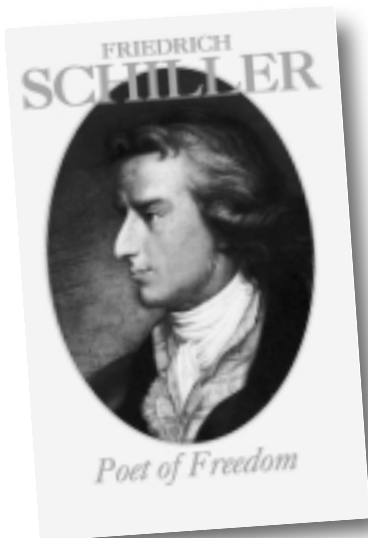
charts and bullet-points and power-points to the population, why Social Security privatization is good or bad—even though you may have some arguments and publish the information. We have to do something much more essential: We have to heal the tortured image of man. We have to treat each other, again, as human beings, and not allow a world in which some people are treated as cattle—and I can assure you, no human person would treat cattle the way people say “treated as cattle,” because even that is not human.

We need to evoke the self-sustaining humanity in each human being. We have to catalyze the spark of divine creativity, the free principle in each person. People have to learn from great Classical art, and the Wallenstein play is a very good example, talking about one of the worst periods in history, namely the Thirty Years' War. We cannot appeal to the popular taste and prejudices and make it simple, “so that the ordinary folks can understand it.” True popularity—and Schiller has written a lot about that—can only occur *by elevating everybody*, even the last uneducated person, to the level of Classical thinking. And when the highest level of humanity has been reached, and each person can participate in it, then we are truly “popular,” because that is then the common taste.

Therefore, it is up to you, up to us, to give America its soul back, to make it again the beautiful soul of the Declaration of Independence and the American Revolution. And I'm convinced we can do it.

*“There is a limit to the tyrant's power.”*

—Friedrich Schiller,  
Wilhelm Tell.



Selected writings of Friedrich Schiller, in English translation.

Volume II: *Wilhelm Tell*, Essays, and Poetry. \$15.00

Volume III: *The Virgin of Orleans*, Essays, Poetry, and Ballads. \$15.00

Volume IV: *Mary Stuart*, Essays, Poetry, Historical Essays,  
and Early Writings \$15.00

Order from:

**EIR News Service, Inc.**

P.O. Box 17390 Washington, D.C. 20041-0390

OR order by phone. toll-free: **1-888-EIR-3258**

OR order online at **www.larouchepub.com**

Shipping and handling: Add \$4 for the first book and \$1.00 for each additional book.  
Virginia residents add 4.5% sales tax. We accept MasterCard and Visa.

WHAT IS AN ECONOMIC ‘SYSTEM’

## Dynamics & Economy

by Lyndon H. LaRouche, Jr.

August 15, 2006

*This piece is, if only by implication, a prologue for the LaRouche Political Action Committee (LPAC) web conference to be broadcast from Berlin, Germany as part of related events held there during the interval of Sept. 6-8, 2006. The present written piece here, serves both as an expanded summary of a particular, crucially pivotal point featured within the three-hour address and diplomatic form of discussion there, but is intended for publication separately.*

### Foreword: On the Subject of Riemannian Physical Economy

By the mid-1930s, the founder of what is now that crucially significant branch of modern physical science known as Biogeochemistry, Russia’s Academician V.I. Vernadsky, had already reported the following: that living processes are distinguished, experimentally, from ordinary notions of chemistry, by recognizing the fact that living processes are organized as a *dynamic* process, and that in special ways, ways which defy the modern reductionist’s stubborn faith in a mechanistic, “mathematical-statistical” domain.<sup>1</sup> This use of the term *dynamic*, in the sense of Vernadsky’s use of it for the chemistry of living processes, had been first introduced to modern science by Gottfried Leibniz’s exposure of the intellectually fatal error of assumption which pervaded those Cartesian and related modes of modern empiricist reductionism. These errors permeate popular styles of academic teaching, the practice of most professional economists, and popular opinion, still today.

1. Cf. Lyndon H. LaRouche, Jr. “Vernadsky and Dirichlet’s Principle,” *EIR*, June 3, 2005.

*There could be no competent systematic comprehension of the nature of, or remedy for the presently onrushing great global economic crisis of mankind now in progress, without taking the implications of that usage of the term “dynamics” into account.*

The deeper implications of this use of “dynamic” in the sense of that term as employed by both Vernadsky and Leibniz earlier, becomes clearer to the student and professional alike, when we take into account the deeper implications of the leading fact, that Leibniz’s use of *dynamic* was explicitly traced by him from the use of the Greek term *dynamis* by those implicitly anti-Euclidean Pythagoreans and Plato, who represented the opposition to the relevant ancient reductionists and sophists of their time, and, also, implicitly, in opposition to the followers of the Sophist Euclid, later.<sup>2</sup>

In turn, the still crucial implications of this distinction of Leibniz’s introduction of the term “dynamics,” are brought forward to today’s modern times, by reference to the revolution in physical science introduced by the Bernhard Riemann. On this account, Riemann is to be recognized as the principal successor of both Carl F. Gauss and Lejeune Dirichlet respectively. Consequently, it must be understood, in the circumstances of today’s mounting global crisis, that the adoption of the standpoint of both Kepler and Riemann by Albert Einstein, and of Riemann’s notion of dynamics, specifically, by Vernadsky, are crucial considerations in any competent attempt to solve today’s ominous, current, global economic crises of humanity as a whole.

2. The Sophists of Plato’s and later times were known for their rejection of experimentally demonstrated concepts of principle, in favor of such forms of popular opinion as Euclid’s notion of supposedly “self-evident” definitions, axioms, and postulates.



UN Photo

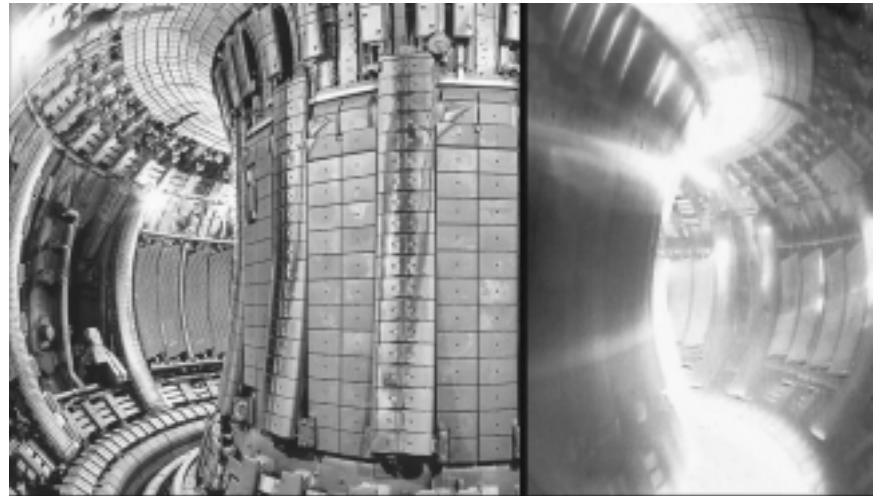


EIRNS/Stuart Lewis

*Biofuels in the United States today: “an implicitly culturally suicidal expression of virtual idiocy.”*

*Collection of cow dung in Uttar Pradesh, India.*

*“The progress of culture,” LaRouche writes, “is to be measured in rates of increase of the anti-entropy of the system, a policy which includes the upshift to increasing ‘energy-flux density’ in modes of production and operation of basic economic infrastructure.”*



jet.efda.org

*A split image of the inside of the Joint European Torus (JET), a research program for fusion energy. The image on the right shows the plasma.*

The problem for which I treat those scientific implications here, is, that, essentially, there have been two errors in method, which have been the principal factors in shaping the persisting, habituated incompetence of the forecasting and related work-product presented by most notable economists and governments of the U.S.A. and western and central Europe, up to present time. I refer to the errors in method, increasingly prevalent during the post-1945 interval, which led into the 1967-1972 breakdown-crisis of the Bretton Woods fixed-exchange-rate system, and which have led the world, since then, into the global economic breakdown-crisis in progress today.

*Firstly*, I emphasize the cumulatively ruinous effects of the methods employed for shaping long-range economic policies of the Americas and Europe, over the recent four decades,

in particular. These currently prevalent methods are the blend of the scientifically incompetent, mechanistic method of René Descartes, with the similarly, intrinsically incompetent, Sophist methods of long-range economic forecasting premised upon the root-stock of both the East India Company’s late Eighteenth and Nineteenth Centuries’ Haileybury school dogmas and that school’s Marxist echoes. *Secondly*, I emphasize that the ideology of management currently prevalent in the relevant leading circles of government, corporate management, and economists generally, has been, predominantly, incompetent in a relative degree beyond anything seen in those nations during early parts of our preceding century.

Thus, it must be conceded, that whereas the governments of the fascist and pro-fascist tyrants of the 1922-1945 period in Europe were evil, they had the practical advantage of gov-



erning societies within which there was a certain competence in the short-term technicalities of physical management, and were sometimes very efficient, and dangerous to civilization generally on that account. Whereas, the present crop of implicitly fascist and comparable leading financier circles, as merely typified by the case of the Synarchist network's Felix Rohatyn, have no technical competence in physical management of any actual form of real economy; consequently, the reign of the latter types would, by itself, ensure an early general, physical collapse of global civilization, if the present crop of radical monetarists were to gain even as much as merely temporary command over world economy.

### The Root of Today's Economic Science

The necessarily included key for understanding the crucially important role of the work of Gottfried Leibniz in Nineteenth-Century and later physical science, and the impact of that scientific practice on the successes of modern physical economy, is the role of Abraham Kästner (1719-1800). Kästner was the avowed and competent defender of the original standpoint of both Leibniz and Johann Sebastian Bach, and a leading Eighteenth-Century professor of mathematics, whose prominent students included Carl F. Gauss.<sup>3</sup> The following summary of the most relevant historical background, is required.

The leading Fifteenth-Century Renaissance figure of Cardinal Nicholas of Cusa, in, most notably Cusa's *De Docta Ignorantia* and his subsequent writings, had revived the essential, Classical Greek cultural principles of what became modern European civilization, and had done so on the basis of that pre-Euclidean standpoint in geometry which is represented for us today by Thales, the Pythagoreans, Socrates, and Plato. The first realization of the general implications of Cusa's work, by the explicit followers of both Cusa and Cusa's followers' Luca Pacioli and Leonardo da Vinci, is located in the original discoveries by Cusa follower Johannes Kepler. The latter's revolutionary discoveries in physical science, provided the basis on which all leading accomplishments in European physical science have been centered since.<sup>4</sup>

---

3. Kästner and A. W. von Zimmermann were the principal significant teachers of Gauss. It was the work of Kästner in defining an anti-Euclidean geometry, which provided the foundation for those conceptions of that anti-Euclidean (rather than "non-Euclidean") physical geometry, which led Riemann, as Riemann himself stressed explicitly, through crucial features of the relevant work of Gauss, to Riemann's 1854 habilitation dissertation, which laid the basis for all competent notions of modern physical geometry. The misrepresentation of these connections which is encountered in numerous Twentieth-Century academic sources, is a reflection of the slavish submission to an ideologically motivated false representation of the issues implicit in Gauss's exposure of the characteristic frauds, on the subject of the Leibniz calculus, by the fanatical reductionists D'Alembert, de Moivre, Euler, Lagrange—and also, implicitly, Laplace, Cauchy, et al., as this challenge was first delivered publicly in Gauss's 1799 doctoral dissertation.

4. With the exception of the late Seventeenth-Century English translation of Kepler's announcement of the discovery of gravitation, on which the pro-

The division between Kepler and his principal modern adversaries, a division between competent and reductionist opinion on topics of physical science, had persisted as a more or less open debate until about the time of the death of Leibniz, as a related form of reductionist view was continued from the scandalous late-Fifteenth-Century work of John Wenck, and by the explicit attack on Cusa's work by the Venetian spy-master, and marriage-counselor to England's Henry VIII, Francesco Zorzi. With the accession to power in London, of a political enemy of Leibniz, the former William of Orange ally, England's George I, the conflict between Leibniz and his reductionist adversaries was transformed from the quality of a debate to an inquisition. Leibniz's reputation and influence were subjected to an inquisitorial quality of lying vilification and related persecution, which continued during the approximate half-century following Leibniz's death.

This inquisitorial campaign was coordinated, from Paris, by the Venetian Abbé Antonio Conti and the Voltairean network of salons which had been set up and guided by Conti until his death in 1749. This was the network of salons which crafted that empiricist hoax, by such as D'Alembert, de Moivre, Euler, Lagrange, and their cronies, which has been exposed as a hoax in Carl F. Gauss's 1799 doctoral dissertation.

The resulting relative, early-Eighteenth-Century "dark age" in science, continued until the sparking of the German Classic by the works of Gotthold Lessing and Moses Mendelssohn, whose work thus prompted the spread of that Classical outlook internationally, a Classical insurgency which continued from the February 1763 Treaty of Paris to about the time of both the U.S. Constitutional Convention and the launching of the French Revolution in July 1789 by the British agent Philippe Egalité. This late-Eighteenth-Century Classical movement prompted a revival of a prominent faction which represented the pre-1714 scientific spirit associated with the work of Leibniz during his lifetime.

Among his founding of entire branches of modern science, the great polymath Leibniz had given birth to a modern science of physical economy, that in the course of his work over the course of the 1671-1714 interval. It was this science of physical economy, established by Leibniz, which had informed the crafting of that American System of political-economy which is, today, the only significant, systematic alternative, world-wide, to the Anglo-Dutch Liberal schemes hegemonic in western and central Europe, and beyond. It was

---

Galileo, English plagiarists of Kepler relied in crafting the silly Newtonian dogma, and despite the availability of Max Caspar's work in German, English-language editions did not exist until after the 1970s! The most crucial work of Kepler, while it had been available in Latin, was general within actual practice among even leading scientific circles, excepting figures such as A. Einstein, until a time during the late 1980s, after the admittedly limited success of my associates and me from the Fusion Energy Foundation who had exposed both the relevant scandal and its pernicious practical consequences for the current practice of U.S. and other scientists.

the trans-Atlantic conflict between the patriots, associated with the cause of the American Revolution of 1776-1789, on the one side, and, within North America itself, the British assets, the American Tories, which typifies, still today, the most relevant conflict between the American System of political-economy, and the implicitly imperialist Anglo-Dutch Liberal system.

The center of this development of what became the American System of (physical) political-economy, is rooted in related developments in the closely related fields of modern statecraft and physical science generally, developments which date, predominantly, from early during the Fifteenth-Century Renaissance, onward.

Despite the relative “dark age” of Europe’s science and art, approximately 1714-1763,<sup>5</sup> it had been the situation, that, during the prior span, France had been the center of all leading European science. This waxing and waning development in science, which always pivoted on the issues of the influence of Kepler’s work, had been combined with the work of such followers of Kepler as Pierre Fermat, Blaise Pascal, Christiaan Huyghens, Leibniz, and Leibniz’s collaborator Jean Bernouilli. This influence led Europe’s progressive scientific development during a time from the 1648 Treaty of Westphalia, through the onset of the French Jacobin Terror and Napoleon’s reign.

This leading role of France in science was continued into the beginning of the Nineteenth Century through the influence of the faction of circles of Gaspard Monge and Lazare Carnot. During this time, France, however scarred it had been by factors associated with Louis XIV’s alliance with the relics of the Fronde, was the center of scientific and related progress throughout European civilization.<sup>6</sup>

However, then came the inquisitional quality of attempted, post-1789 destruction of French science’s leading institutions. From 1815 onward, the educational program devised by Gaspard Monge for the École Polytechnique, was the leading direct target of a campaign of destruction of scientific competence, a campaign launched under the direction of the Duke of Wellington’s Bourbon restoration puppet-king. This renewed campaign against the legacies of Kepler and Leibniz, began a process of the corrosion of the foundations of that École Polytechnique which had led France’s scientific achievements through 1815. The rising trend of relative decadence in France, was led by Laplace and Cauchy, but was resisted in the counter-action led by the long-standing member of the Monge-Carnot École Polytechnique, and associate of Lazare Carnot, Alexander von Humboldt.<sup>7</sup> From about

5. Cf. H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987).

6. Our Benjamin Franklin was a most notable collaborating scientist among those international circles of his life-time.

7. Cf. Charles Babbage, John Herschel, and George Peacock, *The Principles of Pure Deism in Opposition to the Dotage of the University* (Cambridge:

1827-28 on, Humboldt contributed a leading role in transferring the principal residence of the leadership of the world’s science, from science’s decline in France, into a place of refuge in Germany.<sup>8</sup> This coincided with a shift from von Humboldt’s regular work with the École in Paris, earlier, to his increasing reliance on German-language journals, and his own concentration, with his protégé Lejeune Dirichlet, on Berlin and the complex of German higher educational institutions associated with the work being done otherwise at Göttingen University under the successive leaderships of Gauss, Dirichlet, and Riemann.

This shift of the world center of science from Paris, to Germany’s Göttingen and Berlin, resulted, during the 1850s, in the emergence of Dirichlet and Riemann as the central figures, as successors of Gauss, in the leading work in physical science world-wide. The crucial feature of this progressive development, came to the surface with the publication of Riemann’s 1854 habilitation dissertation, and the way in which the implications of that dissertation led, through Riemann’s treatment of Abelian functions, into the elaboration of the conceptions of hypergeometry which had been introduced by Gauss, as if in passing, earlier.<sup>9</sup>

Therefore, if we take into account the elements of the work of Gauss and others among Riemann’s relevant predecessors, the greatest step of revolutionary progress in modern Euro-

---

1812). See also Babbage’s *Reflections on the Decline of Science in England* (1830).

8. As signalled by the role supplied by the launching of Crelle’s *Journal für reine und angewandte Mathematik*.

9. *Bemerkungen zu den Fragmenten über die elliptischen Modulfunctionen, Gauss Werke* VIII, pp. 102-105 (Fricke). Cf. *Werke* III, *Über das arithmetisch-geometrische Mittel*, pp. 361-403. I emphasize the opening of Riemann’s 1854 habilitation dissertation, noting the following portion of the opening two paragraphs, where Riemann indicts the sophistry of the tradition of Euclid and the modern reductionists alike: “Bekanntlich setzt die Geometrie sowohl den Begriff des Raumes, als die ersten Grundbegriffe für die Constructionen im Raume als etwas Gegebenes voraus. Sie giebt von ihnen nur Nominaldefinitionen, während die wesentlichen Bestimmungen in Form von Axiomen auftreten. Das Verhältniss dieser Voraussetzungen bleibt dabei in Dunklen; man sieht weder ein, ob und in wie weit ihre Verbindung nothwendig, noch a priori, ob sie möglich ist.

“Diese Dunkelheit wurde auch von *Euklid* bis auf *Legendre*, um den berühmtesten neueren Bearbeiter der Geometrie zu nennen, weder von den Mathematikern, noch von den Philosophen, welche sich damit beschäftigten, gehoben. . . .”

In English translation (Riemann, “On the Hypotheses Which Lie at the Foundations of Geometry,” Henry S. White, trans., in *A Source Book in Mathematics*, David Eugene Smith, ed. [New York: Dover Publications, Inc., 1959]):

“It is well known that geometry presupposes not only the concept of space but also the first fundamental notions for constructions in space as given in advance. It gives only nominal definitions for them, while the essential means of determining them appear in the form of axioms. The relation of these presuppositions is left in the dark; one sees neither where and in how far their connection is necessary, nor a priori whether it is possible.

“From Euclid to Legendre, to name the most renowned of modern writers on geometry, this darkness has been lifted neither by the mathematicians nor by the philosophers who have labored upon it. . . .”



*Bernhard Riemann focused the attention of modern science on experimentally premised principles, rather than aprioristic assumptions.*

pean science since Johannes Kepler, was embodied in the central feature and consequent implications of Riemann's revolutionary 1854 habilitation dissertation. It is this view presented by Riemann which is echoed, in effect, in Vernadsky's view of the principled, dynamical character which distinguishes living processes from pre-biotic chemistry as defined today. It is the view of both Kepler and Riemann by Albert Einstein, which defines the needed essential view of science and economy today.

### **Riemannian Economics**

By ridding scientific method of Euclidean and related Sophistical forms of *a priori* presumptions, Riemann focused the attention of modern science where it must be placed: on the nature of those experimentally premised principles which must stand in the place where both the Sophists and modern reductionists insert aprioristic assumptions. Riemann's discoveries show, that all definitions, axioms, postulates, and similarly wishful forms of arbitrary ontological presumptions, must be eradicated from both physical science and mathematics, in particeular, and also from the sundry forms of expression associated with both logic and related, deductive/inductive modes of argument in general. These wishful forms of premises to be banned, are all to be classed under the category of Sophistry.

This presented science with two leading, specific challenges.

*First*, in historical order: Fermat's experimental demonstration of a principle of "quickest time," must be viewed in the context of Kepler's proof, for the case



*Pierre de Fermat*

of gravitation, of the infinitesimal principle of action, the principle of the Leibniz discovery of the calculus, which had been expressed by Kepler's measurement of "equal areas in equal times." Thus, the *a priori* notion of the independent existence of space, time, and matter, was crucially discredited in experimental fact by the discovery by Fermat: the concept of a functional continuity of physical space-time must be adopted, instead.

*Second*, once we accept this role for the notion of an efficient continuity of physical space-time, instead of Seventeenth- and Eighteenth-Century reductionist notions, the relevant question becomes, and remains: What replaces the role of *a priori* assumptions in a functional mathematics of physical science? Once Leibniz had settled the principle of the actually infinitesimal calculus, which was settled, in fact, with the Leibniz-Bernouilli conception of a catenary-cued principle of physical least action, the issue of the "shaping" of physical space-time, the issue of Euclidean versus non-Euclidean geometry, came into focus as the relevant form of challenge.<sup>10</sup> Typical of this shift, was Kästner's treatment of this issue, which provided the basis for Gauss's insight into that notion of an anti-Euclidean geometry which Gauss subsequently refused to discuss openly throughout his lifetime; nonetheless, Gauss's actual work on subjects of physical geometry to this effect, was crucial in the subsequent development of a modern anti-Euclidean physical geometry by Riemann.

This challenge, as anti-Euclidean geometry had been presented by Kästner, forced attention to the crucial implication of Kepler's view of the elliptical orbit. This question had been posed by Kepler's evidence: that it was the principle of gravitation which determined the elliptical orbit. This is contrary to the silly view, the view in which the elliptical orbit itself might be assumed to be ontologically primary. Here lay the significance of the work on physical geometry by Gauss and his relevant contemporaries, including the matter of Abelian functions. For Riemann, this line of inquiry had led Gauss into the issue of higher orders of physical geometry, the issue of hypergeometry. It was this set of considerations which brought Riemann to a categorical kind of general solution for the problem of physical geometry as a whole: in which the functional expression of the physical relations among a set of experimentally defined universal physical principles (i.e., the Riemannian tensor), defines the physical geometry of the

10. The experimental development of Fermat's discovery of a universal principle of "quickest time," led, first, into Christiaan Huyghens' experiments, in which it was assumed that a principle of least action could be expressed by the functions of the cycloid. The evidence that the basis for both the Leibniz-Bernouilli discovery and elaboration of the physical principle of physical least-action, and natural logarithms, lies in the catenary function, forced open the *ontological* function of what the Eighteenth-Century reductionists' misnamed "imaginary numbers." On this account, Gauss's doctoral dissertation set the pace for the consequent revolution in the mathematics of physical science.



Library of Congress

*Carl F. Gauss's work on physical geometry laid the basis for Riemann's development of a modern anti-Euclidean geometry.*

measurable action.

Thus, we have the crucial ontological issue posed by the proof, that of the existence of the efficient role of the expression of a universal physical principle as a (*Leibnizian*) *absolute infinitesimal*, rather than as a discrete object of sense-perception, or as a convenient use of the mathematically imaginary.<sup>11</sup>

This solution, as brought to a certain point by Riemann, defines a working modern conception of the significance of the term “dynamics,” as that term is employed by Vernadsky later. This same conception of *dynamics*, as by Vernadsky, is, presently, the appropriate foundation for defining the notion of physical economy in terms of physical-experimental, rather than the inherently aprioristic statistical-mechanistic monetary standards.

Essentially, therefore, the need for the notion of the dynamical form of physical space-time, the notion within which mankind acts to produce those physical effects, per capita and per square kilometer, associated with a notion of a physical, rather than a monetarist's economy, can only be accomplished from the point of view of a universe as dynamical in the sense which Vernadsky applies to the experimental subject-matter of the Biosphere. Competent economic theory can only exist in a Riemannian quality of an intrinsically non-linear context.

The fact to be emphasized, is that the recent changes in global policy, over the 1968-2006 interval to date, have put the world as a whole presently in such a specific type of perilous plight, that it is only from that vantage-point, that

11. A parallel challenge is posed by the experimental actuality of the existence of the Pythagorean musical comma, and the latter's implied relationship to Gauss's notion of the challenge of the arithmetic-geometric mean.

the challenge of defeating the presently onrushing general breakdown crisis of world-economy could be overcome.

## The Idea of Dynamics

As already noted here, the term “dynamics” was introduced to modern physical science by Gottfried Leibniz, that in the course of his exposing the fraudulent character of the mechanistic, reductionist assumptions, those the premises on which René Descartes had attempted to construct a mathematical physics. This fact, the inherent incompetence of the methods of statistical mechanics, as for physical science generally, and statistical economics, has crucial implications for any effort to understand the conceptual roots of that general notion of dynamics which is indispensable for competent work in economics today.

As I have pointed out, repeatedly, in relevant locations published earlier, Leibniz's adoption of the term “dynamics,” was a product of his extensive studies of the works and method of Plato. That method, which scholars associate implicitly with the related work of Thales and with the Pythagoreans, as also Socrates and Plato, is signified by the concept of *dynamis* which played a prominent part in the writings of Plato, including, notably, authentic modern replicas of such among Plato's writings as the *Theaetetus* dialogue.

