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LaRouche: 'Faith, Hope, and Agapē'  
Russia Plans North-South Eurasia Land-Bridge  
Bush Energy Plan: Reliant Robbers Über Alles

**New Bretton Woods' Task:  
Stop the Genocide in Africa**





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## From the Associate Editor

Around the world, as the insanity of the Bush Administration becomes every day more apparent, people are looking to Lyndon LaRouche and *EIR* for solutions.

For example, an African leader, speaking to the Bad Schwalbach conference of the Schiller Institute, appealed to LaRouche for “an immediate agenda” for national survival. The conference panel on Africa, reported in this issue, as well as our interview with the Ambassador to the United States from the Democratic Republic of the Congo, provide a stark picture of the genocide that is going on in that continent—as well as the optimism of African leaders that, with the help of people of good will internationally, the crisis can be reversed, and Africa can take its rightful place at the forefront of nations in the 21st Century.

In Russia, the new Eurasian Transport Union is shaping up along the lines that LaRouche has long proposed (see *Economics*).

From the United States, we report on the fight for LaRouche’s policies in support of the general welfare, as the energy-price crisis moves toward hyperinflation, and the death toll mounts from the shutdown of D.C. General Hospital in the nation’s capital.

LaRouche’s *Feature*, “Faith, Hope, and Agapé!” continues the dialogue begun at Bad Schwalbach, in response to the appeal by that African diplomat, among others. But, as usual, LaRouche does not say what people expect. While addressing the need for “an immediate agenda” to save lives and nations, he underlines that his proposed revision of global financial and economic arrangements is not a “blueprint,” and, in itself, is not sufficient. “The motive, the required intention,” he writes, “flows from the appropriate conception of the nature of man, and, therefore, of man’s functional relationship to the universe at large.”

LaRouche warns the reader, that his report “will, admittedly, require careful study” by many of us. “Lest you falter at those points in my account, I emphasize, that in this present case, as in any period of great personal or national crisis, like the present one, it is precisely what you do not know, which is most likely to hurt you the most. Indeed, those are precisely the kinds of issues, which you did not know earlier, which are hurting you, personally, the most, at this present moment.” The “heavy ideas” presented here are indispensable, for any “action agenda” to succeed.

*Susan Welsh*

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A Damning Admission, Late in the Game

# Russia's New Transport Union To Change Map of Eurasia

by Rachel Douglas

The creation of a Eurasian Transport Union (EATU), announced May 15 by Russian Minister of Transport Sergei Frank, provides an institutional venue for deliberations among the nations of Eurasia, and any others, interested in building great infrastructure projects as a road out of economic depression. The EATU will, said its Vice President Yuri Shcherbanin, be a "standing secretariat" of the International Eurasian Conferences on Transport, of which the first two were held in St. Petersburg in 1998 and 2000, and the third is scheduled there for 2003.

As *EIR* editorialized last week, Russia's commitment to developing transport corridors—the railway component of what can become the most intensive agro-industrial development ever seen on the planet—coincides with year 2004 U.S. Presidential pre-candidate Lyndon H. LaRouche, Jr.'s proposals for a U.S. recovery program. The effort to build rail-centered corridors of high-technology transport, power and communications infrastructure opens the door for global economic reforms. These, LaRouche says, "match exactly the strategic priorities I have placed upon emergency re-regulation of energy production and distribution, and revival of the Hill-Burton tradition in health-care inside the U.S.A. itself."

Frank said that the EATU is open for countries, transport companies, other firms and organizations to join. The new organization will promote the rapid build-up of international Eurasian railroad-centered transport corridors across the territory of Russia. This activity includes upgrading existing infrastructure, such as the rail and port facilities of the Trans-Siberian Railroad, and developing a new north-south corridor, from Europe through Iran and Russia to India.

The north-south rail and water corridor immediately involves India and Iran in the EATU. It was preliminarily agreed on at the Second International Eurasian Transport Conference last year (see *EIR*, Sept. 29, 2000). The shipping route from

India to Moscow is reduced by nearly two-thirds in distance, compared with shipment by sea through the Suez Canal; and the time, from 45 days to 30. The Russian Transport Ministry projects that the north-south route will handle over 15 million tons of containerized freight each year. Its Russian end requires improvements at the port of Astrakhan, where the Volga River empties into the Caspian Sea. Minister of Transport Frank and Prime Minister Mikhail Kasyanov have visited that southern port (the northernmost city where the lotus flower grows, as the Asia-oriented city officials of Astrakhan say), several times in recent months.

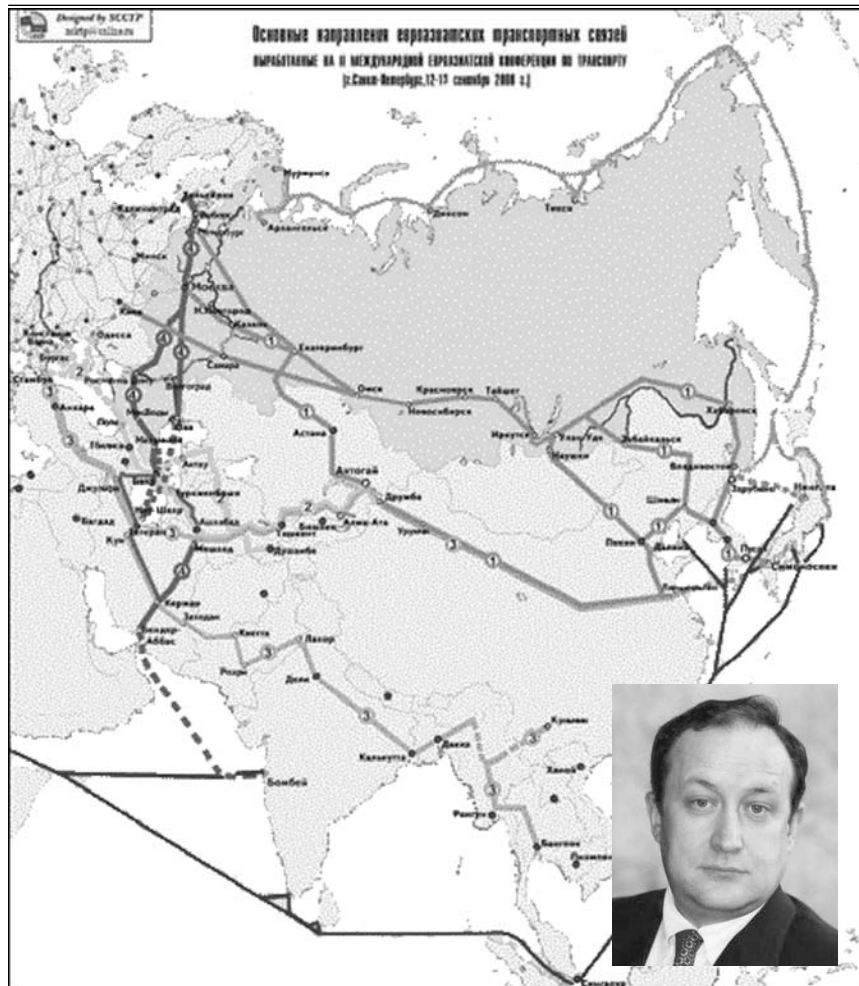
Shcherbanin told *Kommersant* daily on May 8 that the north-south corridor will feature, besides the Caspian Sea crossing, two rail lines, on either side of the Caspian—one through the Caucasus countries, and one reaching into the Central Asian republics (See **Figure 1**). Accordingly, Iran and Kazakstan were both engaged in Eurasian rail development diplomacy during April and May.

Eurasian transport corridors were on the agenda of a conference in Almaty, Kazakstan at the end of April. Vice-Premier Viktor Khristenko, who led the Russian delegation, spoke about the great promise of a web of rail spurs and cross-links between the Trans-Eurasian rail corridors (China-Germany) and the north-south corridor area, especially increasing the linkages between Iran's rail grid and Central Asia, and thus the volume and speed of overland freight shipments from Europe to the Indian Ocean. The discussion was concretized in a resolution calling for "a grandiose transportation corridor, linking East Asia to Western Europe," in which "technical cooperation in the railway sector, between Kazakstan and China, has a decisive role."

The Eurasian north-south Transport Corridor was also on the agenda of the May 16 meeting between Ali Akbar Hashemi Rafsanjani, chairman of the Expediency Council

FIGURE 1

**2001: Russian Ministry of Transportation's 'Main Directions'**



Posted on the Internet site of the Russian Ministry of Transportation ([www.mintrans.ru](http://www.mintrans.ru)), this is a map of the "Main Directions of Eurasian Transport Lines," developed at the Second International Eurasian Conference on Transport (September 2000, St. Petersburg, Russia). It shows the three main east-west "Land-Bridge" routes (compare Figure 3); and the new north-south corridor from India to Europe via Iran and Russia. (Inset: Russian Transport Minister Sergei Frank, who announced the Eurasian Transport Union May 14.)

of Iran, and Kazak Ambassador to Iran Tulegen Zhukeyev. Rafsanjani supported Kazakstan's accession to the north-south corridor. On the Iranian side, he said the inauguration of a new link from the Caspian port of Amirabad to the national rail grid, will make for increased shipments between Central Asia and the Caucasus, and Asia and the Persian Gulf via Iran.

Crucial to Eurasian development, is an upgraded relationship of Russia's transportation system with that of Western Europe—the interface of Western Europe's historical "Productive Triangle" with the Eurasian Land-Bridge, in LaRouche's original conception. Coincident with the EATU announcement, Russian President Vladimir Putin held a sum-

mit with the European Union May 17 in the Kremlin, meeting EU Commission President Romano Prodi and Prime Minister Göran Persson of Sweden, current EU President. Foreign Minister Igor Ivanov announced that the two sides had decided to form a high-level commission on creating "a single economic space" between them. The Internet site Strana.ru reported, "Putin noted that one of the most promising directions of interaction is the area of science and technology," which he added had been agreed upon as the key topic for the next Russia-EU summit.

In *Kommersant* of May 8, Sergei Frank emphasized that "Russia's international corridors are a natural extension of European communications lines in the direction of South and Southeast Asia." While Russia has already negotiated with the EU to extend Pan-European Corridor No. 2 eastwards to Nizhny Novgorod, then on to Yekaterinburg and the Trans-Siberian Railroad, Frank urged faster action on taking Pan-European Corridor No. 9 (Helsinki-St. Petersburg-Moscow-Kiev-Bucharest; i.e., southeast on the western side of the Black Sea) also eastwards to Russia's Black Sea port of Novorossiysk and to Astrakhan.

The Russia-EU summits are just the most prominent among recently stepped up Russian-European consultations, including bilateral ones, which have increasingly featured plans for economic development. As the speculative financial bubble deflates, the prospect for real-sector economic cooperation with the East—the missed opportunity of a decade ago—looks

more and more attractive.

How will Russia take up its "pivotal role," as LaRouche discussed it, in shifting the situation throughout Eurasia towards cooperation for development? It is far from a smooth process, since the economic sectors involved—transportation infrastructure, and energy—have simultaneously been targets for looting by international financiers. Reform of Russia's "natural monopolies," as these infrastructure subsectors are known, is the subject of raging policy fights.

On May 15, Minister of Transport Frank said that a "federal complex program" for the modernization of the transport, will be presented by his ministry by the end of June. (He and Minister of Railroads Nikolai Aksyonenko have revealed that



their ministries will likely merge.) Papers about the new program are posted on the Ministry of Transport website, among them a document titled “The Formation and Development of International Transport Corridors (ITC) on the Territory of Russia,” which details the east-west and north-south Eurasian corridors.

The “ITC” document has glimmers of a true “corridor” conception—as a zone of concentrated high-technology investment, which drives an entire economy. “The results of the creation and development of ITC on the territory of the Russian Federation,” write the Ministry of Transport experts, “go beyond the framework of solving just transportation problems. They will exert a positive influence not only on the performance of the national transport system, but also on macroeconomic indicators, due to the multiplier effect of the implementation of these programmatic measures.”

Yet, the very same document makes obeisance to the failed dogmas of globalization.

ITC development requires 450 billion rubles of investment (\$15 billion), according to Frank. In drafting plans for railway reform, as in the energy sector, the Russian government walks through a minefield of schemes for deregulation and privatization. Some of them threaten to expose segments of the infrastructure to asset-stripping through privatization, in the name of “investment,” or to put users at the mercy of financial sharks who come to control infrastructure systems. On May 19, the government approved a compromise plan for break-up and privatization of the United Energy Systems (UES) electricity giant, albeit with a three-year delay before implementation, and with assurances that the transmission and operating functions will remain under a state-owned company. A similar process is under way for the railroads.

Just now, however, UES executive and privatization proponent Anatoli Chubais may be about to make a fool of himself and bring home to Russia a devastating lesson on the perils of privatization. Visiting the United States to court investors in UES’s soon-to-be-spun-off daughter companies, Chubais will meet with Vice President Richard Cheney, and then proceed to “get to know the liberal reforms in U.S. electricity markets,” which UES maintains have been a smashing success in 20 states!

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## Chronology

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# LaRouche’s ‘Land-Bridge’ Strategies in Russia

**1989-1990.** As the Berlin Wall came down, Lyndon LaRouche proposed crash development of high-speed rail transport in the area framed by Paris, Berlin, and Vienna. This “Productive Triangle,” the heart of Western Europe since the

time of Charlemagne, represents the greatest energy flux density in industry and concentration of skilled manpower, on the planet. Within a few months of the border’s opening, Helga Zepp-LaRouche’s Schiller Institute in Europe distributed over a million pieces of literature on the Productive Triangle idea, as a driver for real economic recovery worldwide. The program, with its maps of the “galactic spiral arms” of the triangle (**Figure 1**), circulated in nearly a dozen languages, including German, Russian, Polish, Czech, Hungarian, and Romanian, by the end of 1990.

**March 1991.** The “Berlin Declaration” was adopted by the Schiller Institute’s conference, “Infrastructure for a Free Europe,” attended by over 100 economists and political activists from 17 countries. It appealed to “the governments of Eastern and Western Europe, to make the “Productive Triangle” the centerpiece of their government policy.” The conference participants and supporters circulated the policy initiative over the following months. By the Schiller Institute’s second Berlin conference in November 1991, some 400 participants, now from over 30 countries including the republics of the Soviet Union (then breaking up), deliberated on “ ‘The Productive Triangle’: Cornerstone of an All-Eurasian Program of Infrastructure Development.”

**October 1991.** At the First All-European Conference on Transport, held in Prague, transport ministers from sixteen nations resolved on the need for a common European infrastructure network. Schiller Institute representatives present distributed the Productive Triangle program and discussed LaRouche’s concept of energy-intensive, technology-intensive corridor development.

**1992.** The Schiller Institute elaborated the “spiral arms” of the Productive Triangle, as a network of transcontinental Eurasian development corridors (**Figure 3**). The concept soon resonated in China, where attention to the potential for development along the new Eurasian Land-Bridge began to intensify, after the link-up of China’s rail system to the Soviet system was made at the Alatau Pass in 1990, becoming operational in 1992.

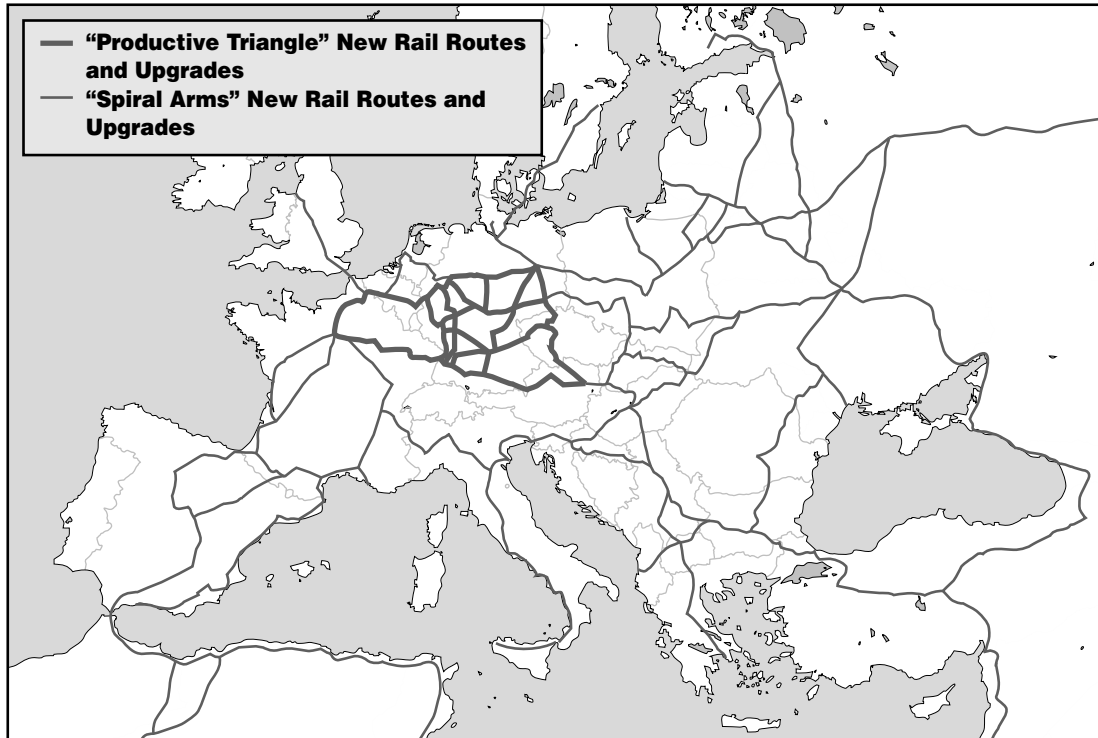
**Winter 1993-1994.** The Transport Infrastructure Committee of the European Union, under Jacques Delors, proposed the “Delors Plan” for extending Western European rail lines into Eastern Europe. At its heart was the completion of the so-called Trans-European Network (TEN). The Delors proposal aimed to expand existing national high-speed rail projects, such as the French TGV and Germany’s ICE, into the most modern rail grid in the world: “The establishment of networks of the highest quality throughout the whole Community and beyond its frontiers is a priority task. The potential to create jobs is substantial, both directly by initiating the large-scale projects, and through the beneficial effects in the long-term on production conditions in Europe.” The Delors Plan map closely mirrored LaRouche’s Productive Triangle proposal, but omitted the war-torn Balkans.

**March 1994.** The Second All-European Conference on Transport, held on the island of Crete, adopted the perspective



FIGURE 2

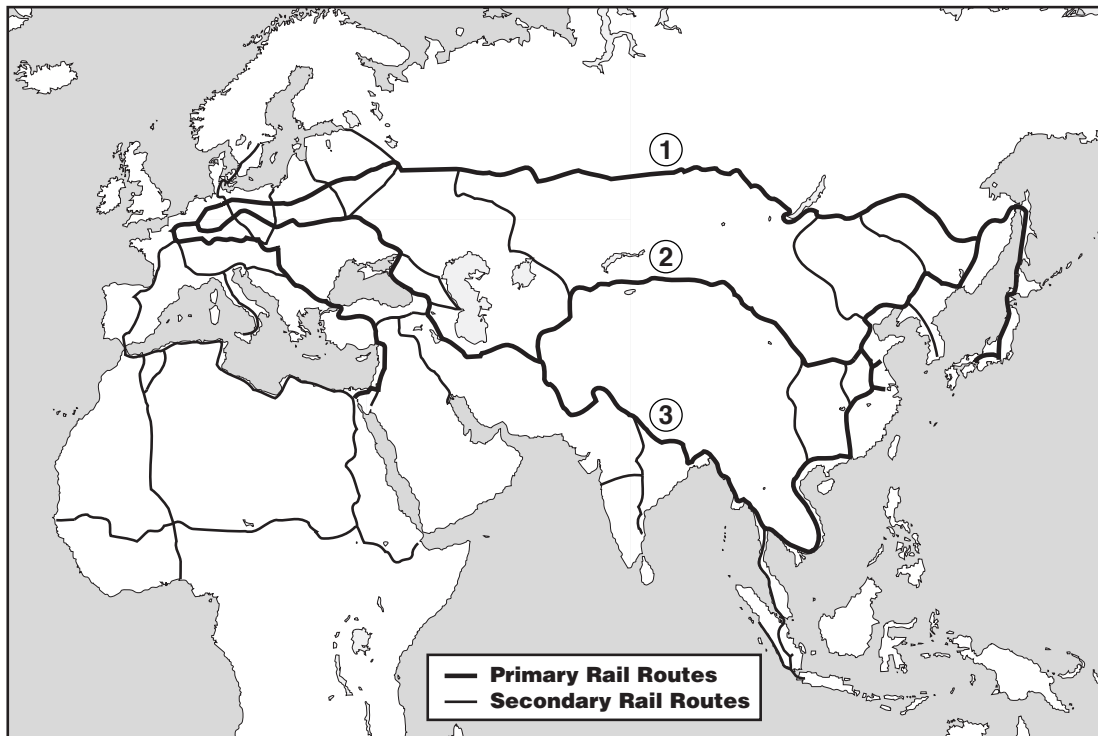
**1989: LaRouche's Proposed European 'Productive Triangle' Rail Development**



*The “Paris-Berlin-Vienna Productive Triangle” concept, put forward by Lyndon LaRouche, has “spiral arms” — development corridors reaching into Eastern Europe, Southwest Asia, and Africa. The Schiller Institute circulated this and several other maps of the Productive Triangle, beginning in 1990.*

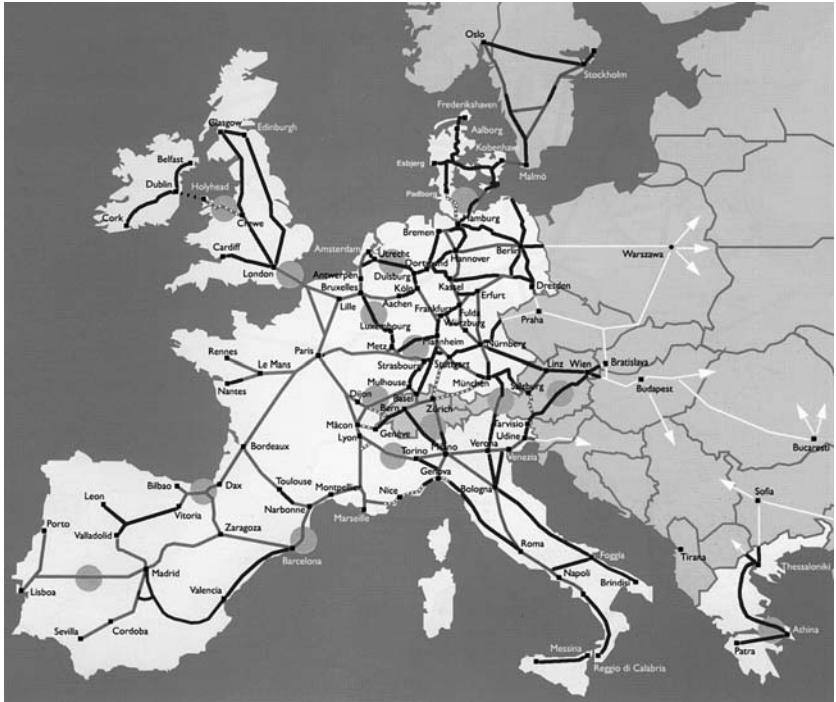
FIGURE 3

**1992: Schiller Institute Eurasian Rail Network Plan**



*This map conceptualized the spiral arms of the Productive Triangle, as three great infrastructure development corridors across Eurasia.*

FIGURE 4  
**1994: European Union Projects**



*This map of 14 EU projects includes the scheme for ten transport corridors, adopted at the March 1994 Pan-European Conference on Transport, held in Crete. Three of the corridors reach into Eastern Europe, as proposed during Winter 1993-94 in the “Delors Plan” of the Transport Infrastructure Commission of the European Union.*

FIGURE 5  
**1996: Schiller Institute and EIR Map, ‘The Eurasian Land-Bridge Network’**



*EIR’s illustration of the Eurasian development corridors as the sinews of a 21st-Century economic miracle, was circulated worldwide. Here is how it appeared in the Russian newspaper Nezavisimaya Gazeta in 1998, illustrating Academician Sergei Rogov’s article, “Contours of a New Russian Strategy: Only its central position on the geoeconomic map of Eurasia can save the country.”*

## LaRouche Analysis Presented At Seminar in the Kremlin

On May 15, LaRouche representative Dr. Jonathan Tennenbaum addressed an exclusive seminar on the global financial crisis, held in the Diplomatic Chamber of the Kremlin Palace in Moscow, and attended by approximately 150 representatives of the Russian government, business and financial circles, and press. The privately organized seminar also heard presentations by experts from a number of leading Russian think-tanks, on financial and economic developments in the United States and globally.

Tennenbaum reported on the May 4-6 international conference of the Schiller Institute in Bad Schwalbach, Germany; Lyndon LaRouche's keynote on the global strategic situation, (requested by many at the Kremlin event); LaRouche's characterization of the Bush Administration; and his conception of the necessary alternative to a threatened "New Dark Age," including the special role and mission of Russia. Tennenbaum described the strategically significant U.S. political war shaping up over the issue of the "common good," as seen in the battles over Washington's D.C. General Hospital and the California energy crisis.

The perspective of Eurasian transport corridor-centered development was taken up by several of the Russian speakers. A representative of the Russian Foreign Ministry's Diplomatic Academy stressed a strategic partnership

between Russia and Germany, and proposed that a special economic development commission be set up within the Shanghai Five group—Russia, China, Kazakstan, Kyrgyzstan, and Tajikistan, with European countries invited to participate. The future role of the euro currency, and potentially even of a gold-based Chinese yuan, as alternative reserve currencies in the context of a threatened crash of the dollar, was discussed by several Russian speakers, including an expert from the Central Mathematical Economics Institute. It was indicated that Russian investors had already begun a quiet "diversification" out of the dollar, into other currencies as well as "hard" physical assets. (A large part of the Russian population's savings are currently held in dollars.)

In a follow-on discussion, Tennenbaum emphasized that mere currency arrangements could provide no security from a chaotic disintegration of the entire world economy. Rather, any solution must start from the principle of the common good, and a policy for large-scale physical-economic development. The emergence of an alternative to the collapse, centered on Eurasian development corridors, could provide the context for sane forces in the United States to come to the fore, bringing the United States into partnership with such a development perspective.

The Malaysian Ambassador to Russia also addressed the seminar, speaking of his country's experience in adopting capital controls and reasserting national economic sovereignty against the dictates of the International Monetary Fund. He presented a new Russian translation of a book by Prime Minister Mahathir bin Mohamad on the subject.

of building ten Pan-European Networks—the "Crete Corridors"—three of which would extend from the EU's TEN, into Eastern Europe and Russia (**Figure 4**).

**December 1994.** A Schiller Institute conference in Eltville, Germany, "Global Economic Recovery and the Cultural Renaissance," focussed on the "New Silk Road" development policy. Lyndon LaRouche, personally taking part for the first time since his imprisonment under the Bush regime, conducted a seminar on the Eurasian corridors perspective, with leading thinkers from Russia, Ukraine, China, and Eastern Europe.

**May 1996.** At the "International Symposium on Economic Development of the Regions Along the New Euro-Asia Continental Bridge" in Beijing, Helga Zepp-LaRouche brought the Schiller Institute's European and Eurasian corridor development policy together with that of China. In January 1997, *EIR*'s report, "The Eurasian Land-Bridge: The 'New Silk Road,'" was published.

**1998.** The "Land-Bridge" report, with its in-depth discussion of corridor development, and of the national banking approach needed to finance it, circulated far and wide in Eu-

rasia, its text studied and maps reproduced by leading Russian specialists (**Figure 5**).

**1998.** The EU and Russia resolved to extend the No. 2 Pan-European Corridor (Berlin-Warsaw-Minsk-Moscow) to Nizhny Novgorod (formerly Gorky, Russia's third-largest city, a Volga River industrial center), effectively making it coextensive with the Transsiberian Railroad.

**September 2000.** The Second International Eurasian Conference on Transport, held in St. Petersburg, Russia, was attended by over 40 nations. In the key new development, Russia, India and Iran agreed to develop a North-South corridor. Upgrades of the transcontinental lines, and the links from Russia to Europe were also discussed. The rail line Calcutta-Delhi-Lahore (Pakistan)-Sukkur (Pakistan)-Zahedan (Iran) being problematic due to political and military tension, the North-South Corridor entails sea shipments from the Indian west coast ports of Mumbai (Bombay) and Kandla (south of the border with Pakistan) to Bandar-e Abbas on the Persian Gulf in Iran, then north by rail.

**May 2001.** Russia announced Eurasian Transport Union.

# Breakdown in Finance, Manufacturing Worsening in the Industrial Nations

by Richard Freeman

The month of May has seen a drastic acceleration of the inevitable financial collapse now engulfing the globe, especially in the “formerly industrialized” nations, whose economies are fracturing in critical sectors.

In Germany, one of the more important financial institutions is melting down, and producer-price inflation reached a 19-year high in April; in Japan, the trade surplus, one of the few features of the Japanese economy still holding up, took a nosedive in April.

In the United States, the eruption of very high vacancy rates in commercial property in the Northern Virginia-Washington, D.C. corridor—one of the United States’ five largest “high-tech” concentrations—signals the meltdown of the New Economy. Simultaneously, America’s output of machine tools, auto, steel, and semiconductor equipment has plunged.

Yet, in Washington, D.C., U.S. Treasury Paul O’Neill continues to deny obvious evidence of breakdown, and pursuing policies which are not only incompetent, but also dangerous. On May 21, O’Neill announced that the Bush Administration had allegedly dodged a recession, and that the economic “correction process is well under way.” O’Neill reserved special praise for the recent actions of Federal Reserve Board Chairman Alan Greenspan, crowing that “I think monetary policy is in wonderfully good hands.”

The reality is the opposite. On May 15, Greenspan and the Federal Reserve Board of Governors cut the federal funds rate—the overnight interest rate that banks charge each other, which serves as a benchmark for all other interest rates—by one-half percent, to 4%. This is the fifth half-point cut in the federal funds rate that the panicked Greenspan and the Fed have undertaken since Jan. 3. Greenspan’s action is a desperate attempt to intensify the pumping of huge volumes of liquidity into the U.S. and world financial system. And it may even succeed in temporarily buoying up the U.S. stock market and other parts of the U.S. financial bubble, drawing the “mickies” into the stock market. That would create the environment for the oligarchical insiders to cash safely out of the market, and go invest in hard-commodity assets, which they anticipate will survive, when the inevitable, oncoming crash wipes out paper values.