The scientific method represented there bore the name of *Sphaerics*. That term was attributed by the relevant ancient Greeks to Egyptian origins, and has the practical implication of representing *astrophysics*, rather than *contemplative forms of astronomy*. With the Pythagoreans and Plato, *Sphaerics* brings astrophysics down to Earth as a system of what should be viewed in retrospect, today, as universal, anti-Euclidean scientific thought.

As Aeschylus' Prometheus Trilogies provides us the boldest clear view of the relevant issues, this down-to-Earth side of the view of *Sphaerics* by the Pythagoreans and Plato, had profound practical implications bearing upon the most crucial of the cultural conflicts within ancient Greek society of the Classical period. The notion of the physical universe, and of man's nature, typified by the writings of the Pythagoreans and Plato, is in violent, fundamental contrast to the standpoint expressed, as by the character of the Olympian Zeus within Aeschylus' *Prometheus Bound*: an oligarchical standpoint typified by Zeus' condemnation of Prometheus, for sharing knowledge of the application of a universal physical principle with human subjects.

*The Pythagoreans and Plato defy that Satanic quality of the tyranny of the oligarchical model's Olympian Zeus, by affording man the right to express the power, and the duty, as Genesis 1:26-31 does, to change the universe in which we act, for the better, as through the application of discovered universal physical principles.*

Notably, the Pythagoreans allowed no simply aprioristic presumptions respecting the relations among points, lines,

surfaces, and solids; the transformation from one to the next was allowed only through physical actions expressing universal principles, as identified by the categorical term which was employed by Plato in relevant locations: *dynamis*. The most notable examples of this for physical geometry as such, are the doubling of the square and cube by construction, and the construction of the regular (Platonic) solids. The case of the doubling of the cube carries matters over into the special significance of the treatment of cubic and biquadratic residues by Gauss, as, for example, in his exposure of the hoaxes of the empiricists D'Alembert, de Moivre, Euler, Lagrange, et al., on that issue of the infinitesimal calculus which is posed, in formal terms, by the existence of these residues.

That serves to illustrate the crucial point, that the category of abstract geometries consonant with Euclid's *Thirteen Books* never existed in actuality; only physical geometry exists in a functional sense. Only physical geometry has existed as a competent notion of a principle of mathematics suited to the needs of physical science; this was known even as early as, or earlier than the Pythagoreans. This was already implicit in *Sphaerics* as a topic of astrophysics, rather than a mere astronomy.

These considerations eliminate the conception of a political-economic process defined primarily in terms of a notion of relative monetary value. That fact leads to recognizing the virtual sheer lunacy shown by the "free trade" fanatics, in the repealing of the system of regulation associated with the continuation of the reforms introduced under President Franklin Roosevelt's administration. Only regulation of the type associated with the Franklin Roosevelt tradition is tolerable. As is indicated in the following chapters of this report, it is physical, not monetary values, which must be employed.

---

## The Nature of the Problem

---

The modern ignorant man embraces the delusion that the mental objects prompted by sensations, represent the *content* of the phenomena prompted by the world outside his skin. In fact, we know that, with one categorical exception to this, the sense-perceptions prompted by actual experience, are shadows which the real universe casts upon our mental-perceptual apparatus. That is to say, that when these impressions are not illusions, they are the shadows which the events of the real universe have cast upon that apparatus; *but, those shadowy sense-perceptions do not contain any explicit representation of certain otherwise knowable categories of mankind's actual experience in and of that universe.*

Those existing principles which are not registered as sense-perceptual objects in themselves, are typified by the discovery of universal physical principles such as Kepler's uniquely original discovery of universal gravitation. This category also includes what are rightly regarded as principles of

Classical artistic composition, such as the relevant examples from the work of Leonardo da Vinci and the well-tempering principle of counterpoint of J.S. Bach.

The significance of universal physical principles, and comparable Classical artistic principles, is that their efficient action is on the universe as a whole.

The functional significance of knowledge of these principles, is that they can be known only by human beings, and not lower forms of life. It is the capacity for efficient knowledge of such universal principles, which supplies the proper definition of human nature. The lack of the capacity to know such principles, constitutes a condition of dehumanized humanity.

This ignorance corresponding to the condition of dehumanized humanity, is not a product of human nature, but directly the contrary. It expresses evidence variously adducible or known from history and pre-history, of the way in which some people, in some societies, have learned to tame people in a way similar to the fashion they tamed and managed cattle. In brief, the captors learned that the best way to keep people in chains, is to induce those victims not only to put those chains upon themselves, but to defend the system of chaining, even savagely, as "our culture."

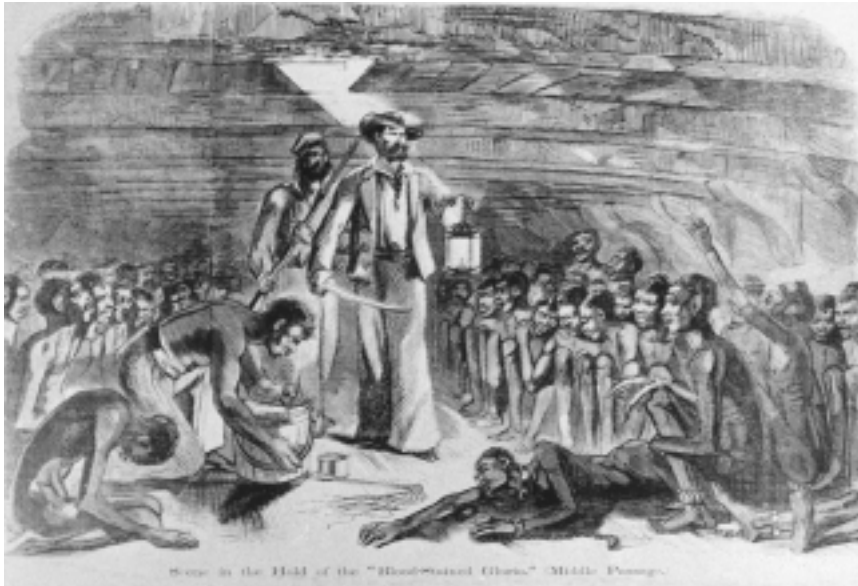
We see this in the work of the Nineteenth-Century Spanish monarchy's conduct of the African slave-trade, under British imperial protection of a practice which the British of the 1790s had had found too dirty and unprofitable to conduct themselves, and had turned to China and related international drug-trade, instead. The British East India Company and its heirs did not invent such practices, nor did the Spanish Habsburgs who led in creating the trans-Atlantic African slave-trade in the first place.

Kill the strong young adult captives who would fight back, scrap the old as unsuitable for service, or simply dump the young male slaves into strange places where they had no cognizable opportunity to flee. Above all, as this prevailed under the London-backed southern slave-holders rule of the 1820s and beyond, pronounce a death-sentence on any slave who learned to read and write, and also upon the non-slave who taught the slave such forbidden knowledge.

For freed slaves and their descendants in the U.S.A. today, there are other methods for accomplishing a similar effect upon the minds and wills of the intended victims. These methods are often catalogued as "their right to their own culture." Most citizens of the U.S., not only ex-slaves, are subjected to a kindred method of mass social control today.

The modern practice of mind-slavery is oligarchical methods of control over what is popularly accepted as the "people's own" induced "popular culture." Thus, the struggle for the cause of human freedom often centers, ironically, in freeing the masses of victims from the invisible slave's chains of a current mass-culture. Today, those chains are usually referred to as "popular culture."

Despite those and related means for inducing masses of



Library of Congress

*A slave ship en route to America. Today, such methods have been replaced by “mind-slavery,” by which oligarchical control is exerted through what is widely accepted as “popular culture.”*

## The Battle for Freedom

To understand the global strategic crisis of culture today, consider the examples from the cycles of rise and decline of cultures in the history of European civilization since ancient Greece.

During what is regarded as the Classical period of ancient Greek cultures, as the time of Thales, Heracleitus, Solon of Athens, the Pythagoreans, Socrates, Plato, and Alexander the Great, and through the time of the Platonic Academy through the work of the Platonic Academy’s Cyrenaican Eratosthenes who was the leading scientific figure of a period leading into his own (circa 204 B.C.) and his correspondent Archimedes’ deaths (212 B.C.), the proposal for establishing respectively western and eastern divisions of a common “world empire” centered upon the Mediterranean, was known as the “oligarchical model.”

the ruled to submit to such methods of mass brainwashing, the progress of mankind, the increase of man’s physical power in nature, per capita and per square kilometer, reflects the fact that there is at least one class of valid mental objects which has no explicit form of sensory representation; I point to the specific such case, called *universal physical principles*. I point to the example of a particular principle of this specific type, called gravitation, as Kepler defined gravitation experimentally.

These objects, such as Kepler’s principle of gravitation, or representations of the Pythagorean category of *dynamis*, are not directly visible to the human senses, but only to a faculty which does not exist in lower forms of life than human individuals, a faculty conveniently identified as *creative insight*, a human faculty which was outlawed by Aeschylus’ character, the Olympian Zeus of *Prometheus Bound*.

That policy expressed by the Olympian Zeus is the cornerstone of what has been known to European culture since Classical Greece as *the oligarchical principle*, a doctrine of practice which variously hunts down, or herds entire categories of the human population as if those people were lower forms of life, were wild or tamed cattle.

Nonetheless, despite all that, the idea of freedom is accessible. As in every great upsurge in the struggle for freedom on behalf of masses of a population, it is freeing a people from those chains of ideology often adored as mass culture, which is the means of liberation, as the marvelous outcome of the Seventeenth and Eighteenth Centuries’ struggles for development in the English colonies of North America attests.

The subject of this oligarchical model was addressed by the poet, dramatist, and historian Friedrich Schiller in his Jena lectures, in which Schiller traced the continuing division of European civilization along the lines of opposition of the oligarchical model of Lycurgus’ Sparta and republican model of Solon of Athens.

The same conception was expressed in the division of the Roman Empire by the Emperor Diocletian, on a different line of division. The former protégé of Diocletian, the Emperor Constantine, divided Christianity as a legalized state religion of his Pantheon, along similar lines of East and West. The long process of collapse of the imperial power of Byzantium, beginning approximately 1000 A.D., resulted in the emergence of a new “world empire” based on the partnership of the Venetian financier oligarchy with the Crusaders of the Norman chivalry. It was only with the collapse of Norman Europe in the Fourteenth-Century New Dark Age, that the persisting efforts of Charlemagne and his followers succeeded in establishing the institution of modern European society as a leading challenger to the millennial hegemony of the so-called Persian or, simply, oligarchical model as the dominant power, and social system of the Mediterranean and adjoining regions.

The British East India Company’s form of empire, expressed today as London-centered, and Synarchist-allied Anglo-Dutch Liberalism’s tyranny within the present world monetary-financial system, is currently engaged in the effort to eradicate the institution of the sovereign-nation-state from the planet, with the intent to establish a form of global imperialism called “globalization.”

Although the great ecumenical Council of Florence, and the related work of Cardinal Nicholas of Cusa, established the modern sovereign form of nation-state of such exemplars as Louis XI's France and Henry VII's England, the Venetian orchestration of the Fall of Constantinople and the Venetian faction's role in launching the Spanish Inquisition, the 1492-1648 torment of Europe's religious wars, and the Habsburg rampages of the Sixteenth and Seventeenth Centuries, have left globally extended European civilization today with a persisting division between the forces of freedom, as exemplified by the founding of the U.S. constitutional republic, and the domination of European civilization and areas beyond by the Anglo-Dutch Liberal model of a modern version of the ancient financier-oligarchical model, during most periods of modern history to date.

### **Empiricism as Mind-Slavery**

The new feature of the modern oligarchical model, the role of empiricism and its influence over nations and their cultures, has been a shift in the method by which the reigning financier and related oligarchies seek to reduce populations engaged in some forms of technological progress to a virtual mind-slavery similar in effect to the image of the suppression of scientific knowledge by Aeschylus' Olympian Zeus.

As a consequence of the ignorant and commonplace, reductionist opinion expressed by Liberal reductionism, respecting the nature of sense-experience, the childishly mistaken opinion, and virtual functional brain-damage, respecting physical reality, is the belief, explicitly or simply in effect, that, unless there is an external intervention, the universe functions as simply repeating itself as it had been before, and, therefore, does not change until some external action upon it induces a change of state. That popular and ignorant, mechanistic view, usually represents the universe of physical, and also other experienced events, as composed of kinematic interactions within a falsely imagined physical space-time in which processes are mechanical in the Cartesian sense, rather than dynamic.

The contrary, competent view, that of *Sphaerics*, and, notably here, modern science since the work of Kepler, is that the universal principles of which the universe is composed, are not presented as simple forms of "fixed principles," but are, rather, as Heraclitus had famously insisted, principles constantly acting to the characteristic type of ongoing effect of changing the state of the universe from the state which it had exhibited a moment earlier. It may be said, as a corollary, that what appears, experimentally, to be no-action will, probably, be the action of entropy in the sense of "winding down," or of a form of moral and intellectual decadence such as a policy of "zero growth."

In other words, any adopted notion of a simple form of fixed principle which is presumed to account for the action presented by a preceding cyclical action, is flawed by lack of

reference to the additional "element" of complexity actually within that assumed principle which expresses *a principle of change*.

*This factor of inherent complexity of any valid single universal physical principle, represents the essential, principled distinction between a mechanistic and a dynamic system.* This is the crucial issue posed by a specifically Riemannian view of the physical implications of tensors. Here, in this issue, lies the understanding of the "factor" of anti-entropic directedness in physical systems generally, and in the human mission specifically. The tensor, conceived as Riemann's work implies, is the typical expression of a dynamic, as opposed to a mechanical (e.g., neo-Cartesian) order in the universe. To define this properly, the fact that the universe as a whole is anti-entropic in principle, must be reflected in relevant studies and designs for practice. I turn your attention to that now.

Therefore, for us, an apparent principle seemingly sufficient to account for a cycle which has occurred, involves an assumption which must be corrected. It must be corrected to show, appropriately, that any previously apparently "fixed" principle, is actually associated, functionally, with an additional aspect, an inherent universal principle of change: as Heraclitus emphasized, and as is implicit in Plato's *Parmenides* dialogue.

*Thus, in any truly dynamic system, such as a Riemannian system which employs discovered universal physical principles, in place of arbitrary ones akin to a Euclidean or most non-Euclidean systems, the system as a whole has, in fact, a directed overall intention. This intention is expressed as further qualitative development of the system as a whole. Therefore, a competent representation of that real-life system must qualify each "dimension" of the array as undergoing some rate of change, called progress, which is coherent with the ontologically qualitative developmental characteristic of the array as a whole.*

*That is what is usually left out of account by those who fail to grasp the implication of what Leibniz and Vernadsky have identified as dynamic systems.*

In other words, in a national economy as a whole, for example, the indicated rate of profit, as in monetary terms, or other fixed parameters, is inherently false. Those false methods which treat the national economy as the sum of components considered individually, have failed miserably, already in the post-1964-1968 U.S.A., especially during the recent thirty-five years. The rate of downshift, in county after county, of the ratio of physical output to unskilled service employment, is in fact an accelerating physical collapse of the nation's economy over the entire span of the 1977-2006 interval to date. In this, most of the changes identified as "cost savings," or "price reductions," have represented actions which have now accumulated to the point of being a virtually irreversible physical collapse of the total



national economy in the form it is organized today.

Any assumed principle which overlooks the existence of that added factor of change, must be treated, at best, as a conditional view of a phase-space, not the actual universe in general.

Take the following considerations into account as points of illustration.

### **An Illustration of the Point**

To illustrate the richly ironical point in fact which I have just stated here, look at the Earth as defined by Vernadsky's elaboration of his discoveries pertaining to the Biosphere and Noösphere.

Whereas, the Earth is receiving a stream of added mass from Solar radiation, if we treat the increasing mass of the Earth as a constant of reference, the pre-biotic state of the planet is being shrunk, *relatively*, by the increase of the accumulation of the Biosphere, and the combined state of the abiotic domain and Biosphere, is being shrunk, *relatively*, by the increase of the accumulation of the Noösphere. The universe, as so represented, in this case by Earth, is proceeding "spontaneously," in an expression of redoubtable lawfulness, to a higher physical state of existence!

We must rid science of the foolish, scientifically illiterate view, as expressed by the pathetic Isaac Newton, that the universe is like a grand clock which would run down, unless the Creator were to wind it up again, from time to time. As Heraclitus' referenced aphorism points out, the design of the universe is based ontologically on a primary, underlying general principle of *continuing ontological change*. All valid universal physical principles express a universality of eternal change of ontological state of the universe as a whole. Any universe which were organized in a different mode than this, would be uninteresting for serious policy-shapers.

This principle of *universal change* may be fairly described as *inherently anti-entropic*.<sup>12</sup> This notion of "anti-entropy" is, implicitly, the essence of the notion toward which Kepler's development of his harmonic view of an actually universal principle of universal gravitation is working, as his reach toward that principle is expressed in such forms as the ordering and evolution of planetary Solar orbits.

Change is not something acting on the universe from outside; change, as expressed in the form of discovered universal physical principles, is not merely inside the universe; it, the principle of change, not static conditions, nor repetition of the sameness, is the internal essence of the very existence of the universe. *Thus, God is inherently creative, as are man and woman as identified in Genesis 1:26-31;*

---

12. I.e., the absurdity of the notion of an essentially entropic universe, as peddled by such creatures as those inhabiting Bertrand Russell's own version of his crony H.G. Wells' *Island of Dr. Moreau*, Professor Norbert Wiener, John von Neumann, and their fellow-dupes of the "information theory" hoax.

otherwise, He would not be the Creator, and those who believe differently could not be, for example, Christians.

The worship of entropy is Satan, and the worship of entropy as a principle, as, for example, doctrinaire "zero economic growth," is Satanism in practice.

However, while what I have just stated is true, there is something more to be added to this, as I shall identify that, soon, at the appropriate point below.

The significance of what I have just written here, thus far, is, that the Biosphere represents a higher state of organization than the pre-biotic; and, that the Noösphere represents a higher state of organization than the Biosphere. Idiocy would be, the adoption of policies, such as some silly, but recently influential "environmentalist" delusions, which promote such actions against nature as a whole, as actions which would seek to curb the progress of the Noösphere on the pretext of defending the relative advantage of the Biosphere. I repeat: Such deplorable "environmentalist's" or comparable follies, would be, and, in actual fact, have been, during about the four recent decades, the implicitly Satanic promotion of entropy in the global system in which we exist. This is seen clearly, when the trend of the planet's development is considered as a whole dynamic process.

Granted, the proper kind of policy-making, includes the intention to avoid inappropriate innovations; but, that would be no excuse for policies, such as extensive use of windmills as a source of power, which increase the relative entropy of the system, and thus impoverish the economy and population as a whole.

### **An Example: Energy or Power?**

Among the first steps required, to arise out of infantile-like fantasies, into competent economic policy for today, is to drop today's accustomed, silly use of the word "energy." During the course of the late 1970s and the 1980s, the Fusion Energy Foundation adopted the term *energy-flux density*. This compromise in our use of terms, emphasized the standpoint of physical chemistry, in which there is a clearly manifest progress, upward, from using sunlight as a source of direct power for such actions as simple human use, or, the burning of wood, the burning of coal, the burning of coke, the combustion of petroleum and so-called "natural gas," as compared to nuclear-fission power, and thermonuclear-fusion power. We also glance in the direction of an apparently more dense quality of power, several orders of magnitude greater than thermonuclear fusion, which is called "matter-antimatter" reactions, for lack of a more appropriate name for the latter.

So, we trace an upward track from Solar radiation per square centimeter cross-section, through burning of material, to atomic, nuclear, thermonuclear, and still higher densities. The progress of culture is to be measured in rates of increase of the anti-entropy of the system, a policy which includes

the upshift to increasing “energy-flux density” in modes of production and operation of basic economic infrastructure.

In this, there are certain anomalies.

Take, first, the case of the human use of Solar radiation, which is of principal significance in its expression as a product of a thermonuclear process called our Sun. The direct consumption of this radiation dumped onto the Earth’s human beings is relatively very inefficient when compared with the anti-entropic benefits of photosynthesis by relevant living organisms. Using Solar radiation as one of the principal direct sources of power, or Solar power expressed by use of windmills, or growing crops to be consumed as a source of substitute for petroleum, are currently popular varieties of what must be fairly described as an implicitly culturally suicidal expression of virtual idiocy. By studying the process of photosynthesis by the chlorophyll molecule, and also those other molecules which have a comparable function in kinds of living processes other than green plants, we are forced to recognize how foolish society is, each time it consumes solar radiation as a source of “inorganic” power, as compared with the global function of the consuming of Solar radiation in the negentropic actions of chlorophyll.

The proper physical-economic policy of our planet should emphasize the increased productivity of both man and nature per square kilometer of each and every square kilometer of the planet. This measurement must take into account the fact that what exists, or is being invested in physical improvements today, has a life-span under expected rates of use. Looting the future, may appear to be profit to foolish people, but those people should not be tolerated in relevant positions of responsibility.

We are faced with an increase of population, such that the attempt to curb that factor of increase in incurred cost would be counterproductive for the world as a whole, per capita and per square kilometer. The source of increased physical productivity, per capita and per square kilometer, is the increase of the creative potential and related opportunities for practice per capita. This signifies an improved standard of living and culture per capita; it signifies an increase of the intellectual power of the nation and planet as a whole per capita, in each succeeding generation. It signifies the development of both modes of production and supporting basic economic infrastructure, measured in physical terms, per capita and per square kilometer.

Thus, it is the application of these criteria, top down, over a forward span of not less than two generations, globally, which must be the standard of measure for the assessment of current economic activity. The rate of realization of these physical goals for humanity’s habitation of our planet, must be the proximate standard of measure of the entire economy, and that measure of the entire economy must be the premise for assessing the local contribution during the approach to the near horizon.

## Our Universe, in Principle

The currently known evidence is, that our universe has four aspects, three distinct phase-spaces, and one, higher, inclusive domain of action. The three phase-spaces, as defined by the Russian Academy of Science’s V.I. Vernadsky, are, in order of lower to higher: a.) The abiotic domain; b.) the Biosphere; and, c.) the Noösphere. The required principle which accounts for the distinct and combined development of each and all of the interacting lower three phase-spaces, expresses the principle which, according to the implications of *Genesis* 1:26-31, has the form of the creative powers of the mortal individual’s developed state of individual human mind, but the principle subsuming human existence is of a higher order of magnitude, that of a willful power specific to a domain which we mortals may regard, as from below, as located ontologically within a simultaneity of eternity, the domain of a Creator.

Each and all of the lower three phase-spaces, are characterized by a universal principle of development, in the sense of Heracleitus’ aphorism, as that aphorism is read from the standpoint of Plato’s reference to Heracleitus’ view, as implicitly in Plato’s *Parmenides* dialogue.

For example, the Solar system itself is to be seen as the product of a self-development of a young, fast-spinning Sun, whose generated product was transformed into something like the original Mendeleev Periodic Table with its attributed isotopes, that within a Solar system generated and organized pretty much as Kepler understood the nature of its organization as a dynamic process, as I shall describe this, summarily, as a Riemannian manifold, here below.

In effect, therefore, each of the lower categories is a subspace of the relatively higher, but is separated from the relatively lower by an additional universal physical principle.

These considerations typify both the situation and obligation of the human species, and individual person within our universe. The development of astrophysics since Kepler provides the context for a needed pedagogy.

Kepler’s view starts implicitly with the Sun, and, therefore, the galaxy of suns within which our Solar system is located. On this point, since the popularized doctrines of astrophysics are polluted with the reductionist influences currently hegemonic in academic life, available speculations on the state of the universe prior to the existence of suns, were better put aside in approaching the narrower concerns on which our attention should be focussed, for practical purposes, here.

That said, the image we have from the best scientific sources available to us in the public domain, thus far, is that the Solar system was generated as a higher state of organization by the Sun. The problem today, is that the inquisitorial-like effort of the hegemonic Babylonian priesthood of academia to put Cusa, Kepler, and Leibniz aside, in favor of the empiricist religious faiths called empiricism and materialism,



*Johannes Kepler's revolutionary discoveries "provided the basis on which all leading accomplishments in European physical science have been centered since."*

has more or less successfully impeded progress beyond Kepler's own richly confirmed study of what he knew as the Solar system. The development of the Biosphere out of the dynamic development within the Solar system, permits us to draw a limited range of firm conclusions, especially those bearing on the work of Vernadsky. What we know of the dynamic characteristics of the Noösphere beyond what Vernadsky presented, is largely concentrated in my own work in the field of a process of physical-economic development of societies as that process could have occurred, and could be continued in no way but in correspondence with my own refutation of the relevant "information theory" hoaxes of Norbert Wiener, John von Neumann, et al.

If all of this is the expression of the Creator of this finite and unbounded, or self-bounded Riemannian universe, as Albert Einstein saw it, then there is a grand design somewhere in this unfolding process of which we are the part to which I have pointed here. Whether or not we could know the objective of the design, is an irrelevant question; it is sufficient that we attempt to adduce the direction in which all this universal development is leading, and to adduce the part which mankind plays in it.

At a certain point in this process, we were created as a species as I have described that here. Our proximate mission is clearly that of bringing our affairs on Earth to such an effect that we have some proximate mission in the management of the Solar system itself. However, it could not possibly end there. Something is in progress within the development of this finite universe, something of which we have presently little more than a tiny inkling; but it is something which involves an intended role for mankind, something of which our present existence may be ultimately a part.

This supragalactic view of our place in this scheme of things, should impel us to look back to a point being developed here earlier.

When we discover a universal physical principle, as Kepler, uniquely, discovered gravitation, we act upon that discovery, treating it not simply as something observed, something we have just learned from a visit to a galactic zoo. Often, more and more, our discoveries of principle prompt us to act upon the universe in a manner, and to an effect to which that universe has not been subjected before. On reflection on this point, we should be reminded that the universe is not a fixed Creation, but an ongoing process of creation, introducing new states to the universe: states which did not exist earlier.

In reflecting on that point, we gain a needed insight into the meaning of creation itself, particularly what man has created, by enabling him to act on a principle of whose existence he had not known before. Therefore, intention could not be limited to points on a pre-existing map; we, by acting on valid discoveries, are changing the map of the universe, by activating discovered universal principles in a way they have not been applied before. Such, is our best estimate of the intention of the Creator.

The prevalent dogmas within the globally extended European-based political-economic culture of today, proceed from the variously stated, or necessarily implied view of mankind as originally of the quality of a human herd. In that variously implied or explicit view of mankind as ontologically a kind of herd, or assortment of herds, no allowance for an actual creative (noëtic) principle of mind exists. Human beings with a certain implied resemblance to mechanical contrivances, and also matching desires and other passions as kinds of tropisms, are portrayed as a kind of more or less boisterous, sociological aggregation of a collective form analogous to Boltzmann's Machian conception of a thermodynamical gas. In fact, this view corresponds, otherwise, to the anti-humanistic policy of the Prometheus-hating, mankind-hating Olympian Zeus of Aeschylus' *Prometheus Bound*.

Different sexual positions for practice of copulation or who-knows-what serve some sociologists as paradigms for illustrating an assigned meaning to the term "creativity," but the idea of the individual act of an experimentally validated discovery of a principle of the universe does not exist in our classrooms, textbooks, or the generality of educated or other general opinion.

Thus, the notion of the creative intellect, such as the discoverer of a universal physical principle, must be defined in terms coherent with the objective of realizing individual man or woman as in the image of the eternal Creator.

## **Physical Versus Monetary Values**

In modern society since the Seventeenth-Century emergence of the empiricist system characteristic of Anglo-Dutch

Liberalism and its inherently imperialist impulse, the prevailing dogma of that system's ruling, virtual Babylonian priesthood, has been that made variously famous and infamous by the shamelessly wicked Bernard Mandeville of *The Fable of The Bees* notoriety.<sup>13</sup> Mandeville's argument in that location is paradigmatic Liberalism of the specific type common to John Locke, François Quesnay, David Hume, Turgot, Adam Smith,<sup>14</sup> Jeremy Bentham, and John Stuart Mill.

The common paradigm attributes the luck which makes some men rich and powerful, and others poor and miserable, to something akin to "little green men" wielding magical powers capriciously from under the floorboards of the universe. It is the casting of crooked dice, or similar devices by these curious creatures which Mandeville et al. imply as determining the fate of men and nations, not the production of wealth useful to the well-being of society per capita and per square kilometer. Hence the moral depravity presented as economics by obscenities typified by the American Enterprise Institute and Mont Pelerin Society.

The actual American System of political-economy is based on thought typified by the pre-1688 practice of issue of scrip by the Massachusetts Bay Colony. The return to this principled practice of that Colony was demanded by Cotton Mather, as Mather on the principles of public credit was echoed by Benjamin Franklin's 1729 *A Modest Inquiry into The Nature and Necessity of Paper Currency*. This developing tradition within the North American English colonies was incorporated as a central feature of the U.S. Federal Constitution, reflecting our constitutional commitment to permit no private financial institution, domestic or foreign, to have power over that of our Federal government, especially in matters pertaining to public credit and uttering national currency.

Contrary to the common folly of the nations of Europe, among others, in permitting the private interests embodied in so-called "independent central banks" to exert control over the sovereign powers of government, we jealously defend the powers of government respecting national credit and national

---

13. Bernard Mandeville, *The Fable of The Bees or Private Vices, Public Benefits* (1734) (London reprint: 1934). On Mandeville's significance in laying the ideological foundations of Anglo-Dutch Liberalism, see H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987), pp.341-348.

14. Adam Smith echoes Mandeville in not only his 1776 anti-American tract against the U.S. Declaration of Independence, his *The Wealth of Nations* which was largely a plagiarism of Quesnay and Turgot, but, earlier, Smith's 1759 *The Theory of the Moral Sentiments*, where he writes: "Nature has directed us to the greater part of these by original and immediate instincts. Hunger, thirst, the passion which the two sexes [e.g., the pimp and the customer's purse], the love of pleasure, and the dread of pain, prompt us to apply these means for their own sakes, and without any consideration of their tendency to those beneficent ends which the great Director of nature intended to produce by them." Thus, the moral, and physical-economic degeneration of both the U.S. economy and the morals of our nation since 1968-1972, is reflected in the resort to legalized and other gambling as a substitute for the actual old-fashioned ways of earning of both private and public revenues.

currency against all attempted overreach by foreign governments and private powers such as the so-called "independent banking systems" which have been the commonplace mortal affliction among nations of Europe.

Nor, within those boundaries defined by the principle of national sovereignty, is there any means by which the free circulation of any currency or its like could be a competent mechanism for foreseeing the relative value of a purchased item or investment in public or private enterprise several or more years in advance of the present. There is, in short, no natural correlation between a free circulation of currency and relative physical values within a national economy, or among economies.

Rather, it is the responsibility of government, as of other purchasers or investors, to foresee the relative value of an investment, commodity, or practice over the medium to long term. These kinds of rational estimates by governments must be premised on the foreseeable evolution of the intended pattern of development of the society and its economy over the medium to long term ahead. The validity of such medium-to long-term decisions depends on systems of agreements, private and public.

Against that background, we may skip over some connecting points, to go directly to the relevant matter of the way in which Federal regulatory and related measures instituted, most emphatically, by the Franklin Roosevelt Presidency, address the reality of the way in which the recent thirty-five-year wrecking of the system of so-called "protectionist measures" has bankrupted what had been, into the late 1960s, the most powerful economy the world had ever known, a U.S.A. still, even then, dominated by the system of regulatory protection of the economy which had been installed under FDR.

There have been four outstanding aspects of the way in which deregulation has virtually destroyed the U.S.A.'s economic stability today: 1.) The Nixon use of a flight into the disease of "Friedmanism" as a prelude to the wrecking of the world monetary-financial system through the breakup of the Bretton Woods system; 2.) The massive deregulation conducted under the 1977-1981 Carter Administration; 3.) The post-October 1987 lunatic binge ("financial derivatives") of Federal Reserve Chairman Alan Greenspan; and, 4.) The sheer economic-financial lunacy of the Bush-Cheney Administration. These are not the only important factors, but they have been the most crucial among the blunders of U.S. policy over the 1968-2006 interval to date.

The underlying common feature of these and related, ruinous measures can be summed up in one word: "deregulation." The single most ruinous feature of the entire period 1968-2006 to date, has been the interweaving of the collapse of basic economic infrastructure with an increasingly wild emphasis on "free trade."

Under any continuation of those trend-features of that 1968-2006 interval, the U.S. is doomed to not merely a new

world depression, in the sense “depression” was understood in the Europe and Americas of the 1930s, but the more calamitous form of a general breakdown-crisis of the present world economic-financial system. However, there are alternatives. The pivotal issue is the need to put the U.S. banking system, the Federal Reserve System, into bankruptcy, under U.S. Federal Government receivership. Much of the paper involved, including current mortgage values, financial derivatives obligations generally, and so on must be savagely discounted, or simply discarded as financial derivatives must be. However, this means that the U.S. Federal Government must intervene to keep the doors of the banks open, and their functional role in maintaining the current level of physical economic support of levels of employment, production, and essential services, while also serving as a conduit of long-term Federal credit at rates of 2% simple-interest, or lower, needed to stabilize impaired banking institutions and also stimulate growth of employment and output to national and regional levels above break-even.

The presently indispensable turn to such kinds of measures must be matched by a reinstatement of the kinds of Federal regulation which came out of the 1933-1945 interval of recovery from the deep Coolidge-Hoover depression of the national economy.

That is not “socialism,” contrary to the reckless babbling of some. Indeed, solid economic conservatives of the 1950s would have called this a change back to a “fair trade” policy, as an escape from the syphilis-like effects of recent decades’ whorish dalliance with a street-walker’s sort of “free trade” policy.

Such a change in policy depends upon building a long-term fiscal stability in the system as a whole. Such a system means scheduling flows of credit and repayments. This scheduling depends upon an implementable schedule of physical investments, and so on. The design and development of such a long-term system of investment in growth of physical output and productivity, per capita and per square kilometer, planet-wide, requires that we place the primary emphasis on physical values, and physical productive processes, and design the monetary, financial, and taxation policies to conform to broad and efficient agreements on long-term turnover of credit advanced, as capital, for investment in a realizable system of physical-productivity-oriented investments in basic economic infrastructure and private production investment.

In the present circumstance, there will be either global economic recovery through cooperation of a new quality, or there will be no global recovery for anyone in any part of the world as a whole. The pivot of the only possible such recovery will be major, sudden U.S. reforms from all current and recent trends in its policies of practice, toward cooperation with a Eurasian complex of long-term development rallied around Berlin, pivoted around Russia, and engaging the long-term development of Asia as a whole. Such recovery,

using Berlin’s restoration as an industrial and global transport center of air and rail transport, will be measured in unit investment-blocs of twenty-five and fifty year maturities for long-term treaty-based credit for major infrastructural and agro-industrial programs.

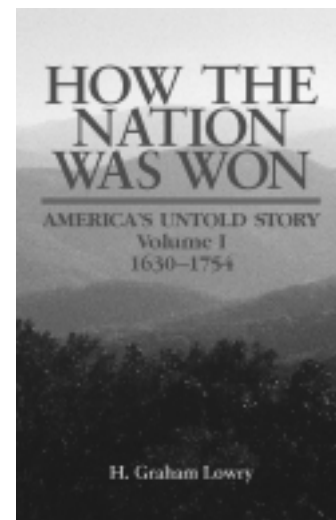
A similar arrangement is required for the U.S.’s relations with the other states of the Americas, while the Eurasia and America blocs, through their mutual concerns, will undertake the rescue of sub-Saharan Africa as a whole.

The capital issued in the form of long-term credit, under a newly created fixed-exchange-rate, global monetary system, will be required to coordinate this great mass of long-term credit at low fixed rates. The ratios of values throughout the world will, consequently, be dominated by the sheer mass of these combinations of state-to-state long-term investment credit. The model for management of economic relations among regions and their component sovereign nation-states, will be the model of the success of the reforms of the U.S. and its international monetary and trade relations with then-friendly states.

There will be cooperation on the greatest scale in all history to date, but, as a certain American poet wrote: Good fences make good neighbors. In this undertaking, the fences are those of measures of economic cooperation premised on physical economy first, and money second.

# America’s Untold Story

How the trans-Atlantic republican movement waged a continuous fight for freedom, beginning with John Winthrop’s Massachusetts Bay Colony in 1630.



\$19.95

ORDER FROM  
**EIR News Service, Inc.**  
 P.O. Box 17390  
 Washington, D.C.  
 20041-0390

Order by phone, toll-free: **888-EIR-3258**  
 OR order online at **www.larouchepub.com**

Shipping and handling: Add \$4 for the first book and \$1.00 for each additional book. Virginia residents add 4.5% sales tax. We accept MasterCard and V

## NYC's Big MAC: Rohatyn's Model for Destroying Gov't

by Marcia Merry Baker

In March this year, an article in the *American Journal of Public Health (AJPH)* presented the results of a study showing specifics of the “excess burden of disease” caused in New York City over 20 years, by the drastic austerity policies initiated by the 1975 Municipal Assistance Corporation (“Big MAC”), the private bankers’ agency created and steered by Felix Rohatyn. The authors of the study, who are New York City-based health experts, warn: “As city, state, and federal governments again face deficits and propose deep cuts in services, it seems particularly urgent to avoid a repetition of the 1975 decisions that so damaged New York City’s health.”

We reprint excerpts from their article below, in order to underscore two key points for lawmakers and citizens at large.

First, Felix Rohatyn, whose political calling-card is his Big MAC “success” in New York, demonstrated by word and deed that he was operating as part of a network of private financial interests whose *intent is to destroy government prerogative to care for the public good, and to destroy national sovereignty altogether.*

The *AJPH* in fact quotes Rohatyn to this effect. To wit: As a consequence of the cuts in municipal services, “the direction and philosophy of a large unit of government were fundamentally and permanently changed as a result of the involvement (some would say intrusion) of the private sector in government.” This “change in philosophy” has continued since that time, on national and local levels, in the takedown of those protections of the citizenry that were the hallmark of the American System, and were institutionalized in the administrations of President Franklin Delano Roosevelt.

Second, the study shows the lawful result of such a change in government philosophy: that increased disease and death rates are inevitably and knowably the consequence of imposing infrastructure cuts and deindustrialization on populations. Other cities are showing the same lethal results of the Big

MAC model—whether or not they have experienced an entity of that exact name. **Figure 1**, which gives a snapshot of increased death rates (for AIDS, TB, and three other conditions) in New York during and after the Big MAC years, also suggests the disease dynamic under way in Baltimore, Detroit, Cleveland, and urban centers around the world. In short, the shift of control of economy from government, to private synarchist bankers, leads to a New Dark Age.

From the 1960s through 1990s, Rohatyn was director of

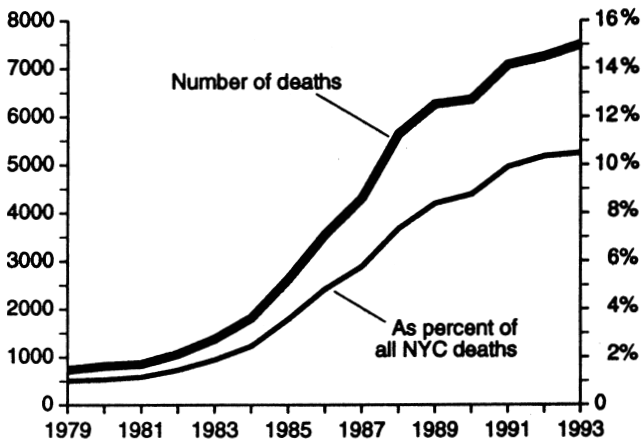


*Felix Rohatyn of Lazard Frères addresses a conference in New York City in 1980. Rohatyn created and steered the Big MAC agency that devastated New York's health, education, and general welfare.*

FIGURE 1

## New York City Deaths from AIDS, TB, Drugs, Hepatitis, and Syphilis, 1979–1993

Number of deaths As % of all NYC deaths



Source: *EIR*, Sept. 30, 1994.

In 1979, these five diseases caused 732 deaths in New York City. By 1993, the number of deaths attributable to these five causes is 7,500, a ten-fold increase in 15 years, while at the same time, the population declined. Considered as a percentage of total deaths, AIDS and the other four diseases accounted for 1% in 1979, but rose to account for 10.5% by 1993.

Lazard Frères, the financial house historically interconnected with the 1920s/30s syndicates backing Nazi regimes in Europe. These networks—called the Synarchist International by World War II U.S. intelligence services—continued after the war. Today, Lazard and Rohatyn Associates are in the forefront of schemes to control and downgrade industry and infrastructure, in the name of “privatization, deregulation, public-private-partnerships, outsourcing,” and other euphemisms for globalization.

### In New York City: LaRouche vs. Rohatyn

In 1975 in New York City, Lyndon LaRouche and his associates waged a high-profile campaign against Felix Rohatyn and his Big MAC. The context was that over the 1974-75 period, many major cities—Boston, Buffalo, Chicago, Philadelphia, Seattle, and others—were plunged into revenue crises, due to the downshift in the physical economy, from a production base towards a “services” base. They were undergoing varying degrees of debt crises, as were whole nations in the developing sector.

LaRouche put forward specific proposals to selectively use debt moratoria—freezing and reorganizing government debt, while stoking the economy through needed infrastructure development projects. Significant national support coalesced for this. For example, LaRouche addressed the Boston City Council in May 1975; on June 2, Boston City Council-

man Albert “Dapper” O’Neill introduced legislation for an 18-month debt moratorium. On June 11, a New York City Councilman did likewise, and over the month, the city’s police, firefighters, and other unions joined in the effort.

But the opposing financial crowd lunged hard. On June 10, under intense pressure of the threat that “New York City is going bankrupt,” they succeeded in railroading the New York State legislature to pass the Municipal Assistance Board (Big MAC), giving it “emergency” powers to dictate financial policy to New York City. Rohatyn personally browbeat New York City Mayor Abe Beame to acquiesce. Almost overnight, deep cuts were announced in the city workforce, and their wages, in the name of “saving” the city budget and city credit ratings, by paying down old bank debt, and newly issued “MAC” debt to bondholders.

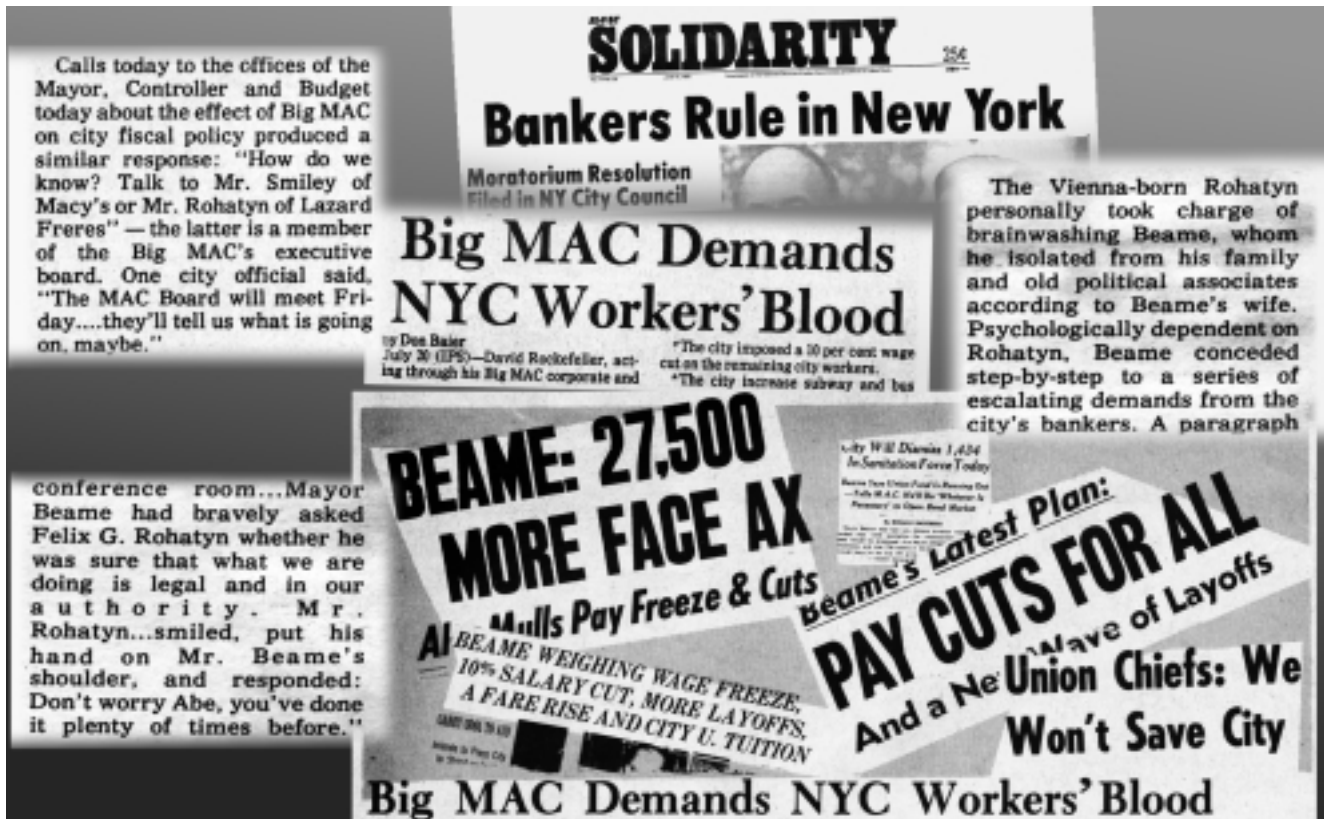
Then Rohatyn wrote a 111-page report demanding still greater, ongoing “emergency powers” for the private banking community to dictate city finances, and on Sept. 6, 1975, the “Financial Emergency Act” was rammed through, creating the Emergency Financial Control Board, which exists to the present day. More sweeping cuts were made to government functions of all kinds—firefighting, drug-treatment, hospitals, police, sanitation, etc. (In 1986, “Emergency” was removed from the name of the entity, and its veto powers over the city budget were curtailed; but the Control Board continues through 2033).

Felix Rohatyn was the driving force all along. He said in an anniversary interview, “The Fiscal Crisis After 30 Years,” that he liked the drama in 1975. “Almost daily crises . . . heroes and villains; us against them.” He said that it was “the most rewarding experience of my professional life.” (*Gotham Gazette*, Oct. 10, 2005).

### LaRouche Warns of ‘Biological Holocaust’

During this brawl in the mid-1970s, LaRouche warned in particular, that if the kinds of economic policies Rohatyn was forcing on New York, became prevalent at large, the conditions would exist for a potential global “biological holocaust” of health breakdown and epidemics at some point in the not-too-distant future. In 1974, LaRouche formed a task force of medics and others to work on the threat. His warnings were borne out in the 1980s, when, for example, more became known about AIDS—acquired immune deficiency syndrome, as it was called. After Big MAC, New York City became an epicenter for the disease, in conjunction with resurgent tuberculosis and other illnesses. The last 30 years of “post-industrial” policies, have been marked by outbreaks and spread of new and re-emergent diseases, from dengue fever to malaria.

In 1986, an *EIR Special Report* was issued, “An Emergency War Plan To Fight AIDS and Other Pandemics,” stressing the need to reverse the downgrading of living and working conditions, and to build up medical and public health infrastructure. This report included the work of Dr. David Senser, then Health Commissioner for New York



Coverage of the battle to stop the Big MAC scheme in New York City in 1975, by New Solidarity the weekly newspaper of the LaRouche movement at that time.

City, who publicized maps of the poverty areas in the city's boroughs, where TB, AIDS, and other conditions were hitting predominantly black and Hispanic males 25 to 44 years of age.

At the same time, medical care under the Rohatyn Financial Control Board was shrinking dramatically. The maps in **Figure 2** show how, for the Borough of Manhattan, the number of hospitals declined from the 1960s to the 1990s, despite the rising need for medical care. The poorest areas lost the most.

In the 1990s, LaRouche commissioned studies and mass-circulation reports to show U.S. policymakers the need to restore the principle of health care embodied in the "Hill-Burton Act." This refers to the 1946 bipartisan Federal law, "The Hospital Survey and Construction Act," which mandated providing adequate ratios of licensed hospital beds per 1,000 persons in all counties of the nation (4.5 beds per 1,000 in urban areas; and more in rural). Hospital-centered networks of medical treatment were understood to be part of the public health system of the nation.

In 2000, LaRouche made an international issue of the health-care fight, by holding Congress to account for the fact that in Washington, D.C., a Big MAC-style operation, called the D.C. Financial Control Board, decreed that the District

of Columbia General Hospital had to close. This landmark facility was a full-service, 450-bed medical center serving the community for over 150 years. Because of Congressional cowardice, D.C. General shut in June 2001—just months before its reserve capacity would have been fully utilized after the 9/11 and anthrax attacks on the capital.

### Rohatyn's Current Role

Going beyond even the New York and Washington, D.C. debacles, Rohatyn has presented himself since 1999 as the flagbearer for municipalities everywhere to undergo the Big MAC treatment of downsizing government. His message is that local, debt-strapped governments must engage in "new institutional arrangements" to give their functions over to private financing and control, that is, to sell off or close down altogether, government assets of infrastructure and services—highways, water, power, and housing.

In January, 1999, speaking as U.S. Ambassador to France, he addressed the U.S. Mayors Conference in Washington, D.C., on the theme of "Cities, Europe, and the Global Economy." A year later, he co-hosted the first Transatlantic Summit of Mayors, April 6-8, 2000 in Lyon, France, organized with John Kornblum, then U.S. Ambassador to Germany, and subsequently head of Lazard's German operations. In 2003,

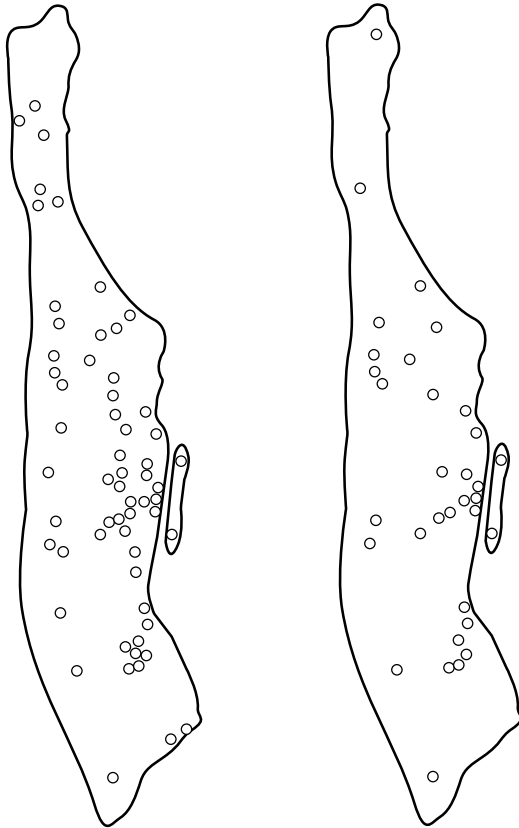


FIGURE 1

## The Big MAC-Era Shutdown of New York's Hospitals

Hospitals in  
Manhattan, 1960

Hospitals in  
Manhattan, 1990



Source: *EIR*, July 27, 2001.

Shown are hospital closures (of major facilities) in Manhattan, one of New York City's five boroughs, with a population in 1990 of 1.5 million. In 1960, Manhattan had 78 public, private, and not-for-profit hospitals; by 1990, that was down to 33, and still declining. In all five boroughs of New York City together, there were 154 hospitals in 1960, which by 1990 fell by 49% down to 79 hospitals. Notice that in the upper gooseneck of Manhattan, the area above 125th St., there had been six major hospitals of all kinds in 1960; by 1990, there were only two. All of this area had over 20% of the population below the poverty line, with some parts up to 40% below.

on Nov. 12, he again addressed the U.S. Conference of Mayors meeting in New York City, on "'04 Metro Agenda on Infrastructure and Jobs."