Ultimately, Greenspan’s wild money-printing binge is stoking the kind of hyperinflation that deluged Weimar Germany in 1923, and which will guarantee an even worse blow-

out of the world financial system. Signs of such hyperinflation are already evident in Germany.

## ‘High-Tech’ Breakdown

On May 23, the *Washington Post* reported that in several sections of the Northern Virginia-Washington, D.C. “high tech” corridor, the rate of vacancy of commercial properties is surging, because the New Economy firms that used to, or planned to, occupy these properties are going bankrupt. In the town of Herndon, commercial vacancy rates have doubled from last September to 18.3%; in the Route 28/Dulles Airport area, the vacancy rate is now 17.1%.

The *Washington Post* is probably low-balling the figures. Last October, *EIR* Economics staffer John Hoefle told *EIR News for Loudoun County*, that he expects “real trouble” in the area’s commercial real estate. “Most of what is being built is in anticipation of the continued expansion of the dot.coms and IT sector. If that doesn’t materialize, many projects go bust. If tenants aren’t there, go out of business, or are forced to move out and scale back, who pays for the mortgages? And, who covers for the financial institutions that can’t collect on those mortgages? . . . The irony is that you can’t drop rents, because if you do, you can’t pay for the paper; so you start seeing vacancy rates climb.”

At the same time, the U.S. physical economy is collapsing in critical manufacturing sectors:

**Machine Tools:** Machine tools incorporate and transmit the most advanced scientific conceptions to the entire physical economy, and are indispensable for its survival and advancement. During the first three months of 2001, U.S. industry consumed \$738.5 billion worth of machine tools, versus \$1,064.5 billion during the same period of 2000, which represents a decline of 30.6%. U.S. machine-tool production, though figures are not yet available, parallels this trend.

**Steel:** For the year to date through May 5, U.S. steel manufacturing plants produced 35.1 million net tons of raw steel, whereas during the same period last year, they produced 39.8 million net tons, a fall of 11.9%. For the respective comparable periods of this year and last, the steel industry’s capacity utilization rate has fallen to 79.8%, from 89.0%.

Currently, more than a dozen U.S. steel companies are in bankruptcy. One of the largest steel companies in bankruptcy protection, LTV Corp., announced that on June 11, it will shut down its Cleveland (Ohio) Works plant forever, which would

TABLE 1

**U.S. Auto and Truck Production**

	Year-to-Date Through May 12, 2001	Year-to-Date Through May 13, 2000	Percent Change 2000 to 2001
Cars	1,914,711	2,175,068	-11.0%
Trucks	2,466,763	2,966,055	-16.8
Cars and Trucks	4,381,474	5,141,123	-14.8

permanently eliminate 2 million tons of hot-rolled steel capacity from America's economy. The United Steelworkers of America union is talking with LTV to try to keep the plant open, but there is little chance that they will succeed in doing so.

**Auto:** For the year to date through May 12, U.S. producers of motor vehicles produced 4.38 million cars and trucks, compared to 5.14 million in the same period last year, a fall of 14.8% (Table 1).

**Semiconductors:** In April, new orders for semiconductor equipment produced in North America declined to \$711.8 million, a plunge of 41% from March's level, and of 74% from April of last year, according to May 23 report of the Semiconductor Equipment and Materials International (SEMI). The United States produces most of North America's semiconductor equipment. The book-to-bill ratio in the semiconductor equipment sector fell to 0.42 (that is, for each \$100 in shipments, there is only \$42 in new orders). SEMI President Stanley Myers asserted, "The severity and depth of this industry correction is unprecedented."

In parallel, in April, new single-family homes sold at an annualized rate of 894,000, a decline of 9.5% from March's annualized rate of 988,000. This represents the biggest one-month drop since April 1997. As the levels of layoffs and unemployment increase, and the "wealth effect" from capital gains from the stock market bubble dissipates, Americans are increasingly pulling back from buying homes.

**State Budget Crises Grow**

The blowout of the New Economy and the physical economy is leading to the collapse of U.S. state budgets. Last year, only seven or eight state budgets were in crisis; already this year, 20 states are having budget crises, and this number could grow to 40—or even all 50—by year's end. On May 14, California Gov. Gray Davis announced that his state's budget for this fiscal year and next year combined, will show a staggering revenue shortfall of \$4.6 billion. But if the nearly \$7 billion which the state has forked over so far to pay for energy, is not covered by a new bond issue, the state will have an additional \$7 billion in revenue shortfalls. This potential \$12 billion hole could only be "balanced" by the most savage budget cuts.

The pattern is the same in all other major industrial

nations throughout the world.

**Germany:** According to the May 23 German financial daily *Handelsblatt*, the Berliner Bankgesellschaft, which is in trouble because of both past speculation and the current economic slide, will require a rescue package of at least 4 billion deutschemarks (\$1.75 billion), to avert immediate collapse. At the same time, the Federal Statistical Office announced on May 23 that German producer prices in April were up 5.0% compared to one year ago, the highest annual price jump recorded in any month in 19 years. This is a sure sign of the worldwide hyperinflation.

**Japan:** On May 21, Japan's Finance Ministry announced that Japan's trade surplus, at 666 billion yen (\$5.4 billion) in April of this year, had fallen by 41.6% from April of last year. Japan's economy depends on its trade surplus, and this is one of the few features of the Japanese economy which has operated well up to this point.

Unless that economic-financial crisis is addressed at its root cause, as LaRouche does, it is bound to accelerate over the coming weeks.

## America's Poor Forced Into 'Energy Bondage'

by Mary Jane Freeman

To keep the utilities on, millions of American families are now entering into virtual "energy bondage," by signing exorbitant payment agreements with energy or utility companies. Between 7 and 10 million low-income families are at risk of being disconnected, because of huge bills which accumulated this Winter, as the energy bandit companies, such as Reliant and Enron, charged more, and raked in record profits.

When the poorest 20-40% of American households are considered, it becomes most clear that these super-profits are being run up at the expense of human life. This enslavement will only cease when a national, regulated energy policy is in place for all Americans, thereby putting an end to the energy pirates' gaming-the-market swindle.

"All households faced unexpected financial pressure from rapidly rising energy costs last Winter, but low-income energy consumers faced true hardship," reports a May 3 survey, "The Winter Behind, The Summer Ahead: A Harsh Spring Faces Low-Income Energy Consumers," issued by the non-profit Economic Opportunity Studies, Inc. (EOS), of Washington, D.C. It reports that, on average, 27 million out of America's 29 million low-income households will need to spend from one-fifth to one-quarter of their annual income to pay energy bills received from October 2000 to September 2001. All other so-called "non-poor" households are paying, on average, \$500 more this year than in 1997, but that is only

4.6% of their annual income.

Clearly, the Bush Administration's so-called new energy policy is anything but "affordable" for all but the super-rich. Giving a tax cut so that one can pay more for fuel, is the height of indifferent arrogance and thievery.

When the poor, disabled, and elderly have to choose between paying for utilities or for food or medicine, they must go without one of them. Meg Power, PhD, EOS president and author of the survey, told *EIR* that in a normal Winter, "more than 1.1 million low-income families have their heat shut off for ten days or more . . . because they could not pay. This year, with a colder Winter and much higher energy bills, it is much worse." Power says exact numbers are impossible to get, because most companies and utilities do not want to reveal the number of disconnections made. Noting the "outrageous service payment agreements" people are now signing in order to keep the lights on, she explained that they have no choice. "After all, Social Services will take away their children if the utilities aren't on."

### Energy Prices Catastrophe

This EOS survey is an update of its December 2000 "Winter Energy Outlook" report. The picture remains bleak for these citizens. Power's analysis of the U.S. Department of Energy's 1999 Residential Energy Consumption Survey, and the Energy Information Administration's "Short-Term Energy Outlook," of April 6, 2001, provides these facts: "Heating oil prices were 36% higher than in the 1999-2000 Winters and over 50% higher than the 1998-99 Winter; residential natural gas cost 42% more per cubic foot than in 1999-2000. These figures represent a near catastrophe for the poor," because their incomes are "low and generally fixed." Indeed, over 50% of the 29 million low- to moderate-income households use natural gas, and thus have accumulated huge bills—not because they are using more, but because the bandits have hyperinflated the retail price of natural gas far more than that of any other energy source.

The real impact on these households is usefully measured by what is called "the energy burden"—the percentage of annual income expended for all energy bills. That includes not only fuel for heating and cooling, but also utilities. **Table 1**, based on projected billings using Department of Energy (DOE) data, compares the average total energy bill for both low-income and all other consumers, with their energy burdens. While the absolute amount (\$1,531) for low-income families is less than for all others (\$1,912), the percentage of the total annual income to be expended by low-income families is a cruel 19.5%, as against 4.6% for all other households. We will see, below, what this means in practice.

But, as Power points out, taking national averages and smoothing out the fuel source dependence, distorts the picture of the impact on the vast majority of these people. This is true, moreover, because the DOE data, which are compiled from a statistical sample of low-income homes, are weighted to reflect all types of fuel use, as well as the wide range of poverty

TABLE 1

### Residential Energy Expenses and Energy Burden for Low-Income Households and Other Consumers

(Projected October 2000-September 2001)

	Average Low-Income	Average All Others
Total Estimated Bills, All Fuels	\$1,531	\$1,912
Energy Burden (Bills/Annual Income)	19.5%	4.6%

Source: Economic Opportunity Studies, Inc. Survey, "The Winter Behind, The Summer Ahead: A Harsh Spring Faces Low-Income Energy Consumers," May 3, 2001.

TABLE 2

### Average Energy Costs by Fuel Source for Low-Income and All Other Consumers, and Their Energy Burden

(Projected 2000-01)

Fuel Source	Low-Income Consumers		Other Consumers	
	Total Bill	Energy Burden	Total Bill	Energy Burden
Fuel Oil	\$1,672	21%	\$2,274	5%
Natural Gas	\$1,806	24%	\$2,133	5%
Electricity	\$1,086	13%	\$1,369	3%
Propane	\$1,963	22%	\$2,741	6%
Kerosene	\$1,270	15%	NA	NA

Source: Economic Opportunity Studies, Inc. Survey, "The Winter Behind, The Summer Ahead: A Harsh Spring Faces Low-Income Energy Consumers," May 3, 2001.

incomes, from a low of \$6,000 to a high of \$21,000 for a family of three. Considering that 94% of all low- to moderate-income families use either fuel oil, natural gas, or electricity for their heating, cooling, and appliances, it is instructive to take a look at the energy burden by fuel source, and to make the same comparison to all other consumers.

**Table 2**, again projecting the total energy bills for low-income homes in the October 2000-September 2001 cycle, shows that fuel oil users will have to pay 21% of their annual income, natural gas users 24%, and propane users 22%—all well above the national average for low-income households, noted above as 19.5%. All other consumers of fuel oil and natural gas will pay 5%, and propane users 6%.

### Winter Bills Portend Cut-Offs

Focussing on just the Winter energy bills, allows us to more clearly see the catastrophe which Power alludes to. On average, all households spend 35-40% of their energy budget during the months of May through October, and 60-65% in the Winter months. **Table 3** shows, in the second column, what percentage of low-income households use

TABLE 3

## Energy Costs and Burden for Low-Income Consumers

(Winter 2000-01)

	Percent of Low-Income Households' Use of Fuel Source	Average Heating Fuel Bills, Oct. 2001-Mar. 2001	Average Total Bills, Oct. 2000-Mar. 2001	Winter Energy Burden
Fuel Oil	9.4%	\$725	\$1,087	27%
Natural Gas	53%	\$960	\$1,102	29%
Electricity	32.7%	\$264	\$543	13%
Propane	4.6%	\$1,050	\$1,279	29%
Kerosene	1%	\$406	\$845	20%

Source: Economic Opportunity Studies, Inc. Survey, "The Winter Behind, The Summer Ahead: A Harsh Spring Faces Low-Income Energy Consumers," May 3, 2001.

what types of fuels. The third column is the average heating fuel bills incurred from October 2000 through March 2001; the fourth column gives the total bill for all energy used for that fuel type.

Here it is clear how outrageous speculation in fuel prices has decimated the wherewithal of America's poor. Rather than the average 60-65% for Winter bills, low-income natural gas and propane users were billed over 80% just for the heating portion of their total energy consumption this Winter, and fuel oil users 66%. This translates, as seen in the fifth column, into nearly 30% of their Winter income, for all but electric users.

Indicative of the "energy bondage" of America's low-income families, is a Knoxville, Tennessee resident. The May 25, 2001 issue of *EIR* showed the agreement signed between this resident and the municipal utility, Knoxville Utility Board (KUB). As of mid-January 2001, the household energy debt had accumulated, and service was cut off. To get the services restored, an agreement to pay \$411 per month to the KUB was signed, even though this person's monthly gross income is \$602.74. In all, 68% of their monthly gross income must be paid to the utility.

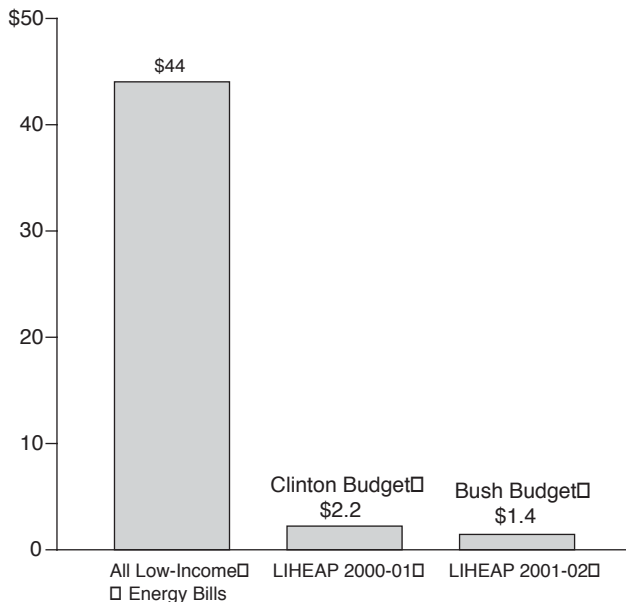
### National Safety Net Is Cut

The only real solution for these Americans in particular, and for all Americans, is to re-regulate energy, making it actually affordable by all. In the meantime, in the interest of the general welfare, a safety net for the nation's have-nots does exist. But "compassionate conservative" President Bush, despite the energy bandits' increased demand which cuts gaping holes in safety net, has cut its budget. The Federal Low-Income Home Energy Assistance Program (LIHEAP) was funded at the level of \$2.2 billion by the last Clinton Administration. Bush's budget for the 2001-2002 cycle calls for \$1.4 billion. But the projected total energy bills for the 29 million households for the October 2000-September 2001

FIGURE 1 □

## Energy-Bill Aid Needed by the Poor, vs. LIHEAP Funds, 2000-2001 □

(Billions \$)



Source: Economic Opportunity Studies, Inc. Survey, "The Winter Behind, The Summer Ahead: A Harsh Spring Faces Low-Income Energy Consumers,"

period is expected to be \$44 billion (Figure 1). Even more telling, is that the \$2.2 billion budget was only able to serve 4 million households out of the 29 million eligible for LIHEAP.

Spring is the time when disconnection cutoffs accelerate, as states' and/or companies "Winter moratoria" on disconnects end. EOS's Power told *EIR* that a small portion of LIHEAP funds are held in reserve for this period to assist people with service cutoffs. Power said, "People are being denied LIHEAP payments because the arrears are so high, that the little [LIHEAP aid] payment would not get service reconnected." So far, Arkansas, Indiana, and Illinois have reported this phenomenon to EOS.

As National Community Action Foundation executive director David Bradley put it when releasing the EOS survey, "The new market realities have created the condition in which the nation's historic commitment to utility universal service is all but dead. . . . Today's patchwork of regulation provides no guarantee of universal service. It only offers 'show me the money' service."

Both the NCAF and the EOS stop short of calling for full re-regulation of the nation's energy policy, but they recognize that the "assumption of the ability to pay is an anachronism" when dealing with the "free market." Full-scale energy re-regulation, combined with launching LaRouche's worldwide economic recovery, is the only means to lift these Americans out of the depression conditions they are suffering.



A LAWLESS U.S.A. TODAY

## Faith, Hope, And Agapē!

by Lyndon H. LaRouche, Jr.<sup>1</sup>

*The following campaign statement was issued by 2004 Presidential pre-candidate LaRouche on May 13, 2001.*

For the moment, a horrid decadence grips the capital of the U.S.A. The recently inaugurated President George W. Bush, Jr.'s cronies have swept, like a pack of carpetbaggers, into occupation of the nation's capital, sometimes seeming not to know, whether they came to rule a nation, or simply to pillage it. The new Attorney General John Ashcroft, has postponed, only temporarily, his previously scheduled, pay-per-view, live snuff entertainment. Under the influence of the present, corrupt majority of the U.S. Supreme Court, no ruling principle of Federal law worthy of that name, may be relied upon in any domain of our nation's Federal practice. An increasingly lawless, Nietzschean blend of maliciousness, cupidity, and general capriciousness, dominates the behavior of the Federal government's Executive branch.

Under the past hundred-odd days of that new government, our nation has been pushed, as if by decree of a reborn Roman Emperor Caligula, folly by folly, nearer to the brink of what could become some of those wars that that administration has been working to promote, if not to fight, in the Middle East and elsewhere. Its attempts to control U.S. and world politics, through its style of crisis-management, could cause the world at large to stumble, unwitting, into an early, planet-wide new dark age for all humanity. Such are among the early effects to be feared, unless this present trend of the new Bush Administration is reversed. As Will Shakespeare might have written of this administration, "There is a fey look about its eyes."

Such is the horror which the recent trend in the Bush Administration has come to represent, in the view of leading observers watching these developments from

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1. The author has been an active political figure of the Democratic Party for more than two decades, and is a candidate for the 2004 U.S. Presidential nomination.



*Lyndon LaRouche and his wife, Helga Zepp-LaRouche, with civil rights heroine Amelia Boynton Robinson (right), at a conference of the Schiller Institute in February 1994, shortly after Mr. LaRouche's release from prison, where he had been incarcerated as a political prisoner for five years.*

high places in the world at large.

From this awful blend of cupidity, stupidity, arrogance, and incompetence, nothing could save the U.S.A., except its return to those underlying principles of upon which our sovereign constitutional republic's existence was originally premised. What, then, shall we identify as those principles of law? What is, really, that constitutional principle of the general welfare, on which the renewal and durability of our republic's constitutional freedoms depends?

### **The 'General Welfare' Principle**

During the Fifteenth-Century European Renaissance, that principle of the general welfare, which is also known, in the Christian tradition, by the name of the common good, was belatedly established, not only as a principle of sovereign national government. It also provides the basis for what John Quincy Adams, then U.S. Secretary of State, named a communion of principle among such sovereign states.

Thus, during the Renaissance, for the first time in all known human existence, came the establishment of the efficient form of a new principle of government, the principle known variously as the common good or *general welfare*. The establishment of this principle of the state, as proposed by Nicholas of Cusa's *Concordantia Catholica*, and as typified by both the martyrdom of Jeanne d'Arc and the reforms enacted by France's Louis XI and England's Henry VII, implicitly denied the right of any national, or international oligarchy to hold the majority of the population as a whole in

the condition of virtual human cattle.<sup>2</sup>

This Renaissance thus threatened to bring to an end, what the combination of the Plantagenet house of Anjou and the ruling, imperial maritime power of that time, Venice, had done, over the interval from the accession of England's Henry II, through the overthrow of Richard III.

Under that principle of international law concerning the common good, no government has a durable claim to the moral authority to govern, except as it is efficiently dedicated to promoting the general welfare of all of its population and their posterity. No longer could a people, or any large portion of it, claim the rightful authority to govern, either as an imperial or national authority, if it, as the Bush Administration has done so far, placed the special privileges and capricious desires of a ruling faction in government above the defense of the general welfare of all the living and their posterity, and above the obligation to uphold the perfect sovereignty of all nation-states which are dedicated in principle to promotion

2. Europe's long struggle to establish the equivalent of a sovereign nation-state based upon the principle of the common good, is documented in Helga Zepp-LaRouche's May 6, 2001 Bad Schwalbach address on this subject (to be published in the Summer 2001 issue of *Fidelio* magazine). Helga Zepp-LaRouche there reviewed the pre-Fifteenth-Century efforts in this direction, as previously covered by historian Friedrich Freiherr von der Heydte (*Die Geburtsstunde des souveränen Staates* [Regensburg, Germany: Druck und Verlag Josef Habbel, 1952]), and situated the first launching of such a nation-state, in Louis XI's France, under the impetus supplied by the Council of Florence and Nicholas of Cusa's *Concordantia Catholica* and other works.



*The principle of the general welfare, upheld by the framers of our Declaration of Independence and the Preamble of our Constitution, defined the newly created United States of America as exceptional among the nations of its time, and later.*

of the general welfare.

Even after the great ecumenical Council of Florence, and after the ensuing reforms of Louis XI and Henry VII, the following three centuries of globally extended European civilization, were dominated by a great and awful struggle between the reactionary forces of feudalism, on the one side, and the emergence of the modern state, on the other. This was a struggle marked by such bloodshed as the religious wars which dominated European history during the interval 1511-1648. Yet, it is also the continuing struggle between the sovereign nation-state and the peril of the new imperialism, called "globalization," which grips the world as a whole still today.

In a medley of hope and despair, that typified by the religious wars of 1511-1648, the greatest Europeans looked, more and more, to the colonies in the Americas, to found what was intended to become a republican precedent for European civilization as a whole. So, in the course of time, the U.S.A. of 1776-1789 emerged as that model republic, created by the concerted influence of the noblest intellects of Europe, and intended to serve as the stepping-stone to a system of sovereign republics which would free mankind from the depravity of both feudalism, and also of most of the still earlier forms of society.

This was expressed in the principle of the general welfare, upheld by the framers of our 1776 U.S. Declaration of Independence, and the Preamble of our Federal Constitution. It is that principle, and that alone, which defined the newly created United States of America as exceptional among the nations of its time, and later.

This is the principle upheld by President Franklin Roosevelt, and defied repeatedly by the current majority of the U.S. Supreme Court. It is the principle which has been violated in the extreme, in both its stated intent and practice, up to this time, by both the present majority of the U.S. Supreme Court, and by that Court's creation, the present Bush Administration. It is the principle on whose defense the continued existence of our presently imperilled republic depends absolutely.

The need to quickly reestablish that principle of the general welfare, is an urgent need, not only on moral grounds, but also even crassly practical political ones. However, such a rejuvenation of our decadent nation were not possible, unless that fundamental principle of our constitutional law were an intention written once again in the hearts of present generations and their posterity. It is, therefore, of the utmost urgency, for you and our nation, that I write on that subject as I do here.

### **My Presidential Candidacy**

The principal topic of this present statement, is the subject of that principle of law which I, as a prospective candidate for 2004 election as President, understand as that intention of our Federal Constitution to which I am committed to return our republic's practice. This is a fight which can not, however, be postponed until the so-called "hot phase" of the year 2004 election-campaign; our nation will not reach 2004 unless we now introduce certain sweeping reforms, reestablishing the principle of the general welfare in our practice, thus reversing our nation's policy-shaping trends of the recent three decades.

Under the present circumstances, it is of the utmost ur-

gency, that we indicate and discuss the evidence pointing to the practical urgency of the related changes in policy which I propose be made. If our nation is to be saved, these changes must be made, not in January 2005, but right now, as quickly as possible. Procrastination on this issue could be quickly disastrous. It is urgent that I act now as a leader of a great new movement among our people and our institutions, a movement to serve as a keystone among political forces brought together for the common purpose of bringing our nation back to its true self, back to its founding principle, the promotion of the general welfare, and do that during the precious short interval of opportunity left to us.

At this moment, the U.S.A., and the rest of the world besides, is gripped by the presently accelerating, chain-reaction effects of the greatest, planet-wide financial collapse in all human existence.<sup>3</sup> Practical solutions for this crisis exist. The greatest danger for the U.S.A., and for mankind generally, is the possibility that such practical solutions, such as those which I have presented repeatedly to relevant international, and other audiences, might be either rejected, or postponed to a slightly more distant, early date when the catastrophe now in progress becomes virtually irreversible.

First and foremost, as I have detailed this repeatedly, in writings circulated to relevant circles world-wide, the financial crisis itself could be halted by a return to the kind of general, immediate, sweeping reforms of the world's monetary and trade systems which were installed at the close of World War II. Those are the beneficial changes, associated with the leadership of President Franklin D. Roosevelt, which continued more or less in effect until those successive, disastrous changes in trends within the world system, which were introduced by President Nixon in 1971, and were greatly accelerated under the disastrous, 1977-1981 U.S. Carter Administration.

I have proposed two global actions to be taken immediately, which could immediately halt the process of collapse, and begin to reverse the trends.

The first, is the emergency action by a group of sovereign nations, to put the presently bankrupt world financial system into forced bankruptcy reorganization, returning the system to the proven principles of the 1945-1963 experiences of policy-shaping under the old Bretton Woods System.<sup>4</sup> Without such

measures, the situation for existing generations of humanity as a whole, would become quickly more or less a hopeless one.

The second global action required, is the launching of a long-term, global development perspective, centered upon what I have defined as a Eurasian Land-Bridge perspective, which would serve as a science-and-technology driver for the revival and growing prosperity of the world's economy. By world as a whole, I emphasize, as I did in my recent address in Bad Schwalbach, Germany, that without a Eurasian economic revival, the practical means for delivering long-overdue justice to Africa, particularly sub-Saharan Africa, were virtually impossible for any time during several generations yet to come.<sup>5</sup>

The third action required, especially inside the U.S. itself, is the coupling of those two, aforesaid emergency actions, to a mobilization of the U.S. citizenry around issues of the general welfare typified by the present, increasingly hyperinflationary energy crisis,<sup>6</sup> and against the destruction of the health-care system through actions such as predatory speculators' efforts to close down the only full-service, public general hospital serving the people of, and visitors to our nation's capital.<sup>7</sup> It is popular recognition of the inseparable connections between those presently typical global and local issues, which is the only visible means for arousing the citizenry of the U.S.A. to look back to the achievements of the President Franklin Roosevelt Administration, in pulling the U.S.A. up and out from the great depression unleashed by the errant policies of the earlier Coolidge Administration.

The farcical duplicity of the Bush Administration's current energy policy, is but one relevant example of the silliness

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Among the endorsers were three former heads of state: José López Portillo, former President of Mexico; Gen. João Baptista de Oliveira Figueiredo (ret.), former President of Brazil; and Godfrey Binaisa, former President of Uganda. On April 7, 2000, the Schiller Institute released a call to form an Ad Hoc Committee for a New Bretton Woods. That call incorporated the text of a resolution, introduced on March 16, 2000, on the floor of the European Parliament by 23 Italian Senators, calling for a New Bretton Woods conference, along lines advocated by LaRouche. Among the many prominent signatories were former Mexican President López Portillo and former U.S. Congressmen Sen. Eugene McCarthy, Rep. Clair A. Callan, Rep. Father Robert J. Cornell, Rep. Mervyn Dymally, Rep. Walter Fauntroy, and Rep. Cornelius Gallagher. On Oct. 19, 2000, twenty-five Italian Senators, one-quarter of the Senate, introduced a motion to bind their government to seek a summit to save the world from the "devastating effects" of today's speculation-driven global economic system. The Italian Senate motion was officially presented in December 2000 to the Interparliamentary Group for the Jubilee 2000.

5. See Jonathan Tennenbaum et al., *The Eurasian Land-Bridge: The 'New Silk Road'—Locomotive for Worldwide Economic Development* (Washington, D.C.: EIR News Service, Inc., January 1997). For LaRouche's discussion of the Eurasian Land-Bridge at the recent Bad Schwalbach conference of the Schiller Institute, see *EIR*, May 18, 2001.

6. See **Figure 1**.

7. See, for example, Dennis Speed et al., "Hospital Protests Are Growing: Will the Congress Act?" *EIR*, April 6, 2001; and Edward Spannaus et al., "KKK-Katie Graham Runs 'Negro Removal' in Washington," *EIR*, April 27, 2001.

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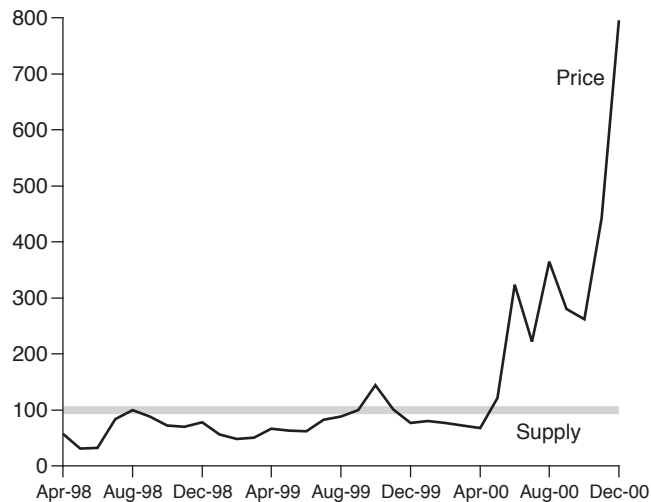
3. See, for example, Lothar Komp, "The Current Financial System Is Finished," *EIR*, May 25, 2001, speech to Bad Schwalbach conference, May 5, 2001; Richard Freeman, "Statistical Fraud Exposed: Unemployment Explosion Signals Bottom Falling Out of U.S. Economy," *EIR*, May 18, 2001; Mary Burdman, "Relentless Economic Crisis Pounds East Asia," *EIR*, May 4, 2001; Dennis Small, "'This Little Piggy Went to Market' . . .," *EIR*, April 6, 2001; and *EIR*'s ongoing coverage of the energy-price crisis in California and elsewhere, Winter and Spring 2001.

4. On Feb. 15-17, 1997, Helga Zepp-LaRouche and Ukrainian Member of Parliament Natalia Vitrenko issued an "Urgent Appeal to President Clinton to Convoke a New Bretton Woods Conference" (published, with a selection of the hundreds of prominent endorsers of the call, in *EIR*, April 18, 1997).