Behind the rhetoric, Rohatyn's message is always the same: Governments, being bankrupt, should step aside and let private bankers run the world, to decide who lives and who dies.

# Impact of NYC's 1975 Fiscal Crisis on TB, HIV, and Homicide

by Nicholas Freudenberg, DrPH, Marianne Fahs, PhD, Sandro Galea, MD, DrPH, and Andrew Greenberg, MS

*The following are excerpts from an article which appeared in the March 2006 issue of the American Journal of Public Health, reprinted with permission of the American Public Health Association. The full title is "The Impact of New York City's 1975 Fiscal Crisis on the Tuberculosis, HIV, and Homicide Syndemic." Footnotes have been omitted.*

In 1975, New York City experienced a fiscal crisis rooted in long-term political and economic changes in the city. Budget and policy decisions designed to alleviate this fiscal crisis contributed to the subsequent epidemics of tuberculosis, human immunodeficiency virus (HIV) infection, and homicide in New York City.

Because these conditions share underlying social determinants, we consider them a syndemic, i.e., all 3 combined to create an excess disease burden on the population. Cuts in services; the dismantling of health, public safety, and social service infrastructures; and the deterioration of living conditions for vulnerable populations contributed to the amplification of these health conditions over 2 decades.

We estimate that the costs incurred in controlling these epidemics exceeded \$50 billion (in 2004 dollars); in contrast, the overall budgetary saving during the fiscal crisis was \$10 billion. This history has implications for public health professionals who must respond to current perceptions of local fiscal crises.

In the 1980s and early 1990s, New York City experienced epidemics of tuberculosis (TB), human immunodeficiency virus (HIV) infection, and homicide. Although each of these has unique determinants and each affects people worldwide, in New York City the 3 epidemics played out in a specific geographic, temporal, and political context; affected similar populations; and together contributed to a public health crisis.

HIV infection, TB, and homicide constituted a syndemic that affected New York City from the late 1970s to the mid-1990s. A syndemic has been defined as 2 or more epidemics, with biological determinants and social conditions interacting synergistically, that contribute to an excess burden of disease in a population. We used journalistic accounts and govern-

ment reports, as well as recent epidemiological and economic analyses, to examine how budget and policy decisions made in New York City in the 1970s contributed to the increasing incidence of TB, HIV infection, and homicide during the 1980s and 1990s. Municipal, state, and federal policy and budget decisions in the late 1970s and early 1980s determined the severity of the syndemic and contributed to tens of thousands of preventable deaths and illnesses. Ultimately, it cost New York City tens of billions of dollars to deal with the consequences of these budget cuts. We hoped that an examination of this chapter of the city's history and the longer-term social and economic costs of the policy decisions made in that

---

---

*Felix Rohatyn, an investment banker and a chief architect of the Emergency Financial Control Board, noted that as a consequence of the cuts in municipal services, “the direction and philosophy of a large unit of government were fundamentally and permanently changed as a result of the involvement (some would say intrusion) of the private sector in government.”*

---

---

era would yield lessons that could guide the public health response to future municipal fiscal crises.

### **Municipal Response to the 1975 Fiscal Crisis**

Beginning in 1975, a fiscal and political crisis left New York City without the resources to pay its operating expenses or the ability to borrow money from public credit markets, banks, or the federal government. This fiscal crisis was rooted in global economic changes (a worldwide recession and oil shortages); federal, state, and city fiscal and tax policies that failed to generate the resources needed to support growing demands for services; and demographic and political changes in New York City that left the city with less wealth and more need. The precipitating event was a decision by NYC bankers to stop lending money to the city, a move that could have caused the city to default on its outstanding loans and declare bankruptcy. The mayor then turned to the federal government for help but was turned down, in part because many in Washington viewed New York City as a profligate spender that coddled its poor. In urging President Ford to reject Mayor Beame's request for financial assistance, Treasury Secretary

William Simon stressed the political dimensions of his recommendation. Any assistance, he said, should be on terms “so punitive, the overall experience made so painful, that no city, no political subdivision would ever be tempted to go down the same road.”

To avert bankruptcy and restore stability, city and state officials appointed a group of businessmen, bankers, and city officials to serve as an Emergency Financial Control Board (EFCB). The primary goal of the EFCB was to balance New York City's budget so that the city could again borrow money from public credit markets. To achieve this goal, the EFCB mandated cuts in city services and reductions in the city workforce, the transfer of some municipal responsibilities to state government, and tax increases. In 1975, the city's budget was about \$13 billion. The EFCB asked the city to cut \$200 million in spending, approximately 6% of its operating expenses, each year for 3 years. However, because of federal and state mandates for entitlement programs, debt services, and other fixed costs, the city had control over and could make cuts from only about a quarter of its budget. As a result, sectors dependent on discretionary tax levy funds experienced reductions much larger than 6%.

Agencies with health responsibilities were particularly hard hit. Between 1974 and 1977, the Department of Health (DOH) budget was cut by 20%, and by 1977 the department had lost 1700 staff members—28% of its 1974 workforce. To achieve these reductions, the department closed 7 of 20 district health centers, cut \$1 million from its methadone program, terminated the employment of 14 of 19 health educators, and closed 20 of 75 child health stations and 6 of 14 chest clinics (the units responsible for TB screening and diagnosis).

At the Health and Hospitals Corporation (HHC), the agency that operates municipal hospitals, the city payroll was cut by 17% between 1975 and 1978. Between 1975 and 1980, the number of beds in HHC facilities fell by 16% and the number of days of care provided dropped by 230%. In 1975, HHC closed all 50 of its community-based clinics to help meet a mandated budget cut. In the following years, the EFCB and the mayor's budget office gained increased control over the public hospital's operations and fired the hospital director who spoke out against budget cuts. Between 1975 and 1985, the proportion of the HHC budget covered by the city decreased from 40% to 27%.

In 1967, in response to the city's growing heroin epidemic, Mayor John Lindsay had created a municipal agency directly responsible for substance abuse treatment, the Addiction Services Agency, and rapidly expanded treatment capacity. Between 1971 and 1973, New York City increased its census of methadone patients by 170%, from 19,900 cases to 34,000, and significantly decreased waiting time for treatment. In those 2 years, drug arrests, complaints to the police about burglary and grand larceny, and reported cases of serum hepatitis all fell significantly, suggesting (although not proving) that increases in availability of drug treatment contrib-

uted to these outcomes.

However, in 1976, the city eliminated the Addiction Services Agency and transferred its reduced staff to the city health department. City officials estimated these cuts would save the city \$10 million and the state and federal governments an additional \$40 million. In 1977, New York City ended its involvement in substance abuse treatment by transferring responsibility to the state Office of Alcoholism and Substance Abuse Services. Over the next decade, expansion of New York City's drug treatment capacity stagnated.

City agencies that affected health indirectly were also cut. The police department lost 20% of its workforce, eliminated the youth unit and the organized crime squad, and cut the narcotics squad by 33%. The budget for the special narcotics prosecutor was cut from \$2.4 million in 1975 to \$1.1 million in 1976. In 1972, the New York City police force numbered 31,000; by 1980 it had shrunk to 22,000.

The cumulative effect of these cuts significantly reduced the scope of municipal services. In the 7 years before 1975, city spending had risen 30% in real dollars; in the next 7 years it fell by 33%. These reductions in the scope of government sent an important political message. Felix Rohatyn, an investment banker and a chief architect of the EFCB, noted that as a consequence of the cuts in municipal services, "the direction and philosophy of a large unit of government were fundamentally and permanently changed as a result of the involvement (some would say intrusion) of the private sector in government."

In 1981, New York City was able to reenter the public credit market, and all subsequent city budgets have met the legal requirement for a balanced budget. In 1984, municipal operating expenses were 15.9% lower and capital expenses 56% lower than in 1975, after adjustment for inflation.

## Federal Budget Decisions

Beginning in the mid-1970s but especially after the election of a conservative president in 1980, the federal government also initiated a series of budget, tax, and social policy decisions that adversely affected the population of New York City and other cities. For example, by 1982 federal support for low-income housing had all but ended, and federal funding for urban development and public health problems such as TB, sexually transmitted infections, and mental health was reduced and consolidated into "block grants," that gave states the flexibility to shift resources into more politically popular programs. General revenue sharing was ended in 1985, and between 1980 and 1990, federal support for the Community Development Block Grant program, an important source for economic and infrastructure support for low-income neighborhoods, was slashed from \$6.1 to \$2.8 billion. Generous tax cuts for the wealthy and big increases in military spending further reduced federal resources for health and social problems and contributed to a political climate that favored shrinking government. As new problems such as AIDS, crack addic-

tion, and a rising rate of homicide emerged, state and local governments were increasingly unable to turn to the national government for help. The lessons that Treasury Secretary Simon and banker Rohatyn had hoped to teach had taken hold.

## Changes in Living Conditions

As a result of broader social and economic changes such as deindustrialization and loss of manufacturing jobs, suburbanization, 2 economic recessions, and the previously described municipal and federal policy decisions, living conditions for the city's low-income population deteriorated significantly. Between 1970 and 1980, the number of poor

---

---

*The costs of excess TB and homicide and preventable HIV infection alone were 5 to 15 times greater than the total dollar savings in city expenditures during the fiscal crisis.*

---

---

people in New York City increased by 20% even as the city's population declined by 10%. Arson and other fires, gentrification, suburbanization, and landlords' abandonment of buildings contributed, in different ways, to the displacement of nearly one quarter of the city's population.

Job losses and cuts in public benefits combined to reduce family income, and housing costs increased. By 1980, a freeze on public assistance imposed by the New York State legislature in 1975 had reduced the inflation-adjusted value of the average welfare grant by 50%, affecting the nearly 1 million city residents dependent on welfare. Between 1970 and 1976, New York City lost 468,000 manufacturing jobs; in the public sector, by 1980, EFCB-mandated layoffs and attrition had eliminated 1 in 5 city jobs, severely constricting 2 paths out of poverty. In 1981, the *Wall Street Journal* lamented,

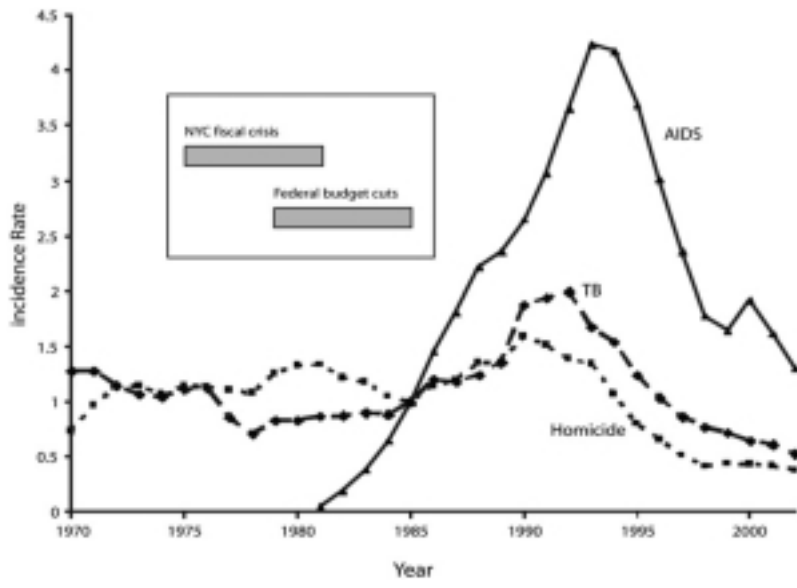
Basic city services, once the model for urban areas across the nation, have been slashed to the point of breakdown. Evidence of the cutbacks is everywhere: The streets are blanketed with garbage. Robberies, to name one crime, are at an all-time high. The subway system is near collapse, plagued by aging equipment, vandalism, and frequent breakdowns and derailment.

This deterioration contributed to "White flight" to the suburbs, corporate decisions to relocate outside New York City, and loss of tourism, further depriving the city of the tax revenues needed to combat its health and social problems. . . .

[*Editor's summary:* Under the subhead "Policy, TB, HIV Infection, and Homicide," the authors detail the rise of each of these epidemics, the excess deaths they caused, and the

FIGURE 1

**Incidence of Tuberculosis (TB), AIDS, and Homicide in New York City From 1970 to 2002, and Relative Timing of New York City's Financial Crisis and Federal Budget Cuts (Shaded Boxes)**



Source: *American Journal of Public Health*.

Footnotes have been omitted.

adverse effects of their mutual interaction. Budget cuts to hospitals and clinics, reductions in public assistance and Medicaid, and the post-1980 federal reductions in support for low-income housing, all increased the incidence of TB and HIV/AIDS.]

In summary, a variety of policy decisions made during the fiscal crisis and thereafter contributed to the TB, HIV, and homicide syndemic that peaked in the mid-1990s (Figure 1). The actions taken to achieve a structural adjustment of the city's budget by balancing revenues and expenses had the unintended consequence of imposing new burdens on the city's poorest residents. Although each of the 3 epidemics had its own dynamics, city, state, and federal decisions about drug treatment, primary health care, and housing worsened all 3, and the policy-driven deterioration in living conditions expanded the size of the populations most vulnerable to these health problems.

**Economic Costs of the Syndemic**

In the last half of the 20th century, public health economists applied principles of neoclassical theory linking population health and economic productivity to develop cost-of-illness methodologies. These multidisciplinary methods are used to measure economic consequences of illness in society. On the basis of this literature, we extended our analysis of the New York City syndemic to obtain a partial estimate of its

cumulative economic consequences. We obtained an indication of the order of magnitude of the syndemic's economic burden to society by applying published cost-of-illness estimates developed during the New York City syndemic to the incidence rates. . . .

Our economic estimates for TB and HIV infection included the direct costs associated with treating that proportion of illness represented by the post-fiscal crisis increase in rates. For deaths because of homicide and AIDS, we included the economic value attributed to lost life. Our estimates were based on economic cost-of-illness studies using nationally representative samples. When possible, we adjusted for temporally specific New York City differences, using published sources. For instance, to better reflect the way in which New York City used resources during the TB epidemic, we adjusted national cost estimates to take into account the increased expenditures for TB cases resulting from directly observed therapy in New York City. For HIV, we adjusted drug costs to take into account the new antiretroviral therapies that began to become available in the early 1990s. We adjusted all estimates to 2004 dollars, using the medical services component and the New York regional component of the US consumer price

index for urban wage earners.

For TB, we considered cases reported between 1979, the year TB incidence began to rise, and 1999, the year it fell below the 1978 rate. In these 20 years, 47,105 new cases of TB were reported in New York City. Had the TB incidence rate observed between 1974 and 1978 persisted, an estimated 10,717 fewer cases would have been reported. We calculated the costs of these cases, a conservative estimate: had the TB rate continued to decline after 1978 as in previous decades, an estimated 20,000 to 52,000 cases would have been averted.

For homicide, we considered the number of deaths between 1979, the year rates began to increase sharply, and 1993, the year they returned to the 1978 level. In this interval, 26,890 people were murdered, 3,265 more deaths than would have occurred had the homicide rate in the 1974 through 1978 period persisted.

Because HIV infection arose in New York City at about the same time as the fiscal crisis, we could not attribute a specific component of illness to the social climate of that period by comparing pre- and post-fiscal crisis AIDS case rates. Therefore, we used published estimates of the proportion of cases that could have been averted had robust prevention programs been established in the early 1980s, when AIDS was first recognized as an epidemic. Reports reviewing the efficacy of HIV prevention interventions in the United States have shown that participation in drug treatment pro-

grams is associated with a 17% to 78% reduction in HIV prevalence, and a recent international review suggests that “expanded” responses to the HIV epidemic can avert 60% to 69% of new cases. We conservatively estimated that a citywide effort to expand drug treatment and harm reduction services, improve access to primary care and treatment of sexually transmitted infections, and provide more aggressive HIV prevention services might have averted 20% of the overall HIV infections and AIDS cases in New York City between 1976 and 1995.

According to the DOH, at the end of 1995, 51,783 New York City residents had died of AIDS, 41,623 were estimated to be living with AIDS, and about 50,000 were HIV infected but had not yet been diagnosed with AIDS. Thus, we estimate that by the end of 1995, 10,357 AIDS deaths, 8,325 AIDS cases, and 10,000 HIV infections could have been averted.

Applying our cost-of-illness estimates associated with these conditions, and using our conservative estimates of excess burden of morbidity and mortality, we calculated that the excess diagnosed and suspected TB cases following the New York City fiscal crisis incurred just under \$500 million in direct medical costs. The higher estimates of excess cases would yield direct medical costs ranging from more than \$900 million (by Frieden et al.’s estimate) to about \$2.4 billion (by Paolo and Nosanchuk’s estimate).

We estimated the direct costs, lost productivity costs, and lost-quality-of-life costs for the 3,265 excess homicides to be \$17.7 billion. For HIV and AIDS, the direct costs were \$2.3 billion for preventable deaths, \$1.8 billion for preventable cases living with AIDS, and \$666 million for preventable cases of HIV infection—a total of \$4.7 billion. Adding the economic value of loss of life only for AIDS deaths during our period of study adds another \$31 billion to the AIDS costs. (A detailed description of our methods is available from the corresponding author.)

In summary, the costs of the excess cases of TB, the excess homicides, and the potentially preventable cases of HIV/AIDS that occurred after the New York City fiscal crisis ranged from \$54.7 billion to more than \$160 billion, depending on the definition of “excess” cases. In comparison, spending cuts between 1976 and 1983, when spending began to increase again, saved the city \$9.9 billion (in 2004 dollars) over what it would have spent had it continued spending at the 1976 level. Thus, the costs of excess TB and homicide and preventable HIV infection alone were 5 to 15 times greater than the total dollar savings in city expenditures during the fiscal crisis.

## Limitations

Several caveats are in order. First, the study of complex health problems with multiple causes seldom allows assignment of definitive causality or quantification of the burden of disease attributable to any one factor. The very concept of syndemics argues against singular causes. Thus, not all “excess” or avertable TB cases, homicide deaths, or HIV/AIDS

cases that occurred during and after the fiscal crisis can be attributed specifically to policy decisions made during that period. Rather, we believe that the fiscal crisis policies precipitated a cascading series of events that made the TB, homicide, and HIV epidemics much worse than they would have been had other policy decisions been made. Other secular trends not directly tied to the fiscal crisis, including deindustrialization, “planned shrinkage” of municipal services, and complacency about infectious diseases also contributed to the syndemic.

Second, in modifying the major cost-of-illness studies that served as background for our estimates, we used assumptions that erred on the conservative side. In other ways, however, our cost estimates may incorrectly attribute illnesses to the climate of the fiscal crisis rather than to some other cause. Similarly, although we believe that the combination of improving economic conditions and targeted public interventions ultimately led to the control of the TB, homicide, and HIV infection epidemics in the later 1990s, we cannot rule out other causes as well.

Third, we have not attempted to calculate all the costs of the New York City fiscal crisis. Other major costs include the declines in economic growth and tourism as a result of the negative perceptions of New York City in the post-fiscal crisis era, the adverse impact that the budget cuts had on the New York City school system, and the costs of housing displacement as a result of fires exacerbated by reductions in fire services. Thus, our estimates of the economic consequences of the fiscal crisis describe only a portion of its full costs.

## Conclusion

Obviously, many factors contributed to the city’s health crises of the 1980s. We have focused on the role of public policy because unlike social and economic trends, which appear difficult to change in the short or middle run, policies can and do change. Identifying the types of decisions that harmed health in the past may make it possible to advocate different approaches in the future. Similarly, examining policies that contributed to several adverse health outcomes—in this case the TB, HIV, and homicide syndemic—may make it possible to suggest more efficient approaches to policy advocacy and to frame policy messages that resonate in the current political climate. As city, state, and federal governments again face deficits and propose deep cuts in services, it seems particularly urgent to avoid a repetition of the 1975 decisions that so damaged New York City’s health.

Our historical health impact assessment demonstrates several pathways by which these policy decisions exacerbated the syndemic. First, city, state, and federal budget cuts diminished the public health, public safety, medical, and social service infrastructures that respond to health emergencies, compromising their ability to respond effectively to emerging threats such as HIV infection and crack addiction. Second, the cuts led to reductions in services such as drug

treatment, preventive clinical services, health education, and policing, and thus contributed to increases in TB, HIV infection, and homicide. Third, these policy decisions amplified other trends that were pushing vulnerable populations such as the homeless, drug users, the incarcerated, single mothers, and the unemployed into living situations that put them squarely in the path of TB, HIV infection, and violence. With the benefit of hindsight, it appears evident that more prudent fiscal and social policies could have saved the lives of tens of thousands of New Yorkers as well as billions of taxpayer dollars.

What made dedicated and well-trained public health professionals participate in the dismantling of vital services? Most felt that they had no choice. Elected officials ordered agency heads to make cuts. When the head of the public hospital system resisted, he was fired. As Brash has explained [J. Brash, *Invoking fiscal crisis: moral discourse and politics in New York City. Social Text. 2003:76:59-83*], the discourse of fiscal crisis, created in New York City in the 1970s, proved to be a powerful tool for making cuts seem inevitable and resistance futile, even irresponsible. Whereas some advocates and health professionals did resist the EFCB's prescriptions, their efforts were short-lived and mostly ineffective.

One lesson from this historical analysis is that health advocates may need to challenge the discourse of fiscal crisis directly. In 1975, New York City and other cities did face real problems, but the decision to impose the highest costs on the most vulnerable populations was a political decision. Alternative solutions included looking for additional revenue, such as from city income tax increases or financial service surcharges; transferring some costs to higher, richer levels of government; and imposing a moratorium on interest on loans to the city. These options would have presented different economic, political, and health costs and benefits. Had advocates been more successful in forcing consideration of these options, the human costs of the fiscal crisis could have been reduced.

Perhaps the principal lesson is that if the public health community is to advocate effectively against budget and policy decisions that damage health, it will need to identify constituencies that can bring new clout into the political arena. In the late 19th and early 20th century, progressive movements, labor unions, and wealthy reformers often worked together to improve living conditions and health, in part because sectors of the elite believed such reforms enhanced stability and promoted growth. In 1975, such alliances were not strong enough to resist the EFCB's plan. A key challenge for health advocates today is to create broad coalitions that have the will and power to resist policies and budgets that can damage health.

Another lesson may help public health professionals join the current debate on the roles of government and markets in responding to social problems. New York City's fiscal crisis spurred the call for allowing market forces to solve social

problems. Yet as the syndemic unfolded, it was the government, not market forces, that ultimately contained TB, homicide, and AIDS. TB rates began to drop in 1993 after a comprehensive DOH campaign that cost more than \$1 billion. Beginning in 1991, New York City began to rebuild its police force, and by 1999, the city had almost double the number of police officers employed in 1980. Homicide rates started to fall in 1991, and by 1995 they had dropped below the 1970 level. Many factors contributed to the decline in homicide, but it seems likely that increased police presence was one.

---

---

*More prudent fiscal and social policies could have saved the lives of tens of thousands of New Yorkers as well as billions of taxpayer dollars.*

---

---

New cases of AIDS started to decline in 1993 after city, state, and federal programs, including the Ryan White HIV CARE Act and CDC prevention programs, made HIV prevention and new treatments available to populations hardest hit by the epidemic. Once again, federal policy and broader economic changes, such as the economic prosperity of the 1990s and the growth of job opportunities in the service sector, amplified the impact of local policy decisions, although this time in a salubrious direction.

The story of the public health consequences of the New York City fiscal crisis is a cautionary tale about the value of health impact assessment. In hindsight, it seems evident that freezing drug treatment programs and cutting the narcotics squad during a surge in heroin use, cutting TB services even after new cases had started to increase, and failing to act decisively against the burgeoning HIV epidemic could damage public health. It appears that because there was no mechanism that required an assessment of the impact of proposed policies and budgets on health, public officials did not adequately consider the costs and benefits of their actions. The precautionary principle suggests that public health officials have an obligation to ensure that new policies are safe rather than to count bodies after the changes have been implemented.

This history illustrates that budget and policy decisions have long-term and systemic consequences. It took almost 2 decades for the adverse health consequences of the fiscal crisis decisions to play out. Most elected officials do not consider the consequences of their actions beyond the election or the budget cycle. If public health professionals want to avoid future complicity in implementing health-damaging policies, we will need to find new ways to engage the public in making decisions about health.

# Bush Sees Katrina as Pretext for Reducing Health-Care Infrastructure

by Patricia Salisbury

At an Aug. 7 press conference, officers and physicians associated with the National Association of Community Health Centers (NACHC) presented a devastating picture of the failure to rebuild the most basic health infrastructure along the U.S. Gulf Coast, and its consequences for the health of the devastated survivors, almost a year after the Hurricane Katrina disaster. They also pointed to maneuvers on the part of the Bush Administration to use the catastrophe to accelerate the takedown of the nation's hospitals and other parts of the high-technology medical base; maneuvers which threaten to confuse and capture at least some leaders of NACHC. In fact, the Bush Administration, which abandoned the Gulf States portion of the lower 80% of the population both during and after Katrina, is shamelessly attempting to use the desperation of survivors and their advocates within the medical community to institutionalize a lower health-care capacity nationwide.

The press conference was called to release the report, "Legacy of a Disaster, Health Centers and Hurricane Katrina, One Year Later." The panel was composed of Michael Andry, CEO, EXCELth, Inc., a New Orleans health-advocacy organization; Dr. Maria Crawley, physician, Gulfport-Biloxi Mobile Medical Unit, and medical director, La Clinica de Familia, Las Cruces, N.M.; Dan Hawkins, vice president for policy, NACHC; Bernard Simmons, board chair NACHC and CEO, Southwest Health Agency for Rural People, Tylertown, Miss.; and Dr. Gary Wiltz, director, Teche Action Board, Inc., Franklin, La. A number of these panelists had and continue to have front-line experience in the Katrina-devastated areas of Louisiana and Mississippi.

## The On-the-Ground Picture

Bernard Simmons opened the panel, noting that Katrina could not have chosen a more vulnerable location. Prior to the storm, Mississippi and Louisiana ranked near the bottom for health-care infrastructure, and since Katrina, the two states have moved to the absolute bottom, now ranking 49th and 50th. Prior to Katrina, he reported, the majority of counties in Louisiana and Mississippi had at least 76% of their residents considered medically under-served, given high rates of poverty and poor health conditions.