FIGURE 10

## California Electricity Price vs. Supply

(Indexed to August 1998 = 100)



Sources: California Power Exchange, U.S. Dept. of Energy, *EIR*.

of plans rooted in the rotten intention expressed by that administration's devotion to the predatory principle called "shareholder value." However, even after eliminating such follies, it were purely idle speculation, to imagine that some paper plan, even one which were honestly well crafted, could represent, by itself, an actual remedy for the presently perilous economic situation. In real history, the course of principal developments is shaped by the relative appropriateness, or lack of appropriateness, of the *intentions* of the political and other social forces which shape both the choices of policies, and of the quality of actions taken toward their realization.

The best blueprint for economic renewal, would fail awfully, unless the population and its institutions were mustered under the governing impulse of dedication to the principle of the general welfare. A scientifically well-grounded vision of Eurasian development, for example, would not succeed unless that plan were energized in its execution by the appropriate quality of moral motivation. Without bringing into power popularly based political forces committed to the principle of the general welfare, no mere plan could avert the presently already looming threat of a planetary new dark age.

In this connection, I have earned extraordinary authority and responsibility for playing a leadership role within our nation at this time.

I have earned that authority, because I gave accurate warning consistently, over decades, of the dangers of continuing those trends in policy-shaping which have now brought our nation and the world into the present state of danger. I have earned that role by the proven accuracy of my published fore-

casts, from times when there were virtually no warning voices but my own and a relative handful of others.<sup>8</sup>

I have earned it by enduring that vilification and other political and related victimization, which I have shared with many among my immediate associates. I have endured this for a true and just cause. I have earned my present authority, as some would say, "the hard way." I have earned it by fighting for my fellow-citizens, even when most among them would not fight to defend their own vital interests.

During the recent Presidential election-campaign, from which I was excluded by the combined chicanery of corrupted Federal courts and the financier oligarchy which controls our nation's news and entertainment media, I was prevented from presenting myself to the public as the active candidate I was in fact. As a result of that chicanery and goonery, you have now been afflicted with the present Bush Administration, a catastrophe which could not have occurred, had I not been forcefully prevented from representing myself in the leading, relevant campaign-debates.<sup>9</sup> As the facts now show, it is you who are suffering the most from that exclusion of me from the role I would have played in service of your vital interest.

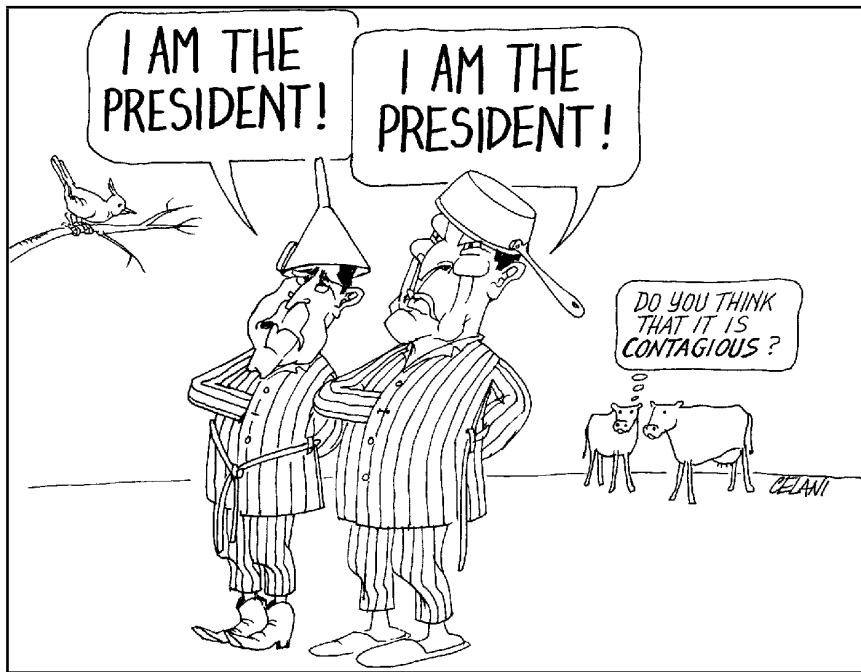
Therefore, let us speak of some necessary, abrasive truths. I was not the only reasonably qualified Presidential candidate pushed out of the campaign.<sup>10</sup> Beginning early March 2000, all except a pair of virtual dummies were effectively excluded from the campaign, in one way or another. This exclusion was organized and maintained by the same ruling financier oligarchy which, with your toleration of this arrangement, has controlled both the nation's major news and entertainment media, and many other things.

If you recall that campaign, and compare that experience

8. See "The LaRouche Record of Economic Forecasts, Fall 1999-Election 2000;" *EIR*, Feb. 9, 2001. The author's "Ninth Forecast" was published in *EIR*, June 24, 1994, under the title "The Coming Disintegration of Financial Markets." It includes a review of his previous eight forecasts.

9. The role of the Democratic National Committee, and its attorney, John C. Keeney, Jr., in nullifying the 1965 Voting Rights Act, is documented in a brief submitted to the U.S. Supreme Court by Lyndon H. LaRouche, Jr. and other plaintiffs, reprinted in *EIR*, Feb. 18, 2000. In his Aug. 16, 1999 oral argument before a three-judge panel in D.C.'s Federal District Court, Keeney stated, "... The Dissent is going to put into question the Constitutionality of the Act [the 1965 Voting Rights Act]. And that's a different question than the statutory interpretation of the act itself." The Dissent to which Keeney referred was authored by U.S. Supreme Court Justice Scalia and endorsed by Chief Justice Rehnquist and Justice Thomas in the 1996 case *Morse v. Republican Party of Virginia*, 116 S. CT.1186 (1996). See also Lyndon H. LaRouche, Jr., "U.S.A. vs. Lyndon LaRouche: 'He's a Bad Guy, But We Can't Say Why,'" *EIR*, March 10, 2000.

10. At minimum, a tolerable to good choice of President, is one who, first of all, has a guiding sense of the principled nature of the true national interest, and is to be trusted in his choice and use of his advisors. Neither Texas Governor George W. Bush, Jr., nor Vice-President Al Gore, had the moral and intellectual qualities needed to even approach that minimum standard. There were available, other actual, or prospective candidates who, beside myself, would meet, or even rise above that minimum requirement for the office.



perpetrated upon the public. This action by the leading financial oligarchy which controls our news and entertainment media, and much of the parties' financing, was disgusting, but should not be considered surprising.

It is probably necessary at this point, that I include here a few paragraphs which summarize, for the average citizen, the ways in which powerful oligarchical interests and their lackeys, inside and out of government, such as the *Washington Post's* Katharine Meyer Graham, have combined their efforts to malign and to attempt to destroy me personally, over the recent three decades.<sup>12</sup> What has been done against me was extraordinary, far more extensive and longer-running than against any other target of such crooked malice; but, precisely because this victimization of me is exceptional in many respects, it nonetheless shows more clearly than any

with what has happened since November 7, 2000, you know that neither of the mass media's two choices of leading candidates, said anything of any relevance on the presently onrushing world financial collapse, or any other of today's great issues of international and national concern.<sup>11</sup>

For those whose memory reaches back even a dozen months, all which those candidates, and that mass media said about what the world would be like during the weeks and months after November 7, 2000, has been proven absurd by developments of the past four months. Worse, everything they, like most of the mass media, and like virtually every prominent economist, proposed to be their policy, has shown itself to be a disaster for our nation's economy and people, and for our relations with foreign nations. The evidence of this view of the present Bush Administration from around the world, is already too massive, too widely known outside the ranks of the soddenly illiterate, to require fresh documentation here.

### The Washington Post Is the Issue

No one should be surprised by the fact that such a fraud as the recent Presidential election-campaign was successfully

other example, the brutally corrupt way in which our nation's ruling financial oligarchy, a real-life Orwellian "Big Brother," manages our nation's political processes as a whole.

For about thirty years, that financier oligarchy, including its associated powerful law firms, has marked me as what it considered an exceptionally capable and therefore intellectually dangerous individual opponent of its special interests. Sometimes, it has used certain elements of the government which it controlled, as, according to an admission contained in official, 1973 FBI documentation, to seek my physical elimination.<sup>13</sup> It has also adopted openly stated policies of attempting to destroy me by massive campaigns of defamation through such institutions as the Wall Street-controlled *New York Times*<sup>14</sup> and the Lazard Frères-controlled *Wash-*

for what he said was the eight years of prosperity during the Clinton-Gore Administration.

12. In an editorial commentary in the *Washington Post* on Sept. 24, 1976, entitled "NCLC: A Domestic Political Menace," Stephen Rosenfeld wrote: "We of the press should be chary of offering them print or air time. There is no reason to be too delicate about it: Every day we decide whose voices to relay. A duplicitous violence-prone group with fascist proclivities should not be presented to the public unless there is reason to present it in those terms. . . ."

13. In an FBI Airtel dated Nov. 23, 1973, the New York bureau proposes to use the Communist Party U.S.A. "for the purpose of eliminating" LaRouche.

14. On Jan. 20, 1974, the *New York Times* featured a major, lying libel against LaRouche personally, which was then widely recirculated by the FBI and other government channels. This was done in the effort to distract attention from the FBI's role in the FBI's stated intent to bring about LaRouche's "elimination" through aid of the FBI's cooperation with the leadership of the Communist Party U.S.A. In the first week of October 1979, when candidate LaRouche was beginning his first run for the Democratic

11. In the first of the televised campaign debates, on Oct. 3, 2000, journalist Jim Lehrer asked both candidates: "There could be a crisis, for instance, in the financial area. The stock market could take a tumble. There could be a failure of a major financial institution. What is your general attitude toward government intervention in such events?" Bush replied that he would "get in touch with the Federal Reserve chairman, Alan Greenspan," talk to members of Congress, and "come up with a game plan to deal with it." Gore said he would talk to former Secretary of the Treasury Robert Rubin and to Greenspan. Otherwise, Bush promoted his tax-cut plan, and Gore claimed credit



*Leading allies of the United States are horrified, as much as disgusted by both the outcome of the first hundred days of the Bush Administration, and the likely developments it portends for the crisis-wracked months immediately ahead.*

*ington Post.* Plainly, since I have no other kind of power than my bare intellectual and moral capabilities, we must conclude that it is those capabilities themselves which the oligarchy has considered a serious potential threat to its interests.

It was through the initiative of the *Washington Post's* Katharine Graham's chief personal hatchet-man, lawyer Edward Bennett Williams, the same Graham who is orchestrating increased death-rates among the people of Washington, D.C. today,<sup>15</sup> that the secret-government operation, under provisions of Executive Order 12333, was launched, through the Justice Department and FBI, by the President's Foreign Intelligence Advisory Board (PFIAB), in January 1983, aimed at either my death, or, as the authors of that PFIAB motion proposed, my political "death" through imprisonment, on pretexts which the authors of those crafted financial charges intended should be concocted through aid of secret-government operations.

Those charges were then crafted with aid of what the record shows to have been the Federal Justice Department's intentional fraud upon the court,<sup>16</sup> false charges popularized

by the leading oligarchy-controlled news media, including a massive campaign, for this purpose, by same thuggish Katharine Graham's *Washington Post* which Williams had represented in initiating the PFIAB 12333 operation.

In the case of the 2000 Presidential election-campaign, that oligarchy was determined to exclude *any* candidate who was even merely competent, from coming even within reach of occupying the Presidency under the then already looming, present conditions of world-wide financial collapse. The mean-spirited contender, Bush, considered better qualified, for the position of national First Dummy, than the self-defeating, if also mean-spirited Al Gore, was declared President by means of a mischievous, unconstitutional intervention intended to prevent the Electoral College and Congress from following through on the provisions of the Constitution, a travesty perpetrated by the current majority of the U.S. Supreme Court.<sup>17</sup>

Therefore, knowing beyond any margin of doubt, what I repeatedly, and accurately warned you the Bush Administration would inevitably show itself to be during its first hundred days, I reacted to the unconstitutional actions of the Supreme

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Presidential nomination, the *Times* launched a three-day defamatory attack, accompanied by an editorial attack which urged Justice Department investigation of LaRouche.

15. KKK-Katie Graham's backing of the efforts to shut down D.C. General Hospital already led to two documented deaths on the weekend of May 5-6, both of gunshot victims. See Paul Gallagher, "Death Toll Hits Already, in D.C. Public Hospital Closing," *EIR*, May 18, 2001.

16. The record also shows that that fraudulent operation was crafted by the Justice Department as, in its estimation, the only way to assure LaRouche's conviction. In April 1987, three companies associated with LaRouche were illegally placed into forced bankruptcy, making it impossible for them to repay loans to supporters. On Oct. 14, 1988, Federal indictments were handed down against LaRouche and several associates, leading to a trial in which

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Judge Albert V. Bryan excluded any evidence pertaining to the bankruptcy. This railroad trial led to the conviction of all accused in December 1988, based on the suppression of the evidence concerning the forced bankruptcy. Then, in October 1989, Judge Martin Bostetter dismissed the bankruptcies, finding that the government had perpetrated a "fraud against the court." In re *Caucus Distributors, Inc. et al.*, 106 B.R. 890, (Bnkrtcy, E.D.Va. 1989).

17. LaRouche addressed the issues of the Electoral College and the election-crisis in a Nov. 4 pre-election statement, "Gore Might Elect George Bush" (*EIR*, Nov. 10, 2000), and in webcast seminars on Nov. 14 ("Now Comes the Aftermath," *EIR*, Nov. 24, 2000), Dec. 12 ("The Fall of Ozymandias," *EIR*, Dec. 22, 2000), and Jan. 3, 2001. Texts of the webcasts are available at [www.larouchepub.com](http://www.larouchepub.com).



Court majority, by preparing to launch my campaign for the 2004 Presidential nomination immediately, even before that inevitably disastrous Bush Presidency was inaugurated.

The first hundred days of that administration have proven that I was correct in my estimation of what the Bush Administration would become, and, also, what it will continue to become, unless you join me in acting to change our nation's direction in policy-shaping now.<sup>18</sup> Increasing numbers among the nations of the world, even those which have been long-standing close, leading allies of the U.S.A., are horrified, as much as disgusted by both the outcome of the first hundred days of the new administration, and the likely developments it portends for the crisis-wracked months immediately ahead.

There are still pressures which can be brought to bear, to prompt this administration to, shall we say, make a considerable improvement in its ways. Therefore, in my sundry writings as a candidate, such as this present one, I set before you the most relevant crucial issues for your immediate action.<sup>19</sup>

Do not speak of winning a future struggle to save our nation, in 2004, after the time that cause were already lost by your negligence. You must support the necessary actions now, in Spring through Autumn 2001, rather than waiting until after the fight has been lost, when it will be far too late to begin.

As I said above, I have been proven, by clear and simple facts, to have been right on all leading issues, and my opposition terribly wrong. That affords me the earned personal authority to assume a leading position in this fight, and the incurred responsibility to work to rebuild our nation's political leadership around the lessons to be learned from recent decades' experience. While my immediate responsibility is to act to aid in rebuilding a temporarily shattered Democratic Party, it is also urgent that we forge a sense of unity of national interest and purpose, and develop collaboration among all relevant political forces of good will. It is urgent that we not only discuss together, but proceed to act together, on urgent issues such as the energy crisis and health-care crisis, as the occasion may demand.

For that purpose, I now ask those of you who should have learned the now-painful lessons of the Year 2000 Presidential campaign, to think; such that, by thinking, you might know yourself better as a citizen of our republic. I ask you to consider those principles of law which every citizen, not only our political leaders, should understand, especially under the present conditions of deepening national and world crisis.

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18. For LaRouche's forecast of the Bush Administration's characteristics, see, e.g., his articles "On the California Energy Crisis: As Seen and Said by the Salton Sea" (*EIR*, Feb. 16, 2001) and "Political Theocracy Defined" (*EIR*, April 27, 2001), and his March 21 webcast speech to a Washington seminar, "The Bush Administration: The First Sixty Days," published in *EIR*, April 6, 2001, and also available at [www.larouche.org](http://www.larouche.org).

19. E.g., "On the California Energy Crisis: As Seen and Said by the Salton Sea," *EIR*, Feb. 16, 2001; and "LaRouche in 2004: A Draft Policy: Launch a Sudden Recovery," *EIR*, May 4, 2001.

The principles, the intentions, which you must defend are the same principles which Katharine Graham's *Washington Post* has devoted its efforts to destroying, as it has attempted once again, in its efforts to accelerate the death-rates in our national capital, through a gigantic real-estate scam, potentially aiming at as much as, ultimately, even trillions of dollars in speculative capital gains in real estate, a massive looting operation which includes the targetting for destruction the city's only full-service general public hospital, D.C. General.<sup>20</sup>

## About This Report

We have come into a time, as in many comparable periods of history, during which the ability of a people to escape the disaster which popular opinion has contributed so much to bringing upon itself, depends upon popular willingness to look into the false beliefs which have guided the majority of the people into their support for the ultimately disastrous policy which has dominated the political and cultural trends of the recent thirty-five years. Until now, only a shrinking minority of our excessively entertained population has been willing to face that fact. The difference today, is that the crisis produced by that past trend, has now become, suddenly, a very painful one, even a desperate one.

Until the brewing crisis reached the threshold of pain, at which increasing portions of the population were willing to doubt their own long-standing habits of belief, there was little immediate prospect for turning the nation around.

But, now, in the recent months of suddenly more acute crises on both the national and world financial markets, trillions of dollars of financial assets of U.S. citizens have been wiped away. World-wide, the fable of the so-called "new economy," has become a sick joke. In the real economy, as distinct from financial-market indexes as such, a full-scale slide into a depression as serious as that of the 1930s, is now fully under way.

We have now reached the point of popular pain, to which the recent inauguration of President Bush has brought the U.S. population, or at least a large and growing part of it, during the course of the several months since January 20th.

What I present to you now, is something which it is indispensable that you know. During the recent thirty-five years, our nation's citizens in general, have tolerated, increasingly, trends in popular opinion which have led their nation to the brink of self-destruction. Unless those citizens uncover the assumptions of belief which have caused them to lend their support to the policies by which our nation is being destroyed today, this nation were not likely to survive.

Thus, we have been brought into a time, in which growing rations of our citizenry will now be willing to question the

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20. See Edward Spannaus, " 'Invisible Empire' of Kate Graham Targets D.C. for 'Negro Removal,' " *EIR*, April 13, 2001; and Edward Spannaus, "The Bleaching of 'Chocolate City,' " *EIR*, April 27, 2001.

myths and fables which they had considered unshakeable until the recent months' shocks. Issues which many of you would have avoided, by saying, "I don't go there," are now coming to occupy your house, if you still have one, whether you chose to invite them in, or not.

Yet, you should come to agree, on reflection, that in the following pages, I have presented to you only those topics which it is essential for you to know, if you are to understand actually both our present crisis and the most essential steps to overcome it. Yet, some parts of this report, will, admittedly, require careful study by many of you. Lest you falter at those points in my account, I emphasize, that in this present case, as in any period of great personal or national crisis, like the present one, it is precisely what you do not know, which is most likely to hurt you the most. Indeed, those are precisely the kinds of issues, which you did not know earlier, which are hurting you, personally, the most, at this present moment.

In compensation for your patience and efforts with the points included in the following pages, I can promise you two things. The knowledge I present here is practically indispensable for our nation, and for you personally, if you aim that your family should survive this present crisis. Second, in the end, I think you will agree, that some of these ideas, old and new, which I have to present to you here, are truly beautiful, truly sublime and truthful ones, which should bring the great joy you will need for your role in the fight ahead of us.

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## 1. What Is 'Natural Law'?

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On the first level, the subject of this report is the principle of the general welfare, and its practical implications for today's exploding world crisis. Yet, as I shall show, to understand that notion of the general welfare in the way the practical problems before us demand, we must go to the deeper roots of that principle, to uncover the principle which underlies both our nation's 1776 Declaration of Independence, and our most basic law, the Preamble of our Federal Constitution. That deeper principle, is the notion of *natural law*.

All that is distinctively good in globally extended, modern European civilization's contributions to human culture at large, is centered in a conception of natural law which is implicitly as ancient as the famous poem of the great reformer Solon of Athens, and in a related conception, called *agapē* in that ancient Greek, which Europe's most beneficial philosopher, Plato, places in the mouth of the Socrates who is the chief protagonist of his dialogues.

This same conception known to Plato, was supplied a far richer meaning by the mission of Jesus Christ and his Apostles. The famous 13th Chapter of the Apostle Paul's first letter to the Corinthians, is the most famous of the locations in which the Christian conception of the Platonic Greek term *agapē*, has been circulated to the world at large. If you know music, this is also famous, and richly admired in its expression



Masaccio's "St. Paul Visiting St. Peter in Prison." The 13th Chapter of Paul's first letter to the Corinthians, is the most famous of the locations in which the Christian conception of the Platonic Greek term *agapē*, has been circulated to the world at large.

as the fourth of the great four hymns, called "The Four Serious Songs," one of the greatest works by one of the greatest musical composers of all time, Johannes Brahms.

"Faith, hope, and charity," are the words we read from the King James authorized version of the *New Testament*. I recall, gratefully, from an earlier time, when heathenism had not yet become all the fashion in our public schools, that literate teachers would read this chapter from *I Corinthians*, which, both then as now, rivalled the *Gospel of John* as my favorite Biblical text.

The notion which is termed the common good, or general welfare, is a product and corollary of that underlying principle of natural law.

Unfortunately, today, the popularized falsification of the original meaning of the term *agapē*, is shown by the way in which the Latin translation of *agapē*, *caritas*, is misused in the form of the English word "charity." I refer to the widespread, contemptibly hypocritical practice of the Bush Administra-

tion, for example, where “charity” is degraded into the pathetic sense of “giving money to charity,” or the wickedly hypocritical notion of “Faith-based initiative” projects.

That corrupt, “Faith-based initiative” policy, has been promoted by a Bush Administration which is steeped in hatred of our republic’s constitutional principle of the general welfare. That administration’s camp-followers have misused the word “charity,” in a way which has been intended to corrupt and, also, cheat the credulous. Nothing is more disgusting than the self-righteous donor of “charity,” who drops a few pennies’ worth of tax reductions into the hands of the man he has just, once again, robbed blind at the gas pump or power station, like the murderer who sends flowers, as a “touch of class,” to the widow of his victim. Such popularized uses of the term “charity,” are characteristic of those religious and other hypocrites, whose conduct, down through the ages, like that of President Bush, is denounced by the Apostle for that very reason, in the indicated chapter.

The true meaning of the term *agapē*, is approximated very well, by that principle of the general welfare which the Preamble of our Federal Constitution sets forth as an integral principle of the highest law of our Federal republic, a principle inextricably linked to the notion of our nation’s perfect sovereignty as a republic under such law. The term “general welfare,” so employed, is, as I have already emphasized, interchangeable in meaning with a related term, “the common good.”

For example, if one does not defend such public interests as effective health care for all persons, and does not act to ensure an adequate and reliable supply of energy to institutions and persons, at what we used to recognize as fair prices, one’s profession of commitment to charity is an obscene hypocrisy.

The fact that the principle of the general welfare is part of our constitutional tradition, does not signify that the principle of the common good is a mere tradition. It is no mere matter of some people’s debatable opinion; it is a principle of natural law, as the term *natural law* implies the kind of law which is neither a mere legal fiction, as the positive law is merely such fiction, as the notion of “common law”<sup>21</sup> is a mere, Romantic’s fiction, nor is it a matter of belief in the efficacy of the mere phrase-mongering recitation of some traditional phrases. When we speak of natural law, rather than any other kind of law, we must use the term to identify a universal principle, which, as I shall explain, is proven to be universal, from physical evidence, with a scientific quality and degree of certainty.

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21. E.g., customary law, as in the Romantic school of Kant, Savigny, et al. Throughout this report, as in other published locations, the use of the term “Romantic,” by me, signifies the cultural legacy of ancient pagan Rome, and, thus, implicitly, the cultural legacy of the Delphi cult of the Pythian Apollo, and of ancient Mesopotamia’s so-called “oligarchical model,” earlier. “Romantic” is to be recognized as the cultural adversary of its opposite, the Classical humanist model.

While the primary emphasis here is on the meaning of *agapē*, as the terms general welfare and common good are the more commonly used synonyms for *agapē*, I situate that latter term, as Paul does, within the setting of what the King James version presents as “faith” and “hope.”

Thus, my reading of the cited chapter of Paul is as follows. By “my reading,” I mean to say, you may hold me personally accountable for what I am about to lay out before you. That means, that what I say is not something borrowed from reading or overhearing somebody’s traditional opinion, as if in some classroom lecture; it is something which I personally know to be true, that in the same sense that the discoverer of some validated universal physical principle knows that discovery to be true, whether some putative authority agrees, or not. It is a truth which you may also discover, and thus verify for yourself, by the same means I have used.

In physical science, “faith” signifies belief, but not belief in one’s own, or someone else’s mere opinion, nor faith in horse-betting, stock-market trend-charts, or the other mere statistics popularly worshipped among virtual idiot-savants. It signifies belief *in the idea of* validated universal physical principles. These are not principles “proven at the blackboard” by the delphic sophistries of so-called “formal logic.” As I shall explain here, these are principles which can be proven by the same methods of physical experiment used to test, and prove the validity of any discovery of a universal physical principle.

Although you may not have thought of this fact before, I shall demonstrate, once again, to you here, as I have in numerous other published locations, that the principles of natural law are knowable with the same precision one might wish to attribute to what are otherwise regarded as experimentally validated discoveries of universal physical principles. Therefore, bearing in mind this promise to demonstrate that connection, think of “faith” as an expression of confidence in the conditional<sup>22</sup> efficacy of those validated universal principles, which the act of discovery has made part of one’s own knowledge.

“Hope” references the expectation of the possibility of a happy, even a sublime outcome for the effects of success in applying validatable universal principles.<sup>23</sup>

As Paul wrote, the third, and greatest of these three concepts, *agapē*, references what thoughtful reflection shows to

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22. By “conditional,” I signify that the discovery of new universal principles not only transforms our knowledge of the universe as a whole, but corrects the errors embedded in our lack of knowledge of additional such principles.

23. As I shall clarify that point later in this report, there are two contrasted, but sometimes overlapping notions of the term happiness which Gottfried Leibniz’s attacks on John Locke imparted to the writing of our 1776 Declaration of Independence. This is a matter of distinction between the “profane” and the “sublime.” “Profane” pertains to such matters as short-term sensual gratification; “sublime” refers to joy in the immortal outcome of one’s having lived, including the outcome of the risk of one’s mortal life for the sovereignty and future of one’s nation or civilization as a whole.

be a still higher quality of principle than either faith or hope. That is the implication of the Classical Greek and Christian understanding of the scientific truthfulness of the Mosaic conception of man and woman, as made equally in the image of the Creator, and as obliged to exercise increasing dominion over the universe. This is not believed simply because those reported words are attributed to Moses; rather, confidence in Moses is strengthened by the experimentally demonstrable scientific certainty, that those words, as I read them here, are true.<sup>24</sup> This conception of human nature is, as I shall show you, if you did not already know it, the entire basis for the conception of natural law.

Thus, the proof of the proposition, that man and woman are equally superior to all other living things, which are, in turn, superior to non-living things, defines the essential, sublime nature of the human individual, and of society. That is a nature which imparts to both the sovereign individual and the society certain intrinsic rights, and also certain intrinsic obligations. This notion of the nature of man, and of mankind's relationship to the physical universe, as expressed by the Declaration of Independence's adoption of Leibniz's concept of "life, liberty, and the pursuit of happiness," as a refutation of the philosophy of John Locke, is not an opinion; it is a validated universal physical principle of science.

The broad conclusion to be drawn as to the matter of law, is that that sublime quality of efficient intention which is called *agapē*,<sup>25</sup> must rule the conduct of both the individual person and society. This conduct and its implied outcome, are the common good, or, the general welfare.

At this point, we must turn our attention to the proof of the special quality of human nature. It is upon the proof of that principle, that all natural law depends absolutely. It is that proof, upon which an efficient understanding of *agapē* depends.

## What Is 'Human Nature'?

The basis for natural law, and also for the existence of the modern form of sovereign nation-state republic, is not to be taken from the mere teaching of any religious denominations as such. Rather, as in the case of the physical-scientific proof in support of the Mosaic conception of man, as from *Genesis* 1, we must let the stones speak for the Creator, as the Gospel of Luke reports the words of Jesus Christ.

This concept, of letting the stones speak, is, as I shall show once again, here, the most important, the most fundamental

principle in all knowledge.<sup>26</sup> "*Letting the stones speak,*" refers to the way in which those non-deductive mental processes which are called "cognition," "reason," or, sometimes, "insight," enable the human individual to do what no lower form of life, such as the great apes, can do: discover an experimentally validatable, as universal, physical principle.

Typical of this definition, is Johannes Kepler's original (1605) discovery of that principle of universal gravitation, which Isaac Newton was unable to plagiarize successfully, even by attempting to copy this discovery from the published edition of Kepler's works available to him and his associates at that time. Or, take the related example of Leibniz's original discovery of the calculus, a discovery which, as the French Bourbon Restoration's Newton devotee Augustin Cauchy, later, implicitly conceded, plagiarist Isaac Newton could never have grasped, or duplicated.<sup>27</sup>

These principles of experimentally validatable discoveries of universal physical principle, also apply to the discovery of physically efficient principles of social relations, as much as they do to discovery of physical principles underlying the universe of our sense-experience. I shall show this connection here later, under the heading of "Economics and the General Welfare."

The included working point to be emphasized at this immediate location in my report, is that the standard of quality of education in English-speaking North America, was of a higher quality during the century in which our Declaration of Independence and Constitution were first adopted, than in the leading universities of the U.S.A. during recent generations.<sup>28</sup>

Typical are the educational programs established in the Massachusetts Bay Colony under the leadership of the Winthrops and the Mathers, or in Pennsylvania under the leadership of James Logan and Benjamin Franklin. It was for this

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26. It is a principle which demonstrates, as Plato had already demonstrated, the inhuman quality of ignorance inhering in the beliefs of the empiricists, Kantians, deductive formalists, and other materialists of all kindred varieties.