Simmons then summarized the current situation: "If you are poor, uninsured, chronically ill, and live near a Katrina

footprint, finding a doctor or some place to go for health care is nearly impossible. . . ." He reported on an NACHC survey that found 11 health centers completely destroyed by the storm, and more than 80 facilities across Louisiana and Mississippi significantly damaged. Virtually no rebuilding has taken place. Simmons recounted that while he and others believed the relevant authorities when they promised, "Help is on the way," they did not expect that almost one year later, they would still be waiting for that help. Still, he said, to provide shelter in the storm remains the commitment of NACHC.

Panelist Michael Andry described the destruction of the network of six primary-care centers he ran in New Orleans, and the improvised response to it. Finding that only one center in the New Orleans area was salvagable, he and his staff relocated to Baton Rouge to attempt to assist the 350,000 evacuees, whom they found battered both physically and mentally. The survivors shared a sense of being rescued, but then shipped off and forgotten, after days of wandering through the flooded streets of New Orleans. After arriving in Baton Rouge, at the first of the FEMA villages, called "Renaissance," the New Orleans team seemed to be the only one providing medical assistance. With almost no resources, they set up triage units under the trees and began to treat patients. What resources and aid they received came primarily from mobile units from other NACHC Centers around the country; within two weeks, a fully loaded and staffed mobile unit from Sioux City, Iowa arrived.

Andry reported that the challenge of restoring the network of health-care centers he ran in New Orleans still lies ahead. The problem, he said, is particularly acute for facilities that did not operate from Federal buildings, since there will be no FEMA funds forthcoming to rebuild, and no ready source of private capital has been found. Andry also pointed out that commercial interests are making demands for the remaining commercial space, making it almost impossible to find a place to relocate a Center even if funding were forthcoming. Yet, he concluded, it is urgent that the Centers' infrastructure be restored, since they operate as the ultimate safety net for the uninsured. Andry said that during Katrina and immediately thereafter, the eyes of the world were on New Orleans; he hopes they are still watching.

FIGURE 1.1

**1969: 15 States Had Federal Legislated Minimum Hospital Beds Per 1,000**



Source: U.S. Statistical Abstracts.

*The Federal Hill-Burton Law of 1946, “The Hospital Survey and Construction Act,” mandated a minimum standard of hospital beds per 1,000 people. The system has been dismantled.*

**Cutting the Red Tape**

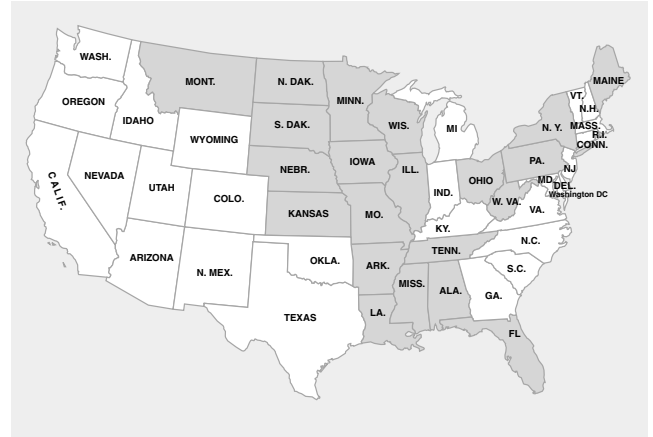
Next, Dr. Maria Crawley gave a compelling report on her week in the Biloxi area of southern Mississippi in March and April of 2006. Dr. Crawley said that it took her months simply to cut the red tape she encountered when she, along with hundreds of other frustrated medical personnel who volunteered to go to the devastated area, were told that their medical insurance would not cover their activities. While most found no way around this, Crawley was fortunate in that her Center in Las Cruces turned out to have “gap” coverage, which allowed her and her nurse to finally go to Mississippi in the last week of March. The doctor recounted her shock when, as the plane landed, she exclaimed over the lovely colors of the roofs below, only to find that they were the blue hurricane tarps still in place eight months after the disaster. The second shock was the difficulty in simply finding her patients, since street signs and even landmark buildings were simply nonexistent.

While Dr. Crawley is a pediatrician, and arrived expecting to treat children, she found 40-80% of the patients presenting for treatment were adults. Believing that a specialist was needed, Crawley considered returning to New Mexico, but stayed because she realized that if she left, there would be no treatment available. As she put it, she turned herself into a “pseudo-internal medicine specialist” overnight.

Among the most striking medical conditions that Dr. Crawley found among both children and adults were the high levels of anxiety, depression, and sleep deprivation. Without exception, every person she treated was using some form of

FIGURE 1.2

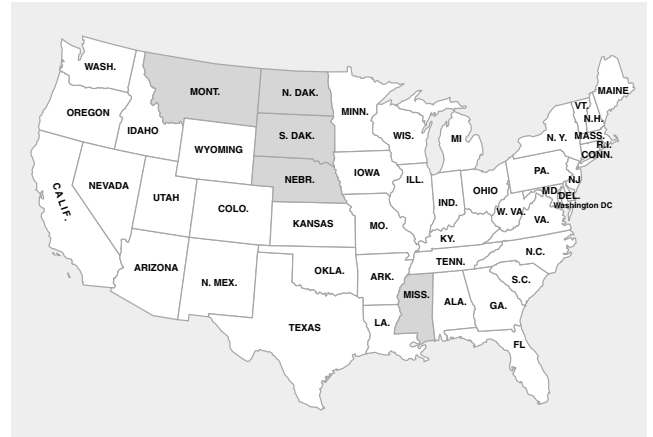
**1980: 21 States Had Federal Legislated Minimum Hospital Beds Per 1,000**



Source: U.S. Statistical Abstracts.

FIGURE 1.3

**2000: 5 States Had Federal Legislated Minimum Hospital Beds Per 1,000**



Source: U.S. Statistical Abstracts.

medication to get any sleep at night. And while she encountered many cases of what medical professionals in the area had begun referring to as “Katrina krud,” persistent respiratory problems, the most pressing medical conditions were not directly caused by the hurricane, but were chronic illnesses worsening under conditions of neglect and devastation. All of these problems, both mental and physical, Crawley emphasized, need to be addressed by both the state and Federal governments.

Crawley was followed by Dr. Gary Wiltz, a New Orleans native who interned at the city’s well-known Charity Hospital, whose doors have remained shut since the hurricane. Dr. Wiltz stressed the importance of the health centers in New



Orleans and throughout Louisiana, saying that they operate from a sense of mission, and that each one should have the slogan from the Statue of Liberty welcoming the “huddled masses” over its door. He stressed the importance of rebuilding and expanding the Centers.

### **Hospitals Remain Closed**

The picture painted by the panelists makes it clear that virtually no rebuilding of the Gulf health-care infrastructure has occurred—a finding supported by statistics assembled in the NACHC report from a Government Accountability Office (GAO) survey and other sources. In Louisiana, among the nine acute-care hospital systems in service pre-Katrina, five remain closed, and those that were open were operating at only 20% of their pre-storm bed capacity as of February 2006, according to the GAO report. Charity Hospital—once one of the largest safety-net hospitals in the area, serving mostly the uninsured and Medicare patients, has shut its doors. Charity’s closure, including that of its Level 1 trauma center—the only one in the region—has shifted demand to the few remaining emergency departments. At the time of the GAO investigation, no decision had been made, as to whether to rebuild or replace Charity. The GAO also found that more than three-fourths of New Orleans safety-net clinics were closed. Of the 19 that remained open, most were operating at less than half-capacity. Specialty and diagnostic care were “extremely limited,” and primary and emergency care were available at significantly reduced levels. Shocking, given the testimony on the state of mental health of Katrina survivors: There is not a single designated inpatient psychiatric bed in New Orleans Parish.

Compounding these difficulties is a workforce shortage. The New Orleans Parish Medical Society reports that of the estimated 3,200 Society physicians who were practicing in the Orleans, Jefferson, and St. Bernard Parishes prior to Katrina, only between 1,400 and 1,600 remain. A study by the University of North Carolina at Chapel Hill estimated that the decline in active patient-care physicians in six Louisiana parishes and four Mississippi counties may number as high as 6,000. The scarcity of nursing-home and home-health-care services for discharged patients, such as the elderly and chronically ill, has also lengthened hospital stays and exacerbated the lack of hospital beds, creating a logjam and increased costs of care.

### **Worsening Health Conditions**

In addition to the anticipated skin problems and gastrointestinal illnesses associated with flooding and its aftermath, the combination of destroyed infrastructure, medical personnel shortages, and the continuing clean-up problems, is resulting in a still-growing level of medical need with no means to meet it. Burning storm debris, increased diesel exhaust, heavy metals, toxic chemicals, mold, and fumes from glue and plywood in new trailers, have caused a spike in lung and nasal

irritation, exacerbating already high pre-Katrina levels of asthma and respiratory problems. Health-care experts continue to warn people with serious respiratory conditions to stay away from the ravaged areas.

As noted above, medical personnel were surprised to find that chronic, as opposed to storm-caused illnesses, were the biggest health concern to be addressed in evacuation centers in Arkansas, Louisiana, Mississippi, and Texas, accounting for 33% of the 14,531 clinical visits in the initial days following Katrina.

Mental-health problems are worsening as adults and children continue to live in temporary lodging and struggle to rebuild their lives with little or no help. The Greater New Orleans Medical Foundation estimates that approximately 60% of the population of New Orleans suffers from depression and/or post-traumatic stress disorder. Officials at Louisiana State University’s Health Science Center reported that nearly a third of the children being screened at clinics are showing signs of emotional trauma, such as nightmares and flashbacks. At least 100,000 children who lived through Katrina are likely to suffer post-traumatic stress disorder, according to a study by PriceWaterhouseCoopers released in 2006. New Orleans officials estimate that the suicide rate has tripled in that city since before the storm.

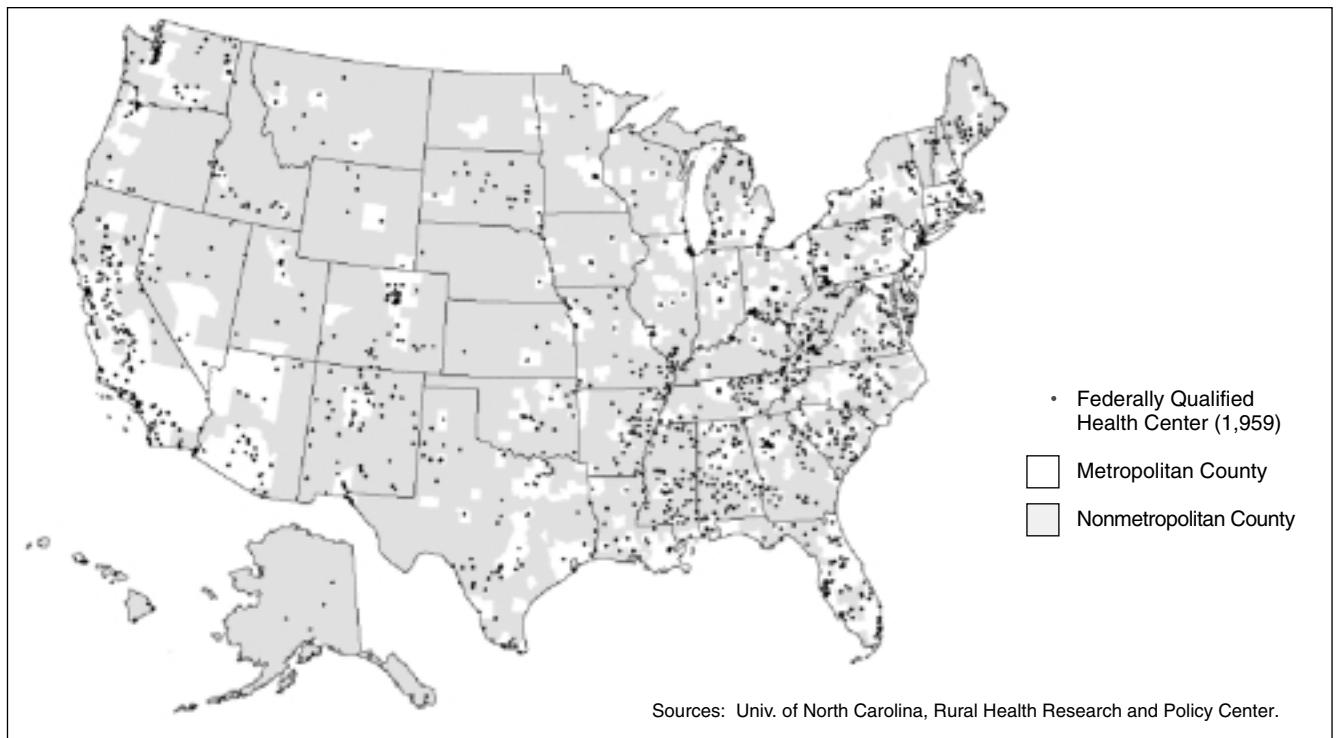
### **No Funds for Brick-and-Mortar Rebuilding**

Attendees and media at the press conference were naturally startled by the failure to rebuild and the references by the panelists to the lack of funding hampering their efforts. In answer to these questions, NACHC Vice President Dan Hawkins reported that only a tiny portion of the funds appropriated by Congress and community block grants have found their way to affected community health centers. Hawkins explained that Federal funds earmarked for the region’s community health centers pay for the sites’ day-to-day operations, but that the centers get no upfront funding for “brick-and-mortar” rebuilding—those expenses can only be reimbursed. And for now, the reimbursement process is stuck in a morass of red tape, he said. He called for Federal aid to go directly to the rebuilding effort, and that while FEMA has the money, it has “no system for dispensing it.”

While the Bush Administration may have no system for urgent rebuilding, it is chock-full of plans for using the Katrina debacle to further its intention to deliver less and less health care to the nation. Hawkins reported that the leadership of the NACHC has joined with Health and Human Service Secretary Mike Leavitt to urge that any rebuilding of the health-care infrastructure in Louisiana and Mississippi will rely on Community Health Centers as its foundation, in explicit opposition to what is termed “costly institutional care”; meaning full-service, high-technology hospitals. Leavitt recently made the Administration’s intentions crystal clear when he stated that the circumstance of Katrina has “contrived to create an unprecedented opportunity” to remodel health

FIGURE 4

**Location of 1,959 Federally Qualified Health Centers, 2001**



care around a lower-cost community-based model. The shameless Leavitt had described a new health-care system in which “community health centers dot the landscape, and every citizen has a medical home where the goal is to keep people healthy, not just treat them after they get sick. With Federal funding as a bait, many institutions that should know better are getting into the act and giving up the fight to restore full-service hospitals. In July of 2006, Louisiana state officials announced the creation of the Louisiana Health Care Redesign Collaborative, which will propose changes to the Medicaid and Medicare programs aimed at reshaping the system to rely on primary and preventive care, and curtail what is termed inappropriate and costly care, such as visits to emergency rooms.

**Hill-Burton Provided Community Health Care**

The United States once had an efficient high-technology, community-based medical system, that of the public and private hospitals built under the 1946 Hill-Burton legislation; a system destroyed by the HMO shareholder-value insanity. From the end of World War II, until the 1970s, the Hill-Burton policy prevailed: the principle that ratios of health-care delivery hospitals, nursing homes, diagnostics, medical staff, and so on, should be provided on a per-capita basis, as required according to where people lived, and based on their demographics. Following World War II, it was seen as a Federal

responsibility to provide all citizens with access to health-care delivery infrastructure, which meant a commitment to seeing that there was a public hospital or several—depending on density of population—located in each of the 3,069 counties of the nation. This is in stark contrast to the current Federal attitude, where the Administration denies responsibility, even for a nationwide catastrophe such as a bird flu pandemic.

Before passage of Hill-Burton, some 1,700 counties had no public hospital at all. Hospital construction proceeded and the ratio of beds and other resources to population increased steadily—until the introduction of the 1973 HMO Act which declared the profit motive primary in medical care.

In addressing this problem, economist and statesman Lyndon LaRouche called for a reversal of the policy of “primitive accumulation” against health care instituted in the 1970s, and the need to situate the threatened national health care “as a special feature of a broader issue, the general breakdown, through mismanagement and neglect, of national basic infrastructure as a whole.” (See Lyndon H. LaRouche, Jr., “Situating Health Care Policy: What Is Infrastructure?” *EIR* April 8, 2005.) The experience of Hurricane Katrina poses the question of the reversal of this takedown of health care and all other categories of infrastructure, and a return to Hill-Burton policy. This should include an appropriate role for the Community Health Center network, which has demonstrated its flexibility and dedication under conditions of crisis.

# German Court Ruling Is Setback to Privatizers

by Rainer Apel

On July 27, the district court in Konstanz, Germany, made an important ruling in the case of the July 1, 2002 air crash that occurred over Überlingen, and killed 69 children aboard a Russian-Bashkirian airliner and the two pilots of a colliding FedEx freight plane. The court determined that Germany must pay compensation to the relatives of the victims, as well as to the airlines affected. Even more important in its implications, the court ruled out the German government's argument that the Swiss Skyguide control was to blame, because it was in charge of that section of airspace in the Swiss-German border region. Air control, the court stated, belongs to the "genuine sovereignty tasks of the state."

The court ruled that the German practice of handing over control functions to agencies of another, neighboring state, is against the German constitution: "The sovereign task of securing air space has never been effectively transferred to Switzerland." Therefore, air sovereignty remains with Germany. Moreover, the accident occurred in German airspace, near the Bodensee Lake.

On the surface, it seemed that the Swiss flight control agency Skyguide was to blame, for the wrong guidance it gave, putting the two planes on a collision course. During the post-accident investigation, there was evidence the control tower of the agency was not manned properly during the period of the air crash, and the control job was done in a rather sloppy way. These hints confirmed the doubts of the critics who had previously opposed the Swiss-German air control cooperation agreement of 2001, on grounds that such a transfer of sovereignty would imply a lowering of safety standards.

The 2001 letter of agreement signed between the German Flight Control and the Swiss Skyguide, outsourcing and assigning part of the southwest German airspace to the Swiss controllers, was never ratified by the Swiss parliament, because it left open several questions concerning Swiss jurisdiction on other issues, such as prevention of airflight noise. The court ruled that treating the agreement as if it were ratified, during 2001 and 2002, posed a high risk for air traffic in that region, without clarification of responsibilities.

The German government's arguments are not enhanced by the fact that valid air-control sharing agreements are in place, with other neighboring countries such as Czechia.

## Unions Fight Airflight Privatization

The court ruling was immediately welcomed by the labor union of the German air control personnel, whose spokesman, Marek Kluzniak, called the ruling a blow against the government's planned privatization of air control. Originally, the government had intended to privatize 74.9% of air control by Fall 2006. That timetable is now off, not only for the Germans, but also for the European Commission in Brussels, which had pressured Germany to comply with the EU agenda for deregulation and privatization of airflight operations.

Included among the German critics of this privatization is the Anti-Monopoly Commission, usually an instrument of the privatizers and deregulators. In a memorandum ordered by the government, the commission stated that if the government kept no more than 25.1% of air control in state hands, crucial safety and control functions could no longer be guaranteed. In particular, air control also involves police and customs functions which cannot be transferred to private agencies, the commission argued. If there were to be any privatization, it should not involve more than 49.9%, leaving a majority of 50.1% in the hands of the state, the memorandum said. Other critics, like the labor union of the air control personnel and the public services union, oppose even minimal privatization, on grounds that the role of the state must not be decreased if it will affect vital functions of society.

The labor union resistance against airflight liberalization is part of the general resistance of labor movements across Europe, to the EU Commission's plans for deregulation and privatization of all services inside the European Union. The Commission's draft deregulation guideline was defeated in the European Parliament in mid-February, after several weeks of labor action in numerous countries, culminating in a mass rally of 50,000 in Strasbourg, Feb. 14, near the European Parliament.

The Commission withdrew its original draft, replacing it with a watered-down version that was acceptable to the European Parliament three months later, but central aspects of deregulation of state service functions and labor market laws have so far been protected from the Commission. The court ruling on the Skyguide case also helps the opposition against deregulation and privatization in the rest of Europe.

The findings of the Anti-Monopoly Commission also influenced, in particular, German President Horst Köhler, who so far has refused to sign the new legislation that the government prepared for the planned privatization of air control. Without the Presidential signature, legislation cannot go into effect. Köhler holds that too many questions about the implications of the legislation for German sovereignty have not been sufficiently answered yet, and that the legislation has to be worked over, thoroughly. Köhler's reluctance to sign had raised doubts before about the government's original autumn timetable. Now, the Konstanz court ruling provides Köhler with new arguments that should enable him to reject any privatization on constitutional grounds.

## Russian TV Airs LaRouche Warnings on Mideast War

On the evening of Aug. 16, Russia's biggest prime-time TV news show featured warnings from Lyndon LaRouche, and his magazine, *Executive Intelligence Review*. LaRouche, who had been interviewed that morning by Russia's First Channel (1TV), was shown on the 9:00 p.m. *Vremya* program. He was quoted, along with other experts, including former Russian Prime Minister Yevgeni Primakov, on the previous weekend's truce in Lebanon.

Three minutes into the program, correspondent Grigori Yemelyanov presented a segment titled "Experts comment on the outcome of the war in Lebanon." Primakov, Knesset member Roman Bronfman, and Lebanon's Minister of Energy Muhammed Fneish were heard talking about Israel's failure to achieve its objective of wiping out Hezbollah in Lebanon. The segment emphasized that the situation remains dangerous: "The truce is fragile and unstable. The situation may develop in any direction: towards consolidation of peace, or it could lead to a new conflict."

In amplification of this warning, the *Vremya* broadcast then shifted to a recent exposé, published in *EIR*. The clip displayed the headline of Jeffrey Steinberg's Aug. 11 *EIR* article, "Will Bush 'October Surprise' Scam Trigger World War III?" Yemelyanov reported, "The American weekly *Executive Intelligence Review* writes about the plans of the White House to draw Syria into the conflict and, through it, Iran, which has a mutual assistance treaty with Damascus. The journalists call this plan 'Bush's October Surprise': according to their information, the American administration is planning to provoke war between Syria and Israel in October. The plan would involve the planting of some weapons of mass destruction in Syria, by special forces, which would then 'accidentally' be discovered by Israeli soldiers during an intervention."

The video then cut to footage from the interview with LaRouche. As LaRouche, identified as editor-in-chief of *EIR*, was shown speaking to First Channel's correspondent, the Russian voiceover continued to summarize Steinberg's article: "If events develop according to that scenario, Iran would

be unlikely to stay out of the conflict. And then it would already be impossible to stop a big war in the Middle East. Instead of seeking a compromise at the negotiating table, the American administration is doing everything it can to provoke a full-scale war."

The fact that 1TV is largely owned by the Russian government, clearly indicates that the Russian state itself considers LaRouche's warnings to be of crucial importance in the current strategic situation.

The remarks by Primakov, included in *Vremya's* broadcast, came from a special briefing the former Prime Minister, Foreign Minister, and intelligence chief gave at the Russian Foreign Ministry press center. Primakov said that Israel had to be considered to have lost the Lebanon campaign, because its objectives were not achieved.

Primakov, who is Russia's senior expert on the Arab world, made additional, very pointed statements about the outbreak of the conflict. "The kidnapping of the Israeli soldiers was a pretext, not the cause of Israel's invasion of Lebanon," he said, according to *Izvestia*. He referred to "reports in the U.S. media, that Israel had been preparing for this war for a long time." Echoing the analysis of Gen. Leonid Ivashov, Primakov charged that another scenario was for Syria or Iran, if they were to intervene in the conflict in some way, to be bombed, as well. "That is most likely the reason," he said, "that for such a long time the Americans were so lukewarm about seeking a speedy ceasefire." (See *EIR* of Aug. 18 for translated excerpts of Ministry of Defense international department chief Ivashov's Aug. 7 analysis, in which he quoted LaRouche.)

Primakov expressed hope that diplomacy can now be pushed ahead. About the current U.S. role, he commented with irony about the "Trotskyite" ("permanent revolution/permanent war") factor: "I don't think it's in U.S. interests to support confrontation in the Middle East. But they won't pressure Israel, due to the upcoming U.S. elections. I hope Washington has learned some lessons from what happened, and will correct their plans to export democracy and revolu-

tions around the world. The Trotskyites already demonstrated that this doesn't work."

At the same time, Primakov said that it is essential now to use the recognition of Israel's miscalculation, "in order to prod Tel Aviv into peace negotiations." He said that Russian diplomacy is working hard in that direction. Indeed, a Russian Foreign Ministry statement on talks held Aug. 14 between Foreign Ministry Sergei Lavrov and UN Secretary General Kofi Annan, announced that they had focussed on the need to "work out a formula for a comprehensive settlement in the Middle East." Foreign Ministry spokesman Mikhail Kamynin said that, with the ceasefire in effect, "everything possible should be done to secure a decisive breakthrough to something better, and prevent backsliding." On Aug. 16, Kamynin said that Russia is calling for resumption of Israeli-Palestinian dialogue, without which other long-standing crises in the region cannot be addressed.

The Aug. 16 Vremya news broadcast, in Russian, can be viewed on [www.ltv.ru](http://www.ltv.ru).

---

## Documentation

---

*Lyndon LaRouche was interviewed Aug. 16 on Russia's First Channel TV, for its "Vremya" evening news, which aired a segment among its top news items. Footage of LaRouche filmed during its recording was included in the broadcast, but with a different text voiced over. Here is the interview transcript.*

**Q:** So, the war is over, but who is the winner? Who is the loser? What do you think?

**LaRouche:** Well, there's no winner, there's no loser, really. Because what you're dealing with is an aspect of global asymmetric warfare, which is the situation in Southwest Asia, which threatens every part of the world. This could be an ignition point for the world as a whole. My concern has been to stop this war. We apparently have temporarily delayed it: Now we have to do something to stop it.

**Q:** And what do you think about the role of the United States, about the role of the Bush Administration in the conflict?