27. Especially after the circulation of a ridicule of Newton by three leading Cambridge University figures, Herschel, Babbage, and Peacock, the scandalous worthlessness of Newton's supposed alternative to the Leibniz calculus became so unbearably obvious, even to such rabid French devotees of Newton as the Bourbon Restoration's Laplace and Cauchy, that Cauchy castrated the Leibniz differential calculus, by use of his "Cauchy fraction," in order to provide a form of the calculus which would put Newton's own silliness out of the limelight of the continuing controversy. This change by Cauchy et al., was not a fruit of good will, but a recognition of the fact emphasized by Leibniz follower Babbage (the first designer of the modern digital computer), that Britain had fallen far behind continental Europe, including Russia, and the U.S.A., in scientific competence. For Britain, the abandoning of Newton's silly claims to have discovered a calculus was a matter, not of honor, but of crass strategic necessity. The later founding of the British Association for the Advancement of Science (BAAS), reflected the trend set into motion by the repeated warnings of Babbage, Herschel, et al., decades earlier.

28. This is not the same as claiming that all education in the English-speaking North America of that time meets that standard. It is to emphasize the decisive role contributed by those whose educational development, or equivalent, met that standard.

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24. In science, when we encounter those kinds of striking words which express an opinion which could not be derived by any means but a valid act of discovery of universal physical principle, we know the mind of the author of such an expression in the most intimate way.

25. The use of the term "sublime," throughout this report, is coherent with the treatment of that subject in the work of the great Classical historian-playwright Friedrich Schiller.

reason, that the citizens of President George Washington's time, represented a level of literacy, productivity, and real income more than twice that existing then in the British monarchy's United Kingdom. It was this superior quality of knowledge among our nation's leaders at that time, and even within those large portions of the general population sometimes referred to as "the Latin farmers," which made possible the adoption of constitutional principles of which even the majority of U.S. Supreme Court justices are pathetically ignorant, or which they simply hate, today.

All of the wisest and best leaders of globally extended European culture since ancient Greece, have developed their mental capacities through a method sometimes called *the Classical humanist method of education*, a method reflected in the educational programs of the Winthrops and Mathers of the Massachusetts Bay Colony. The characteristic of this method of both school and self-education, is the principle that one knows no principle by learning it; one knows a principle only by re-experiencing the act of the original discovery of that principle. Thus, a Classical humanist education, which is the only morally decent policy for education, emphasizes the reliving of the original act of discovery of the most important ideas from both the past and present, and assimilating those ideas as a coherent body of knowledge of principles.<sup>29</sup>

"Looking information up on the Internet" is not education, but, chiefly, simply communication as such, or, in the alternative, merely a preferred form of entertainment among certain types of idiot-savants. Contrary to the fraud spread by Norbert Wiener and his dupes, "information" is not knowledge. The acceptable standard for all education, is that provided by a Classical humanist classroom, in which there is close cognitive interaction among the members of a classroom with a limited student population, and much reliance on experimental demonstrations of both paradoxes of principle and the act of rediscovering what had been the original, experimentally validated solutions for those paradoxes.

The point is, that much of the remedy for our present problems as a nation, is to be found in returning to the Classical humanist educational roots of that leadership which led our nation to its independence and Constitution. This means returning to those superior methods of argument by means of which our nation produced its Declaration of Independence, the Preamble of its Constitution, and our republic's rebirth under the leadership provided by John Quincy Adams' and

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29. In the case of the work of Winthrop, for example, the emphasis on certain methods for teaching geometry typifies the point. There are two ways of teaching geometry. One, is the formalist, "ivory tower" method at the blackboard. The other is seeking in experiment those paradoxes which have led the greatest scientific minds, such as Leonardo da Vinci, Kepler, Fermat, Huyghens, Leibniz, Bernoulli, Kästner, Gauss, Monge, Dirichlet, Riemann, et al., in the development of an anti-Euclidean conception of physical geometry. The related distinctions between opposing teaching methods for geometry classrooms, are a useful model for making the principles of Classical humanist education clear to prospective teachers.

Henry C. Carey's protégé, President Abraham Lincoln. This means returning to an emphasis upon experimentally verifiable universal principles, the kinds of methods of discovery which have ceased to be taught in most public school or university classrooms of the U.S.A. inside or outside Texas today. It means returning to the methods on which I rely, in presenting you with this present report.

The sovereign nation-state depends for its existence upon ecumenical principles, which may, or may not coincide in effect with certain religious conceptions, but which are not acquired as knowledge through the kind of teaching practiced in most of today's schools, nor by any other sort of mere tradition. They are a quality of knowledge acquired only through those methods of cognitive thinking whose existence is denied by Immanuel Kant and the other modern Romantics. They represent knowledge contrary to the pagan Roman tradition in modern society, such as the pro-paganist Romanticism of Kant, Hegel, and Savigny; they are principles which may be discovered only through the processes of cognition, discoveries which must also be independently verifiable with the same quality of rigor expressed by an experimentally validatable discovery of a universal physical principle.

The indispensable standard of education which I uphold here, on which the healthy development of the qualities of our citizens depends, is not a religious standard, in the sense of religious denominations, but an ecumenical standard. By ecumenical, I mean the same thing that Pope John Paul II has shown, once again, in his recent visit to Greece and the predominantly Muslim Middle East.<sup>30</sup>

I mean such examples of ecumenicism as the cooperation between the Emperor Charlemagne and Caliph Haroun al Rashid, or among the Emperor Frederick II and Alfonso the Wise of Spain, on the one side, and currents of the Islamic world, on the other. I mean ecumenical in the same sense argued and practiced, respecting Christianity, Judaism, and Islam, by the great professing Orthodox Jew, Moses Mendelssohn.

Therefore, let the stones speak; let Creation itself, a more reliable text than that of any grammarian, certainly more reliable than any among today's customary U.S. Supreme Court majority, testify to the manifest intention of the Creator, as it did to Johannes Kepler, and to Carl Gauss after Kepler. Let

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30. For the Pope's statements during his trip to Greece, Syria, and Malta, see Marianna Wertz, "Pope Brings 'The Common Good' To Judge Globalization and War," *EIR*, May 18, 2001; and Elisabeth Hellenbroich, "Pope John Paul II's Voyage in the Footsteps of Saint Paul," *EIR*, May 25, 2001. Jesus Christ never willed that Christians conduct Crusades. It is not necessary for a Pope or anyone else to fight religious wars to secure God's sovereignty in the universe. God will take care of that, whether anyone chooses to believe it or not. One fights only to defend those sovereign institutions on which the sovereignty of true human nature depends, and only when that fight is necessary in light of the effects of failing to fight that war, and also necessary because it can be justified by its prospective outcome to that effect, as Augustine emphasizes this point.

the relevant evidence speak for itself, as Moses Mendelssohn taught and demonstrated. Let the relevant evidence speak for itself, as the cognitive powers of the individual mind are capable of reenacting, and thus verifying universal physical principles, including principles bearing upon our notions of the nature of the relations among man, God, and nature.

We require the present, and urgent reorganization of the relations among nations, that according to verifiable universal principles which are within the scope of the diverse national cultures of this planet. We require this, just as we require the same ecumenical sense of common, universal principle, as properly governing the diversity of religious and non-religious belief among our people within the U.S. itself. It is only through reason, so defined, that differences in religious affiliation are peacefully and constructively resolved, as a common intention to do good in a spirit of fraternity among peoples.

It is by this approach, and only by this approach, that the essential notions of natural law are known as actual knowledge, rather than merely parrot-like recitations of regurgitated opinion, such as mere "information."

### Vernadsky and Natural Law

The earliest clue, leading to such an ecumenical, "let the stones speak," proof of the referenced passage from *Genesis* 1, is found in the dialogues of Plato, his *Timaeus* most notably. Such predecessors of Kepler as Nicholas of Cusa, Luca Pacioli, Leonardo da Vinci, had emphasized that connection to Plato explicitly.

The discovery, by Plato's Academy of Athens, of the proof, by construction, of the fact that only five types of perfectly regular solids could be generated from the sphere, demonstrated that the physical universe is organized in a way which contradicts the notion that space is simply extended indefinitely in three respectively independent senses of direction. It demonstrated, also, that the form of physical action associated with living processes, was coherent with the characteristic feature of that so-called "Golden Section" defined by the construction of that series of solids, whereas ordinary non-living processes were organized in a different way.<sup>31</sup>

This same conclusion was developed, at the beginning of the Sixteenth Century, by the two already referenced students, Luca Pacioli and Leonardo da Vinci, of the work of that Cardinal Nicholas of Cusa who had founded modern experimental physical science a few decades earlier.

This same so-called *hylozoic* principle was introduced, explicitly, into the core of modern physical science by Johan-

31. Notably, the human senses are an organization generated by a living process. Therefore, the dogma which insists that the "Euclidean" model is the standpoint of the abstract observer, is a fraud. The senses are a natural product of a living process, and what is sensed, is by the very nature of the process of sensing, a "shadow," not the substance, of that which is observed.

nes Kepler, who based his own, related discoveries, explicitly, on the inspiration provided him by the work of Cusa, Pacioli, and Leonardo. The same notion of a principled distinction between the physical-space-time geometries of respectively, living and non-living processes, has been emphasized to a significant degree by Louis Pasteur, and, explicitly, by the founder of the branch of physical science called *biogeochemistry*, V.I. Vernadsky. This is the same principle on which my own original discoveries of the late 1940s and early 1950s, in the science of physical economy, were premised.

Before the founding of modern astrophysics by Kepler, the post-Hellenistic, anti-Classical, Romantic method in astronomy, of Claudius Ptolemy, Copernicus, and Tycho Brahe,<sup>32</sup> was based, mathematically, on an erroneous, ivory-tower conception of mathematical method, which is essentially equivalent to the modern game designed for young children, the game of "connect-the-dots."

Kepler showed, chiefly by reference to more precise study of the same data collected by Brahe and others, that the orbits of the planets do not follow pathways which could be determined by the type of "connect-the-dots" statistical mathematics used by Copernicus and Brahe. This led Kepler to his famous discovery of the notion of "equal areas, equal times." In Kepler's first approximation of a solution for the physical determination of the Solar orbits, it was the area generated by the orbit, not the previous positions of the orbiting body, which predetermined (subsumed), harmonically, the pathway and velocities of the orbit, as the pathway which must be followed by the orbital trajectory.<sup>33</sup>

The original discovery of the principle of universal gravitation, by Kepler, as developed principally in his 1605 *New*

32. The rise of Rome to supersede Hellenistic hegemony in the Mediterranean region, coincides approximately with events of the period of the Roman murder of Archimedes and the fall of King Pyrrhus. This resulting rise of the rule and hegemony of Rome unleashed a combined moral and intellectual decline in the level of culture throughout the region as a whole, such that the level of scientific competence which had been represented by such cases as the Platonic Academy's Eratosthenes and by Archimedes, was not reattained until the developments within the Fifteenth-Century Renaissance. The case of the wittingly fraudulent doctrine of Claudius Ptolemy in astronomy, overturning fraudulently, the previously established solar hypothesis, is typical of the quality of a new dark age of humanity which the rise of Rome unleashed upon the culture of that region as a whole.

33. This, by the way, is the essential difference between the castrated version of the Leibniz calculus, the latter, the textbook version introduced by Cauchy, and the Leibniz original. Historically, and functionally, the Leibniz calculus as a whole is implicitly grounded in the integral calculus, as a solution to the problem of mathematics first posed by Kepler, contrary to common teaching practice, of attempting to fit the integral calculus to the arbitrary, false presumptions of a linearized version of the differential. The chief problems posed by Leibniz's work, were essentially resolved by the successive discoveries, in the principles of a purely physical geometry, by Bernhard Riemann. On Gauss's validation of Kepler, against the empiricists, see Jonathan Tenenbaum and Bruce Director, "How Gauss Determined the Orbit of Ceres," *Fidelio*, Summer 1998.

*Astronomy* and his 1619 *World Harmony*,<sup>34</sup> demonstrated that the true pathways of the planets, and among the planets, could be adduced only through the notion, that the regularity of the orbit was attributable to a higher, platonic quality of harmonically-ordered *intention* embedded in the organization of the Solar System as a whole.<sup>35</sup>

What Kepler described by the term “intention,” on that account, is what modern science recognizes by a different choice of language, as an experimentally validated discovery of a universal physical principle, or what is otherwise called a truly universal physical law. This is the kind of physical law which is axiomatically contrary to the ivory-tower mathematics used for the connect-the-dots dogmas of those Kepler predecessors who typify that Romantic School of Claudius Ptolemy, Galileo, et al. These Romantics were the predecessors whose methods Kepler opposed, and whose presumptions he overthrew by means of both his own experimentally verified discoveries; this matter was, later, settled conclusively by the work of Gauss.

What we know of this coherent set of developments in experimental physical geometry of living and non-living processes, from the *hylozoic* view which informed the work of Plato, through Vernadsky, is best summed up from the standpoint of Bernhard Riemann’s fundamental contributions to mathematical physics, including not only his development of the principles of hypergeometry, but his advanced development of the principles of what is called *Analysis Situs*, in the context of that hypergeometry.<sup>36</sup> It is sufficient for the moment, that that connection be simply identified, as I have just done; the relevance of Riemann’s role for the subject at hand, will be clearer a space ahead.

What we actually know of universal physical principles,

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34. The recent English translation of Kepler’s *New Astronomy* is provided, the spin-doctoring of Foreword-writer Owen Gingerich included, in the William Donahue translation (Cambridge, U.K.: Cambridge University Press, 1992). Obviously, from Newton’s work, he had also studied Kepler’s *Harmonice Mundi*, but, also, without efficient comprehension. My earlier references to these two works, during the 1970s and early 1980s, relied upon the Max Caspar editions.

35. For the benefit of the picky reader, I interpolate the following note. This notion appeared later, in a more developed form, as Leibniz’s original discovery and development of the calculus, and also in Leibniz’s related notions of *Analysis Situs* and what he termed a monadology. This notion was expressed in more modern terms through the work of Gauss, whose solution for the asteroid orbits showed the root of the erroneous “Three-Body” paradox which Newton et al. produced by their attempted plagiarism of Kepler’s *Harmonice Mundi*. It was the attempt to eliminate the harmonic principle of Kepler’s discovery, which resulted in the Newtonians’ paradoxical construct, “Kepler’s Third Law.” Riemann’s further development of Gauss’s notions of hypergeometry laid the basis for solving the paradoxes which such crucial physical evidence posed for mathematics.

36. *Bernhard Riemann’s Gesammelte Mathematische Werke* [Riemann’s Collected Mathematical Works], D.G. Weber, ed. (New York: Dover Publications reprint edition, 1953).

are of the same characteristic features as what Kepler signified by his use of “intention” in these cases. This notion of universal principle, also applies to the study of living and cognitive processes, as well as to what are conventionally regarded as non-living physical processes.

Therefore, let the stones speak, as they spoke to Louis Pasteur and informed the founding of biogeochemistry by V.I. Vernadsky. Let us understand the meaning of universal principle in the terms just referenced. Let us see what relevant things the stones might tell us, from that standpoint in scientific method.

The most convenient modern language for identifying the way in which the crucial evidence is to be adduced, is to employ Vernadsky’s definition of “natural products.”<sup>37</sup> The method to be applied to the study of such “natural products,” is that which is sometimes described by theologians as “spiritual exercises,” which is a very useful, if often misinterpreted synonym for those mental processes of the sovereign individual human mind which we call *cognition*. Those are the principles of cognition, otherwise known as “reason,” whose existence was denied by the Romantic, and British empiricist turned neo-Aristotelean, Kant, for example, and, also, by the empiricists, positivists, and existentialists, down to the present day.<sup>38</sup>

The distinction of reason from merely deductive exercises, is not only a very important one; but, without it, it is impossible to deal with the issues of principles of law in the rigorous way we require. This applies as forcefully to the laws of social processes, as to the domain of experimental physics. Indeed, without the Romantic school of the irrationalists Kant, Hegel, and Savigny, the architect, Carl Schmitt, who designed the Adolf Hitler dictatorship’s 1933 and 1934 acts creating the totalitarian state in Germany, and the present Chávez government of Venezuela, could not have existed.

The working point here is, that the outcome of the application of the method common to the relevant work of Plato, Kepler, Pasteur, Vernadsky, et al., shows us that principles of natural law, such as the notion of the common good, or general welfare, are experimentally validatable discoveries, that meant in the same sense we may properly employ the term universal physical principles. The point, as Vernadsky makes it clear enough, as Pasteur, among others, did before him, is that the notion of “physical” should be attributed to the validatably universal *physical effects* of the action of a princi-

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37. Vladimir I. Vernadsky, “On the Fundamental Material-Energetic Difference between Living and Non-Living Natural Bodies in the Biosphere” (1938), Jonathan Tennenbaum and Rachel Douglas, trans., *21st Century Science & Technology*, Winter 2000-2001.

38. E.g., Immanuel Kant, *Critique of Pure Reason* (Garden City, N.Y.: Doubleday & Company, Inc., 1966, translation of 1781 edition). For example, as Hannah Arendt emphasized, neither Kant nor Arendt herself, believed in the existence of truthful knowledge. Both were, thus, liars by profession.



ple, rather than the particular object of sense-perception as such.

We do not know reality through sense-experience as such. Even those poor dumb beasts we call cattle, or pets, are not so biologically inept as to be empiricists. We experience reality through our senses, but we know reality through our demonstrated ability to change reality, as Plato defines a *principle of change*; we accomplish this by means of our *intention*, as Kepler employs the notion of *intention* as equivalent to what we term experimentally validated universal physical principles.<sup>39</sup>

We understand the laws of the universe only to the degree that we are able to impose our will to alter the course of that universe. The difference is, that the acts of beasts produce physical effects; but, the will of the beasts can not willfully change the characteristic way in which the universe responds; only God and man can cause the production of what Vernadsky designates as the “natural products of the noösphere.” The demonstrated ability to bring about such changes, defines the outer limits of what all intelligent persons will claim to be their personal knowledge, up to any point of their intellectual development.

I must, here, once again, explain these crucial distinctions between merely learning and actually knowing. The work of Vernadsky affords a highly relevant choice of means to illustrate that principle. The issue of whether truth exists in the practice of law by courts, or the practice of legislators, depends upon a precise adherence to that same distinction between truthfulness and merely expressed opinion, which separates merely having learned, as in schools and universities, or from habitually lying gossip-sheets such as *The Washington Post*, from actually knowing.

The classical example of what Vernadsky means by “natural products of life,” for example, is Louis Pasteur’s evidence from his studies attacking the falseness of both the then popular myth of “spontaneous generation” of living processes (i.e., from non-living ones), and his demonstration of that argument for such cases as the chemical products of fermentation caused by action of a living process. Vernadsky carried this notion of a principle of life further, to emphasize the superiority of the organization of the biosphere, produced only under the impact of action by the creative (i.e., cognitive, noëtic) processes of the human mind, elevating the functional quality of the biosphere above what it is possible for the biosphere to achieve without the intervention of the superior principle of cognition.<sup>40</sup>

39. This should be taken to signify the notion that those intentions expressed as universal physical principles by man, are physically efficient causes, in the sense that Kepler identifies intention as the governing motive of the planetary orbit. This means, in the case of the expression of such a quality of intention by man, the cause of the generation of the relevant “natural products” of the noösphere.

40. Op. cit.

To summarize the point, leaving its fuller implications to a later place in this report, we know, as Vernadsky emphasized this, three distinct kinds of universal physical processes. These three categories are, a.) ostensibly non-living processes, b.) anti-entropic living processes in general (the biosphere), and c.) the anti-entropic cognitive processes which are found only in human individuals (the axiomatic basis for the existence of the noösphere).<sup>41</sup> My own discoveries, which define the present state of knowledge in the field of the science of physical economy, address the general nature of cognitive processes at the point at which, in practice, Vernadsky leaves off.

These three categorical qualities of processes, are not the simple-minded variety of facts, which presume to address only the simple evidence of sense-perception of objects. In the domain of actual knowledge, the crucial phenomena are the universally verifiable, and experimentally crucial forms of *implicitly measurable changes of effects, as defined in patterns of development of processes*. These are changes which are provably caused by the action of the respective universal principles (manifest intentions), of either non-living processes, living processes, or cognition.

The physical effects which satisfy the corresponding experimental requirements for proof of principle, are, once again, what are termed by Vernadsky “natural products,” *measurable physical effects* attributable, respectively, either to ostensibly non-living universal principles, the universal principle of life, or to the manifested physical efficiency of the universal principle of cognition, in a way which is beyond the capacity of non-human forms of life as such.<sup>42</sup>

In other words, the fact that the apparently “weak” principle of life, has been able to impose the existence of the biosphere, including the creation of atmosphere and oceans, upon our planet, shows, as measurable natural products of life, the multiple-connectedness of life to non-life. The transformations of the biosphere to a higher state, which it could not reach by its own unaided means, by mankind’s willful interventions, demonstrate the absolute superiority, on principle, of the human species, as a cognitive species, to all other forms of life. These measurable distinctions must be proven to be

41. This, I have emphasized at another point in this report, does not signify that non-living processes are intrinsically entropic in the sense that the followers of Clausius and Kelvin insist. It signifies only that non-living processes are relatively entropic, when compared with relevant living ones.

42. An important technical point, which should be noted at this point: the fact that the three classes of universal physical principles coexist and interact (in what is called a “multiply-connected” manifold) within one and the same universe, signifies that the distinction between living and non-living processes is a relative and conditional one, not an absolute one. Although non-living processes are apparently entropic, relative to the characteristic anti-entropy of living and cognitive processes generally, this does not signify that the non-living aspect of the universe is actually entropic, since, of course, the universe in which the non-living aspect is manifest, is also anti-entropic as a whole, especially when living and cognitive processes are taken into account.

of the quality of universal physical principles, by the same methods and standards through which Kepler discovered a universal physical principle of universal gravitation.

Although the distinctions among those three categories were already reflected in the work of Plato, Kepler, and others, my situating of the contributions of Vernadsky et al., within the context of my own development of the science of physical economy, provides the best, and most convenient of the available demonstrations of the point to be made, bearing upon the proof of an ecumenical definition of the meaning of natural law. As a matter of letting the stones speak, this is the standpoint in physical science, from which to address the matter of defining human nature.

### **My Debt to Riemann and Vernadsky**

My own original discoveries of universal principle, in the context of the Leibniz-founded science of physical economy, were first developed, during the interval 1948-1951, in rebuttal of the hoax of “information theory” which had been perpetrated by MIT’s Professor Norbert Wiener. Those discoveries were made prior to my adapting those discovered principles to the relevant work of Riemann and Vernadsky.

What those 1948-1951 studies led me to recognize in Vernadsky,<sup>43</sup> was a powerful statement coinciding with the conclusions I had reached from the standpoint of the evidence which is internal to the axiomatic issues of a science of physical economy; these were issues concerning the principled distinctions among non-living, living, and cognitive processes. My adoption of Vernadsky, at that time, occurred, as if in a flash of recognition of the world-outlook of a stranger who I knew, from the first instant, was to become, in principle, if not in flesh, a dear old friend.

What I recognized in Riemann, near the close of 1952, was that he had provided the unique and indispensable basis for accounting for the multiple-connectedness of those principled distinctions among non-living, living, and cognitive functions, which were already central to my own discoveries in the field of physical economy.

Riemann’s method is also indispensable for comprehension of a universe, as defined by Vernadsky, in which ostensibly non-living, living, and cognitive processes, are respectively universally distinct from one another, but in which these respectively distinct classes of universal physical principles interact, in the mathematical-like manner of the kind of multiply-connected manifold associated with a Riemannian physical geometry. This approach best defines Vernadsky’s own, experimentally based, if nonetheless inadequate definition of the noosphere.

From this, Riemannian vantage-point, we know that the distinctions to be made are inherently measurable ones — as

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43. As distinct from the reductionist views impairing the work of Nicholas Rashevsky and Oparin, which I had studied during the course of my 1948-1951 work.

we sometimes say, “in the final analysis,” even if they can not be predetermined by methods of ivory-tower mathematics at the classroom blackboard.<sup>44</sup>

That, in brief, defines the core of the basis for the approach to defining human nature, and natural law, which I present here.

To make clear what I am saying at this point, consider a few of the most commonplace obstacles to rational thinking, which are to be found among ostensibly educated members of today’s adult population. Clearing the air in that way is necessary to bring the most crucial, axiomatic notions of natural law into focus. Think of clearing the accumulated garbage from the kitchen, as a necessary precaution before attempting to prepare a safe, tasteful, and truly nourishing meal. Typical, irrationally arbitrary questions of the types which are to be cleared away with the garbage, include the following.

Begin with a few of the biggest, most commonplace such whoppers. “When did the universe begin?” “How far is infinity?” Or, an interesting, corollary question posed to me in the closing moments of the recent Bad Schwalbach conference: “What exists outside our universe?”<sup>45</sup> Or, the more sensitive, more sensible, but extremely important and fundamental question in natural law, “What is the distinction between the soul and the body?”

These questions have the crucial significance of being questions which individuals ask about themselves, questions concerning their implicit functional relationship to the universe in which they enjoy a relatively brief mortal existence. It is in that context, that the answers to such questions bear implicitly upon the definition of natural law.

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44. The same apparent difficulty arises in music. A rather popular, but intrinsically incompetent, Romantic trend in musicology, insists that there is no principled inconsistency of practical importance between an equal-tempered scale and a well-tempered polyphony, or, the more radical, such as the followers of the hoaxster Helmholtz and Ellis, will defend arbitrary rises in the setting of the tone A. Those cited, Romantic corruptions in musicology are usually defended from the standpoint of a modernist doctrine of “instrumental music,” either defining “instrumental music” as free from any of the considerations implicit in the bel canto-trained human singing voice in general, or bel canto polyphony, in particular. Once one insists on that, without an emphasis upon bel canto vocalization as the foundation of music, the present-day Romantic and modernist opinions, such as those of the devotees of Helmholtz and Ellis, are chased off the performing stage, and the argument of the Romantics and modernists falls apart. In well-tempered polyphony, the position of an individual note on the written score does not precisely determine its value; nonetheless, the pitch at which that note should be sung, is precisely predetermined by the relevant context. This determination is derived from the polyphony, rather than the individual note per se, just as the position and velocity of a planet in a Keplerian orbit is determined by the higher principles governing the orbit as a whole. This reflects a general principle which is underscored by Leibniz’s notion of a monadology. Monads are definite existences, but of variable particular values, values varying according to the physical geometry in which they are situated. Therefore, while the definiteness of the monad is measurable, its precise mathematical value remains relative. Such are the values of tones and intervals in well-tempered polyphony.

45. See *Appendix*.

In first approximation, it is useful to approach the answers to defective such questions, as if the questions themselves reflected a semantic disorder in the questioner's use of words. The general recipe for dealing with such problematic cases, is to ask the questioner to consent to a certain kind of redefinition of the question itself. Otherwise, the likely result would be, that the attempt to answer the question exactly as stated, would place the identities of both questioner and responder entirely outside the real universe. The purpose of restating the question, is to situate the question within a context in which a sensible reinterpretation of the question itself can be introduced. Properly restated, a clear, and also sane response to that question may be then found within that reformed context

The rule is: *Before you ask a question, ask yourself, whether or not you know what you are talking about. Before you attempt to answer a question, ask yourself whether the questioner knows what he is talking about.* What is the experience which justifies your use of the word "universe," for example? "What was the color of the suit the Emperor was actually wearing, in the Hans Christian Andersen fable of 'The Emperor's New Suit of Clothes'?" Many seemingly perplexing, stubborn, ostensibly philosophical problems evaporate, once the questioner recognizes that the subject of his question is actually nothing more than a word for something which either does not exist, or, at its best, corresponds to something for whose existence the questioner has no relevant evidence.

Some of these false questions are useful. For example, "What good is a mathematician, if he can not show me how to square the circle?" or, The answer to that question, is: "Nicholas of Cusa was the first known person to demonstrate, as he presented this argument in his *De Docta Ignorantia*, that the circle can not be squared. This discovery by Cusa, was the basis for the later definition of a category of numbers called 'transcendental.'"

Such issues are related to Kepler's proof, that, while the orbit of a planet is known, its exact position and velocity at any moment can not both be simply predicted in an arithmetic way, but only from a higher standpoint in physical geometry. Before insisting upon receiving an answer to a question, make sure that you have situated the question in a meaningful choice of physical geometry.

Questions based upon assumptions which later prove to be absurd, are not necessarily useless questions, in and of themselves. By discovering not only that they are absurd, but, more significantly, in also discovering *why* they are absurd, society progresses to higher states of knowledge about the universe we inhabit. Limit ourselves, for this moment, to the typical student's sort of questions about the "universe" and "infinity." Focus on the answers to those questions, as the answers are defined from the standpoint of the relationship between my own discoveries and the referenced work of Vernadsky and Riemann.

## The Universe in Which We Act

Now, we come to the crux of everything which I have to report here, respecting the principles which must underlie the way in which modern government shapes its medium- to long-term economic policies. By "economic policies," I not only intend to include educational policies; I place the heaviest emphasis upon educational policies as the root of all sound economic policies, that for reasons I shall demonstrate in the concluding portion of this report as a whole.

You wish to use the word "universe" in a question? Tell me, what basis in experience do you command for your use of the word "universe"?

For me, "universe" signifies the complex which combines as one, not some mere collection of sensible objects, but all of those known principles which have been, or might be proven to have universal efficiency. That is what I mean by the word "universe." "Universe" is the concept of a multiply-connected universality of experimentally validatable, universal physical principles. That is the universe as I know it; limiting our discussion to things we actually know. I know of no other universe, and neither do any among you.

Therefore, we know, on the basis of that fact alone, that when sane people write or speak rationally of the "beginning" of the universe, they are not pointing to some date in clock-time. They are referring to nothing more nor less, than that integrated array of implicitly knowable universal principles, known and yet to be known, which underlies everything that does, or might happen in the universe. The mere existence of the universe is the only meaningful definition of its "beginning;" and, nothing exists outside that universe, or prior to it.

Yet, even though we do not yet know all of those universal principles, we know that none exist which are not integral to a multiply-connected manifold, combining both known and yet-to-be-known such principles. We know that what our cognitive mind experiences, is a reflection of that manifold. That, for all sane and non-illiterate adults, is the primary meaning, a very practical, but nonetheless very profound meaning of the term "universe." That is the meaning upon which the sane use of the term "science" is premised for practice.