**LaRouche:** The Bush Administration, I think the President himself is completely confused, and he's shown no comprehension of the situation he's in. Cheney is a sociopath, and knows fully what he's doing. Their intention was to create a situation for the bombing of Iran; that was their target. But the target is much bigger: It's global. We're looking at the danger of a crash of the financial system, which always is dangerous in world politics, and this means the whole world could be involved in asymmetric warfare, of a new type. Not something without precedent, but asymmetric warfare under today's conditions.

**Q:** Do you think there's going to be the next world war, because of the mistaken steps of the United States? Or—?

**LaRouche:** Well, it's more than that. The problem lies essentially with an international financier group, which is actually the same financier group which was behind the Hitler operation earlier. It's the Synarchist International and certain of its London and Dutch relations. They're out to play a game now. It's a very dangerous game: It's called globalization, and they're determined to do it. So, it's the equivalent of a world war.

The problem is, that unlike the Nazis, these characters are not technologically competent. Therefore, they will only make a mess of everything. My hope is that by the methods proposed by Yossi Beilin, that we could introduce a factor from within Israel itself, which would open up the way for negotiation, so we can stabilize the situation, and then we have a chance, between now and November, hopefully, to deal with the problem inside the United States.

**Q:** How do you see the perspective in the Middle East in the future?

**LaRouche:** The future is—we have to look at, primarily, as I'm going to be dealing with this in Berlin, in a conference I'm giving there on the 6th of next month; we need to go to what is understood in Russia as the Eurasian model of cooperation: Which means a Eurasian approach, in which the technology of Europe is harnessed again, to be of service to developing Asia. If we have a Eurasian orientation of that type, we can then use that as an economic recovery program to bring peace to Eurasia. If we bring peace to Eurasia, we have secured peace.

**Q:** The United States sold different kinds of weapons to Israel. What do you think? Was it right? Or . . . ?

**LaRouche:** The U.S., right now, on weapons, is crazy. The Administration is crazy. And most of our senior generals, and others who are experts, and intelligence people, would say this is crazy. The U.S. policy is clinically insane.

They're proposing a war which nobody can win, and everybody can lose. This is a different kind of situation. And their mentality is such, they have no comprehension of what they're doing. In my view—I know some of these people, they're absolutely crazy. They have no conception of reality whatsoever. They're living in an illusion.

Our problem is, to bring forces in the world which are rational, including those in the United States, into conjunction to bring about a new world order, based on the reality of a breakdown of the system; and use the Eurasian cooperation, which is typified by the relationship to the Shanghai Cooperation Council, use that as a vehicle for rebuilding the world economy. You have to change the mission from one of conflict to one of cooperation. And I think the possibility exists, because the need for cooperation is great, particularly on economic questions.

## Retired Military, Diplomats Demand Policy Change on Iran

by Jeff Steinberg

A prestigious group of 22 retired generals, admirals, and ambassadors has released an open letter to President Bush on Aug. 17, demanding a fundamental policy change towards Iran and Iraq. The letter stated:

“As former military leaders and foreign policy officials, we call on the Bush Administration to engage immediately in direct talks with the government of Iran without preconditions to help resolve the current crisis in the Middle East and settle differences over the Iranian nuclear program.

“We strongly caution against any consideration of the use of military force against Iran. The current crisis must be resolved through diplomacy, not military action. An attack on Iran would have disastrous consequences for security in the region and the U.S. forces in Iraq, and it would inflame hatred and violence in the Middle East and among Muslims everywhere.

“A strategy of diplomatic engagement with Iran will serve the interests of the U.S. and its allies, and would enhance regional and international security.”

The open letter was signed by: Amb. Harry Barnes, Lt. Gen. Julius Becton (ret.), Parker Borg, Amb. Peter Burleigh, Amb. Ralph Earle II, Brig. Gen. Evelyn P. Foote (ret.), Amb. Chas W. Freeman, Morton Halperin, Lt. Gen. Robert G. Gard (ret.), Gen. Joseph P. Hoar (ret.), Brig. Gen. John Johns (ret.), Prof. Frank N. von Hippel, Dr. Lawrence Korb, Maj. Gen. Frederick H. Lawson (ret.), Lt. Gen. Claudia Kennedy (ret.), Lt. Gen. Charles P. Otstott (ret.), Amb. Edward L. Peck, Brig. Gen. Maurice D. Roush (ret.), Dr. Sarah Sweall, Vice Adm. Jack Shanahan (ret.), Lt. Gen. James M. Thompson (ret.), and Vice Adm. Ralph Weymouth (ret.).

On Aug. 17, former Congressman Tom Andrews, who now heads the organization Win Without War, hosted a conference call with three of the sponsors of the letter—General

Hoar, General Gard, and Morton Halperin (former Director of Policy Planning for the U.S. State Department in the Clinton Administration)—in which they made brief statements and then took questions from a number of journalists. In their opening remarks, all three speakers emphasized the total failure of the Bush Administration’s policy and the “bizarre” idea that Bush and Cheney have proposed to “negotiate” with Iran, only on the basis of demanding, in advance, that Iran agree to the essential U.S. goal—the elimination of Iran’s enrichment program. The actions of Bush and Cheney, the trio emphasized, have jeopardized U.S. national security, needlessly put American soldiers in Iraq in harm’s way, and destabilized the entire region.

In response to a question from *EIR*’s Jeff Steinberg, all three of the speakers heartily endorsed the call by Yossi Beilin for the convening of a Madrid II conference, to solve the entire Middle East conflict (see *Feature*).

Following the conference call, Steinberg interviewed General Hoar (see accompanying article).

---

### Documentation

---

*Here is the question posed by EIR’s Jeff Steinberg, and the panelists’ response.*

**Operator:** Our next question comes from the site of Jeff Steinberg, of *EIR*. Please go ahead.

**Steinberg:** This is a question for all three of the speakers. On Sunday, in *Ha’aretz*, Yossi Beilin, former Justice Minister of Israel and one of the Oslo negotiators, said that the moment that’s represented by this 1701 ceasefire in Lebanon

## It Is Diplomacy or A No-Win Situation

*U.S. Marine Corps Gen. Joseph P. Hoar (ret.), a four-star general, was Commander-in-Chief, U.S. Central Command (1991-94), commanding the U.S. forces in the Persian Gulf after the 1991 war. He also served in the Vietnam War, as a battalion and brigade advisor with the Vietnamese Marines. He is one of a group of senior flag officers who on Jan. 3, 2005 released a statement of opposition to the nomination of Alberto Gonzales as Attorney General, which came before the Senate Judiciary Committee on Jan. 6, 2005.*

*Jeffrey Steinberg interviewed General Hoar on Aug. 17, 2006, after a conference call by General Hoar and others to announce the release of an open letter signed by him and 21 other former military and government officials urging President Bush to change his failed policy toward Iran and in the war in Iraq (see previous article). General Hoar was previously interviewed by Steinberg in EIR, Jan. 14, 2005, and May 21, 2004.*

**EIR:** General, I see in the formal text of the letter that you and 20 or so other prominent military and diplomatic veterans have released to the President today, that you start out by saying, that you call for the Bush Administration “to engage immediately in direct talks with the government of Iran, without preconditions, to help resolve the current crisis” and you “strongly caution against any consideration of the use of military force against Iran” and that “the current crisis must be resolved through diplomacy not military action.”

There are some people who have commented to me that they viewed the Israeli attacks against Hezbollah in Lebanon as part of a largely military scheme that would lead ultimately to American potential military action against Iran. Do you see that danger as being real, given the character of the current administration?

**Hoar:** I’m very concerned, because there are senior people in the Administration that are willing to use military action when diplomacy is by far the better means of achieving your objectives. And so, it seems to me that either directly or indirectly, that supporting Israel and their concerns about Hezbollah, Syria, and Iran, could lead to a much wider war in the Middle East. We are already deeply engaged in Iraq, and this kind of activity could cause the whole region to plunge into some sort of military difficulty.

**EIR:** Just as a follow-up on that, there seems to be a pretty broad consensus that we, the United States, and whatever

offers a perfect opportunity to convene what he called a second Madrid Conference, to take up the entire scope of regional security issues—Israel, Palestine, Syria, Iran, some kind of action on Iraq, and the overall proposal by [Saudi] King Abdullah that was adopted in 2002 at the Beirut meeting of the Arab League. I’d like to get the thoughts of the three speakers on whether or not this idea is feasible. Obviously, it’s an appeal to Bush, given that Bush, Sr. and [James] Baker were the initial Madrid sponsors, after the end of Desert Storm.

**Dr. Halperin:** I can start with that—this is Mort Halperin. I think that’s absolutely right. I think that what’s happened in the Middle East reflects the disengagement of the Administration. This is the first American President who is not engaged directly in an effort to bring about peace in the Middle East. And I think the Lebanon war is partly a result of that. I think that this is the moment that the President has to engage himself personally, be willing to talk to every leader in the region, and to seek a comprehensive settlement, that will implement what everybody knows is going to be the final settlement between Palestine and Israel, and which will begin to shape a new situation in Iraq. And disengagement and simply saying, “We support Israel and oppose terrorism,” while those are obviously two important pillars of our policy, are not going to get us anywhere.

**General Gard:** This is Robert Gard. I certainly agree that we need to open up the dialogue. We just sent our Secretary of State over to the Middle East, and all she could do was talk with the Israelis! I mean, even the Lebanese, after a particularly disastrous bombing, refused to receive her. And of course, she couldn’t talk to Hamas, Hezbollah, Syria, Iran—it’s a disaster!

**General Hoar:** If I could just add a couple of thoughts: Part of the difficulty, and Mort’s comments made me think about it, is, we have used a slogan, “the war on terror,” to describe the dynamic of what is existent now in the Middle East, and if we’re not careful, is going to spread throughout the world. This whole idea of taking terror, which is a technique, and turning it into a slogan, has caused us not to think about root problems here. This is really a war of ideas. And unfortunately, Mr. Bush and this Administration have led into this war virtually unarmed, talking about “democracy,” talking about “freedom,” issues that don’t resonate with the people that are under either oppressor regimes, or find themselves in countries where there are, quote, “occupier forces,” or threatened by neighbors. And until we change the paradigm, and look for a regional solutions to all of these problems, as Mort has suggested, I think we’re going to come up without a successful solution.

But this solution, this regional one, will take time, and energy. Because diplomatic solutions take far more time, and far more innovation than the military solution, and there is always the question of losing patience and choosing the military option, particularly when it is on the table.

coalition we might cobble together, would have really no capacity to conduct any kind of substantial ground operation against Iran, but that there's widespread talk about an air operation aimed at knocking out supposed key sites involved in the nuclear weaponization program. What's your general assessment of this kind of air power approach?

**Hoar:** Well, I think that strategic bombing has proved to be unsuccessful, up to and including the Second World War, that it rarely achieves its objectives. At no time, in my recollection, have we been in a more disadvantaged position in terms of striking a potential opponent, because we have virtually no intelligence about the nuclear program in Iran. And so, what we have, I'm sure, at best is fragmentary. And it's clear that Iran would have learned the lessons of the Israeli strike on Iraq in the early '80s, and thus to disperse their nuclear program and to build it underground, so it's not susceptible to bombing. And further, it would seem to me that Israel would learn their lesson from this recent incursion against Hezbollah, that bombing campaigns don't destroy targets when the enemy is deeply entrenched and has planned in advanced against a bombing campaign.

**EIR:** There seems to be a kind of common feature to what Israel recently encountered in Lebanon, and what the U.S. forces have encountered in Iraq, where there's no dispute that Israel had a conventional military supremacy over anything that they were going to face in Lebanon, and the U.S. clearly had conventional supremacy over the Iraq army under Saddam Hussein. But we're now facing a kind of asymmetric kind of warfare that's very difficult to deal with. I wonder what your thoughts are on this? Maybe it's not quite a new dimension of warfare, but one that we seem to have really not taken into account.

**Hoar:** It's not new at all. And the problem is, that political considerations overrule and become more important than the military implications. And just as in Iraq and as in southern Lebanon, if you don't change the political paradigm, take away the causes of discontent, you're going to have to continue to deal militarily with an adversary that wins if they don't lose.

And to just give you some quick examples: George Washington, Ho Chi Minh, Osama bin Laden, and Hezbollah: All of them, as long as they remain on the strategic defensive and don't become decisively engaged, will ultimately win, unless you change the political paradigm. Because all they have to do, is to continue to exist. Hezbollah has done this perfectly: They declare themselves the winner. They have the moral support of Muslims and others throughout the world, and they're the first back in the region to help reconstruct all the damage that has been done by the bombing campaigns.

In our own American Revolution and in Vietnam, in the case of the British, they decided to sue for peace because they had bigger issues elsewhere, and Washington, by carefully shepherding his forces and not becoming decisively engaged



*U.S. Marine Corp.  
Gen. Joseph P.  
Hoar (ret.): "The  
current crisis [in  
Iran] must be  
resolved through  
diplomacy, not  
military action."*

until the French came in on our side, was able to win. Ho Chi Minh did the same thing. We militarily defeated the NVA [North Vietnam Army] and the Viet Cong in the Tet Offensive, but politically we lost the battle because the American people just were not willing to pay the price to stay on and continue to change the nature of the war.

And so we're faced with these same problems again. Unless political leaders are willing to step up and say, as Mr. de Gaulle did, after the Algerian War, that "this is all over, we're going to end it now and move on to something else."

The problem in the Middle East is the Iraq War has such regional implications for its neighbors that we can't walk away. But we could sit down with all the neighbors and hammer out at least a framework from which we could go forward, and to look to find some solutions. And anyone that thinks that we're not already in a civil war out there, is either delusional or is toeing to the party line right now that we can still pull success out of this fight in Iraq militarily, which we can't.

**EIR:** I mentioned just a few moments ago on the conference call, that the former Justice Minister of Israel, Yossi Beilin, who was actively involved in the Oslo negotiations and the whole process that continued, pretty much right up to the day that Clinton left office, wrote on Sunday in *Ha'aretz* that he thinks this is a moment where a second Madrid Conference should be convened to take up all of the issues affecting the region as a whole, the security and economic issues. And he noted that between Madrid and the next 15 years through Bush, Clinton, Bush 43, that most of the issues on the Israel-Palestine front had been pretty well narrowed down.

Do you think that this kind of Madrid Conference approach is something, 1) that might work? And 2) do you see any prospects of the Administration learning some lessons in changing where they're headed?

**Hoar:** You know, one of the things that didn't come up this morning in the discussion of the use of diplomacy, that is by





U.S. Air Force/Tech. Sgt. John M. Foster

*“Political considerations become more important than the military implications,” General Hoar pointed out, whether it is Iraq, Lebanon, Syria, or Iran. “If you don’t . . . take away the causes of discontent, you’re going to have to continue to deal militarily with an adversary that wins if they don’t lose.” Here, U.S. Army troops providing security at the site of bombing in Mosul, Iraq, earlier this year.*

attempting to sit down with the players, and look for solutions, and be prepared to deal with countries that heretofore we were unwilling to deal with, like Syria and Iran, we give legitimacy to those people, we give them the very thing that they want. And that’s the opening manner in which you can then deal with the other issues. I think that if you had a conference that included Iran and Syria, you would have a *real* chance of getting to the bottom of this problem.

You know, I’m a great fan of Yossi Beilin. I thought that when he was working closely with the leadership in the Labor Party years ago, when we came so close to finding a solution, during Mr. Rabin’s time, that he was frequently the “idea guy,” the person that was outside the box looking for ways to define solutions to the problem. And it doesn’t appear that he has a lot of political traction any longer, but I think he’s an extraordinary guy.

And to answer the second part of your question: Given what’s happened in the last six years, Jeff, I just—I find it hard to believe that this crowd would be willing to try anything as adventurous as sitting down with everybody and talking about these issues.

**EIR:** I have two final questions, one just following up. I wrote an article five months ago, or so, which was provoked by reading *Cobra II*, the account by General Trainor, of the Iraq war; and also a report that came out, of the Iran letter—it was then-President Khatami who wrote to Colin Powell, proposing a kind of comprehensive U.S.-Iranian talks to put all of the issues on the table. Both of those things occurred

in May 2003.

And the report from General Trainor, was that between Jay Garner and the actual ground commanders of the U.S. invasion, there were plans to immediately stand up three divisions of the Iraqi army, to create an interim government, and to basically move immediately into a stabilization and exit strategy. All of this was before the insurgency really began. And it was killed somewhere between the Vice President’s Office and Doug Feith and Wolfowitz’s offices at the Pentagon.

The result of that is that a great deal of what was done in Iraq subsequently, including all of the reconstruction, and even a certain amount of the military operations, were turned over to the private sector, in the form of massive contracts to outfits like Halliburton, Blackwater. . . .

**Hoar:** Bechtel.

**EIR:** Bechtel. There seems to be a kind of an underlying issue here which Cheney has been promoting since he was Secretary of Defense, and that’s the outsourcing of major aspects of national security, to private, for-profit corporations. I wonder if you could comment on how you view that, and whether you think that this is something that’s excessive and is undermining our national defense?

**Hoar:** Well, I think that when Mr. Rumsfeld was talking about securing all of Iraq with 55,000 troops, over time, and finally the military was able to squeeze out what we actually got—which my memory doesn’t tell me how many, but something on the order of 160-170,000. The point is, that it was a huge vacuum that was created for other security forces. And so, in order to meet that need, security companies sprang up all over the place. Companies like Halliburton and Bechtel hired on security people—you remember the scandals about Halliburton paying so much money for fuel, and charging it up to security requirements. In a well-run theater of operations, those kinds of security would have been provided by coalition forces, not by going out and hiring separate contract people to do it.

And I know from my own experiences in the construction business, that many of those construction sites were the same sort of thing: There were huge amounts of money spent on security people, in order to go about doing some of these tasks, and I think the whole thing got out of hand. I don’t think there’s any question about it.

Now, with respect to Halliburton and the U.S. Army: There has been a long relationship between those two entities, because the Army purposely took their ability to cook food, in the field under expeditionary conditions, out of the active-service Army. And so, if you were in the Army and you were stationed at Ft. Bragg, what we would call the mess halls were run by civilian contractors. But if your unit from Ft. Bragg was deployed to someplace else, Bosnia, Somalia, Iraq, there was no comparable U.S. Army unit that could go out and prepare hotdogs, or scrambled eggs and bacon. And so, Halli-

---

---

*I'm very concerned, because there are senior people in the Administration that are willing to use military action when diplomacy is by far the better means of achieving your objectives . . . and this kind of activity could cause the whole region to plunge into some sort of military difficulty.*

---

---

burton fell into this, because of the way the U.S. Army chose to organize itself, putting most of their money into combat forces, rather than having people specifically trained and able to provide this kind of required service.

And so, this was all done, I would say, well before Mr. Cheney's time as the Secretary of Defense, and Halliburton stepped up to that, and that narrow area of providing food and provisioning for the U.S. Army, I think pre-dated any of the kinds of things that we saw in Iraq. However, in Iraq, those requirements were greatly expanded, and I think it was in the expansion of that stuff, where there might have been some of abuse of the original contract.

Why it was done? It was done in order to have more active infantry divisions in the Army. Was that a good decision? I'm not in a position to say. It just seems to me that the Army went forward, making a conscious decision that they were going to have to hire contractors to do certain essential services that prior to that time had been done by soldiers.

I'm not sure about the rest of it. Only that this massive use of contractors after we got into Iraq, obviously seemed to be loaded with controversy, and provided opportunities for unscrupulous people to bilk the government for the tasks that they were contracted to perform.

**EIR:** A final question. Since neither of us is confident that the Administration is very likely to take the extremely sound advice that's been presented in this letter that you helped to organize, what kinds of measures do you see that could be taken to contain what still looks to be like a pretty hefty war-party faction inside the Administration, that still has its eyes on Iran and Syria? What kinds of things do you think could be done?

**Hoar:** Well, I think the major thing is to see a change in Congress here, in a couple months. If you had, in the House of Representatives, for example, committee chairmen that have the power to hold hearings, to call witnesses, and to swear witnesses, and we start to get at some of the abuses of the last six years, and the statements that have been made, I'm aware—as I know you are, Jeff—of at least hundreds of anecdotal stories of things that were said, people that were told to do certain things, people that were told to get on board when they attempted to offer an opposing view. I think that the only way this is going to change is for the American people to become aware, of what this Administration has been doing

for the last six years. My goodness! There's still over 50% of people in this country that still think that al-Qaeda and Saddam Hussein were somehow linked, and that Saddam Hussein did have weapons of mass destruction! I despair at the lack of understanding of the American people about what's been going on in the world!

I don't think, until the Congress of the United States, can start to take specific action about, as we used to say, "who knew what, and when did they know it?" that we're going to get to the bottom of this, and create a sense of outrage among the American people. We've got 2,600 Americans killed in Iraq, a couple hundred more in Afghanistan, tens of thousands wounded, the numbers of Iraqis killed continues to grow every day—where is the outrage? I just don't know! I'm stumped by what's going on in this country.

**EIR:** Well, I hope you're right about what happens in November. . .

**Hoar:** Me too!

**EIR:** We're encountering, as we go out, especially now that Congress is out of session and back in their districts campaigning, that the mood in the population is much greater anger than gets portrayed in the media, and that there's enormous outrage that this Administration hasn't been impeached from office yet. That's the sort of common statements from the floor, when a Democratic Congressman gets up in front of his constituents.

**Hoar:** Well, I'd certainly not say for a moment that Connecticut is typical of the states in the United States. But you know, it's an extraordinarily strong message: That's, you would have to say, a well-educated constituency, which is throwing away an opportunity to re-elect a guy who's got wonderful credentials, who has, in terms of the overall Democratic platform, been very powerful in a lot of other issues that are important to the Democratic Party—and they just cut his ass loose, because of his stand on the war! I mean, this is extraordinary.

Now, whether that will play in Ohio, in Florida and other places, remains to be seen.

**EIR:** Well, we've got our work cut out for us, between now and then, that's for sure!

**Hoar:** I guess we do, Jeff.

[ THIS PAGE IS INTENTIONALLY BLANK ]

---

## Exploring the Moon Through International Cooperation

---

*An international conference in Beijing at the end of July mapped out how to coordinate the global campaign that is under way for exploring the Moon. Marsha Freeman reports.*

---

At the conclusion of the eighth conference of the International Lunar Exploration Working Group (ILEWG), held in Beijing July 23-27, representatives of 18 nations signed the "Lunar Beijing Declaration." This document commits spacefaring nations to coordinate the operation and scientific results of an extraordinary array of missions that will be launched over the next two years to the Moon. China, India, Japan, and the United States have spacecraft in preparation, and the European Space Agency's SMART-1 spacecraft is now completing its one-year lunar mission.

The Beijing Declaration recognizes that when these four new spacecraft begin their missions, "our understanding of the Moon and its resources will be revolutionized as the rich array of data from this flotilla is analyzed around the world." It proposes a series of international actions to optimize the return from the coming missions. Should the proposals be implemented, cooperation among the world's leading nations will proceed on the highest level, the exploration of the Solar System.

To institutionalize long-term international cooperation, the delegates adopted the proposal made by Louis Friedman of the Planetary Society, and Wesley Huntress, director of the Geophysical Laboratory of the Carnegie Institution, that there be an "International Lunar Decade." This would be modelled on the International Polar Years of 1882-83 and 1932-33, and the International Geophysical Year of 1957-58, which promoted the study of the Earth, and during which the first Earth-orbiting satellite was launched into space. The proposed International Lunar Decade would span the 2007

launching of the new robotic lunar orbiters, to the approximate 2019 planned manned return to the Moon.

The upcoming international exploratory assault on the Moon will take place in three stages. First, a series of four unmanned orbiters will be launched in 2007 and 2008 by China, Japan, India, and the United States. Later, unmanned landers and rovers will explore the Moon *in situ*, and samples of lunar rock and soil will be returned to Earth laboratories for more intensive analysis. Finally, toward the end of the next decade, men will return to the Moon. The concern of the international lunar scientists and mission planners is that opportunities may be lost and resources wasted, if there is duplication of effort, or if critically needed capabilities are overlooked, because of a lack of coordination.

The International Lunar Exploration Working Group was initiated in 1992, primarily by scientists who, although there were no planned lunar expeditions at that time, believed it was important to continue to plan for the missions that would be realized in the future. That this meeting of ILEWG took place in China was a recognition that China is playing an increasingly important role in space exploration activity, which until recently has been carried out only by "industrialized" countries. The current chairman of ILEWG, is from the Indian Space Research Organization, also underlining the importance of Asia in space exploration.

In fact, largely in response to China's becoming the third nation to launch a man into space, both the European Space Agency and Japan, for the first time since the 1990s, are considering developing their own manned space projects.



*China's lunar mission is named after the mythical goddess Chang'e, who flew to the Moon. It is China's first mission beyond Earth orbit, scheduled for launch next April.*

The hosting of the conference by China, and the strong participation by India and Japan, underscored the leadership that will be provided by Asian nations in this second, post-Apollo, phase of intensive lunar exploration.

### **Global Outreach**

At present, the missions that will be soon heading for the Moon have been planned by national space agencies, not in a coordinated way, although some have involved international participation through the contribution of scientific instruments. But with four spacecraft soon to be in orbit around the Moon simultaneously, there is the opportunity to increase the efficiency and productivity of each. Toward that end, the Lunar Beijing Declaration proposes that the data from each mission be cross-correlated with the others, especially where more than one spacecraft will be carrying similar instruments. It recommends that common standards be used for spacecraft communications, so they can "talk" to the same Earth tracking stations, and to each other.

For the next phase, early in the next decade, which will include unmanned landers, rovers, impactors, and penetra-



**中国探月**

People's Republic of China

*The logo chosen for China's Chang'e mission.*

tors, the space experts suggest that there be coordination in choosing targets for landers, and that the necessary groundwork begin to be laid for the long-term development of the Moon. They recommend that infrastructure be developed jointly for relaying data back to Earth, to aid in navigation around and on the Moon, and to establish a lunar internet. The Declaration recommends that there be a geophysical seismic network deployed on the Moon, and an international scientific working group established to define the common standard for future lunar networks of other instruments. The approach is to provide the global communications, navigation, and information infrastructure on the Moon similar to that which allows people on Earth to communicate, navigate, and share data.