Thus, in the relatively simplest aspect of this matter, when the Apostle John writes, "In the beginning . . .," that is his referent. God, the Creator of the universe, is a sovereign cognitive principle, and therefore a sovereign personality, which existed "from the beginning." So, following Vernadsky's reading of what he called "natural products," did the universal principle of life. So, by virtue of an implication I shall clarify here, did Jesus Christ.

In other words, nothing exists outside the universe so defined. There are no higher gods, above the Almighty. Do not waste your breath, or my hearing, speculating upon the existence of "Hollywood sex-tra-galactic wonders" or other lunatic concoctions!

There is, however, a deeper aspect to this same matter. People whose moral-cultural development has not yet



*The “Big Bang theory” is a purely fictional concoction, existing only outside our universe, merely a pathologically imagined entity, like the “little green men under the floorboards” alleged to run the universe. Here: A spiral galaxy in the constellation Ursa Major.*

reached the level of true adult maturity, attempt to explain what they call “the universe” in terms of moment-to-moment personal experience of sensible objects and related passions, that in clock-time. Such immatured individuals think of clock-time as lying along a uniform, simple straight line, backwards and forwards, without limit.

That delusory, but popular misconception of the meaning of “time,” therefore insists, by deductive logic, upon the notion, that to say “In the beginning,” implies the existence of time in some clock-time preceding “the beginning” of the universe. One popularized example of that kind of childish delusion, is the so-called “Big Bang theory.”

The “Big Bang theory,” closely examined, proves, on scrutiny of the literature, to be a purely fictional concoction, existing only outside our universe, merely a pathologically imagined entity, like the fictional “little green men under the floorboards” alleged to run the universe, or like the fabled new suit of clothes of Andersen’s fictive Emperor. It is a bad mathematician’s gruesome fairy-tale, concocted on the basis of purely arbitrary assumptions, which were built into empiricist theories of taught thermodynamics by the mid-Nineteenth-Century founders of the radically reductionist school, a hoax associated with such textbook names as those of Claudius, Grassmann, Kelvin, et al.

In the real universe, such simplistic statistical notions of universal clock-time, do not exist. The delusion that they might exist, is a popularized fantasy of reductionist statistical thermodynamics, which has the same, purely fanciful origins

as the fallacious, geocentric astronomy of the hoaxster Claudius Ptolemy.

It is typical of ideas portraying non-existent realities, ideas which have been concocted to create the appearance of explaining away some devastating paradox in the system of reference, within which those ideas are situated. They are of that infamous quality termed “fictions created to save the appearances of the system.” In this case, what is being defended by that concocted mathematical sophistry, is the Descartes-Newton ivory-tower system of mathematics. It is a fallacious fiction which lures the credulous into belief, through the deductive chicaneries of certain axiomatically bad mathematics, a “Kafkaesque” sophistry which was designed, as what is often called “spin,” a made-up “explanation,” in defense of a sophist’s blind faith in a non-existent universe.<sup>46</sup>

Specifically human action upon the universe, is limited to the function performed by the cognitive act of discovery of experimentally validatable universal physical principles. As the accumulated number of these known principles increases, and as society develops better modes of cooperation in use of those discoveries, man’s power in and over the universe increases. This increase accounts for what Vernadsky references as the physically measurable *natural products* specific to the noosphere. This is the same process which, both, forms

46. “Mommy, I admit it would have been wrong of me to drown baby sister in the bathtub, but since you were not supposed to look, you have to testify that you know her death was an accident!”

the basis for my original discoveries in physical economy, of the 1948-1951 interval, and the process which led me to adopt the world-outlooks of both Vernadsky and Riemann.

The mathematical-physics distinction of the human being from lower forms of life, is that the human mind's knowable cognitive processes, the same processes which Kant denied to exist, cause human behavior to produce effects of the type Vernadsky classes as "natural products," within and upon the universe, "natural products" which, as effects, are not generated in any other way, which are not effected by the action of any other kind of species.

The characteristic feature of that specific quality of action, is the willful increase of the equivalent of the potential relative population-density of the human species, in a manner and degree which does not occur in any non-human living species. The characteristic form of human action, by means of which this qualitative difference is expressed, is those qualities of discovery of experimentally universal physical principle which are typified, inclusively, by Kepler's original discovery of universal gravitation, and Leibniz's original discovery of the calculus.

That far, what I have written here does not go beyond the bounds of science as situated within the implied bounds of Vernadsky's definition of a noosphere. Nor, other matters taken into account, does it go beyond Riemann's definitions of a multiply-connected, hypergeometric manifold. What has been supplied, more or less uniquely, by me, consists of, chiefly, three points.

*First, although Vernadsky's work begs for its recapitulation in the form implicit in Riemann's work, that recapitulation was not accomplished, at least that is the impression according to all indications available thus far. My approach to the issues of the noosphere requires that that recapitulation be made. Second, although Riemann's method opens the door for the admission of the higher categories of life and cognition as qualitatively distinct categories within a universal, multiply-connected manifold, he does not make that specific connection. Third, neither Vernadsky nor Riemann actually take into account the equivalence, between the social category of the discovery and application of universal physical principles of Classical artistic composition, and the notion of the discovery and application of universal physical principles in general, a distinction which is a central, unique feature of my own discoveries.*

The specific distinction of my discoveries, as considered from that vantage-point, is the notion of an efficient physical principle of *cognitive space-time*.

### **Cognitive Space-Time**

The distinction of universal physical principles, from sense-impressions as such, is the crucial basis for the definition of human knowledge. This distinction defines the notion of *cognitive space-time*.

It was already the central feature of the entirety of the Classical humanist world-outlook, as typified by Plato's work, that experimentally validated universal principles can not be perceived in the form of simple sense-perceptions. As the famous allegory of "Plato's Cave" illustrates this point, what we perceive as sense-perceptions, are as shadows cast upon the irregular surface of the wall of a dimly firelit cave. Sense-perception does not show us the actual object which causes the shadow. To discover that object, we must prove the latter's necessary existence through the method which Vernadsky associates with his sense of "natural products," a proof which includes the requirement that this knowledge enables us to control efficiently the relevant kinds of those projected shadows called sense-impressions.

These discovered and proven objects of the mind, insofar as they are demonstrated to be efficient means for controlling the physical world around us, are called *Platonic ideas*; experimentally validated discoveries of universal physical principles, are such Platonic ideas.

This conception of reality, as distinct from mere sense-impressions, is in absolute opposition to and distinct from both the teachings of the Greek sophists and also that Romantic world-outlook which continues to pollute globally extended European civilization, still today. Empiricism, Cartesianism, Kantianism, pragmatism, positivism, and existentialism, are varieties of the Romantic world-outlook. All of my quarrels, as against the empiricists and their followers within the domain of mathematics and physical science, as I have referenced those issues here, are a reflection of that axiomatic controversy between the Classical world-view, which I have adopted as my own, and that of adherents of the pagan Roman tradition, my opponents.

My most essential work has focussed upon exposing the nature of such discoveries of Platonic ideas. Those amendments which I have made to Leibniz's original, 1671-1716 development of the branch of physical science called physical economy, are each and all the outcome of my essential discoveries, as first developed over the course of the 1948-1951 interval.

This chasm of difference between the Classical and Romantic methods, is the practical expression of two irreconcilably opposing conceptions of man and nature. It is only within the first conception, that of the Classical humanist world-outlook, the outlook from the prominence of Platonic ideas, that the notion of natural law exists.

It is only from the Platonic, Classical standpoint, as typified by the Gospel of John and Epistles of Paul, that the notion of the common good, or general welfare exists. Outside the Classical viewpoint, man is treated, under law, as the currently customary majority of the U.S. Supreme Court has done, as merely another beast, as expendable morally as mere cattle may be expended by even the capricious whims of the Roman Colosseum, under the principle of "slaveholder

value,” or, similarly, the prescriptions of “shareholder value.”<sup>47</sup>

From the standpoint of physical scientific method, the essential difference between man and beast, is located entirely in the human individual’s sovereign powers of cognition. In other words, the sovereign power of the individual mind to discover a true Platonic idea.

*The crux of the proof of the conclusions I submit here, is situated within identification of the common features of both an original, validatable discovery of a universal physical principle, and the communication of that discovery to another person, that by no other means than inducing a replication of the original act of discovery in the mind of a second person. It is the implications of these aspects of the cognitive process, which define the unique nature of the human individual, and his or her immortality, as distinct from the nature of all lower forms of life.*

Inevitably, I have summarized the relevant argument in numerous public locations, over the course of decades. I summarize it again, as briefly as might be allowable, here.

The crux of the issues so posed, is the following.

By definition, any validated universal physical principle, can not be directly experienced by the senses. Our senses present each of us with the shadows, not the substance of reality. For that reason, the ability to discover a true universal physical principle lies within that perfectly sovereign mental quality of the individual, which is opaque to the sense-perceptions of other persons. The discovery of an idea by one person can be communicated to another, only by inducing the reenactment of the original discovery within the sovereign cognitive processes of the other.

The epitome of such transmission of valid discoveries of universal principle, from an original discoverer, to another person, is recognizable as the axiomatic principle of the Classical humanist mode of education. This mode of intellectual interaction, viewed as a process extended over successive generations, is key to the mastery of the subject of history. The essential history of mankind, as distinct from what might be termed the mere spin-doctor’s explanations of history, is

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47. For example, the doctrine of “textualism” professed by U.S. Supreme Court Justice Antonin Scalia, a nominal Catholic, is otherwise the characteristic of the so-called “literal reading of Scripture” among the most lunatic “know-nothings” from among typical U.S. “Protestant Fundamentalists.” The perverted victim of that delusion imposes what he or she insists is his rightful “literal interpretation” of about as much of any piece of Scripture or simple printed trash on which his stunningly brief attention-span is able to focus at that moment. The idea that he should be obliged to actually think, and be held responsible for a knowledgeable and rational reading of the writing in context, is received with that populist’s red-eyed hatred focussed against the meddlesome offender. This same pathological world-outlook is also typical of devoutly atheistic, and passionately “anti-intellectual,” leftist soap-box orators, whose chief skill as agitators, is their habit of concocting an off-hand literal interpretation of almost anything, on the proverbial spur of the moment.

the social process of transmission of valid discoveries of what are equivalent to Platonic ideas of principle, even across the distance of thousands of years, or more, from one original discoverer, to an individual person living today. A competent notion of time is defined in that frame of reference.

Relative to the standard implicit in the notion of a mathematical physics, the typical way in which a discovery of physical principle may occur is the following. (As I have detailed this in earlier publications.) I emphasize, that this following illustration is only the most readily considered of typical forms in which validatable discoveries of universal physical principles occur. Nonetheless, all other cases are comparable in effect to this one.

In the case, that the application of some specific mathematical physics to two equally valid experimental demonstrations, produces mathematical expressions of the compared results which are mutually contradictory, the two statements have assumed the form of an elementary statement of a proposition in the form of what is called *Analysis Situs*. Either the two results are mutually, directly contradictory, or the contradiction between them lies in the fact that, apparently, two inexplicably different results may be produced by the same mathematical-physics schema. In either case, the contradictory implications of the two statements, have the quality of what is called an *ontological paradox*.

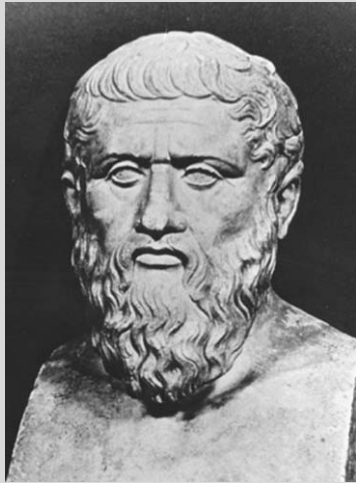
Take the case of the regularity of the Mars orbit, which became the crucial point of difference between Tycho Brahe and his sometime collaborator Johannes Kepler. A more careful correlation, by Kepler, of the observations in question, showed what we call, for convenience sake, today, the elliptic orbit of Mars (in particular), but also the impossibility of predetermining both the exact future position and velocity of the planet in its orbit from the basis provided by a connect-the-dots, statistical mathematics. Hence, a truly Classical ontological paradox.

Furthermore, although Copernicus’ imitation of Nicholas of Cusa, in adopting the solar hypothesis, was not only correct, but a correct reading of the astronomy of the pre-Claudius Ptolemy Classical Greek astronomers, otherwise, the systems of Ptolemy, Copernicus, and Brahe, although differing greatly in particulars, shared the exact same defect in mathematical method.

Since the non-uniform curvature of the orbit precluded simple mathematical predictions, how did the planet know, in advance, where next to go, and also at what speed? Where, said Kepler, lay the planet’s *intention*? Thus, as I have emphasized earlier, the solution, as provided initially by Kepler, lay in the discovery of a universal physical principle, the principle of universal gravitation.

Reduced to essentials of principle, all validatable discoveries of universal physical principle, occur in the same general form. 1.) The use of experimental methods to generate an ontological paradox in an existing equivalent, or analog of a

**Plato**  
(Greece,  
ca. 428-348 B.C.)  
*The founder of modern  
scientific method.*



**Johannes  
Kepler**  
(Germany,  
1571-1630)  
*The founder of both  
astrophysics and  
modern mathematical  
physics.*



mathematical physics; 2.) The generation of a solution, in the form of a newly discovered, or rediscovered technology, or universal principle, from within the sovereign cognitive capabilities of an individual mind; 3.) The replication of the original experiment and act of discovery within the sovereign cognitive powers of another individual; 4.) The sharing of this experience, in a sufficiently broad way, within a society, to permit the discovered principle to become a subject of the cooperative practice needed to bring the use of the principle to fruition.

That, in the simplest possible way, is what should be understood as the act of discovery and social integration of a validatable universal physical principle. This method is the foundation for the Classical humanist mode in education, including one's own self-education.

In the process of developing mankind's increasing mastery of the universe, there is a certain ordering in the determination of which discovery must tend to occur, first, and, as

second, which is likely to occur only in the changed environment brought into existence by the prior discovery.

Since the increase of mankind's potential relative population-density, as measured per capita, per square kilometer, and in terms of demographic characteristics of populations, is the result of man's increasing mastery of the universe through the application of valid discoveries of principle, the following must be said of the notion of time.

The fact that a person deceased thousands of years earlier, may contribute to the development of the practice of present generations, and the similar impact of valid discoveries by present generations upon generations yet to come, defines human relations in a different way than the utopian, ivory-tower teaching of "Euclidean" space-time at the blackboard might suggest. In this process of increase of the potential relative population-density of our species, there is an ordering principle, in the sense of a sequence of discoveries of principle, but the action associated with the combined generation

**Louis  
Pasteur**  
(France,  
1822-1895)  
*His work led to the  
discovery of the  
principle of life, and  
the later work of V.I.  
Vernadsky.*



**Vladimir I.  
Vernadsky**  
(Ukraine and Russia,  
1863-1945)  
*A world leader in the  
development of nuclear  
science and the  
founder of the science  
of biogeochemistry.*



**Gottfried Leibniz**

(Germany, 1646-1716)

*The original discoverer of the calculus, and the forerunner of Kästner, Monge, Carnot, Gauss, Dirichlet, and Riemann.*



**Bernhard Riemann**

(Germany, 1826-1866)

*He made the revolution in physical geometry upon which subsequent net progress in modern physical science has depended.*



and transmission of those discoveries defies the simplistic notions of clock-time.

In a Classical human mode of education, the object of the process is to bring the mind of the student into an immediate proximity to the act of original discovery even thousands of years earlier. Relative to that mode of education, every contrary policy governing learning is relatively bestial, and cripples both the technical and moral qualities of performance, and sense of personal identity of the student.

The outcome of a conscious apprehension of these implications of a Classical humanist mode in educational policies of practice, is a comprehension of the relationship of mortal body to immortal soul. The soul is located in its cognitive existence, as rising above notions such as those of mortality's clock-time, to a mind existing within a relative simultaneity of eternity.

Take, for example, an adequate performance of J.S. Bach's *St. Matthew Passion*. In such a performance, the con-

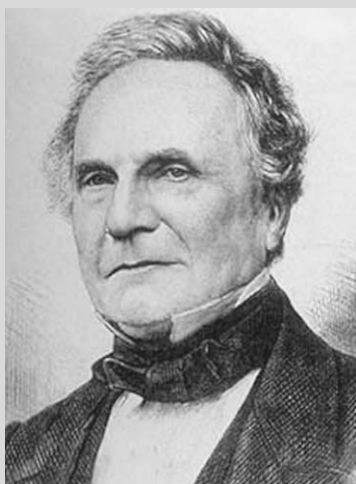
gregation, in particular, participates in the living cognitive experience of Christ's Passion, as if one were there. In a similar way, all great Classical tragedy and related forms of drama, have the same quality of purpose, and meaning. The importance of fidelity to historical specificity, as in the case of the *New Testament*, or, allowing for the defects which Plato rightly recognized in the great Classical tragedies of early periods of Greece, is a matter of the necessity for truthfulness in all Classical art. The function, as in Classical human education in general, is to bring the mind of the audience into proximity to the reality of a cognitively significant occurrence in a specific time and place of earlier history.

The highest form of such Classical drama, is, indeed, the Passion of Christ adduced from *New Testament* sources. Here, as in Plato's figure of Socrates, dramatic accounts rise above the level of tragedy, to what historian-dramatist Friedrich Schiller identifies as the principle of the sublime, as his *Joan of Arc* (and the real-life Joan) typifies this principle,

**Charles Babbage**

(England, 1792-1871)

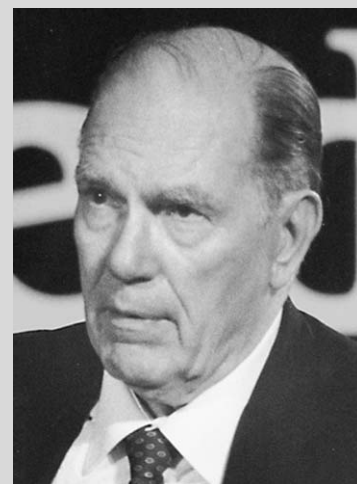
*The Leibniz follower who discovered the modern mathematical design for the digital computer, and who, with his collaborators, brought about the dumping of the useless Newton version of the calculus.*



**Lyndon H. LaRouche, Jr.**

(United States, 1922-)

*A follower of Leibniz, who has emerged as the leading physical economist of the world today.*







The highest form of Classical drama is the Passion of Christ, as portrayed here in etchings by Albert Dürer, “Ecce Homo” (left) and “Bearing of the Cross” (right).

and as Mozart’s opera *La Clemenza di Tito*, similarly, not merely typifies this, but makes the small-minded heathen uncomfortable with its performance. So, in education, in science, we must build our cognitive powers into a condition in which we embody in ourselves, a re-creation of many among the greatest cognitive experiences of all known humanity before our time. Such may be truly called the proper, Classical education of the soul.

So educated, we act in the present to make the past more fruitful, and the future possible. As should be suggested by a viewing of Raphael Sanzio’s *The School of Athens*, in the Classical educated mind, the student has achieved a higher moral level of existence and action than among those educated by different, and therefore inferior methods. Important minds, whose mortal existence represents millennia of the history of ideas, live within our consciousness, where we may speak with them, they among one another, and they to us. This

collation of the minds of the past, we know as the quality of conscience. We must do nothing shameful, by commission, or omission, in their minds’ eyes.

It is this transmission of ideas which transforms the discovery of principle by the individual, into a factor in the relationship of the society, as expressed in demographic, per-capita, and per-square-kilometer terms, to the universe as a whole.

That much said in the intervening exposition, now return attention to the relativistic concept of cognitive space-time. The kernel of the issue is the following.

The only meaningfully human form of action upon the universe, is those specific qualities of action by means of which mankind transforms its functional relationship to that universe.

The essential such action, is the validated discovery and practice of a universal physical principle. These changes are

not simply additions to a pre-existing repertoire. The universe is multiply-connected in the Riemannian sense. This has the essential implication, that the addition of a new principle to the manifold results in a change in the characteristic “curvature” of the manifold as a whole. This means, that the value, the impact of each such discovery, changes the value of each previously established type of action within the thus-unfolding manifold.

So, for example, a successful such change within the technology of a society, will tend to increase the effective productivity of even those forms of action which are not themselves changed otherwise. So, a genuine improvement in the basic economic infrastructure of a society, increases the productivity of otherwise unaltered modes of productive action within the society as a whole. By definition, no mathematical model of the Descartes-Newton type could represent such connections and effects.

In that same general sense, it is the human activity which expresses the change resulting from applied discoveries of principle, which is the form of human action which expresses explicitly the difference between the human species, and all others. It is the form of human action, which defines the characteristic quality of the functional relationship between the human species and the universe.

Thus, those transmissions of ideas, by means of which the fruits of cognition increase man’s potential mastery of the universe, are the form of action which defines man’s efficient relationship to the universe. Thus, the notion of relevant connections between the discovery contributed by a figure from thousands of years earlier, become functionally immediate relations within a simultaneity of eternity, in which only functionally defined order, not mere lapse of time, defines the meaning of time.

This notion of the functionally relativistic conception of time, should be assessed, as but a step beyond the implications of the successive work of Kepler, Fermat, Huyghens, Leibniz, Bernouilli, et al., in defining the pathway of least action in terms of Fermat’s notion of a pathway of quickest action, rather than shortest distance, and Leibniz’s development, out of his original creation of the calculus, of intermeshed principles of universal least action and monadology.

In general, this means, that we must discard all ivory-tower notions of physical space-time, all classroom varieties of so-called Euclidean or quasi-Euclidean notions of space, time, and action. We must insert no definition, axiom, or postulate into our thinking, which does not have a provable, experimentally validated existence as a universal physical principle.

The distinction between the customary classroom mythology respecting the meaning of the term “physical principle,” and the true meaning we emphasize here, is indicated in an adequate way, by reflection upon Vernadsky’s definition of implicitly measurable natural products of respectively non-living, living, and cognitive modes of action, as I have done

through my own elementary discoveries in the science of physical economy.

Thus, on a directly related account, the inherent fault in a purely technical education, is that it presumes that the relationship of man to nature, is essentially individual, rather than social. This was a difficulty left unresolved in Vernadsky’s view of the noosphere, for example.

The individual functions with respect to nature, essentially through society. Thus, the functions which approximate the effect of Classical humanist modes of education, and a corresponding Classical view of the cognitive history of a society, or mankind in general, are the medium upon which the individual contribution to mankind’s mastery of the universe depends. On this account, the mastery of Classical principles of artistic composition, and that application of that artistic view to history and politics, is indispensable for human progress.

### **The Miracle of Sovereignty**

The relationship among cognition, individual personal sovereignty, and efficiently principled intention, is expressed by what Vernadsky termed the production of the natural products of the noosphere. It is the universe’s submission to the intention represented by such discoveries, as Vernadsky writes of the natural products of the noosphere, which speaks, like stones, to man’s natural relationship to both the universe and its Creator. It is that relationship which expresses the intention of that process which the Christians call *redemption*. The human individual is created to be good, but must be developed, from conception, into that adult form in which that good becomes an efficiently expressed intention, as through aid of appropriate forms of family life and education, preferably, Classical humanist modes of education, to bring that seed of goodness to harvest; that harvest, is both the *redemption* of the talent of the individual, and of mankind.

Terms such as “knave” and “churl,” arise in language to denote that depraved condition into which ruling oligarchies and their lackeys, who have been, usually, themselves depraved by profession, hold those subjects which they treat as virtual cattle. The idea, that man of so-called “common birth” and “common estate,” is naturally foolish and evil, is a condition of the victim desired and fostered by the oligarchy and its lackeys. The idea that man is naturally wicked, debased, is a reflection, not of man’s nature, but of the practice and intention of the oligarchical classes and their lackeys, down through the ages.

How could it be, that the noblest creature in all creation, the human individual, could be seen as axiomatically, innately debased, evil? This could appear to be the case, only if that individual were debased, as into a parody of a beast, especially into the likeness of a beast of imbued feral predilections, as the evil which was pagan Rome and its public opinion (*vox populi*) reduced the population to hyena-like predators in the spectators’ seats, and the victims in the



William Hogarth, "A Midnight Modern Conversation," 1732. "The idea that man is naturally wicked, debased," writes LaRouche, "is a reflection, not of man's nature, but of the practice and intention of the oligarchical classes and their lackeys, down through the ages."

arena, into beasts to be slaughtered.

For example, this view, of man as inherently wicked, as that view expresses the practice of oligarchies, is sometimes reflected into perverse parodies of Christian teaching and belief. That view expresses the intention of the oligarchs, that their virtual chattels shall believe themselves to be the mean creatures such doctrines describe them to be, and so be content to submit to that status. Thus do oligarchies create, as substitutes for history, curious fables and mythologies, which, as popularized opinion, serve as ideological shackles more effective than steel ones, on the mind of the intended victim.

The teaching, that man is inherently base, has the collateral effect, of course, of licensing all sorts of depravities as unavoidable expressions of the supposedly natural human moral condition, in the ranks of the oligarchies and their lackeys, alike. More and more, today, the mass media and entertainment spectacles celebrate that depravity as the natural wont of the human creature, slave, lackey, and oligarch alike.

The ancient cultures of Mesopotamia were essentially evil on this account. So was the Delphi cult of the Pythian Apollo, or its show-case society, Sparta. Such was the depravity of the culture and continuing modern legacy of pagan Rome. Such was feudalism. Such were the actions taken to delay the emergence of the modern sovereign form of nation-state. Such was the Confederacy, and were all those evil creatures who condoned the slaveholder system then, or its memory today. Such were those celebrated revivalist tent-meetings of

the Fundamentalists, within whose environs more souls were conceived than saved.

This debasement could occur, only by suppressing the development within the individual, and among the members of society, of that quality which defines men and women equally as made in the image of the ultimate good, the Creator.

The redemption of mankind from what might otherwise become a debased condition, requires the satisfaction of three general kinds of preconditions. The development of the individual, as the goals of Classical humanist education typify this, and as a Classical artistic culture, as opposed to a Romanticist one, fosters the expression of the natural nobility of the individual member of society. Second, the basing of the ruling practice of the society upon that intention which corresponds to man's nature as a cognitive being. Third, is the submission of the institutions of society to what is called natural law, to the intention to foster in each and all persons those conditions of life, practice, and development which are consistent with man's nature as a creative, which is to say cognitive being, and thus a creature made, and made to be in the image of the Creator.

Two ideas are of the utmost importance in this connection. By that, I mean to emphasize, that just as the universe is run by those intentions we call universal physical principles, so society, and the individual within it, must be governed by intentions consistent with the nature of matured, specifically human intentions. It is the latter, which shape the practice of

the individual and society, as universal physical principles predestine the fate of planets. One of the two necessary human intentions, is the notion of the difference between the mortality and the immortality embodied within one and the same living human individual. The other, is the hard proof of the nature of the Creator Himself.

The generation and transmission of valid cognitive ideas of principle, across many generations, typifies the essential access to immortality of the individual person, a quality lodged within the mortal individual, but whose efficient reach is extended into the remote past and distant future. That idea of one's individual self, the self which must emerge from that flirtation with insanity called adolescence, will and must determine the role of the individual in society, in history. This is in the nature of functionally indispensable ideas, indispensable, ruling intentions.

What of the Creator? From ourselves, we may and should learn, that the power of creativity, as we associate that with those discoveries of principle upon which scientific progress depends, occurs only as a quality of the sovereign cognitive powers of the individual personality. When we speak of God as the Creator, or, as Plato does in his *Timaeus*, the Composer, either we are chattering nonsense, or, if not, we are imputing to God that characteristic of creative action which we reference as comparable to our experience of creativity within our own sovereign cognitive powers and personality. Unless we mean Creator in the sense of that personal cognitive experience to which we have immediate reference, our use of the term "Creator" would not be true testimony, but only superstitious babbling.

Do we then, mean God in the image of man? Or, do we not mean nothing more, nor less, than what we actually know, man made in the image of God?

There is one final point to be added on this second idea. From the principle of cognitive creativity, as we know it, and can validate its claims to efficiency, God is a sovereign personality, as Plato indicates in his *Timaeus*. We can actually know nothing to the contrary in this matter.

These two ideas, situated in the context of the other matters addressed before this point in our present report, express the notion of *agapē*, the notion of natural law. Our intentions, our actions, individual and societal, must be in accord with those two ideas.

Now, look at the way in which this functions in the national economy of a sovereign nation-state.

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## 2. Economics and the General Welfare

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The origin of a systemic discipline usefully named "economics," is located within the related work of Gottfried Leibniz over the span 1671-1716.

Admittedly, the roots of what emerged as Leibniz's founding of economics as a branch of science, are to be found in a preliminary form in developments during the Fifteenth-Century Renaissance, and, in what were often identified as cameralist and related practice, into and slightly beyond the Eighteenth Century. These developments, many of which were most valuable, accompanied the emergence of and continued struggles for the modern sovereign nation-state, but they lacked those systematic qualities of notions of principle, which are the required qualities of anything usefully termed "science." Those notions of principle, of economics as science, were introduced by Leibniz.

By physical economy, we mean mankind's relationship to nature, to the universe as a whole. We define that relationship in terms of either humanity as a whole, or, on no lesser scale than certain most relevant, functional interrelations among nation-state economies. No "Robinson Crusoe" or kindred "microeconomic model" is taken seriously, except, perhaps, by the would-be economist's psychopathologist.

The primary measures of what Vernadsky would term the "natural products" of economic processes are, in first approximation, principally three. These first-approximation, physical measurements of performance of national economies are to be made: 1.) Per capita of population, and of its labor-force component; 2.) per square kilometer of the functionally defined surface-area of the nation or nations considered; 3.) as relative improvements in the demographic characteristics of growing populations. In all cases, we measure the changes in physically-defined input-output relations. "Physical" signifies, as that has been qualified earlier in this report, the combined natural products of non-living, living, and cognitive processes.

Any definitions of performance of economies, which do not emphasize each and all of those three sets of acts, are to be expelled as intrinsically incompetent, or even willfully fraudulent, from the outset. Exactly how the application of these sets of facts should be approached, I shall clarify a bit later here.

Next, we must define the way in which that data is to be assessed.

In this next step, we must approach the assessment of relative performance of the economy in a manner similar to Kepler's approach to defining the lawful composition of the Solar System. We must compare the apparent performance of the economy, in the indicated, raw, or semi-raw terms stated immediately above, with the attributable *intention* expressed by the currently ongoing development of that economic process.

Before the close of this report, I shall provide a summary of an actual policy which I have proposed, to illustrate the practical expression of the relationship between such a notion of the implied *intention* expressed by the existing economic situation, and what may be best termed its expressed change in potential for expressing a still higher quality of *intention*. I

mean potential in what is best described as a “Riemannian” sense.

All of these and other tasks of assessment, must proceed from a single principle, the principle, and, therefore, the purpose of human nature as I have emphasized that, throughout, thus far.

## A Crucial Error Among Economists

Scan the relatively saner textbooks and other written materials on the subject of the principles of measurement of performance of national economies, individual enterprises, and so on. Look at these materials with a reflection on what Kepler recognized as the crucial error of method of both Copernicus and Brahe. I ask you to think about the question: What is the most common fallacy of assumption, which leads what seems to be these relatively better, or merely less bad writings on economic measurements, into a foolish reliance on mere statistics similar to that of Copernicus and Brahe?

Let us call this error, as it appears in the economics literature, “The Cartesian Fallacy.” Call it the Cartesian fallacy of all contemporary professional and related accounting practice, and of most among even the relatively more rational economists, too.

The point to be clarified on this account, is that, *in real economic processes, contrary to what is depicted under the influence of that Cartesian Fallacy, the definition of relevant action is essentially cognitive, not algebraic.* That is to say, the objective, and proof of effective economic growth, is the transformation of the present manifold of economic practice of whole economies, from a relatively lower to relatively higher composition of axiomatic principles, axiomatic *intentions*, in Kepler’s sense of the term *intention*.

Up to a certain point, this goal may be reflected in the terms of approximation provided by an algebraic model of measurable economic growth in raw performance, per capita, per square kilometer, and so forth; but, beyond that, such models break down. No longer do the formerly used, standard bills of materials and process sheets serve as reliable tools for estimating relative growth. Qualitatively new definitions of specific requirements must be adopted, reflecting deep-going effects of radical technological changes, such as the vanishing of the formerly commonplace buggy-whip.

The causes for that breakdown in previously established bills of materials and process sheets, have been thus far represented in two alternative ways. One way is provided by the development of the so-called “long wave” studies premised on the argument of the celebrated Russian economist Kondratieff, an argument which continues to be elaborated in Russia’s Academy of Science, as by Academician Dmitri Lvov and his associates, including Dr. Sergei Glazyev. The alternative approach is my own. There are marked similarities between the two approaches; there is, as I shall show, also a very significant difference.

Compare the effects of the two choices of approach, from



*Statue of Peter the Great in St. Petersburg. The character of Russia as a Eurasian nation, did not begin with Peter, “but his revolution in political economy set into motion what might be called Russia’s high ‘long wave’ of technological and related development, up to the present time and situation.”*

the standpoint of seeking to eliminate what I have just identified as the Cartesian Fallacy spoiling the more serious varieties of today’s and recent economics practice. Pursue that comparison both in what may be termed historical-analytical, and in what may be described as Riemannian terms.

The Russian experience which tends toward the outlook of Kondratieff’s long waves of technology, can be most efficiently traced to the related institutional impact upon Czar Peter the Great of the combined influences of Gottfried Leibniz, and of that same Freiberg Academy which, later, did much to shape the future scientific career of Germany’s celebrated Alexander von Humboldt. From the point of Peter’s second visit to Freiberg, this time as Czar, the development of science and economic thought in Russia travels a sometimes rocky road, but a road whose overall direction and controlling sense of mission have an ultimately clear and definite intention. In the history of Nineteenth- and Twentieth-Century Russia, the names of the great Mendeleyev and his onetime student Vernadsky, are outstanding on this account.

It is in this historical context, that the significance and impact of Kondratieff’s concept is to be apprehended. The relevance of emphasis on this point is made clearer, by viewing the trajectory marked by Russia’s scientific and economic



*Benjamin Franklin. Russia's economic and scientific development reflected its special relationship to the legacy of Leibniz and Freiberg, and, therefore, to the circles of Franklin and the American intellectual tradition.*

development as a specifically Eurasian nation. That character of Russia as a Eurasian nation, did not begin with Peter the Great, but his revolution in political economy set into motion what might be called Russia's high "long wave" of technological and related development, up to the present time and situation.<sup>48</sup> The role of Mendeleev in the economic development of Russia, especially since his attendance at the 1876 U.S. Centennial celebration in Philadelphia, is exemplary of that continuing trajectory.

It is historically and strategically significant today, to emphasize, that this observable characteristic of the "long wave"

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48. There are, in fact, principally two, mutually contrary notions of Russia as a "Eurasian nation." Both are viewed in today's western Europe and the U.S.A., as expressing a land-based geopolitical impulse, but the two are actually directly opposite impulses in their cultural characteristics and implicit objectives. One is that defined by Russia as an assimilationist, "melting-pot" frontier of European civilization; the opposite, the darker, anti-European impulse supplied by the specific cultural effects of the prolonged Mongol occupation. It is the former, as emphasized by the pivotal role of Peter the Great in defining the historic impulse of Russia since his time, which is intended here.

of economic and scientific development of Russia, over somewhat more than three centuries to date, can be summarized as reflected in Russia's long-standing special relationship to the legacy of Leibniz and Freiberg, and, therefore, to the circles of Benjamin Franklin and the American intellectual tradition.

This set of connections is to be recognized, as mediated, most significantly, not only as a reflection of the League of Armed Neutrality from the period of the U.S. War of Independence, and Czar Alexander II's de facto military alliance with President Lincoln's U.S.A., against the U.S.A.'s British enemy of 1861-1865. It is to be recognized in terms of the powerful, Eighteenth-Century impact of Leibniz in shaping the American intellectual tradition, as Leibniz's influence is reflected directly in the 1776 U.S. Declaration of Independence, and through German circles such as those of Franklin's sometime host Kästner and de Vattel, in defining the Hamiltonian definition, as what U.S. Treasury Secretary Hamilton defined as the American System of political-economy.

The impact of the American System, as expressed by the direct influence of the world's leading economist of that time, Henry C. Carey, and of the German-American exponent of the American System, Friedrich List, were explicitly powerful, leading influences in the new, continental-railroad-building phase of development introduced into Russia's economy over the interval 1876-1905. It was against this centuries-long background, that the Russian tendencies toward development of a notion and practice of physical economy, must be recognized and understood. Kondratieff reflects the effects of that long wave of intellectual development in Russia; my own role in respect to foreseeing Russia's available future, especially since my televised Berlin address of October 12, 1988, reflects inclusively the coincidences between the history of that nation and my own native American intellectual tradition.<sup>49</sup>

In this context, the central importance of the work and legacies of Mendeleev and Vernadsky for economic science, especially the science of physical economy, comes into focus. The impact of this legacy in Eurasian Russia today, has world-importance as a crucial contribution to the theory and practice of economic science in today's world as a whole.

The Kondratieff view of modern Russia's internal economic history, emphasizes a pivotal common feature of qualitative successions in technological progress, and in use of what are termed raw materials. Of my principal scientific objection to that view, it can be fairly said, that that view of long waves is, that it is much too fatalistic for my markedly "voluntarist" tastes. My view places the emphasis on what are called "science-driver crash programs" of general, willful economic development. Yes, there are observable "long waves" of technology in modern economy; the difference between my view, and that implicitly expressed by Kondratieff's statements during the mid-1920s, is posed by the ques-

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49. See LaRouche, Bad Schwalbach address, op. cit., footnote 5.

tion, whether these are long waves to be followed, as if by a surf-boarder, or waves to be created to occur, by *intention*?

I read the most useful implications of Kondratieff waves, not as prophesies of what will become the case, but, rather, a warning of the possibly terrible things which will surely happen, if we fail, as the Soviet economy failed during the course of the 1960s through 1980s, to generate the “next waves” in a timely fashion.

However, it would be an elementary blunder to leap to the conclusion, that the differences on this account reflect differences between the U.S.A. and Russian historical experience; in fact there are examples of both approaches, the surf-boarders’ and the “science-driver” practice, in Russia’s modern history generally, including the experience of the Soviet Union. We have also, since the 1960s, the miserable, cumulative effects, of a shift from the science-driver policy of the Kennedy space program, to the lunacy of the U.S. Carter Administration, and ruinous effects of the military “double-dippers” “off the military vendors’ shelves” policies of the allies of the late Lt.-Gen. (ret.) Daniel Graham.

Examination of this difference in emphasis helps to put the leading issues of economic thought today into their most relevant focus. This examination is, for several reasons, the strategically most important question facing the planet today.

### **Where Did All Those Buggy-Whips Go?**

As I have emphasized in early portions of this report, the forecasting of developments in real-life economy, confronts the would-be forecaster with a more challenging expression of the same problem addressed by Kepler in treating the problem of forecasting a specific combination of position and velocity for some impending interval of the planet’s travel along its orbit. Kepler’s “equal areas, equal angles” formulation, merely points in the direction to be followed in seeking what will be no worse than a first approximation of a conceptual solution for the forecasting problem.

Let us simplify the statement of this problem somewhat, as a matter of first approximation.

Let us restate this simplified version of the problem in the truly simplistic language of equalities and inequalities. For this, return now to the three classes of data: per-capita, per-square-kilometer, and demographic characteristics of populations. Assume that the population grows, while the demographic characteristics of the population and its households are improved. Assume that the per-capita physical consumption and output of the economy as a whole, increases, but that the ratio of output to input is either constant, or rises. Assume that these improvements in performance occur with a reduced per-capita, per-square-kilometer requirement. What, then, are the conditions, under which this set of inequalities might be satisfied? Those estimated conditions identified, what are the processes of change in composition of the physical products and activities used to determine per-capita and per-square-kilometer input-output relations?

What happens, when the buggy-whips are gone?

Assuming those challenges are met, we are then faced with a more profound challenge. Once we had satisfied the set of questions just implied, we would have accomplished no more than to describe some possibilities. What transforms mere possibilities into actualities? This, in turn, obliges us to face a still deeper question. What drives such an array of possibilities and actualities into the equivalent of a regular orbital pathway? All of the problems faced by Kepler are replicated, but on a higher level.

Earlier in this report, and in previously published locations, I have already identified the essential principle of action which underlies the process we are now considering. The action which underlies the desired transformations, is cognitive action of the class typified by the discovery of new, experimentally validated universal physical principles. I emphasize “typified,” because, as I have already emphasized, earlier in this report, we must include the discovery of validatable universal principles of Classical artistic composition, the principles of communication of cognitive insights, as co-determinants, with what are more readily recognized as physical principles, of the transformations in the manifold which subsumes progress in a society’s potential relative population-density.

For that context, the most crucial consideration, is the role of the relevant principle of action of the system as a whole. That principle of action, is the discovery, communication, and application of the validated discoveries of universal physical principle. In other words, it is a process representable, conceptually, as a Riemannian succession of manifolds, which underlies the principle of change being considered.

This succession has a structure, in itself. This structure has two principal types of components, *universal principles* and *technologies*. I explain.

In the process of constructing what proves to be a successful design of a crucial test of hypothesized universal principle, the apparatus employed will reflect within its design some feature which corresponds to the reproduction of the effect associated with the principle being tested. This feature of the design of such an experiment, is best termed a *technology*, a ruse employed to distinguish universal physical principles from the arrays of mutually distinguishable technologies such principles subsume. This defines the area of competent pursuit and practice of the higher classifications of machine-tool and related work. It is the combined array of principles and technologies, which provides the controlling interface between what society is intellectually equipped to undertake, and its development of the practical means needed to realize the benefit of that knowledge.

This includes what I have categorized as the Classical artistic types of universal principles. For example, the reason for the failure of the collapsing U.S. economy today, is not the previous lack of existing principles and technologies, but the ideologies which control the practices of government and



other institutions, including those ideas, more or less rampant within the population, which prevent society from taking effective action to solve problems, even when the technical means for effecting a solution might be readily at hand. For example, belief in such absurdly false principles as “free trade” and “globalization,” is at the root of the past thirty-five years’ process of self-destruction of the once-powerful U.S. economy, an economy which had, formerly, all of the scientific and other technical potential for limitless growth.

Thus, the first step in assessing the future prospects of a physical economy, is to take into account the likelihood of relevant actions, for better or worse results, of the ongoing process of generation, dissemination, practice of an unfolding repertoire of both universal physical principles and technologies, and ideas of social practice which steer the development and use of physical principles and technologies.

Next in significance, after the three types of raw considerations already discussed, is the changing composition of the society’s social division of labor, with emphasis upon the so-called “structural” composition of employment.

For example, a school-leaving age of between twenty-two to twenty-five years, or the functional equivalent, with strong corrective emphasis upon Classical humanist methods, and Classical artistic principles, would be mandatory for sustaining the level of scientific and technological practice which assured continuing progress, as definable in terms of the three sets of indicated ratios, implies.

This would mean a drastic reduction in cheap-labor employment in services, in financial and related services, and in non-professional categories of services generally, accompanied by consistent upgrading of the technological quality of employment directly in production and physical distribution of goods, and a rapid growth in the categories of what is presently called physical science and in machine-tool or related categories. This would also require an improved standard of living in households, including a reversal of the destruction of family-function-centered neighborhood organization which has occurred, in the U.S.A. for example, over the course of the recent fifty-five years.

This would mean rapid increases in the energy-flux-density of the economy as a whole, with heavy relative emphasis on production and distribution of goods.

All of these measures would be strongly affected by the factor of the approximate twenty-five-year lapse of time, between the birth of a child and its appropriate maturation to state of full, truly adult development of the personality (as distinct from the increasing tendency, within the U.S. in particular, to increase the entertainment-sodden rations of adolescent, childish, and even infantile personalities among biological adults).

It is in those kinds of trends in education, organization of family life, and employment, that what a Kepler would recognize as the *intention* of a society’s economy, is expressed.

To restate the same point in other words, we have the following. We have the possibilities embedded in knowledge and the continuing process of generating and proliferating new knowledge. We have the cultural goals associated with that spread of knowledge. We have the possibilities for initiative, based upon that knowledge. We have the constraints upon action, represented by, combined, the current rates of physical output, the investment in basic economic infrastructure, and in means of production. We have thus, in this and related ways, the combination of a capacity and intention for action. Within this, we single out the intention for cognitive action. Then, we have the factor of cultural influences tending either to enhance, or depress the desired process of net growth.

To forecast effectively, the would-be forecaster must, therefore, have something approaching an encyclopaedic overview of all of these interacting considerations, including those usually classed as physical-technological considerations. There is no digital computer, or related formula, by means of which a competent form of so-called “objective” forecast could be generated for scoring. Only the sovereign cognitive powers of the individual human mind, can encompass all of the leading considerations which enter into such estimates. Nonetheless, I have demonstrated repeatedly, and consistently, over now more than forty years, that such methods of what is essentially long-range forecasting (over a decade or more) are, on the one hand, as precise as forecasting can actually be, and do produce what are not merely, relatively very precise estimates, but, far more important than that, precise indications of decisions urgently to be made, and the consequences of failing to do so.

The human mind, properly developed to maturity, is the most effective computer mankind could ever possess.

## Infrastructure and Biosphere

Certain implications of the proof of this can not be avoided. Life is a universal physical principle, distinct from what is ostensibly a non-living universality. This means that the principle of life was not something which evolved out of non-living processes, but a universal principle which has always been actively and efficiently present in the universe as a whole.

There are many things about this yet to be determined; but, we have more than enough to chew on from what is already proven. What we do not know, for example, is at what level of the equivalent of energy-flux-density might what we presently regard as living processes exist. To clear away possible confusion on the implications of this point, return attention to the notion of *intention*, as Kepler’s use of that notion implies.

The characteristic of the Riemannian manifold, as implicit in the work of Vernadsky, is that *the existence of intention precedes the occurrence of that which is intended*. Consider the following points of illustration. Some of this



involves reasonable speculation from generally accepted knowledge; but, the factor of speculation cancels itself out in a way which I shall identify. Most of my conjectures respecting the “history” of the Solar System, here, I “batted around” with my friend Professor Robert Moon, during our discussions on this matter during the middle to late 1980s; some of the crucial points, respecting fusion, were discussed with specialists at Lawrence Livermore Laboratories, during that same period.

From Kepler’s astrophysics, we may adduce that our Sun was once a much faster-spinning body. At some such past time, the Sun threw off a fairly large amount of material, thus, in the popular language of some classrooms, “shedding rotation.” Had this been the case in fact, then, a ring-like formation would have accumulated around the Sun, perhaps defining the ancient ecliptic of our Solar System. This formation would have been densely hit by radiation from the Sun, bringing the material in the ring to a much higher state of potential for processes of thermonuclear fusion than in the internal processes of the Sun itself. This would have to occur, according to known fusion doctrine, to produce the periodic table characteristic of the Solar System today; that cancels out at least some of the speculative features of the account.

The result would include the distribution of materials throughout the system, in something which might suggest a fractional distillation. The materials would be distributed, differentially, according, at least approximately, to Kepler’s estimations for the predetermined, as available, orbital pathways within the system.

In that eventuality, the material initially spread throughout the orbital pathway, would be forced to condense, because of the harmonic characteristics of the orbit, forming planets and moons according to Kepler’s estimates, at least in significant approximation.

With the “condensation” of the planets, notably planets such as Earth and Mars, and possibly also what Kepler identified as the missing, but necessary, self-destroyed planet, from which the asteroid belt was formed, the preconditions needed for expression of the principle of life must have tended to arise, as they did arise on Earth. This brings me to the point bearing upon biosphere and infrastructure. What I have said during those several paragraphs, contains significant hypothetical speculation, but I have introduced it, nonetheless, for pedagogical purposes. My purpose is, to describe the kind of situation which we do know as the setting for the development of the biosphere. At this point, the included element of speculation ends.

Once we establish the principle, that life is a distinct class of universal physical principle, not sprung from non-living processes, certain conclusions follow. Vernadsky’s approach to the reading of the significance of natural products, is referenced.

In a developmental process, of the type represented im-

PLICITLY by a Riemannian manifold, the existence of established conditions (such as may be represented by certain arrays of natural products), makes it feasible for the principle to express itself as certain species and varieties. Thus, going up the scale, we find the preconditions for the sustenance of human life created as natural preconditions corresponding to an appropriate array of natural products of the biosphere. At that point in the process, we might anticipate the intervention of a pre-existing universal principle of cognition, to bring forth a form of life, distinctly human, and distinct from all lower species.

That description incorporates, as it reflects what we know respecting man’s relationship to the biosphere. To restate the crucial point, the argument is the following. The argument is essentially the same which Leibniz made, respecting the principled character of the existence of a species of any class, in his monadology. The principled precondition for any class of universal physical principle, always existed in the universe; but, the expression of that principle in any other way, can occur, only as the preconditions for that “activate” the principled potential as an actuality.

That said, and its implications taken into account, functional considerations intrinsic to the science of physical economy, oblige us to regard what we term basic economic infrastructure, as part of the biosphere, whether that is produced without human intervention, or only by human intervention.

Basic economic infrastructure, so defined, has two general, functionally defined sub-classifications. In the simplest case, man causes needed conditions of human life, as through forest management, water-management, sanitation, and so on, to proliferate where the needed conditions would not be developed without human intervention. In the alternate case, such as transportation systems, power production and distribution, and development of urban infrastructure, man adds new types of elements to what human existence at that level of development treats functionally as it treats the fostering of conditions typical of the pre-human definition of the biosphere.

As is most simply illustrated by the role of transportation and production and distribution of power, the development of the biosphere, as including such elements, creates a physical-economic geometry in the economy as a whole. Basic economic infrastructure does more than merely sustain life and necessary productive activities. It has the effect of a change in the Riemannian physical geometry of the economic process as a whole. The included result of this effect is an increase in the per-capita productive powers of labor, even without any improvement in the internal features of that production itself. In other words, the geometry in which the productive act is situated has been changed. The effect is implicitly a change in characteristic curvature of the manifold in which productive activity occurs, such that the net effect, is an increase in the productive powers of labor, even when no change has been



*The late physicist Dr. Robert Moon, teaching a class in electromagnetism during the 1980s. A good educational system is typified by the relationship between fundamental scientific research and development, and the machine-tool functions which lead to the design and development of products and production processes.*

introduced to the performance of that labor, or the local productive process itself.

These two combined types of willful changes in the biosphere are measurable, at least implicitly so, as natural products of the noösphere.

### **The Productive Process As Such**

Although a similar case is to be made for the way in which investment in production of goods affects productivity, there is a twofoldly crucial distinction between those elements of the biosphere introduced by the noösphere, and those aspects of the productive process which are typically, and rightly, the customary province of private investment.

The immediate responsibility of society for the development of basic economic infrastructure, is derived from the principle of the general welfare. It is the unique, and non-divestable responsibility of government, the sovereign state, to maintain all of the area, and all of the population and posterity of a nation. However, as the American System of political-economy prescribes, in order to foster the freest expression of individual cognitive powers for the benefit of society, it is desirable that private entrepreneurs (preferring closely held enterprises, as distinct from a financial shareholder interest) be encouraged to innovate in improvements in applications of science and technology.

It is that functional distinction of such entrepreneurship which defines the functional distinction between basic economic infrastructure and the (chiefly) privately operated productive processes of agriculture, manufacturing, and so forth.

The functional interface between these two aspects of the

economy, is an educational system which, at its apex, is also a fountain of scientific and technological progress. This function of education as a fountain, is typified by the relationship between fundamental scientific research and development, and the machine-tool functions which bridge the connection between proof-of-principle experiments and the general process of design and development of products and production processes.

Those three components, basic economic infrastructure, private entrepreneurship, and education, come together as the shaping of the physical geometry of the economic process, that to the effect of shaping the Riemannian type of characteristic physical-space-time curvature of the economic process as a whole. The relevant natural products of the noösphere, as basic economic infrastructure, fruits of private entrepreneurship, and the educational process so outlined, define that progressive change in the characteristic curvature of the national-economic and global manifolds, which is the principal source of increases in the effective productive powers of labor.

Thus, the measurement of relative productivity, must take into account the changes in composition of the required inputs to the population, infrastructure, and production, to bring about the desired change in curvature of the economic process as a whole. So, the buggy-whips waste away, while a new composition of the required inputs emerges. Thus, conventional cost-accounting and related practices become worse than irrelevant in the longer term. It is the changes in potential produced by aid of changes in the required composition of the market-baskets of consumption and output, which are cru-

cial. It is not those market-baskets which determine productivity; rather, it is the requirement of increased productivity, as it causes the buggy-whips to disappear for the sake of technological progress, which must determine the composition of the market-basket.

Against this summary description of the background considerations involved, look at the significance of my programmatic approach to a general, global economic revival from the dismal swamp of the recent thirty-odd years trends in U.S.A. and other policy. The following leading elements are indispensable.

1. Attempting to match debts to assets, within a world system as degenerated as this has become, is not merely futile, it would be an exercise in mass-homicidal insanity. We must prepare to sacrifice the greatest portion of the financial creditors' claims, for the sake of the continued existence of civilization. The same principle of U.S. Chapter 11 bankruptcy-reorganization proceedings, which is conducted according to the prior requirements of the general welfare, must be used to save the continued functioning of essential public and private institutions, even at the price of writing off as much as hundreds of trillions of dollar-equivalent of currently outstanding, largely speculative financial creditors' claims. If we do not do this, civilization can not survive for the lifetime of the presently living.
2. The optimal mechanism by means of which this financial reorganization must be effected, would be common action by perfectly sovereign nation-state governments, putting the existing financial and monetary systems into a Chapter 11-style general reorganization in bankruptcy. The model objective of this emergency action, should be to apply the lessons of the successful post-World War II application of the highly protectionist, highly dirigist Bretton Woods agreements to simply transform existing relevant agreements among states, into a reformed institution.
3. A general economic recovery can be effected only with aid of fixed, low simple-interest borrowing costs for medium-term to long-term reconstruction and physical development programs. This shall be accomplished by the use of state-issued purchasing credit, within a new, fixed-exchange-rate monetary system, rather than money loans, buttressed by such firewall defenses as capital controls, exchange-controls, financial regulation, and protective-tariff arrangements.
4. Such a recovery program must have a leading, large-scale science-technology driver. That driver must be centered in a Eurasia-wide, long-term development program.
5. This development program must feature, not only

the most massive infrastructure-development programs yet seen, but also the mustering and developing of science-driver-oriented capital goods production programs, by means of which sectors of the world economy able to aid as fountains of such technology, commit themselves to provide a flow of needed technologies into regions of the world which are relatively technology deficient.

6. Thus, under the only visible, generally workable approach to global economic recovery from the presently looming financial doomsday crisis of the U.S. dollar, there must be a qualitative shift away from the structural changes in composition of employment seen in Europe and North America during the recent thirty-five years, toward a reemphasis on production, and an accompanying, increasing emphasis on employment and investment in the science-driver sectors of "crash program"-driven fundamental scientific research, expansion of machine-tool and engineering capabilities, combined with a reemphasis on employment in relative high-technology, capital-intensive modes of what used to be called, in the U.S.A., "blue collar" production and related occupations.

I must now restate the crucial point of what I have written. Such a revision in global arrangements, is not a "blueprint." It is a policy of action, framed within a few crucial parameters. Of all these parameters, the most essential is the principle of the natural law, of the general welfare. However that, in itself, is still not sufficient. The motive, the required intention, flows from the appropriate conception of the nature of man, and, therefore, of man's functional relationship to the universe at large.

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## Appendix

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### Did the Universe 'Begin'?

*The following interchange took place at the May 5-6 conference of the Schiller Institute in Bad Schwalbach, Germany.*

**Q:** Man has an amazing capability to understand the universe, and therefore we are in harmony with it. And in the *Timaeus*, what he goes through, is—I think one thing, that definitely has been going through my mind, is why did I assume, that the universe has not always existed? And what Timaeus goes through, is that anything that is perceptible, has come to be; and there is not anything in this universe that hasn't come to be, as far as I can see, except for maybe the ordering, the principles, or the cognition of man that has al-

ways existed. What I wanted to know is: What is the definite distinction between whether the universe has always existed, or whether it was created? And also, what was the intention in creating it? Thank you.

**Lyndon LaRouche:** It is a good sound question and a fundamental one. . . . Just think about “always.” What do you mean by always? Think about, what we knew, know, and don’t know. Think about, what I did refer to earlier, about this *Scheinprobleme der Wissenschaft* [“Imaginary Scientific Problems,” by Max Planck]. Don’t give ourselves false problems, simply because they apparently fit a formula. What do we know? Not, “What infinite extensions of space do you imagine?” What do we *know*?

When we say universe, what do we mean? In physics, in physical science. What do we mean by universe? We mean, that which corresponds to what we call, universal physical laws.

Now, Vernadsky enhances our understanding of what we ought to mean by the words “universal physical laws,” by his introduction of his concept of the natural products, respectively of the so-called non-living universe, the living processes, and cognition. So, therefore that means, that when any one of these things existed— . . . . Cognition existed from the beginning of the universe. Cognition existed as soon as there was a non-living universe. The principle of life necessarily existed, since it is independent of anything else at the point of any notion of beginning.

So, that is the universe. The universe is bounded by this notion of the interaction and multiple-connectedness of three universal principles. [First,] a principle we associate with non-living processes—which is not necessarily entropic. Don’t assume this means entropy; it means processes which we do not identify as being living ones, or can not. [Second,] living processes, which are distinct and experimentally distinct in a universal way, though we have not full proof of that, because we did not treat this seriously enough, long enough. And thirdly, the thing which we ought to know, is that man is the master of the universe. . . .

If man is cognitive, if man can master the universe and can do so by discovery of universal physical laws, for example, then man is made in an image of an individuality, an individual being called the Creator. And there was never anything before that, no universe. But there is no limit on the universe, because it is the universe, because there is nothing outside it.

That is what we know: There is nothing outside or before the universe. To try to find out what it might be, is to pose in one’s mind the appearance of a false problem, the false appearance of a problem. And trying to solve it, is like trying to mine green cheese on the Moon—don’t do it! It is wasted time and it tastes terrible. . . .

So, that is the point. So, the issue here, is to understand our relationship to the universe. We are what? We are made in this respect, because we only embody cognition, we are made each in the image of the Creator of the universe, and we

were always and always will be as individuals connected to the Creator of the universe. That is all there is to it. And we should learn to act accordingly, especially with respect to one another, with respect to other human beings. We are all part of the process of the ongoing co-creation of the universe.

Look, what happened, essentially—Vernadsky gives the answer, with his idea of natural products—the development of the biosphere as we know it on Earth, as Vernadsky defines it with his approach to natural products, occurred in a certain point in the development of the Sun, which is some long time ago, when, according to Kepler’s implicit rules, it was spinning very fast and it was much bigger—not that much bigger, but bigger.

And it spun very fast, and it spun off a ring, like the rings of Saturn, and these rings were much hotter than any part of the Sun, inside the Sun. And from the Sun was coming radiation, more strongly than now. This radiation hit this ring and the ring became hotter and hotter; it was polarized, you know. How do we know that? Because we found 92 elements in the Solar System, and that means, that the Solar System had to have been developed in terms of a planetary system, at a certain energy-flux-density, a certain level of fusion.

Now, what happened, according to Kepler’s laws, the principle of Kepler’s laws, is that this material is spun out from the ring, where the fusion is occurring. And where does it go? It is condensed, like a big fractional distillation apparatus to distill petroleum and its various kinds of petroleum products, motor oil, when you get so much kerosene, so much gasoline, and so force it all to spin off. One of these places it goes to, was called Jupiter, another was called Saturn, and so forth; so you had the planetary orbits. And some of the stuff is spun off and falls through. It goes by the same principles, the same laws.

This is initially very hot. The material of the planets is condensed into planets. The material is distributed first in an orbit, then it condenses, it condenses, it heats up, it fuses, it forms planets at various degrees—no apparent life yet. Then, at a certain point, the planet develops; at a certain condition, the harvest is ready, and living processes, as we know them, begin to show their presence on Earth—at a later stage, the development of living processes on Earth, developing the biosphere. They transform the biosphere. They produce pre-conditions, under which human life, cognitive forms of life, can emerge, including us.

But in a sense, we were always there, and when you think of yourself in your relationship to someone like Archimedes or Kepler, or someone in the distant future, a scientist, in terms of the exchange of a concept between two minds across the great distances of apparent time: You were there, and you will be there, and you are always there, because you are a part of the universe.