Although each national space agency will pursue its own missions, the movement of human civilization to the Moon will be the work of all nations. This is recognized in the goal of the Declaration, to "inspire a new generation of lunar explorers." To that end, China's National Space Administration sponsored a "public day" during the conference, which brought 300 students into contact with top lunar scientists and program managers.

Answering questions from students at his presentation on China's space program, Academician Ouyang Ziyuan, the chief scientist of China's lunar program, who has lobbied the government to begin the effort since the late 1990s, explained that China cannot be left out of the enterprise that advances great nations. This view was articulated by representatives of many nations, who must often answer the question, why are we going to the Moon?

### **A Goddess to the Moon**

China's lunar program actually began in 1978, when the United States presented the Chinese government with 1 gram of a lunar sample from the Apollo program. Now it is aiming itself for the Moon, hoping for international collaboration.

In 2004, the government of China approved a three-phase lunar exploration program, which is that nation's first foray in to deep space, beyond Earth orbit. Next April, the Chang'e spacecraft, named after a goddess who flew to the Moon in a Chinese fairy tale, will be launched from China. It will orbit the Moon for one year, in a 200-kilometer polar orbit, with



EIRNS/Marsha Freeman

The second stage of China's lunar program will include a lander and rover. College students are competing to design the lunar robot. One model was demonstrated at the Beijing conference.

the scientific objectives of creating a three-dimensional "portrait" of the Moon; analyzing 14 minerals on the surface, to determine the Moon's chemical composition; and studying the cislunar environment, between the Earth and the Moon.

According to lunar program chief scientist Ouyang Ziyuan, China will also focus on improving the understanding of the Moon's reserves of helium-3, which will be needed as fuel for fusion power plants. "The current estimate is between 1 million and 5 million tons, and we will try to improve [that] a little," he told *China Daily* during the conference. Were fusion energy to meet global energy demands, he explained, "each year three Space Shuttle missions could bring enough fuel for all human beings across the world."

Responding to criticism of China's expenditure of \$175 million for its lunar program, Ouyang reported that, compared with the huge potential benefits of the lunar program, the same amount of money builds 3 kilometers of subway in Beijing. Last year, Ouyang told a Chinese audience that "the lunar exploration program will have an incalculably valuable effect on the spirit and motivation [of the Chinese people], and I ask you, how much is that worth?"

During the opening session of the ILEWG conference in Beijing, Sun Laiyan, the head of China's National Space Administration, said that the Moon has been prominent in Chinese myths and has been "under a secret veil." He described the 2004 decision for lunar exploration as a "key national policy" with the goal of "improving innovation" in China.

Sun reported that China will be establishing an "expert



EIRNS/William Jones

Sun Laiyan, head of China's National Space Administration, will meet with NASA Administrator Mike Griffin in China in September, for discussions on cooperation in space.

committee" on the scientific applications of the Chang'e program. Up to 100 universities and institutes will participate, to carry out research using the lunar data sent back from the spacecraft. The committee is to meet in September for the first time, to decide on the distribution of research and ensure a wide participation among educational institutions. He added that "scientists from other countries will join the data analysis."

Sun also presented an update on the status of Chang'e, reporting that progress was being made in all five systems needed for the mission: the satellite itself, the rocket that will launch it, ground- and sea-tracking and control, ground operations, and the launch center. The second phase of China's lunar program, Sun explained, will center on a soft landing on the Moon and a rover in 2012, to do an *in situ* survey near the landing site. This will help prepare the stage-three sample return mission. During the conference sessions, university students from some of the research institutions that are competing to have their rover concept chosen to go to the Moon, demonstrated their wares, informing and entertaining conference participants.

To explain his view of international cooperation, Sun ended his presentation with an old Chinese saying, which, in paraphrase, counsels: If there are two of us and we each exchange an apple, we each still have only one apple. But if we exchange ideas, we each have two ideas.

### India's International Lunar Mission

ILEWG Chairman Navenda Bhandari, from the Indian Space Research Organization (ISRO), stated in his welcoming remarks to the Beijing conference that "despite one half a century" of space exploration, "we know very little about

the Moon. It is the most mysterious and important body in the Solar System.” The Moon’s historical “link to the solar nebula is the key to understanding the early evolution of the Earth,” he said. Over the coming decade, there will be a “continuous presence” of spacecraft at the Moon, and the international scientific community should “debate the priorities and problems.”

J.N. Goswami, a planetary geologist from ISRO, reported that Chandrayaan-1, which means “Moon-craft” in Sanskrit, will be launched by 2008. It is India’s first deep space mission, and was proposed by the Indian scientific community in 1993. He stressed the importance of coordinating the numerous lunar missions, so that each subsequent mission receives input from the previous ones.

Some of the questions Indian scientists would like to address, Goswami reported, include whether there was a magma ocean on the Moon, the Moon’s bulk chemistry, the cause and nature of the asymmetry of the near and far sides of the Moon, and how water and other volatiles have been transported throughout the Moon’s history.

From the beginning, India decided that its first lunar mission would be international in scope. Chandrayaan-1 will carry three instruments contributed by the European Space Agency, and one from the Space Laboratory of Bulgaria, in addition to those from India. Cooperation with the United States has been of interest to both sides, but politically complex.

During the recent visit of NASA Administrator Mike Griffin to India, he and ISRO chairman Madhavan Nair signed Memoranda of Understanding on May 9, to allow two American-built instruments to fly on India’s Moon craft. It was the first visit to India by a U.S. space official in 30 years, and Dr. Griffin was reminded by Indian officials that the United States still has sanctions on Indian space enterprises, which were imposed after India’s 1998 nuclear test. Since President Bush’s visit to India one year ago, the United States has held out the carrot of space and civilian nuclear cooperation, to garner India’s support for U.S. foreign policies in Iran and elsewhere. The recent agreement is one of the carrots.

The American instruments that will fly to the Moon on Chandrayaan-1 are a Mini Synthetic Aperture Radar, being developed by Johns Hopkins University’s Applied Physics Laboratory; and a Moon Mineralogy Mapper, being built by Brown University and NASA’s Jet Propulsion Laboratory. These were selected from 16 proposals that had been submitted to ISRO from all over the world.

India’s Chandrayaan-1 spacecraft will be in a polar orbit of the Moon at a low, 100-kilometer altitude. The mission is projected to last two years, and carry out high-resolution mineralogical and chemical imaging of the polar regions and of lunar rocks, and map the topography and other features of the lunar landscape.

The spacecraft will also be carrying a small impactor, which will be dropped to the lunar surface. During its 18-minute fall to the surface, three instruments onboard the small

probe will take measurements, and the orbiter will observe the dust that is kicked up from the impact. The impactor is also designed to qualify some of the technologies that will be needed in the future for soft landings on the Moon.

If Chandrayaan-1 is a success, Indian space officials have stated that follow-on unmanned lunar missions will be considered.

## Russia To Return to the Moon

In the late 1950s, the Soviet Union took an early lead in lunar exploration. Most of the craters on the far side of the Moon, which is not seen from the Earth, are named for Russian scientists, because the craters were photographed for the first time by the Russian Luna-3 spacecraft in 1959. Soviet spacecraft produced stunning results from a series of 20 successful robotic lunar missions through the mid-1970s, and brought back soil and dust samples from the Moon. Over the next three decades, the Soviet Union then concentrated on missions to Venus and Mars.

Recently, however, Russian scientists have described a mission they are putting forward called Lunar Globe, to robotically explore the Moon with an orbiter, and to deploy penetrators around the lunar surface. At the conference in Beijing, Academician Erik Galimov, Director of the Vernadsky Institute of Geochemistry and Analytical Chemistry, described the Lunar Globe project: Its purpose is to study the seismology and internal structure of the Moon, which will shed light on its origin. The orbiting spacecraft would deploy 13 high-speed penetrators into the top layer of the lunar surface.

According to the current design, two of the penetrators will be aimed at the Apollo 11 and Apollo 12 landing sites, to retrieve subsurface data complementary to that obtained during the U.S. manned missions, 37 years ago. Another 10 high-speed penetrators are to form a seismic network. The orbiting mother ship would also drop a small lander into a crater at the Moon’s south pole, to search for signs of water ice.

Previously, Lunar Globe had been scheduled for launch in 2012, but Galimov said he was delivering a “new message” at the conference—that it is possible it will be ready in 2009. The Russian Phobos-Grunt mission is designed to return samples from the Phobos of Mars, and is to be launched in three years. Because the two spacecraft would be similar, the design and manufacture of the lunar spacecraft should be able to be accelerated.

Academician Galimov assured the somewhat skeptical audience—which has sadly watched the underfunded Russian space program cancel one mission after another—that “Russia intends to intensify its lunar activity, and do a series of experiments.” In fact, the Russian space program, which has been starved for funds over the past decade, saw an increase of 30% in its budget in 2005, and an additional 50% increase is slated for this year, according to Russian space officials. Galimov also mentioned that a manned Russian lunar mission was under consideration.



Japan Aerospace Exploration Agency

*Japan's Selene mission includes an orbiting spacecraft, and two small satellites, seen in this artist's drawing, which will relay communications, and create a gravity map of the Moon.*

The isotope helium-3, as fuel for advanced thermonuclear fusion reactions, Dr. Galimov stated, will be a foundation of the next stage, which is the “economic utilization of the Moon.” He explained that the concentration of helium-3 in the lunar soil, or regolith, is very low, but “the amount is enormous.” To obtain this resource, “billions of tons of lunar soil must be mined.” Although he proposed that the “deployment of such a mining industry will take 50-70 years,” he emphasized that since we have no choice, “we should get started as early as possible!”

Russian space officials have indicated that international cooperation will be key to their proposed lunar projects. During the 36th Congress of the United Nations Committee on Space Research (COSPAR), which was held in Beijing the week before the ILEWG conference, Nikolai Sanko from Roskosmos reported that Russia and China are holding talks on joint programs for lunar exploration. Sanko suggested that the two countries' scientists will pool their efforts. “It is not ruled out that our devices or means for sampling the lunar surface will be installed on Chinese [spacecraft], and that Chinese devices will be installed on Russian craft,” he told *Itar-Tass*.

### **Ambitious Designs on the Moon**

In 1990, Japan initiated its lunar exploration program, launching its Hiten (Muses-A) spacecraft to the Moon. During its technology demonstration mission, Hiten injected a tiny probe, Hagoromo, into orbit around the Moon, and Hiten remained in orbit there until it was crashed into the surface in 1993.

Japan's space scientists and mission planners have developed a very creative, and highly complex series of missions to the Moon, and because of difficult technology challenges, its two lunar missions have been delayed. Lunar-A, initiated

in 1991, and scheduled originally for launch in 1997, is designed to carry out seismic studies, and directly investigate the interior of the Moon for the first time, slamming a pair of penetrators up to a depth of ten feet into the lunar surface.

The penetrators are missile-shaped and are attached to the sides of an orbiter. After release from the orbiter, they are to use small side jets to orient themselves. The penetrators are designed to withstand a grueling impact environment, 10,000 times the force of Earth's gravity. Design problems found during tests of the penetrators delayed the mission, as have other technical and funding problems. Scientists now hope to launch Lunar-A by 2010.

Before Lunar-A starts its highly complex mission, Japan is planning to launch Selene—Selenological and Engineering Explorer—to the Moon in 2007. At the Beijing ILEWG conference, Dr. Hajime Inoue, from Japan's space agency, JAXA, explained that Selene consists of three spacecraft—a main craft that will be in a 100-kilometer altitude polar orbit, and two small daughter satellites. One small satellite, called Rstar, will function as a communications relay, to transmit data from the orbiter to Earth when the orbiter is on the far side of the Moon and out of Earth contact. Dr. T. Iwata from JAXA explained to the conference the importance of the second small satellite, Vstar. Estimates of the gravity field on the far side of the Moon have been made by observing the perturbations in a satellite's orbit as it circles the Moon, he said. But the measurements are not precise. Vstar will do global mapping of the Moon, with a focus on the gravity variations.

Dr. Iwata also reported that using both small satellites in tandem will allow scientists to determine their position within 20 centimeters of accuracy, by establishing a very long baseline interferometry network. These assets, for relay communications and precision navigation, are a forerunner of the kind of permanent infrastructure that will be needed for future exploration of the Moon.

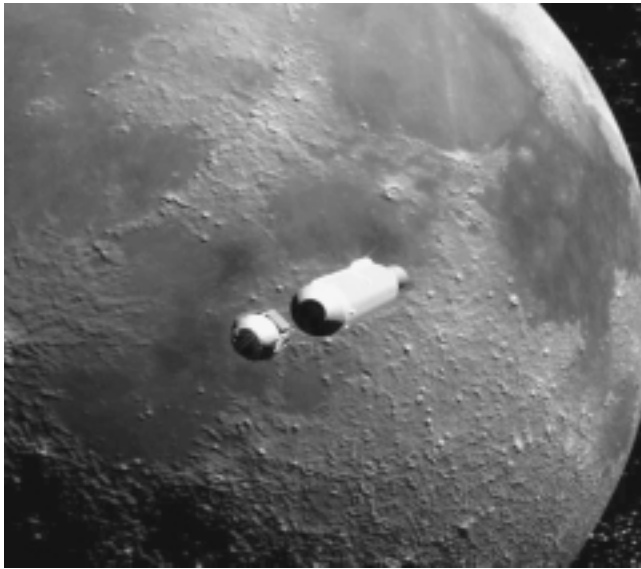
The Selene orbiter will carry an extraordinary complement of 14 scientific instruments, to study the topology, chemistry, magnetic fields, and other characteristics of the Moon and its environment. JAXA also plans to broadcast real-time images from the Moon to the public, to create interest and excitement about the program.

### **A Crash Landing on the Moon**

NASA's contribution to the lunar armada that will be leaving Earth's shores over the next two years is the Lunar Reconnaissance Orbiter (LRO), slated for launch in October 2008. LRO will orbit the Moon at an average altitude of about 30 miles (50 kilometers), for at least one year, and image our neighbor with unprecedented resolution. To establish a firmer footing for future human lunar exploration and settlement, LRO will be using a suite of instruments to try to characterize what are assumed to be deposits of water ice at the lunar poles.

The 50-km orbit is very challenging, and this will be a





NASA/John Frassanito Associates

*NASA's Lunar Reconnaissance Orbiter will dispatch a small "shepherding spacecraft" (left) to make observations as the rocket's upper stage (right) impacts the lunar South Pole.*

first attempt at such a low-altitude mission. So close to the lunar surface, the spacecraft's orbit becomes unstable because of the gravity variations of the Moon, so active propulsion onboard the craft will be used to keep it in a stable orbit. In addition to all of its scientific lunar objectives, LRO will also image the historic U.S. and Soviet landings sites on the Moon, including NASA's unmanned Ranger and Surveyor probes, and sites where the Apollo astronauts walked. Soviet Lunakhod rovers should also be visible. Observing changes that may have taken place over the past 30 years is of great interest.

At such high resolution, even relatively small craters should be able to be imaged, and scientists expect to see hundreds of small craters in the 10-meter range, for the first time.

As NASA was developing the LRO spacecraft, an opportunity presented itself to give a piggyback ride to a small companion spacecraft; and in April 2006, the space agency chose the Lunar Crater Observation and Sensing Satellite, or LCROSS. It will take measurements when the upper stage of LRO's rocket slams into the hydrogen- and potentially water-rich Shackelton Crater at the south pole of the Moon. About 15 minutes later, after the booster's upper stage makes its impact, the LCROSS probe itself will crash into the crater floor. Scientists hope to be able to verify that the enhanced hydrogen signature that has been previously measured, indicates the presence of water ice.

So far, NASA's implementation of the Vision for Space Exploration has been as a national program. Workshops have been held to involve space agencies of other nations; and at the Beijing conference, Michael Wargo, NASA's chief lunar scientist for Exploration Systems, proposed that there be a Global Strategy for Exploration. The purpose would be to



EIRNS/Marsha Freeman

*The future of space exploration: Chinese students on Summer holiday in a park in Beijing.*

conduct an international dialogue to determine "what we will do when we get to the Moon, and why we will explore," Wargo stated. One of the goals of the Strategy, Wargo stated, is to "strengthen and create new global partnerships." NASA has many partnerships with spacefaring nations. The one glaring exception is China.

At the public day of the Beijing conference, former Chinese space agency head Luan Enjie, who now heads the lunar program, told the audience of college students that during his six-year tenure as China's space program head, it was a pity that he had never "shaken hands" with his counterpart at NASA.

Appreciating that China is seriously advancing in space technology, and that U.S. China policy has been geopolitical and uninformed, Congressmen Mark Kirk (R-Ill.) and Rick Larsen (D-Wash.) formed the U.S.-China Working Group in the House of Representatives in 2005. After a visit to China's space facilities last Spring, they proposed projects, such as common docking between the two nations' manned spacecraft, as potential areas of cooperation. They are formulating an agenda of issues that they hope Mike Griffin will discuss with the Chinese during his upcoming trip.

There is no better arena for international cooperation than the exploration of the Solar System. The window of opportunity is at hand.

# An Opportunity for U.S.-China Cooperation in Space

*Three years ago, when China became the third country in the world to launch a man into space, other spacefaring nations took notice of its ambitious and meticulously executed space program. Now China is readying its first deep-space mission, to the Moon, and plans a three-phase program for lunar development. China has international space cooperation agreements with more than a dozen nations, but not with the United States. Next month, NASA Administrator Mike Griffin will visit China, presenting the opportunity to move U.S.-China relations in a positive direction, to the benefit of both nations, and the Asia-Pacific region as a whole. China's space officials are hopeful that rather than using a "stick," the United States will choose to use the "carrot" of cooperation, to further its international relations with China.*

*Dr. Zhang Wei is the Director General of the Department of Foreign Affairs of the China National Space Administration. Xu Yansong works in the Space Administration's Department of Foreign Affairs, and has accompanied Chinese space officials on visits to the United States. They spoke with Marsha Freeman on July 25 in Beijing, during the conference of the International Lunar Exploration Working Group.*

**EIR:** There is not very much known about the Chinese space program in the United States, and various commentators report that they cannot understand why China, as a developing country, is putting so much money and resources into space development, when there are so many economic problems to solve. What is focus of the space program in China?

**Zhang:** The first and most important question, is why we are developing space technology. Most people thought at the beginning that space technology is just technology. But after five years, when we have concluded our experiments and have had many results, we found that we are not only developing our technology, but we are mainly developing our applications, and also science.

When we published the first white paper about China's space program, we had three main areas. The first is technology, which

is the foundation. The second is space applications. Here we mention communications, remote sensing, and also navigation. The third area is space science. After that white paper was published, most Chinese people knew that space technology is the targetted objective for applications and for supporting science. So for the last five years, we did a lot of applications work. We just concluded that, and then we started our big space science program, like Double Star, cooperatively with ESA [the European Space Agency]. We think that is the right direction.

More and more, we noticed that the most important use of space technology is to support our economic development. If not, to most people, you are just showing them some interesting things. This way more people will understand and support it.

In China we are supporting our country's strategy in the economics areas, and science is also included in this field. We just announced our medium and long-term scientific strategy. This way, people will understand more about the Earth, about the future of life and space. They will increase their knowledge of these issues. They will know that man can stay in low Earth orbit, what the environment is, and how to get farther than the Moon.

The Moon is the first stop; then Mars, then farther away. People want to know that. If you show pictures of this new environment, they will be excited, and we will get more understanding and support, especially for young people. That is why tomorrow morning [at the conference] we will have more than 300 students from universities and middle schools for our public day, to show them why we are going to the Moon, how to get there, and what other countries are doing, to get more and more people to join our enterprise and to continue our work. That is most important.

In the United States this was also true, when young people were in middle school, during your Apollo program. It is our duty to let our kids know that. We figure out the picture, but they have to know it is *their* responsibility; they have to continue our enterprise. It is very important for the next generation to continue.

**EIR:** One of the major impacts of the Apollo program in the United States was the tremendous upgrade of industry. To



Dr. Zhang Wei

do things in space you had to develop new manufacturing techniques with a new level of precision. Have you seen any transfer of technology yet from the high-technology space industry to other parts of your economy?

**Zhang:** That is part of our application of space technology. Typically, in remote sensing, we are using those products to study cities that are developing, and in agriculture, but this is just in the experimental stage. We're doing work in basic research, such as with seeds, using the microgravity environment in orbit, to study seeds and plants and how their seeds are changing, and to find some new characteristics. It may be a good or bad change; we're not sure, but we will find out. Potentially, it could be a new business for this area. You know that China has a lot of farmers, more than the people in the cities. This is for them, for their productivity.

In the real transfer of technology from space, we had some high-grade products and devices when we developed sensors. After that they were used in manufacturing, to detect different product characteristics. Space product manufacturing is very accurate, and we are using the high-speed software and the machinery in other industrial areas, and also computer knowledge.

This kind of technology is widely used for technology transfer. In the medical equipment industry, they are making equipment that is first used in the space industry; we call them commercial applications.

In China, the first color televisions were manufactured in the space industry. Now, it's a joint venture. Also in machinery and some other areas. Because it's high-tech, they can do any new program in high technology. They have skilled and creative people.

**EIR:** The Soviet Union was never really able to transfer technology from its space program to its civilian industry. But this space "science driver" is very important, as it pushes forward the rest of the economy.

**Zhang:** We have our own policy to push this issue. The transfer is sometimes difficult. People have their own know-how, and if you transfer this technology to new areas of industry, sometimes you have to transfer not only the knowledge of the technology, but the people. In our experience, the best technology transfer involves transferring many experienced engineers. When you finish a project or program, then you can transfer the people and the technology.

**EIR:** In China, science and technology have been the driver for the economic development. We visited the Science and Technology Museum, which is an excellent pedagogical museum, with hands-on work for children to learn basic scientific principles. What effect has China's commitment to the space program had on education, and the number of students studying science and technology?

**Zhang:** This is most important. We are planning to build a

new national science and technology museum, in Beijing, [in time for the 2008 Olympics]. More and more people are interested in that.

**Xu:** We have seven universities that are under the China National Space Administration. They are providing space-capable people, such as the Harbin Institute of Technology, which is a very old school, and in Beijing there is the Beijing University of Aeronautics and Astronautics, and a number of other universities. The top university, where our President graduated, Tsinghua University, has a joint venture with Surrey University in England, providing for the manufacture of small satellites. That is on the university level.

In primary schools and secondary schools, we have a lot of publications on the lunar mission, and there is a deep understanding of the Chinese programs by the students in primary schools and kindergartens. China is the number-three country to launch a man into space. This has been a matter of national pride for the public. It not only brings inspiration to young children, but also is a technology-driven locomotive for many technologies.

On your question about how the Apollo program brought a lot of industry upgrading and inspiration in the United States: We understand that in the 1960s, the United States had an ambitious space program, and the budget meant that whatever NASA needed, it would have it, to realize the Apollo program. Of course, when the dust settled, the industry found that they had gold in their hands.



*Xu Yansong*

In China, we don't have such a program as an "unbudgeted" program. Soon after the Apollo program, the policy was reevaluated. We understand that now, NASA is going back to the Moon again, and many other countries are joining this effort.

However, previously, you mentioned many provocations over Chinese policies, especially the U.S. policy on space. You mentioned that even during the Cold War, when there was no communication in other areas, you had the docking of the Apollo module with the Soyuz capsule. But we understand the U.S. policy in space differs for different countries. To Russia, it is a carrot. To India, it is a stick and carrot. And toward China, at this moment, it is a stick only.

As you said, NASA Administrator Mike Griffin is coming in September, and that will be an ice-breaking trip. We certainly hope it will be. Mr. Sun Laiyan, the Administrator of the China National Space Administration, met with Mr. Sean O'Keefe, the previous NASA Administrator, in September 2004, and that meeting was one hour and was supervised by the State Department, the China/Mongolia office, and I was there for that discussion. It was not substantially progressive.

In April this year, I accompanied Mr. Luo Ge, Vice Administrator of CNSA, to NASA, where he met with Mr. [Michael] O'Brien, Deputy Administrator of NASA; also a meeting supervised by the State Department. And there was no substantial progress. However, Mr. Luo made presentations at CSIS, the Center for Strategic and International Studies, and that was heard by many people in Congress and people from different industries. Also, Mr. Luo went to Colorado Springs, for the 22nd National Space Symposium, where he also spoke to more than a thousand people in the audience. He elaborated on the Chinese space program.

We understand that during Mike Griffin's presentation to Congress on the 2007 NASA budget, he was questioned by Congress many times about Chinese space programs. The Congress asked Mr. Griffin to report to Congress in one month, from open sources, on the Chinese space programs. We understand that the U.S. wants to understand more about the Chinese space program. This is, I think, a good opportunity for both countries to better understand each other, especially to find common courses, find less sensitive areas, and explore the possibilities, not only on technical issues but also the scientific and application areas.

Common interest areas are space debris, space science exploration, applications from remote sensing in agriculture and other civil areas. These are common areas where we can work together; maybe not involving rocket technology and satellite sensors and software development, but less sensitive areas, could be areas of common interest. In China, we look forward to Mr. Griffin's visit in September. We will show him the launching site, we'll show him the manufacturing site, we'll bring him to Shanghai to see the "Chinese Chicago."

**EIR:** Unlike Sean O'Keefe, Mike Griffin is a scientist and an engineer. I think he will be very impressed with the Chinese space facilities. Sean O'Keefe was a protégé of Vice President Cheney, and political appointee who was an accountant, and represented the "stick" approach to relations with China.

Despite what you might think, NASA never gets as much money as it needs. I know that NASA's budget of \$16 billion sounds like an enormous amount of money. However, the budget situation is so bad that every science program has been cut back. Last week, the Senate Appropriations committee voted to increase NASA's budget by \$1 billion because of the cuts. There are people in Congress who are aware of the progress in the Chinese space program.