That is the universe. There is nothing mystical about that; it may be seen as mystifying to some people, but it is not mystical. That is what we know, that’s what we can prove. And before that and outside that—we call that nothing.

## ‘Never Again!’ World Now Knows What Is Happening in Africa

The Bad Schwalbach Conference

The Schiller Institute’s extraordinary conference in Bad Schwalbach, Germany, whose sessions ran from May 3-6, brought together representatives of 40 nations to the task of “Winning the Ecumenical Battle for the Common Good.” The discussions there of the urgent New Bretton Woods monetary reform, and of the Eurasian Land-Bridge high-speed transport corridors development, were taken with the understanding that the solution to the devastating problems and disasters in Africa is an absolute necessity. Shocking reports had just been published at the United Nations, confirming *EIR*’s 1997 warnings of a genocide of millions in Congo and Great Lakes region of Africa—a genocide on a scale of any in history.

The task was defined by Lyndon LaRouche in his keynote: “the two focal points of this conference will turn out to be . . . the issue of Eurasian recovery, Eurasian development, as the pivot for world recovery—including the role of Russia as a very special part of any such recovery effort—and the relationship of this Eurasian commitment, to the contrasting situation of Africa. In other words, to understand the world as a whole, look at the possibility of what we can do in Eurasia, and then look at the needs of Africa.”

We publish here the main presentations at the May 5 Bad Schwalbach panel on “Peace Through Development in Africa: the Moral Challenge for Europe.” The speakers were Prof. Sam Aluko of Nigeria; Jean Gahururu, chief of foreign relations of the Rally for Democracy in Rwanda (RDR); Leonce Ndarubagiye representing Burundi’s opposition force, the National Committee for the Defense of Democracy (CNDD); and Prof. Abdalla A. Abdalla of Sudan. The panel is followed by other important coverage of Congo’s humanitarian emergency.

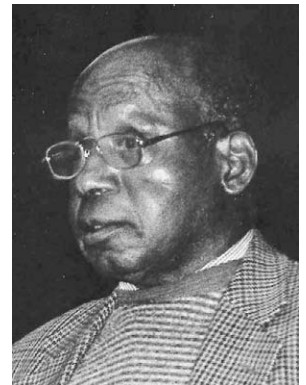
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Prof. Sam Aluko

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### Peace Through Development: The Nigerian Perspective

*Sam Aluko is a Professor of Economics who lives in Akure, in Ondo State, Nigeria. He served in the Economics Ministry of the Nigerian government for four years during the early 1980s.*



I appreciate the invitation extended to me by the Schiller Institute, not only to attend this very important conference, but also to contribute to the discourse on economic recovery as a vehicle for the sustenance of peace, in a world that has become increasingly bedevilled with financial, economic and moral crises, in spite of the increasing and new and complex technologies which are daily being made available to mankind.

There is hardly anywhere in the world today, where the financial, economic, and moral crises are more evident, widespread, persistent, and likely to continue, than in the African continent. Since about one out of every six Africans lives in

Nigeria (in fact, because of the dispersal of Nigerians throughout the African continent, about one out of every four or five Africans is a Nigerian), whatever happens in Nigeria has a very significant impact on the African continent.

One of the most evident characteristics of the African continent is that it has always been a “follower continent”; that it continues to remain a “follower continent”; and, unless it finds faith and independence in its own peoples, action, and governments, Africa’s continuing economic decline, its financial and moral crises, will not only increase and deepen, but will also ultimately constitute a threat to the peace and stability of the entire world. This is because the enormous economic and natural resources of the African continent will continue to invite the competitive exploitation and spoliation of today’s world’s most developed nations, as their diminishing resources recede further and further while their insatiable appetites grow more gargantuan by the day, and the financial and economic crises which are beginning to manifest in their countries deepen and defy solution.

It is significant that it was in the heart of Germany, where this conference on economic growth and world peace is being held, that the then few great powers of the world, at the Berlin Conference in 1884, decided to partition Africa and set it on its road to economic disintegration, political enslavement, and moral degeneration. Before and since then, Africa had gone through the pangs of slavery, colonization, economic domination, imperialism, neo-imperialism, European metropolitan peripheralization, and political manipulations that had led to and continue to sustain intra-ethnic and inter-ethnic wars and violence, aided, abetted and sustained by the technologies, weapons and propaganda of the powerful nations of Europe and America.

### **‘Follower Continent’**

As one of the privileged Africans, who have had the benefit of education and close and sustained interaction with Europe and America, I lay the main blame on my own African peoples. First, the blame on my African ancestors who, for a little inducement of gunpowder, money, and materials, sold our young and vibrant Africans into slavery and colonialism, and now, for money, wealth, and power, continue to sell the conscience of the continent to the ideas, philosophies, and inducements of the West—to the extent that the whole of the African continent today owes the West and its finance capitalists, debts that are almost thrice the gross domestic wealth of the continent. Africa has reached the present lackluster morass because its leaders have always been blind followers of the West, which is why I have called Africa, the “follower continent.”

When slavery was popular in the world, African leaders readily embraced it as a vehicle to wealth and power. When colonialism replaced slavery, African leaders readily pawned their kingdoms, dukedoms, and empires to the colonizing powers. When colonialism became discredited and commu-

nism/socialism/capitalism became the dominant competing ideologies in the West, African leaders readily embraced one variant or the other of communism, socialism, or capitalism. Now that communism and socialism have been virtually killed and exterminated by the West, epitomized by the U.S.A., and substituted with free trade, liberalization, deregulation, privatization, globalization, and other capitalist shibboleths, African leaders and governments have followed these “sing-songs” as their cardinal ideologies to economic development, political *resorgimento*, and resurgence.

When the West extended the carrot of loan capital to the African leaders and governments, they followed readily, and ended up in the web of the International Monetary Fund (IMF), the World Bank, the Paris Club, and the London Club of Creditors who now virtually run the African governments, with ready acquiescence and following by the African leaders. I need recount no more because the leaders of this Institute, and particularly Dr. LaRouche, have been in the forefront of exposing the designs of these world finance capitalists and their designs against not only the economies of the poorer segments of the world, but also particularly of the African governments.

### **Failure to Plan for Economic Growth and Peace**

It is often said, and wisely too, that, “no one plans to fail, but many fail to plan.” This is exactly what is happening in most countries in Africa today. Let me use Nigeria as a veritable example.

When the British Empire was in control of the politics and the economy of Nigeria, it encouraged and instituted “Development Plans” for the economy. The first was the Ten-Year Development and Welfare Plan, 1946-55; followed by 1955-60-62. When Nigeria became independent in 1960, it still continued with the 1962-68, 1970-75, 1975-80, and 1980-85 Development Plans, but with diminishing commitments to planning. The Colonial Plans were mainly designed to ensure a more coordinated harnessing of the vast Nigerian natural resources for British interests, manufactures, and commerce. Marketing Boards were established for cocoa, rubber, palm produce, cotton, and groundnuts, among others, and Government Corporations were established for the vast mineral resources of Nigeria, for energy, and, later for petroleum oil.

But as the hold of the West became less and less on the Nigerian resources, the economists and the political power-brokers of the West began to adumbrate consistently and with manipulated statistics, that the Marketing Boards were exploitative of the local farmers; that the corporations were a restraint on trade and efficiency; that the public-sector management of the economy was corrupt and undesirable; and that the government “had no business in business” but should deregulate and privatize the boards and the corporations.

TABLE 1

## Destruction of Nigeria's Currency Under the IMF

(Naira to the Dollar)

Year	Official Exchange Rate	Year	Official Exchange Rate
1970	0.71	(IMF Structural Adjustment Program begins)	
1971	0.70		
1972	0.66	1986	2.02
1973	0.66	1987	4.02
1974	0.63	1988	4.54
1975	0.62	1989	7.39
1976	0.63	1990	8.04
1977	0.65	1991	9.90
1978	0.61	1992	17.30
1979	0.60	1993	22.33
1980	0.55	1994	21.89
1981	0.61	1995	21.89
1982	0.67	1996	21.89
1983	0.72	1997	21.89
1984	0.76	1998	22.00
1985	0.89	1999	86.84
		2000	100.51
		2001 (May)	115.00

Source: Central Bank of Nigeria; Nigeria *Business Times*.

In 1986, the IMF/World Bank succeeded in convincing the then Nigerian military government into adopting their Structural Adjustment Program. The Marketing Boards were disbanded; public enterprises were deregulated; government intervention in the economy became discredited; monetary and fiscal policies of government were relaxed, and the free traders took over the reins of government. The result was that cocoa production in Nigeria fell from about 400,000 tons a year in 1986 to 150,000 tons in 2000, and the production of cotton, groundnuts, hides and skin, rubber, and palm produce decreased to between 25% and 35% of the 1986 level. Coal production fell from 360,000 tons in 1980 to 19,000 tons in 2000. Per capita income of Nigerians fell from \$760 per annum in 1985 to \$360 in 2000. Food imports replaced food exports. The value of the naira, Nigeria's currency, fell from N1=\$1 in 1985, to N115=\$1 today, at the Central Bank exchange rate (Table 1). Black marketing in the nation's currency began and grew since 1985, to become N140=\$1 today.

The IMF/WorldBank and their Western sponsors have now stated, with the approval of Nigeria's Central Bank, that the naira is even overvalued at the existing rate of exchange. The IMF has pencilled the naira at N550=\$1 as its real market rate of exchange. Ghana, whose cedi was of the same value as the naira in 1980, now has the exchange rate of the cedi at 6,750 cedi=\$1. Ditto in almost all the

countries of Africa.

The foreign debt overhang in Nigeria increased from zero in 1960, to \$1 billion in 1979, \$11.5 billion in 1986, \$33.2 billion in 1990, and \$35 billion in 2000—about \$18 billion of which was the current accumulated interest. In actual fact, Nigeria borrowed about \$17.5 billion between 1979 and today, repaid about \$33 billion during the period, and is still owing \$35 billion. Nigeria's debt is, today, estimated at about 82% of its Gross Domestic Product.

The IMF/World Bank, the Paris Club, and the London Club of Creditors (the Paris Club is the same creditor countries when they act as governments, as the London Club countries when they act as bank lenders), have involved Nigeria, like other African debtor countries, in debt-rescheduling, debt conversion, debt-buyback and deferred payments; all of which had exacerbated the debt burden, rather than debt relief or debt cancellation which the Nigerian governments hoped would be granted, if they continued to follow the prescriptions and the economic dictates of the creditors. As Nigeria became poorer and poorer, its leaders became more and more criminalized; lost more and more confidence in themselves and in the economy; and increased the keeping of their wealth, much of which was stolen or taken from the economy, in the banks, or invested it in the economies of the West, with the active encouragement or connivance of the West.

Nigeria is now being propelled to democratize as a way to economic recovery. But with every passing day since the military was replaced with a "democratic" regime in May 1999, the life and living conditions of the average Nigerian continue to deteriorate, with the hope of an economic recovery becoming more and more distant. But our government continues to follow the dictates of the West, with privatization, deregulation, liberalization, minimization of government involvement in the economy; retrenchment in public-sector employment; belief in a private-sector-led economy, even though the production sector itself is depressed, functioning at about 30% of its executive capacity, today, compared with 75-80% in 1985. The rate of interest has risen to 50% per annum, when the rate of return is less than 1.015%, if the products are sold at all, since the purchasing power of consumers has considerably reduced. The result is that Nigeria is now flooded with second-hand goods, low-quality or fake products, dumped and heavily subsidized foreign goods, from toothpicks to the most sophisticated equipment from the West and Asia. These further depress the few surviving industries in Nigeria and send them out of production. In 1999 alone, over 4,000 small and medium enterprises folded up in Nigeria.

The catalogue of economic woes can be multiplied *ad infinitum* in Nigeria. Yet, Nigeria is still regarded in Africa as one of the few resilient economies that are surviving the onslaught from the West.

## The Future and the Prospects

Rather than have our own original ideas and chart a new path for development, the present regime, with all its good intentions, aided and abetted by the West, has made anti-corruption crusades its main vehicle of economic growth and development. It has enacted a stiff anti-corruption law which is not materially different from what had long existed in many countries of southern Africa, Egypt, Algeria, etc., where corruption has increased. The regime seems to forget that most of the Western countries developed on corruption, both internally and internationally. The difference between the corruption of the West and Africa's, is that while that of the West was internalized and productive, ours in Africa had been, and continues to be externalized and destructive. There is no political system, democratic, oligarchic, dictatorial, republican, or monarchical, that had not been corrupt in varying degrees, Germany inclusive.

Therefore, Nigeria, like Africa, must return to itself: find its own views; chart a different economic path from deregulation, privatization, globalization, and liberalization, and use its government as the main engine of growth through planning and control of its exchange rate, its rates of interest, and the pursuit of full employment for its citizens, by mobilizing both the public sector and subsidizing the private sector in that direction. Otherwise, the new slavery emerging in Nigeria will be worse than that of the 16th, 17th, and 18th centuries' slavery in Africa.

Then, the slave traders *bought* the African illiterate youths from their captors, rulers, and leaders, and took them to the plantations in Europe, Oceania and the Americas. Today, millions of well-trained and professional Africans daily besiege the Western embassies, High Commissions, and Legations in Africa *to pay highly* for visas to enter Europe, America, including Canada and Oceania, in order to perform the slave-like and menial jobs, including prostitution, in these same countries, at the expense of Africa's economic fortune and honor.

Nigeria and Africa must pursue a new and different program of economic reform from the current prescriptions of the IMF/World Bank and their Western collaborators.

In order to achieve a modicum of economic growth that will meet the aspirations of Nigeria, and of Africa, a Marshall-type program for Europe, and, preferably a [Franklin] Delano Roosevelt type of economic recovery program for the U.S.A., must be formulated, adopted and executed. Otherwise, the dichotomy between the rich and the poor in Africa will intensify, increase the simmering and growing tensions, crises, and wars in Africa. Such a situation will increase the conflict between Africa and the West. Just as a country cannot remain at peace, half-slave and half-free, so the world cannot remain over-developed and under-developed, and hope to have and sustain peace.

Thank you.

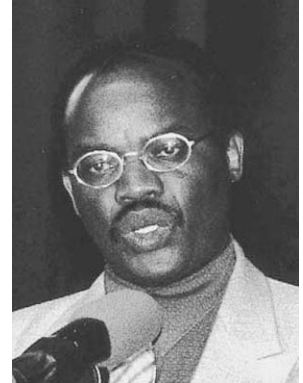
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Jean Gahururu

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## Winning the Peace for An African Renaissance

*Mr. Gahururu is a representative of the Rally for Democracy in Rwanda (RDR), in charge of foreign relations.*



Thank you, Mr. Chairman, for giving me the opportunity to address this friendly gathering. Allow me to thank the Schiller Institute for giving me the occasion for this study trip, and especially, allow me to express my thanks for having scheduled two interventions

by the Rwanda delegation. Our message is unique: We are launching a solemn appeal and a cry of alarm, an SOS for Rwanda and the Great Lakes Region.

In the name of my own political organization, the RDR, one of the Rwanda political organizations which are struggling to promote the rebirth of Rwanda and Africa, allow me to express my profound gratitude for having given so much space at your seminar for men from my continent, a dying continent, to speak. I refer most especially to Lyn and Helga LaRouche, whose commitment towards Africa dates far back. Your loving relationship towards our continent began many years back.

For example, over 25 years ago, in 1974, you set up a team headed by Warren Hamerman, who, at that time, under your leadership, had warned of the worldwide holocaust which would be result of International Monetary Fund and World Bank policies in Africa. At the time, you had pointed to the neo-Malthusian doctrine expounded by these monetary institutions. You analyzed the nefarious influence of budgetary austerity, dictated, in true neo-colonialist fashion, to the continent.

What you said at the time was, and remains true today. The Bretton Woods institutions crushed economic growth, and sped on the process disintegrating our national economies. The greatest paradox lay in the fact that their policy led to a fall in national revenue, and, using as a pretext the need to make good the shortfall, the policy only led to a vicious circle of further austerity measures. Look at Africa today! A bitter sight to see! The famous Structural Adjustment Programs have done nothing but drag downwards physical pro-



duction per capita. The possibility for men to create has shrunk, while both the social and economic life of our citizens is in jeopardy, in both the short and long term.

It is, in part, from this standpoint that one should understand the many acts of genocide in a dying Africa.

### LaRouche's Program for Africa

You, Mr. LaRouche, did warn us! For example, in April 1975, your movement had opposed this policy of genocide, by a program of great projects for Africa. You cited, in particular, a road and rail network, and a project to develop the Sudanese savannah and the Sahel in West Africa. The latter took form in 1980, with the Committee for a New Africa Policy, which was then led by Hulan Jack. You took a stand, and launched a campaign to industrialize the whole continent. Your highly constructive criticism is still fresh in our mind, notably your famous analysis of the [Organization of African Unity's] Lagos Action Plan, in April 1980.

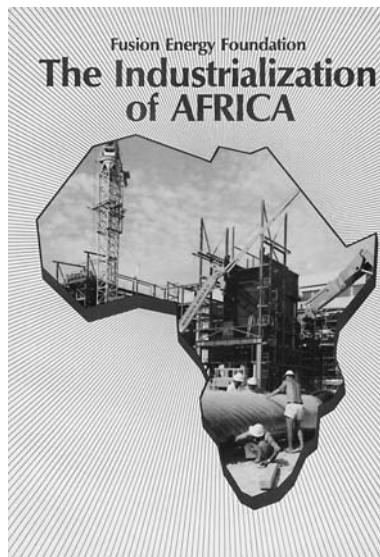
Allow me to note as an aside, that I would advise all African economics faculties to read, and draw the lessons, from that valuable document, which is still very much up to date. You note, chapter, book, and verse, the conceptual errors of the Lagos Plan, stressing the institutional obstacles to the development of nation-states on our continent.

You were even more concrete in 1985, when, within the Democratic Party faction you lead, you proposed interlocking infrastructural and development projects. I would single out the railroad projects from Egypt, which concern my native region, the Great Lakes, via Sudan, to include Uganda, Rwanda, Burundi, Kenya, and Tanzania. There was also the water-management project for the Nile and Lake Victoria basins. We followed closely the impact of your recent contribution, on your latest trip to Sudan, where you renewed your appeal to institutionalize a pact between the nation-states concerned by this vital project [see *EIR*, Feb. 9, 2001].

Mr. LaRouche, there are many of us from our region, who would express their gratitude to you. For us in Rwanda, Burundi, Uganda, and the Congo, we are proud to count you among the few statesmen who have publicly denounced the genocide striking at our respective peoples.

### The War Is Intensifying

Much is taking place: wars of genocide, unleashed by criminals against mankind. What follows is a credible statement from a witness who broke through the borders of darkness. It is a transcription of a homily by Msgr. Dominique Kimpinde, the bishop of Kalemie-Kiriungu in the Democratic Republic of Congo. We learn that "the war, far from being over, is now intensifying . . . in southeastern parts of the Congo like Kyoko, Nyemba, Nyunwu. . . . The situation is still more dramatic for those who have remained behind. The children are little old men, there is neither clothing, nor soap, nor salt, nor medicine. . . . This fearful situation is not known abroad. Recordings are confiscated, letters, even those given



*Mr. Gahururu reports that Lyndon LaRouche's 1980 anti-IMF African development policy, "Critique of the Lagos Plan of Action," has been read throughout the continent since. It was followed by the Fusion Energy Foundation's book-length development proposal, The Industrialization of Africa.*

to travellers, are opened, read, and often seized. We have no freedom. Even in Moscow, under Communism, I believe that prisoners could communicate with their families. So cut off are we, we live like slaves, in fear and anxiety that our lives will be lost. And there is no refuge, no succour."

A U.S. association, the International Rescue Committee, found, in June 2000, that 1.7 million lives had been lost in the Congolese war. That agency has just revised its figures upwards. It confirms a report from a *Washington Post* reporter, Karl Vick, who revealed in the *Washington Post* on April 2, 2001, that the conflict has probably already led to the death of 3 million Congolese. Since August 1998, Kivu has undergone systematic depopulation. More than 2.5 million are in refugee camps. They are wandering about the interior, or are in camps in Tanzania, Zambia, Sudan, the Central African Republic, Rwanda, Uganda, Congo, Brazzaville, etc. Women have been buried alive at Kalambi (Mwenga). Massacres have been perpetrated at Makobola and near Fizi, everywhere, even in hospitals, such as that at Mukongola (Kabare).

U.S. Rep. Cythnia McKinney (D-Ga.) was not wrong when she spoke of "genocide" in the Congo. There is, indeed, a systematic character to the killings, which have been carefully planned ahead of time. It cannot be a mere accident, that humanitarian aid has been systematically blocked, that the civilian population has been dispersed towards such inhospitable areas. . . .

You may perhaps have read the latest experts' report on the illegal exploitation of the Congo's natural resources. The report refers to systematic looting of its minerals, coffee, wood, cattle, by armies of the Burundi [President Pierre] Buyoya, of the Rwandan [President Paul] Kagame, and of that Ugandan Hitler, [Yoweri] Museveni. The looting goes on, treading underfoot the Congo's sovereignty, as well as international law. The outcome is twofold: These aggressor armies

have gained access to vast financial resources, and have built up a mafia net, made up of regional and international criminal bands, but operating on a global scale!

Do you wish further detail, as to what these campaigns of deregulation, globalization, and so forth, mean for us in Africa?

### **The Price the Great Lakes Region Has Paid**

The Great Lakes region knows the price it has paid: the death of 6 million people in Uganda, Rwanda, Burundi, and the Congo, written off as collateral losses, against the revenue of diamonds and gold. The international community, paralyzed by its guilt for having failed to act whilst genocide took place in Rwanda in April 1994, allowed Kagame's army, backed by Museveni and Buyoya, to unleash terror throughout the region.

Let me tell you one thing about Rwanda. As the Belgian Parliamentary Inquiry on the genocide in Rwanda showed, it was Paul Kagame who laid down an ultimatum to the foreign troops present at that time: Leave the country, and refrain from all assistance to the Rwandans in danger of death.

Similarly, one should bear in mind that the final report of the UN Commission on the genocide in Rwanda, prepared under the chairmanship of the former Togolese Minister Mr. Atsu-Koffi Amega, was perfectly clear as to what occurred between April and July 1994 in Rwanda. The report concluded that both military men commanded by Kagame, and those of the former Rwandan government, had broken international humanitarian law and perpetrated crimes against humanity.

Today, ever more reliable witnesses have pointed to the RPF [Rwandan Patriotic Front], in general, and Kagame, in particular, as having been behind the murder of the Rwanda President [Juvenal] Habyarimana, and his Burundi colleague, Cyprien Ntaryamira, along with several close associates and the French aircrew, on April 7, 1994. As you will recall, this murder led, according to the UN Commission of experts, to "crimes against humanity and acts of genocide."

When we call for a major initiative to save peace and security, we first mean restoring truth and justice. We need your political and diplomatic support to solve a life-and-death problem affecting the peace and security of more than 150 million inhabitants in the Great Lakes region. France has already put forward the excellent idea of an international conference on durable peace and security in the Great Lakes area. It deserves our support. For that dialogue to take place, and lead to real results, it must be open to all sides, and held under circumstances which will allow the participants to come to what might be like the Münster Agreement [the Treaty of Westphalia] which ended the Thirty Years War in Europe in the 17th Century.

There are urgent situations which require your intervention to save the peace: a halt to the hostilities; setting up a legitimate state in our area, along with republican armed

forces and security forces which will reassure each citizen; strict respect for the rights of the individual; peaceful return of the refugees; partial, or general amnesty following proper trials; the freeing of political prisoners.

Rest assured of one thing: Contrary to calumnious reports in the press, in our own region, and throughout the diaspora, there is great determination to end the suicide of our respective peoples. Despite great suffering, we are mobilized for a culture which stands for life and freedom. We intend to contribute to the idea of an African renaissance, as it has been ardently defended by Presidents [Thabo] Mbeki of South Africa, [Gen. Olusegun] Obasanjo of Nigeria, [Abdelaziz] Bouteflika of Algeria, and [Abdoulaye] Wade of Senegal. Everyone agrees: The Rwandan cauldron represents — unless something be done — the threshold of a new Dark Age for the whole continent. Rwanda, and the Great Lakes area, is a test of conscience for the whole of mankind. This is where humanity shall show of what stuff it is made, that it has the morality and the energy required.

### **Economic Growth Is Crucial**

More concretely, and to a subject dear to LaRouche: Only the perspective of growth in the real economy, such as would improve the living conditions of the population, can bring hope back to our region, and to all of Africa. This also happens to be the fundamental requirement to settling our conflicts.

There will be no peace, unless our countries know social and economic progress. The last 25 years have been a great let-down for Africa. Her youth is now convinced that the West is concerned only to control, and loot, her raw materials. And although some governments have perhaps helped a little more than others, they have not dared to overthrow the basic trend of a disastrous policy. An international conference on the Great Lakes would bring back onto the agenda this sort of issue, which has constantly been put off at the summits of Western heads of state.

One crucial point: \$350 billion of Africa debt. That debt must be redirected, so as to allow infrastructure projects to go up all over the continent, without which, poverty will never be wiped out, nor will there be industrial and agricultural development. My own political organization is deeply grateful to a friend of Africa, who has helped us to understand the stakes involved in the renaissance of Africa, for which he has made the Leibnizian concept clear: a fusion between political, economic, social, and cultural progress, on the one hand, and scientific and technological progress on the other.

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## Fight for a World Free Of the IMF, World Bank

*Mr. Ndarubagiye is a representative of the National Committee for the Defense of Democracy (CNDD) in Burundi.*

I start my speech by remembering our friend [Taras Muravinsky] from Russia, who passed away and who was with us here last year; I beg our Russian friends present in this forum to convey our condolences to his bereaved family. After this note of sorrow, I now express a different note of respect by greeting our friends who are now free after long and painful years in jail in America as political prisoners. I salute their own courage and the patience of their families. No matter how difficult the struggle is or may be, let us all stick together as a family around Mr. and Mrs. LaRouche.

My name is Leonce Ndarubagiye. I am from Burundi, and it is an honor for me to be here representing the Chairman of our liberation movement, the CNDD, the Honorable Leonard Nyangoma. I am sincerely grateful to the Schiller Institute for having invited me and my colleague Jean-Baptiste Bigirimana to participate in this seminar. I always say that when I leave here after a seminar, I go back home less stupid than I came in, because I learn things that are not even taught in universities, about what is going on around the globe. You particularly opened my eyes about the IMF [International Monetary Fund] and the World Bank.

This is my second time to participate, and I certainly will learn more once again. When I was here last Summer, little did I know that I would be witnessing the result of your campaign through the protests against the Bretton Woods institutions and the World Trade Organization in Seattle and Ottawa, as well as elsewhere in the world. Even if some of those protesting don't even know the existence of the Schiller Institute, they all learned from you in one way or another, because you certainly were the first people and organization to talk about the misdeeds of these Bretton Woods institutions. I therefore take this opportunity to congratulate you, Mr. LaRouche and your team. Having said this, please allow me now to develop the topic I have been assigned to, namely, the situation in the Great Lakes region of Africa, which comprises the following states: Burundi, Congo-Kinshasa, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia.

### **The Crisis in Burundi**

Burundi, this small country in the heart of Africa, is in a dramatic crisis which takes its origins on Oct. 21, 1993, when the army assassinated the democratically elected President, the late Melchior Ndadaye, and overthrew his government,

which we were part of. I was then the Governor of one of the 16 provinces in Burundi, and I escaped death by a miracle, by quickly leaving my residence for a hideout only five minutes before a lorry of 24 soldiers armed to the teeth arrived, searching for me, with firm instructions from people I well know to come and kill me. If I am still alive, it is thanks to a Chinese lady and her team who made up the Chinese Health Mission in the province where I was the Governor. They took me in refuge into their house and hid me at that crucial time.

So, when the army assassinated the President and overthrew the government, the leaders who escaped assassination decided to organize the masses into an armed struggle of resistance, with the aim of restoring democracy in Burundi. That is how our liberation movement, the CNDD, was created, led by the Hon. Leonard Nyangoma. The truth about the civil war in Burundi, is that it pits the military dictatorship and its army, on the one hand, and the people and their elected leaders, on the other hand.