What do you think of the bipartisan proposal that has been made by Representatives Mark Kirk, Republican from Illinois, and Rick Larsen, Democrat from Washington, for space cooperation with China? They were very impressed with China's capabilities, during their visit here last Spring. One of their proposals was for a common docking mechanism, so your Shenzhou would be able to dock with the International Space Station or the Space Shuttle, in case of an emergency.

**Xu:** I think it is a very good idea. Outer space is for all people to explore and anything could happen. If there is some emergency, and China has the capability and China is willing to do a rescue from orbit, that was what they discussed with us. There is also a proposal that any Americans who are not sure about China and the Chinese space program, are not sure they should work with China, they should come to China and see for themselves, and they will be impressed.

I think Mr. Larson and Kirk visited the manned space facilities and were also taken to different facilities. This gave them a better understanding of the space programs in China. There are a number of common interest areas without technology transfer; at least a rescue capability for docking a Chinese Shenzhou to the Space Shuttle or International Space Station. In the future, we do not want to exclude the possibility of working on the International Space Station. But, of course, that is something we will discuss with NASA Administrator Griffin.

As you said, your budget is \$16 billion, with \$7 billion spent on the remaining Shuttle missions before it is retired. The Hubble Space Telescope is retiring. It is too bad NASA is retiring a lot of missions, and cutting back a lot of scientific efforts. That is not sustainable. To have deep space exploration programs, NASA is looking for international cooperation. This is, of course, one way to pool resources together. But we think the U.S. should certainly invest more on space, especially space exploration, as it is the vision of the President, and it has been "legalized," by the Congress. There should be a framework where there is more in the budget. The Senate adding \$1 billion is certainly good news. But I think the U.S. should hide the stick and bring back the carrot to China.

**EIR:** I think the U.S. is upset by the Chinese participation in the European Galileo navigation satellite system. And people don't generally know that China already has a very active cooperative space program with Brazil. Many countries are already cooperating in space.

**Xu:** China also has its own navigation satellite system. And in addition to geostationary satellites, we also have a similar regional system called Compass, which is similar to GPS [the U.S. Global Positioning System] and Galileo.

**EIR:** Are you working with the Russians, or thinking about a rescue capability with the Russian Soyuz manned spacecraft, or with their new vehicle under development, the "Clipper?"

**Xu:** Not at this moment. The Clipper has been put off. They are going to start with a smaller one; another concept, as I read a few weeks ago. Clipper was not funded by the Russian federal government. Japan and Europe were trying to join that program. Europe has taken the strategic point of being able to launch the Russian Soyuz from Kourou, which is being paid for by the European Space Agency. The Russians aren't

funding it. As you said, the Russians are not very good at using space technology in other areas.

China is in the same situation, where most of these space enterprises are state-owned, unlike the U.S., where everything is commercialized, especially in the space industry, China has state-owned enterprises. These technology companies are separate from commercial ties, so that is also a gap to fill.

In China there are many players in the space arena, like the Chinese Academy of Sciences, and the Ministry of Science and Technology, and industries. These can help in some way, providing the funds in certain areas. But I think, internationally speaking, there are many new directions that China is keeping a close eye on. I think you and other people who are reporting on the progress in China in the United States, are acting as our voice to the United States. This is something real that people in the United States should understand. As you said, the China-Brazil cooperation few people know about.

**EIR:** Are there other developing countries that you are starting cooperation programs with?

**Zhang:** We started on the technology level with ESA, and in the science areas, with the Italian Space Agency, and also with France. We discussed many potential areas, even in the ocean area, observations, and also in space science. There is a new project that was discussed at the COSPAR meeting last week. We need to do a preliminary study of it.

**Xu:** As Dr. Zhang said, we have substantial cooperation with different countries. The new proposal is very interesting. There would be three satellites launched into orbit, and they would be at fixed locations: one over the North Pole, one over the South Pole, one is between the Sun and the Earth. Between the Sun and Earth, the satellite would monitor the activity of solar storms. The two other satellites would monitor the aurora. This will be a very interesting scientific mission. As Dr. Zhang said, there may be programs like Double Star, cooperating in oceanography satellites with the French, with the Italians on hard X-ray astronomy. There are many areas where we are cooperating with all countries.

It is sad to say that we have intergovernmental agency agreements with 16 countries, all spacefaring nations, excluding Japan and the U.S. We have very high-level cooperation with the Russians, on the Prime Ministers' level. We have intergovernmental agreements with the European Space Agency, with France, with Brazil, and we have interagency agreements with India, Canada, Argentina, with most of the European countries. And we need to work with NASA. We need a framework, and we need a more long-term, stable relationship, so we can work together.

With developing countries in the Asia/Pacific region, we have a regional entity, the Asia Pacific Space Cooperation Organization. It will be similar to ESA. It is an Asian space agency. According to the convention we agreed to early this

year, five countries have signed the ratification instrument, and when they are sent to Beijing, it will be established. So far, four countries have been ratified and we are expecting the number five country. Then this international organization will start functioning.

**EIR:** And it will be headquartered in Beijing?

**Xu:** Yes.

**EIR:** What will be its major activities?

**Xu:** Space technology applications, especially in remote sensing; scientific research, education, and training. These are some of the domains we might be pursuing, as a starting point. Maybe in the future, space economy for the Asian region.

**EIR:** That is similar to what Brazil has done in remote sensing, where they are a center for all of Latin America. They bring young people in from many countries to train and educate them, and teach them how to use the technology.

**Xu:** We started a training program five years ago, and we have eight training courses already completed. Some of them are short courses. These are for training in remote sensing applications, meteorology, and telecommunications. Twenty-one countries are participating.

You can see from the dining hall, people use knives and forks, hands, and chop sticks. That is a cultural exchange that you can see with your own eyes, if there is a buffet.

**EIR:** In Asia, China, Japan, and India are the major leaders in science and technology. And there are political problems among all three at different times, but it is important to bring them, and all of the other Asian countries, into cooperative space projects.

**Xu:** Developing countries should unify with space technologies, first with applications with remote sensing and meteorology, and then maybe space technology such as satellites, and enable these countries to have their own space programs, and build their own satellite centers.

**Zhang:** Overall, we hope to have more international understanding, and hope you can bring back that information from your trip to China.

WEEKLY INTERNET  
AUDIO TALK SHOW  
**The LaRouche Show**  
EVERY SATURDAY  
3:00-4:00 p.m. Eastern Time  
<http://www.larouchepub.com/radio>

# *The Mad Hatter's War Party*

President George W. Bush interrupted his conversations with burning shrubs at his Crawford, Texas ranch the week of Aug. 14, long enough to return to Washington for a series of high-profile Cabinet meetings and thoroughly scripted public appearances. His brief sojourn back to the White House demonstrated—in living color—that the President has truly gone stark-raving mad.

From his manic pronouncements that Israel had achieved a glorious military victory in Lebanon, to his parting shots about the U.S. economy's stunning performance, George Bush demonstrated a disconnect from reality that has world leaders stunned, and even creates some serious problems for those, like George Shultz and Dick Cheney, who are supposed to be providing adult supervision to the President from behind the curtain.

The race of events—from the total collapse of U.S. military operations in Afghanistan and Iraq, to the failed Israeli incursion into Lebanon, to the stunning electoral defeat of Sen. Joe “The Kiss” Lieberman, to the actual onrushing global financial collapse—has overwhelmed the President. His public displays of madness during the past week, leave little doubt that the President has lost it, and the prognosis is poor for any near-term return to his already-limited senses.

As Lyndon LaRouche observed, this creates a special kind of situation. Bush is clinically insane, and the carefully constructed management of the White House has suddenly broken down. The situation probably even has Vice President Dick Cheney scared. Cheney, already the most hated man in America, is the main impediment to the invoking of the 25th Amendment, which sets the procedures for the removal of a President from office if he is physically or mentally unable to perform the duties of office. Were Cheney to be installed as Bush's replacement, the hatred of this Administration would, in all likelihood, burst the dam, creating a whole new set of intractable problems for the financier crowd pulling the strings on the Bush-Cheney White House, through people like Shultz and Felix Rohatyn.

In the meantime, the drive for a new asymmetric world war continues, despite the setback in Lebanon. Israel's decisive defeat in its month-long campaign to destroy Hezbollah's military capabilities, while creating an existential crisis for the Jewish state, has hardly deterred the war party in London and Washington, and the international synarchist bankers who give them their marching orders.

Even as this issue of *EIR* goes to press, Cheney and the neo-cons are pressing for a renewed confrontation with Hezbollah by rival factions inside Lebanon, typified by the British intelligence-owned Druze leader Walid Jumblatt. On Aug. 19, Israeli commandos staged a raid deep into the Bekaa Valley, near Lebanon's border with Syria, attempting to assassinate a prominent Hezbollah leader.

Inside Israel, with the full blessing of Cheney and the neo-cons, the Likud Party's Benjamin “Bibi” Netanyahu is moving to unseat Prime Minister Ehud Olmert, to install himself in power. Were Bibi's maneuvers to succeed, as they certainly will, unless there is a significant intervention from sane forces inside the United States, the region will explode once again.

The essential issue facing all world leaders at this moment is World War III. Unless there is a concert of effort—led by sane forces within the U.S. political institutions—the synarchist bankers will stage one provocation after another, until the dam bursts and civilization plunges into the abyss for several generations at least. In Europe, Russia, China, and other parts of the world, there are institutions that see the crisis, and are willing to act, but only if there is a clear sign of leadership and cooperation from the United States.

Such leadership will not come from the clinically mad George Bush, or the sociopath Vice President Dick Cheney. This is a tricky and deadly moment that requires a degree of honest reflection and courageous action. The question so often posed by LaRouche to the American political institutions and to the American people is more appropriate now than ever before: Do you have the moral fitness to survive?

# SEE LAROUCHE ON CABLE TV

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

## INTERNET

- ACCESSPHOENIX.ORG  
Click *Live Webcast*  
Fri: 6 pm  
(Pacific Time only)  
LAROUCHEPUB.COM  
Click *LaRouche Writings*  
(Available 24/7)
- SCANTV.ORG  
Click *Scan Web*  
Wed: 4 pm  
(Pacific Time only)

## ALABAMA

- BIRMINGHAM Ch.4  
Wed: 11-11:30 pm
- UNIONTOWN Ch.2  
Mon-Fri: every 4 hrs.  
Sun: Afternoons

## ALASKA

- ANCHORAGE Ch.10  
Thu: 10 pm

## ARIZONA

- PHOENIX Ch.98  
Fri: 6 pm
- PHOENIX VALLEY  
Quest Ch.24  
Fri: 6 pm

## ARKANSAS

- CABOT Ch.15  
Daily: 8 pm

## CALIFORNIA

- BEVERLY HILLS  
Adelphia Ch.37  
Wed: 4 pm
- BREA Ch.98  
Thu: 6:30,10:30 pm
- CARLSBAD  
Adelphia Ch.3  
1st/3rd Wed: 10 pm
- CLAY/CONCORD  
Comcast Ch.26  
2nd Tue: 7 pm  
Astound Ch.31  
Tue: 7:30 pm
- CONTRA COSTA  
Comcast Ch.26  
2nd Tue: 7 pm
- COSTA MESA  
Comcast Ch.35  
Wed: 10 pm
- E.LOS ANGELES  
Adelphia Ch.98  
Mon: 2 pm
- HOLLYWOOD  
Comcast Ch.24  
Thu/Fri: 4-4:30 pm
- LANCASTER
- PALMDALE  
Adelphia Ch.36  
Sun: 1 pm
- LONG BEACH  
Analog Ch.65/69  
Digital Ch.95  
4th Tue: 1-1:30 pm
- LOS ANGELES  
Adelphia Ch. 98  
Wed: 3-3:30 pm
- MARINA DEL REY  
Adelphia Ch.98  
Wed: 3-3:30 pm  
Comcast Ch.24  
Thu & Fri: 4 pm
- MIDWILSHIRE  
Comcast Ch.24  
Thu/Fri: 4-4:30 pm
- N.ORANGE COUNTY  
Adelphia Ch.95/97/98  
Fri: 3:30-4 pm
- NE SAN.FDO.VLY.  
Comcast Ch.20  
Wed: 4 pm
- OJAI  
Adelphia Ch.10  
Mon: 12:30 pm

- SANTA MONICA  
Adelphia Ch.77  
Wed: 3-3:30 pm
- VENTURA CITY  
Comcast/Wave Ch.6  
Mon: 7 am  
Fri: 10 am
- VENTURA COUNTY  
Adelphia/Comcast  
Channels 8/16/25  
Mon: 1 pm
- WALNUT CREEK  
Comcast Ch.6  
2nd Tue: 7 pm  
Astound Ch.31  
Tue: 7:30 pm
- W.HOLLYWOOD  
Adelphia Ch.3  
Wed: 4 pm
- W.SAN FDO.VLY.  
TimeWarner Ch.34  
Wed: 5:30 pm

## COLORADO

- DENVER  
Comcast Ch.57  
Sat: 1 pm

## CONNECTICUT

- GROTON—Ch.12  
Mon: 5 pm
- NEW HAVEN Ch.23  
Sat: 6 pm

## DISTRICT

- WASHINGTON  
Comcast Ch.5  
Starpower Ch.10  
Irregular Days/Times

## FLORIDA

- ESCAMBA  
Cox Ch. 4  
Last Sat: 4:30 pm

## IDAHO

- MOSCOW Ch.11  
Mon: 7 pm

## ILLINOIS

- CHICAGO Ch.21  
Comcast/RCN/WOW\*
- PEORIA COUNTY  
Insight Ch.22  
Sun: 7:30 pm
- QUAD CITIES  
Mediacom Ch.19  
Thu: 11 pm

## IOWA

- QUAD CITIES  
Mediacom Ch.19  
Thu: 11 pm

## KENTUCKY

- BOONE/KENTON  
Insight Ch.21  
Sun: 1 am  
Fri: Midnight
- JEFFERSON  
Insight Ch.98  
Fri: 2-2:30 pm

## MAINE

- PORTLAND  
TimeWarner Ch.42  
Mon: 1&11 am,5 pm

## MARYLAND

- ANNE ARUNDEL  
Annapolis Ch.76  
Milleneum Ch.99  
Sat: 12:30 am  
Sun: 12:30 am  
Tue: 6:30 pm
- MONTGOMERY  
Comcast Ch.21  
Fri: 10:30 pm  
Sun: 1 pm
- P.G.COUNTY  
Comcast Ch.76  
Tue: 3 pm  
Thu: 11:30 am

## MASSACHUSETTS

- BRAintree  
Comcast Ch.31  
BELD Ch.16  
Tue: 8 pm
- CAMBRIDGE  
Comcast Ch. 10  
Tue: 2:30 pm  
Fri: 10:30 am
- WALPOLE  
Comcast Ch.8  
Tue: 1-1:30 pm

## MICHIGAN

- BYRON CENTER  
Comcast Ch.25  
Mon: 2 & 7 pm
- DETROIT  
Comcast Ch.68  
Unscheduled pop-ins
- KALAMAZOO  
Charter Ch. 20  
Thu: 11 pm
- KENT COUNTY  
Comcast Ch.25  
Fri: 1:30 pm
- N.KENT COUNTY  
Charter Ch.22  
Wed: 3:30 & 11 pm
- LAKE ORION  
Comcast Ch.10  
Mon/Tue: 2 & 9 pm
- LIVONIA  
BrightHouse Ch.12  
Thu: 3 pm
- MT.PLEASANT  
Charter Ch. 3  
Tue: 5:30 pm  
Wed: 7 am
- PORTAGE  
Charter Ch.20  
(Coming Soon!)
- SHELBY TWP.  
Comcast Ch.20  
WOW Ch.18  
Mon/Wed: 6:30 pm
- WAYNE COUNTY  
Comcast Ch.16/18  
(Coming Soon!)
- WYOMING  
Comcast Ch 25  
Wed: 9:30 am

## MINNESOTA

- BURNSVILLE  
EGAN  
Comcast Ch.14  
S.T.T.S: 4:30 pm  
M,W,F: 4:30 am
- CAMBRIDGE  
US Cable Ch.10  
Wed: 6 pm
- COLD SPRING  
US Cable Ch.10  
Wed: 6 pm
- COLUMBIA HTS.  
Comcast Ch.15  
Wed: 8 pm
- DULUTH Ch.20  
Mon: 9 pm  
Wed: 12 pm  
Fri: 1 pm
- MINNEAPOLIS  
TimeWarner Ch.16  
Tue: 11 pm
- MINNEAPOLIS  
(Northern Burbs)  
Comcast Ch.15  
Thu: 3 & 9 pm
- NEW ULM Ch.14  
Fri: 5 pm
- PROCTOR Ch.12  
Tue: 5 pm to 1 am
- ST.CLOUD AREA  
Charter Ch.12  
Mon: 9:30 pm

- ST.CROIX VLY.  
Comcast Ch.14  
Thu: 1 & 7 pm  
Fridays—9 am
- ST.LOUIS PARK  
TimeWarner Ch.15  
Wed & Fri:  
12 am, 8 am, 4 pm
- ST.PAUL  
(city only)  
Comcast Ch.15  
Fri: 11 pm
- ST.PAUL  
(North suburbs)  
Comcast Ch.14  
Mon: 7 pm  
Tue: 3 & 11 am
- St.PAUL  
(S&W suburbs)  
Comcast Ch.15  
Wed: 10:30 am  
Fri: 7:30 pm
- S.WASHINGTON  
Comcast Ch.14  
Thu: 8 pm

## MISSOURI

- ST.LOUIS  
Charter Ch.22  
Wed: 5 pm  
Thu: 12 Noon

## NEVADA

- WASHOE  
Charter Ch.16  
Thu: 2 pm

## NEW HAMPSHIRE

- MANCHESTER  
Comcast Ch.23  
Thu: 4:30 pm

## NEW JERSEY

- HADDEN TWP  
Comcast Ch.19  
Sun: 8 am
- MERCER COUNTY  
Comcast\*  
TRENTON Ch.26  
3,4 Fri: 6-6:30 pm  
WINDSOR Ch.27  
Mon: 5:30-6 pm
- MONTVALE/MAHWAH  
Cablevision Ch.76  
Mon: 5 pm  
PISCATAWAY  
Cablevision Ch.22  
Thu: 11:30 pm
- UNION  
Comcast Ch.26  
Unsched. Fillers

## NEW MEXICO

- ALBUQUERQUE  
Comcast Ch.27  
Thu: 4 pm  
ANTHONY/SUNLAND  
TimeWarner Ch.15  
Wed: 5:05 pm
- LOS ALAMOS  
Comcast Ch.8  
Wed: 10 pm
- SANTA FE  
Comcast—Ch.8  
Thu: 9 pm  
Sat: 6:30 pm
- SILVER CITY  
*Conley Productions*  
Daily: 8-10 pm
- TAOS Ch.2  
Thu: 7 pm
- ALBANY  
T/W Ch.18  
Wed: 5 pm
- BRONX  
Cablevision Ch.70  
Fri: 4:30 pm

- BROOKLYN  
T/W Ch.35  
Cablevision Ch.36  
2nd Mon: 9:30 am

- CHEMUNG  
T/W Ch.1/99  
Tue: 7:30 pm
- ERIE COUNTY  
Adelphia Ch.20  
Thu: 10:35 pm
- IRONDEQUOIT  
T/W Ch.15  
Mon/Thu: 7 pm
- JEFFERSON
- LEWIS  
T/W Ch.99  
Unscheduled pop-ins
- NIAGARA COUNTY  
Adelphia Ch.20  
Thu: 10:35 pm
- ONEIDA  
T/W Ch.99  
Thu: 8 or 9 pm
- PENFIELD Ch.15  
Penfield Comm. TV\*
- QUEENS  
T/W Ch.35  
Tue: 10:30 am
- QUEENSBURY Ch.71  
Adelphia Ch.71  
Mon: 7 pm
- RIVERHEAD Ch.20  
Wed: 8 pm
- ROCHESTER Ch.15  
Sat: 4 pm; Wed: 9 pm
- ROCKLAND Ch.76  
Mon: 5 pm
- SCHENECTADY  
TimeWarner Ch.16  
Sat: 1:30 am  
Fri: 1 p.m.
- STATEN ISL.  
TimeWarner  
Thu: 11 pm (Ch.35)  
Sat: 8 am (Ch.34)
- TOMKINS  
Sat: 6 pm  
Sun: 12:30 pm
- TRI-LAKES  
Adelphia Ch.2  
Sun: 7 am, 1 pm, 8 pm
- WEBSTER Ch.12  
Wed: 9 pm

## NORTH CAROLINA

- HICKORY  
Charter Ch.3  
Tue: 10 pm

## OHIO

- AMHERST  
T/W Ch.95  
Every Day!  
12 Noon & 10 pm
- CUYAHOGA  
T/W Ch.21  
Wed: 3:30 pm
- OBERLIN  
Cable Co-Op Ch.9  
Thu: 8 pm

## OKLAHOMA

- NORMAN  
Cox Ch.20  
Wed: 9 pm

## OREGON

- LINN/BENTON  
Comcast Ch.29  
Tue: 1 pm  
Thu: 9 pm
- PORTLAND  
Tue: 6 pm (Ch.22)  
Thu: 3 pm (Ch.23)

## RHODE ISLAND

- E.PROV. Ch.18  
Tue: 6:30 pm

- STATEWIDE  
RI Interconnect  
Cox Ch.13  
Tue:10-10:30 am

## TEXAS

- DALLAS  
AT&T Ch.13-B  
Tue: 10:30 pm
- EL PASO COUNTY  
TimeWarner Ch.15  
Wed: 5:05 pm
- HOUSTON  
TimeWarner Ch.17  
TV Max Ch.95  
Wed: 5:30 pm  
Sat: 9 am  
Wed, 8/6: 8 pm
- KINGWOOD  
Cebridge Ch.98  
Wed: 5:30 pm  
Sat: 9 am  
Wed, 8/6: 8 pm

## VERMONT

- GREATER FALLS  
Adelphia Ch.10  
Mon,Wed,Fri: 1 pm
- MONTPELIER  
Adelphia Ch.15  
Tue: 9 pm  
Wed: 3 pm

## VIRGINIA

- ALBERMARLE  
Adelphia Ch.13  
Sun: 4 am  
Fri: 3 pm
- ARLINGTON  
Comcast Ch.33  
Mon: 1 pm  
Tue: 9 am
- CHESTERFIELD  
Comcast Ch.6  
Tue: 5 pm
- FAIRFAX Ch.10  
1st & 2nd Wed: 1 pm
- LOUDOUN  
Comcast Ch.23  
Wed: 6 pm
- ROANOKE Ch.19  
Tue: 7 pm  
Thu: 2 pm

## WASHINGTON

- KING COUNTY  
Comcast Ch.29/77  
Sat: 2 pm
- TRI CITIES  
Ch.12/13/99  
Mon: 7 pm  
Thu: 9 pm
- WENATCHEE  
Charter Ch.98  
Thu: 4 pm

## WISCONSIN

- MADISON Ch.4  
Tue: 1 pm monthly
- MARATHON  
Charter Ch.10  
Thu: 9:30 pm  
Fri: 12 noon
- GILLETTE  
Bresnan Ch.31  
Tue: 7 pm

If you would like to get The LaRouche Connection on your local cable TV system, please call Charles Notley at 703-777-9451 Ext. 322. For more information, visit our Website at <http://www.larouchepub.com/tv>



SUBSCRIBE TO

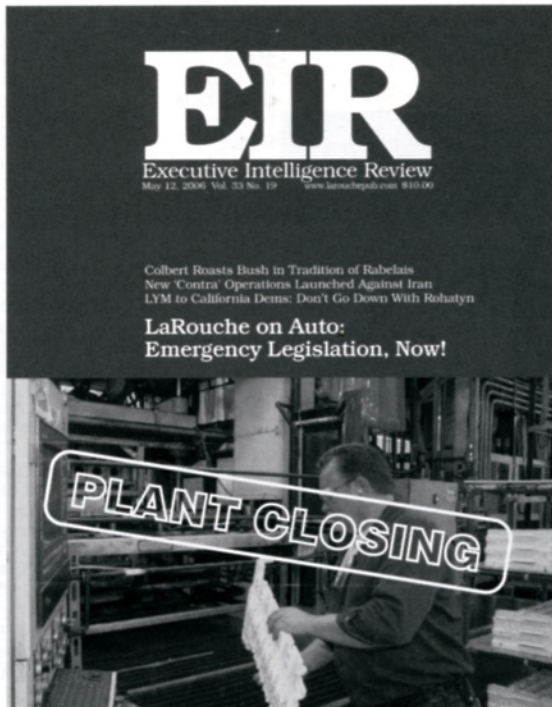
**EIR**

**Executive Intelligence Review**

**EIR Online**

**EIR**

gives subscribers one of the most valued publications for policymakers—the weekly journal that has established Lyndon LaRouche as the most authoritative economic forecaster in the world today.



**EIR Online**

issued every Monday, includes early access to most of the print magazine, as well as fast-breaking communications from LaRouche, up-to-the minute world news, and a special historical feature.

I would like to subscribe to **Executive Intelligence Review**

**U.S.A. and Canada:**

- \$396** for one year
- \$225** for six months
- \$125** for three months

**SPECIAL OFFER**

- \$446** for one year  
EIR Print plus EIR Online\*

**Outside U.S.A. and Canada:**

- \$490** for one year
- \$265** for six months
- \$145** for three months

**SPECIAL OFFER**

- \$540** for one year  
EIR Print plus EIR Online\*

I would like to subscribe to **EIR Online\***

- \$360** for one year
- \$60** for two months

EIR Online can be reached at:

**www.larouchepub.com/eiw**

Call **1-888-347-3258** (toll-free)

Standard Class shipping. Please call for First Class rates.

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Country \_\_\_\_\_

Phone (\_\_\_\_\_) \_\_\_\_\_ E-mail address\* \_\_\_\_\_

\* E-mail address required for EIR Online subscriptions

I enclose \$ \_\_\_\_\_ check or money order

Make checks payable to

**EIR News Service Inc.**

P.O. Box 17390, Washington, D.C. 20041-0390

Please charge my  MasterCard  Visa

Card Number \_\_\_\_\_

Signature \_\_\_\_\_

Expiration Date \_\_\_\_\_