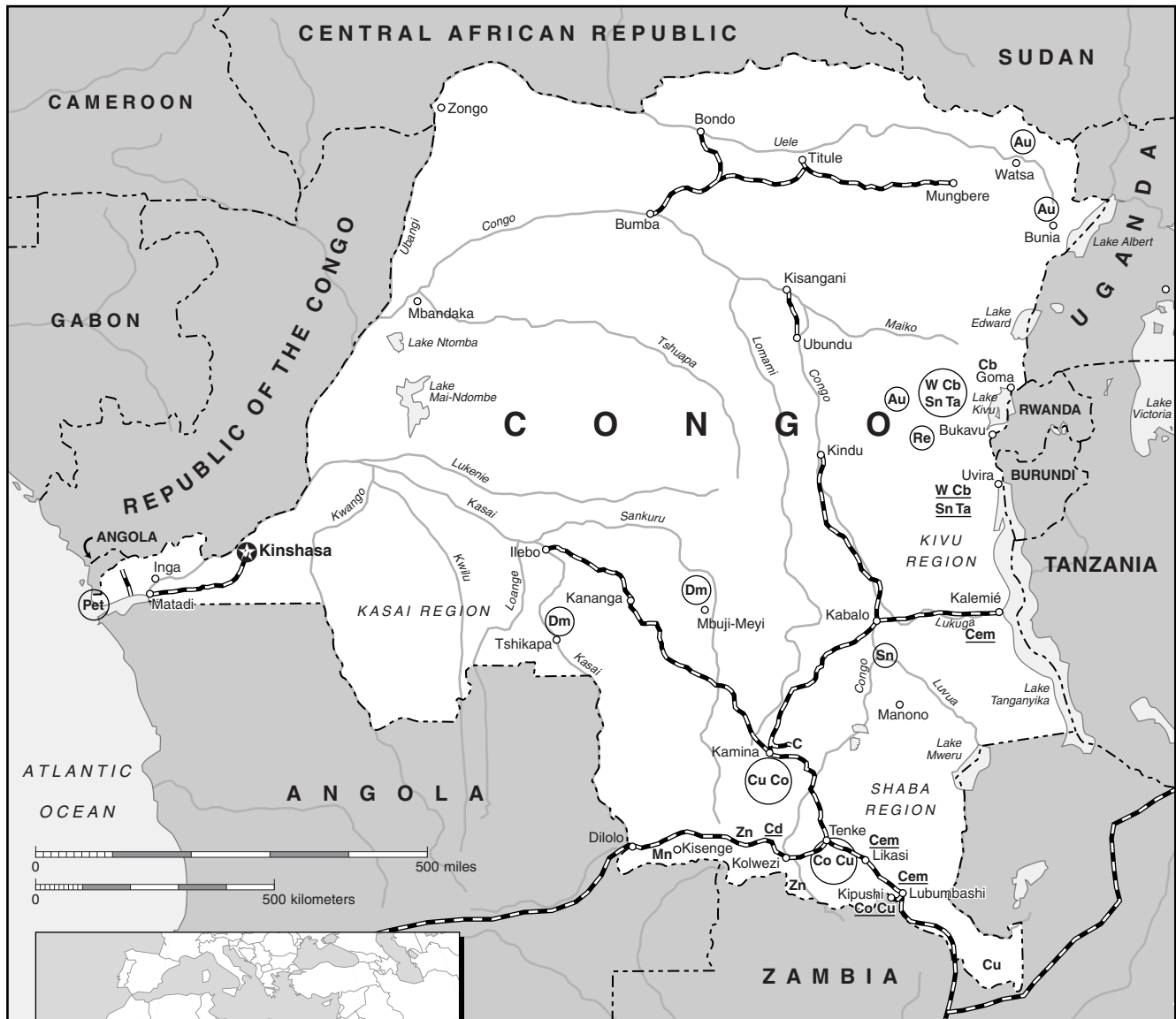
Yet, you will all have heard from the not-so-neutral world press that the civil war pits some backward and primitive tribes called the Hutu and the Tutsi of Burundi, [which are] exterminating each other with no other apparent reason than the tribe [affiliations]. This way of misleading the public and telling lies is a cunning trick to hide the invisible hand of "civilized" governments who support the military dictator, Maj. Pierre Buyoya—who is presented by the same media as a "moderate," although more than 300,000 people have been slaughtered since he came to power through the coup putsch.

Please be informed that you find both Hutu and Tutsi in the oligarchy, as well as in the armed struggle. So, the whole thing is about democratic principles, and not about tribes. The best example of what I just said, is that my colleague Jean-Baptiste Bigirimana is a Hutu and I am a Tutsi, yet we are both faithful members of the CNDD and of its delegation here. Our two colleagues from Rwanda are Hutu, but I as a Tutsi have no quarrel with them. So, please let no one fool you that the war in Burundi is a Hutu-Tutsi conflict; it is all about democracy versus dictatorship.

### **Rwanda and Uganda**

Concerning Rwanda and Uganda, both countries have a similar situation of dictatorship, where the rule of law is replaced by the rule of one major-general, be it [Paul] Kagame or [Yoweri] Museveni. Both men are the proxies of the IMF, the World Bank, and whoever hides behind these Bretton Woods financial institutions. Both countries are ruled by a single-party political system, but believe me, there is also resistance against these dictatorships. Yet, they are given as examples in Africa of development, and no one tells them to hurry up in democratizing their regimes, like in other parts of Africa. You are certainly aware that these two regimes invaded the Congo, under the pretext of protecting their respective borders from would-be terrorists supposedly coming from the Congo. We happen to know that when they attacked, they went straight, landing their paratroopers in the western

FIGURE 1  
**Congo's Strategic Resources**



Symbol	Resource	
Au	Gold	
C	Coal	
Cb	Columbium (niobium)	
Cd	Cadmium	
Cem	Cement	
Co	Cobalt	
Cu	Copper	
Dm	Diamond	
Mn	Manganese	
Pet	Petroleum	
Re	Rhenium	
Sn	Tin	
Ta	Tantalum	
W	Tungsten	
Zn	Zinc	
○	Group of producing mines or wells	
<u>○</u>	Plant	
—	Railway	

coast of the Congo in the towns of Kitona, Banana, Moanda, Boma, and conquering Matadi, Mbanzangungu, while simultaneously invading the eastern part of the Congo. How can those people be so unscrupulous to tell such lies of defending their borders 2,500 kilometers away, at the other end of Congo on the Atlantic coast! It is like Norway defending its borders somewhere in North Africa.

The naked truth is that Rwanda and Uganda are on somebody else's contract to prevent the Congo from controlling its own mines or selling them to any undesired buyer, especially such sensitive mines as uranium, cobalt, and others. Allow me to tell you this: You have recently learned about a United Nations report accusing Rwanda and Uganda of looting Congolese wealth. Did you guess the meaning of this report? Its aim was to remind Rwanda and Uganda that they have been paid and sent to the Congo as watchmen of their masters, yet the watchmen are stealing from the granary. You will take notice that no one makes report about the looting done by Lebanese and Israelis in the Congo, because these are authorized agents or authorized looters. Burundi has also sent troops into Congo and has been accused of looting too.

### **Doomed in the Name of Liberalization**

Concerning the Congo, we can say that this country is a victim of its wealth. Everybody wants to take a slice of the huge and sweet cake, except the legitimate owners, the Congolese, who have been prevented from defending their property. The people of the Congo must take their responsibility and fight whoever invades their land. It is irrelevant to rely on foreign troops to defend one's property without putting up a minimum of resistance. The wealth that lies under the surface of their land is a God-given right.

I do not have much to say about Kenya, Malawi, Tanzania, and Zambia, except that these countries share with the four others named above, Burundi, Congo, Rwanda, and Uganda, the unfortunate fate of crumbling under the burden of the debt. Please let me remind you that in the 1970s, developing countries owed \$2.3 trillion to the lenders who call themselves donors—as Mr. LaRouche said yesterday, correctly, today those [donor] countries [themselves] owe more than \$70 trillion and have a debt service of \$230 billion a year; who can survive under such circumstances?

To come back to the countries of the Great Lakes region of Africa, they all share a colonial past, the neo-colonial present, and the tragedies caused by the globalization dictated by the IMF, the World Bank, and the World Trade Organization. They are told to liberalize their economies, to privatize their domestic companies, to cut off their customs duties and tariffs, to borrow money for the white elephant of Structural Adjustment Program, to open up their markets to foreign investments. The result is that these countries are relinquishing more and more their sovereignty.

One would like to know, who will take care of the citizens of these countries, once multinational companies will have acquired everything in the land? Will Africans request, then,

Coca-Cola and IBM, Elf-Aquitaine, Telekom, Mitsubishi, and others, to build schools, hospitals, roads, and bridges? Of course not. Africans will be doomed and abandoned to their tragic fate. All that in the name of liberalization: This globalization is the easiest way of destroying nation-states, while trampling on their sovereignty and honor.

We have information according to which large African countries will be cut to size, by encouraging secessions, especially those who happen to have the potentiality of becoming strong, once organized. So, a country like Congo will be divided into six separate so-called independent, weak states, to be dictated by multinationals and from which to loot mercilessly. All this will happen while America and Europe are uniting their respective continents into bigger entities, which will then be able to swallow the weak. It is very cynical indeed.

Our proposal is that we study at this seminar the ways and means to fight for a better world for all, free from the IMF, the World Bank, the World Trade Organization, and selective international courts.

Thank you all.

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Prof. Abdalla A. Abdalla

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## **All Africa Is in A Crisis of Survival**

*Professor Abdalla, from Khartoum, is Sudan's former Minister of Agriculture and former Ambassador to the United States. The following speech was delivered to a conference panel entitled "Peace through Development in Africa: The Moral Challenge for Europe," on May 5.*

Thank you very much. Mr. Chairman, let me first express my gratitude to the Schiller Institute for availing this opportunity for me to come from Sudan and be with you in this conference, and to share with you some observations and some thoughts relating to Africa in general, and perhaps, if time allows, Sudan in particular. And, to engage with you in this very lively debate, that I'm sure is going to be very fruitful.

Yesterday, Mr. LaRouche gave a very moving and meaningful statement about Africa, very supportive for Africa. Mr. LaRouche gave a presentation which I can give the term of "LaRouche Global-Strategic-Afro-Framework." It was a strategic framework, a rational framework, and also, a rational approach, with very clear vision and will relating to Africa, past, present, and future. And that framework has provided us—I'm sure all of us—with fresh vision needed for the modernization of Africa, based on the principles, in his words, of the common welfare, and that Africa should be given the cognitive power over its destiny.

Yes, I would agree with all the vision, the framework, the strategy, the thought, that Africa is entitled to an agenda, an economic development agenda, just like other continents have had the opportunity, especially Europe after the war. That Africa *is* entitled to that agenda, and must have it, and must have it through its own toil, but also supported globally. I accept that vision. I accept that strategy. I accept that framework. I accept it as a strategic vision, but, I will say that it is not complete. I would say that, while we are in need of that vision, and of that strategy, and of that framework, we are *equally in need of an immediate framework*, an *urgent* framework, to salvage the African people from the current miserable and sad situation they are in. And that cannot wait for a long-term strategy. That is the situation. We are living now very miserably. Very sad. Extremely urgent. And we should also not only look for strategic ideas to salvage the situation, but we should also look for *immediate* options, *immediate* notions, *immediate* ideas that can help the African people survive. We are in a crisis of survival. We are in a structural crisis, a crisis of survival for many African countries.

## Genocide, by Design

I will give only some examples to illustrate how urgent the situation is: In my own country, Sudan, we have now a war going on. A war that has been going on approximately for the last 40 years, with a break from 1972, after the Addis Abeba agreement, to 1983, when the war was revived again. And it still goes on now. That war, together with other wars in the Great Lakes, Eritrea, Ethiopia, Sierra Leone, Mozambique—you name it—these wars have resulted in [the deaths of] about 78 million people. And, as Mr. LaRouche said, it is highly probable, and highly likely that it is *by design*, that the population of Africa should not be allowed to increase. That it is *by design* that Africa should remain trapped in being a provider of raw materials. That it is *by design* that the African population should not increase, so that they do not consume those raw materials. Because they are for others to consume, and not for them. It is *by design* that this is being done, as Mr. LaRouche said yesterday.

In Sudan—now we are meeting here; yesterday, Mr. Bush made a decision to send a special envoy for humanitarian assistance, Mr. Andrew Natsios, to be his special envoy in Sudan, to monitor the humanitarian assistance reaching, or supposedly should reach, those who are trapped in the conflict in southern Sudan. Well, I would have thought that this was not the priority for Mr. Bush. I would have thought that the priority for Mr. Bush was to exert pressure on both parties, government and rebels, to stop the war. His contribution should go toward a cease-fire, before it goes to a humanitarian envoy. Because humanitarian assistance would not stop the war, it would rather *prolong* the war. If you continue giving humanitarian assistance, it would rather tend to prolong the war, not stop it. But, what will stop the war, is a cease-fire decision. And I think Mr. Bush, and others, are capable of

exerting that pressure, particularly so, that the government of Sudan has been repeatedly announcing that they are ready for a cease-fire.

But, the SPLA [Sudanese People's Liberation Army] leader [John Garang] has been consistently denying that, and his latest condition, in the last week, is that he would go for a cease-fire, if the government of Sudan would stop exploring and getting out petroleum and exporting it.

And here I see a contradiction. It must be through the petroleum, and development, that we should promote peace! That peace could be promoted if we can take the proceeds of the petroleum and put them into development in the south, and in the east, and in the west, and in all the marginalized areas that have remained underdeveloped in Sudan. Not to ask for stopping the oil, but to go for a cease-fire, and then to go for deliberations, for negotiations; and then, to see to it that the proceeds of petroleum should go into the development of the devastated areas of the South, the devastated areas of the West, and of also the Southeast.

## A Problem of Poverty and Poor Resources

So, my point here, is that, this is a country that has got a conflict in hand, so we need, first, to settle that conflict. We need conflict resolution to resolve the conflict. It is possible to resolve the conflict, if you can address the real root causes of the problem, and also to let the Sudanese handle these root causes. The real root causes are not religious. Religion has never been, in Sudan, a question. Never. Christianity and Islam have been living together like everything you would like to see living together. It is not a religious question.

This polarization of Christian-African South and Arab-Muslim North is a creation of—is an outside creation. It is not—I am a Sudanese, I don't feel that. I don't feel anything against Christians. As a matter of fact, my religion dictates to me to respect Jesus Christ's teachings, and if I don't do that, I am not a Muslim. And I think most of you know that [it is] Abrahamic religions, from which Islam and Christianity derive: the same principles, the same human principles. So, it is not a religious problem at all. It is not even an ethnic problem. And you heard the speaker before me, speaking about the Tutsis and Hutus: We have no problems there with the tribes, the ethnic. They have been living together.

Perhaps there are conflicts over resources, over water, over grass, over land. But these are just simple conflicts between tribes over these poor resources. If you develop these resources, then you remove these conflicts. It's a problem of *poverty* that initiates the conflicts. It's not a problem of ethnicity or religion. It's a real problem of poverty and poor resources. And if these potential resources, big resources, like in Sudan, for example—lots of land, lots of grass, lots of animals, lots of water: If these are managed well, then the reasons for the conflicts between the tribes are meant to be removed. So, it is really a political, developmental question. It's not an ethnic or religious question.

I would say, this illustrates the point made by LaRouche

yesterday, that it is really external factors, like Bush sending this envoy; like this Christian Coalition in Washington, getting together the fundamentalist Christian Coalition, then the evangelicals, and, strangely enough, the issue being raised is the issue of slavery in Sudan. And when we hear that in Sudan, we are just amazed. We have never known, in our recent history, what slavery is. *Never*. Well, I don't know quite. I'm a Sudanese, and I have never seen, or practiced, or even rationalized, or have a notion of slavery. But this is now the issue in Washington. And even African-Americans are now being brought into this. Trying to get the African-Americans in with this coalition, which is trying to destabilize Sudan, and have it continuously destabilized; bringing this issue, which is very sensitive, to the African-Americans. But I'm sure that they will be aware of this: why these religious leaders are being brought together; and even Michael Jackson is being mobilized to go fight slavery in Sudan. And even Jesse Jackson, also.

### **An Immediate Agenda Is Needed**

I think I would like—I asked Mr. LaRouche for a model, or for an agenda, an immediate agenda. I would like to propose what I could see as probably an immediate agenda for these countries that are either now in war, or where the conflict has been resolved but the peace is not yet durable. All those countries that had been out of the conflict, and now are trying to develop, but still, yes, still, even in these areas—Sierra Leone, and Mozambique, and so on—it is not yet durable peace. So, I think, if we look back, if we want to suggest certain policies, or to suggest certain actions, or certain activities that likely will help resolve the situations, resolve the conflicts, help in moving forward with their development, I would like to mention that several economic models, largely based on foreign ideologies, have been practiced in Africa, and this was during the Cold War. Many of the African countries have either sided with the East or the West. And therefore, their economic models were brought from these ideologies, either East or West, because then it was a rather safe policy to align yourself with one of the powers. But, now, it is not the same situation. And these models of development, which were brought from outside, based on different ideologies, planted in different cultures, in different soils in Africa—they did not take.

Then, we had our independent governments, and most of these governments have adopted now, or in the last decade, the IMF [International Monetary Fund]-World Bank economic stabilization and structural adjustment programs. But these also have failed, to a large extent, to achieve the goals of sustainable economic development and welfare of the people. These policies did not help resolve conflicts, or curtail civil war; they, rather, increased poverty, and resulted in great environmental degradation. These policies have curtailed the role of governments, and therefore, with the private sector that is not yet strong, a private sector that is not yet powerful

enough, or engaged enough in private business, the government walked out, and there was no private sector prepared to take over. And when the government walks out of even infrastructure, services, education, health, it is not likely that the private sector will take over that.

So, privatization and liberalization of the economy were, rather, done in reaction to the prior state interventions, because there was a lot of state intervention in our economy, particularly those which had taken from the East at that time, during the Cold War. Privatization and liberalization was done—and in reaction to the prior state intervention. And this has been very damaging to the economy, and particularly, to the poor sectors of the population.

### **For Peace: Ameliorate Social Inequalities**

So, if these policies are failing, what are some of the new policies that African countries can adopt, so that they can consolidate peace, and have durable peace and economic development? Policies needed here are those that can address, that are required to ameliorate social inequalities that have been the causes of the wars. Because there have been social inequalities, and these, I assume, I take it, that these social inequalities, these disparities in development, themselves were the causes of the war. So, any policies that are adopted, should be aiming at ameliorating social inequalities that produced the wars; policies that can be relevant to the situation, the cultural-economic situation.

These policies should not follow narrowly defined stabilization and Structural Adjustment Programs. Some of those SAP programs are perhaps acceptable—some of them—but, in most cases, they are not acceptable to situations where there is war, situations where countries are just getting out of war, or situations where countries have got out of the war, but the peace is not yet consolidated. These are conditions that call for different policies, because Structural Adjustment policies are very narrowly defined, with very specific targets that have been proven, that their consequences have been very, very, very bad on, especially, the poor sector of the population.

Number three, which starts from the premise that unless the peace process is allowed to reshape the economic policy, both will fail: the peace and the economic policy. Policies that will lead to real development should also be emphasized. We spoke about infrastructure; there has been a lot of talk about infrastructure. The SAP policies do not give that its due. So, it is very important that a lot of investment be made into infrastructure: railroads, roads, water, water management, drinking water—we have certain parts in Sudan where we have plenty of productive land that can be utilized, but it is not being utilized because people have no drinking water to stay there and till the land.

There had been some talk, by Professor Mohammad,<sup>1</sup>

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1. Prof. Mohammad Al-Sayed Selim's speech to the conference, delivered the same day, was published in last week's *EIR*.

about the Cairo-Khartoum—I would say, the Cairo-Khartoum-Juba, and go on into Uganda, Kenya—railway. My surprise was not that it was only a different gauge; yes, it was a different gauge, however the gauge in Sudan has been very narrow. The railway in the Sudan from Wadi Halfa to Khartoum was made to carry the troops that had invaded Sudan. That was the objective for it, across the desert. My concern, my surprise, is that, since our independence in 1956—these are now about 44 years—that gauge has not been changed. And that link has not been made. So, it shouldn't have taken that time for both the Sudan governments and the Egyptian governments to realize that that link is really very important for the development of both. And I would comfort Professor Mohammad, that I would agree that the gauge of Sudan should be widened to be similar to that of Egypt. I wouldn't suggest that the Egyptian one be narrowed, because speed and time are money, and these gauges should be wide enough so that they can provide for speed and for time, which is money.

### **Accelerate Regional Infrastructure Projects**

In as far as infrastructure is concerned, there had been discussion of Eurasia. In Africa, we speak about the Nile Basin, the Congo Basin, the Niger Basin, and these are all areas of cooperation. The cooperation in the Nile Basin, which has got about eight countries, that are either currently using and benefitting from the Nile water, or will benefit. And this is now—I'm referring here to regional cooperation between countries in Africa, which is really very important, to have regional cooperation, in addition to the policies I mentioned, and other policies that are probably good.

One of the other suggestions for immediate salvage, and immediate correcting of the situation, would be to accelerate regional, integrated projects, like the Nile Basin project. And fortunately, this is now under way, because in 1992, there was an action plan by the Ministers of Water Resources in the eight countries, and now we have the Nile Basin Initiative, which allows for equitable utilization and benefits from the Nile waters. And so, that the Nile waters are not reasons for conflicts—people speak about conflicts because of water scarcity, and the coming wars are going to be water wars, and so on—here is an initiative that will guarantee that the Nile waters are not going to be a source for war; rather, they will be a source for development. Because there are these initiatives.

There is also, in addition to the Nile Basin Initiative, the Shared Vision program, which is designed to eradicate poverty in the Nile Basin. So, this is a regional project which I think will help. The countries that are involved are Egypt, Ethiopia, Sudan, Eritrea—this is in as far as the subsidiary action programs are concerned. And then, there is the Nile Equatorial region: Burundi, D.R.C. [Democratic Republic of Congo], Kenya, Rwanda, Tanzania, Uganda; and downstream countries, such as Sudan and Egypt, can also be benefitting and part of that.

The second regional requirement for accelerated develop-

ment in this part of Africa, or all of Africa, is electricity. We have rivers that can generate a lot of electricity. But, if I tell you that our total electricity in the Sudan is 500 megawatts, and in Egypt, 7,000 MW—I think, it is in this range. Recently, there has been a meeting of the managers of electricity companies in Africa, and I think this was a very important meeting, because electricity is really required for science and technology, for technology for industry; and if we don't have that electricity for our rural areas and industrial areas, we are not going to progress.

Another regional initiative is the Sahel and Sahara group of countries, 15 countries: North Africa, West Africa, Sudan, including Egypt, Eritrea, Ethiopia—all of these have got now a three-year-old initiative called the S&S, the Sahel and Sahara group. And they are also now coming together on a combined agenda, and they are creating a bank, just like LaRouche suggested, a bank that will help these countries on long-term credit, soft long-term credit for *real* development. The Comesa [Common Market for Eastern and Southern Africa] in East Africa, also, a grouping for trade, better terms of trade; these are regional initiatives that can also support the policies.

### **Africa Needs Science and Technology**

And the third component is to see to it that our strategies for development must combine science and technology with economic policy, economic development policies. These two go together: We cannot develop, if we do not develop our science and technology capacity. Because one of our mere reasons now, is lack of agricultural development; for example, our low productivity, low productivity of our crops, low productivity of our animals, low productivity of our water use—all of these are extremely low productivity, because of lack of proper, good level of technology. We are using very low levels of technology, sometimes *no* levels of technology at all, no high inputs, no high technology. And we are just living with what we get from the rain and from the farmer.

I will conclude by saying that, yes, a strategic framework is necessary for Africa. Yes, a special agenda is necessary for Africa. Yes, a global coalition to help the Africans, who should take the principal role in this, but be helped by this coalition, the global coalition—this is a must, and I think it should be pursued. But, I also think that we need means, ideas, models of development, and policies that are suitable for quick crisis management, for survival, for stopping the wars, for making the peace more durable, and for saving our human lives, and saving also our environment. This will need national policies, to reverse the worsening situation; this will need will, to resolve conflicts; this will need, that external influences are eliminated and reduced; this will need, that we should combine science and technology, and economic development policies for our development; and this would mean that we must accelerate our regional development programs.

Thank you.



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## Invading Armies and Congo's Human Disaster

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*An Interview with Ambassador of the Democratic Republic of the Congo, Dr. Faida Mitifu*

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*Dr. Faida Mitifu, PhD, is Ambassador to the United States of the Democratic Republic of the Congo (D.R.C.). She was interviewed by Lawrence Freeman, on May 8.*

**EIR:** Right now, the Congo is in the news quite a bit, with some very important stories. Mrs. Ambassador, would you comment on the recent report that 3 million Congolese have been killed, as a result of the armies that have invaded the Congo since 1998? Could you give us some background on that?

**Ambassador Mitifu:** As you know, since Aug. 2, 1998, my country has been a victim of an unjust invasion by its neighbors from Rwanda, Uganda, and later on, Burundi. Ever since the beginning of the war, large-scale massacres have been perpetrated on the people of Congo, particularly in the eastern part of the country. You would also remember that during the third week of the war, the armies of Rwanda and Uganda cut off electricity and water to the city of Kinshasa, a city of 6 million people. And, during that time, actually, in Kinshasa, many, many people died in the hospitals because they did not have access to water, to electricity, and to the care they needed to get well.

From Day One, we denounced the invasion and the massacres, especially in the eastern part of the country. Three million deaths have occurred in the occupied territories, controlled by the armies of Rwanda, Uganda and Burundi. We have denounced the killings; we have denounced the inaction of the international community, but, unfortunately, it didn't seem that anyone listened to us then. But, we are happy that finally—finally—the international community has awakened; that they are trying now to get a little more involved in the issues of the Congo.

Particularly, right now, the attention is finally focussed

on the humanitarian situation in the Congo. It's a little bit late for the 3 million-or-so Congolese people who have already lost their lives because of this war. But we are just hoping that the international community not only will continue to get involved, at least, to alleviate the humanitarian situation of the Congolese people; but also, that they will continue to put pressure on the invading countries of the Congo.

**EIR:** You talked about “invading armies of the Congo,” as the cause of this humanitarian disaster. Could you say exactly who are the invading armies? Where are they located? Who is behind them, and what has been their policy?

**Ambassador Mitifu:** As you know, Congo has been a victim of the aggression from its neighboring countries: Rwanda, Uganda and Burundi.

**EIR:** And they have specific groups that they fund and support?

**Ambassador Mitifu:** Yes, because what is going on in the Congo, is not a rebellion, as it has been entertained by the international media. From Day One, you have to remember that an invasion took place. Armies from Uganda and Rwanda invaded Congo. And it was only within two weeks or so of the invasion, that they *created* rebel movements.

First, they created the RCD movement in Goma; and then later on, about two months later, Uganda created the MLC movement in the Northeast part of the country. The RCD, in French, is Rassemblement Congolais pour la Démocratie—Rally for Congolese Democracy. The MLC would be the Congolese Liberation Movement, with Jean-Pierre Bemba. The RCD has known, so far, several leaders: the Rwandans first used Zaidi Ngoma who was replaced by Prof. Wamba dia wa Wamba; then came Dr. Emile Ilunga, who was re-

FIGURE 10  
**Political Division of the Democratic Republic of the Congo**



*The invading armies of the Congo, whose genocide is described by Ambassador Mitifu, have effectively partitioned the country in their slaughter and grab for resources.*

placed by Adolphe Onusumba.

They created this movement only later on, to give this makeup of a rebellion in the Congo. And it's these countries, actually, that have been training and equipping these rebel movements. And they still have their armies on Congolese soil.

**EIR:** And that's one thing that people should know—that they're still occupying approximately half of the country, and entire section of the northern and the eastern part of the country. Now, there's been discussion recently, with the new Presi-

dent, Joseph Kabila, coming into office, of some pullback of these rebel forces. Is there a pullback going on? How are these rebel armies acting now, under the so-called "agreement for peace" in the Congo?

**Ambassador Mitifu:** Thank you for the question. The pullback is in response to the Kampala disengagement plan, and also the Harare disengagement sub-plan. So far there have been two meetings on the withdrawal of the troops. The Kampala disengagement plan was signed on April 14, 2000 and the Harare disengagement sub-plan was signed Dec. 6, 2000. Recently, in February, there was a joint meeting be-

tween the UN Security Council and the Political Committee of the Joint Military Commission which unites all the belligerents in the war in the Congo. After that meeting, there was a resolution from the Security Council, Resolution 1341, which, finally, demanded the implementation of both plans, the Kampala disengagement plan and the sub-plan of Harare. Troops were supposed to pull back 15 kilometers on each side. And also, Rwanda reiterated its unilateral commitment to pull back 200 km.

Yet, we have to be careful about what has been portrayed as, almost, a generous offer from Rwanda, to pull back 200 km; because, although we all welcome it, we have to be very careful. Because, we are seeing now more troops from Rwanda pulled out from the front line, [while] massive deployments of Rwandan troops have been reported in North and South Kivu. And these troops are not just staying in the urban areas, but are being deployed away from the urban areas; so, we don't have a clear explanation of this movement, which is really in violation, not only of the Lusaka Accord, which we all signed, but also in violation of UN resolutions 1304 and 1341.

**EIR:** The Rwandans said they were going to pull back 200 km. Would that remove them completely from the soil of the D.R.C.? And have any of them actually left the D.R.C., or are they just consolidating their positions?

**Ambassador Mitifu:** Looking at what people in eastern Congo are witnessing, I'll be tempted to say that it's more to consolidate their position in the D.R.C.; because when you hear about the 200 km pullout from the front line, they are still deep, deep into the D.R.C.; because they were far away from the border—up to 700 miles away from the border. So pulling out 200 km is okay, but not significant.

**EIR:** There has also been a report from the United Nations, commissioned by Kofi Annan, that documents the massive looting by these two rebel armies that you've been referring to, which are both sponsored by Uganda and Rwanda—that they have looted the Congo of several hundred million dollars, or maybe more, in natural resources. This report has just been made public. What is the background of this?

**Ambassador Mitifu:** From Day One, Rwanda and Uganda have used the pretense of invading Congo because of their security problem—they said they invaded Congo to ensure security at their border—from Day One, we denounced this pretense. We knew they were in the Congo for Congolese natural resources, then.

So we've had NGOs [non-governmental organizations], Congolese NGOs, who have investigated the looting of the Congolese natural resources, before. And we have the Pierre Lumbi report, which clearly spoke about some officials from Rwanda, from Uganda, and their cronies in Congo, who were involved in this illegal exploitation of minerals in the Congo. We've had illegal exploitation of gold, of diamonds, of coltan, of perichlore, of cassiterite, of coffee, of timber. All these

products have been and are being exploited illegally.

We denounced already back in August or September 1998, the involvement of Museveni's own brother, Gen. Salim Saleh; his direct involvement in the trafficking of Congolese natural resources. We cited then, Gen. James Kazini, who was the chief of staff of the Ugandan Army at the time, and his direct involvement in the trafficking. We mentioned an accident that occurred in a northeastern province of the Congo, an accident in which General Kazini's brother died with some traffickers of different nationalities, who died in that plane crash. That plane was carrying gold and other minerals.

We have been denouncing this; but until, probably, last year, we really didn't have an ear that listened to us. So we were very, very happy when finally, the UN Secretary General appointed the UN panel to investigate on this illegal exploitation. And this report shows clearly that there is massive, massive looting of Congolese natural resources, going through Rwanda, Uganda, And Burundi. They have created some companies through which this illegal exploitation of Congolese natural resources is going on. The report even gives the list of companies involved in this illegal exploitation.

**EIR:** Is this still going on now?

**Ambassador Mitifu:** It's still going on now. The UN panel report made, also, some recommendations: among others, sanctions against some countries involved in this illegal exploitation. My government and the people of the D.R.C. support these recommendations. But recently, after a debate on the report, the UN Security Council has recommended that the mandate for this panel be extended for three more months, to probably clarify certain things.

**EIR:** Regarding this humanitarian disaster, there are some reports that maybe as many as 4.5 million people have died. It's also been brought out, that most of these people did not die due to being directly wounded, or killed in the war, but through lack of health care and food (see accompanying articles). How many millions of people are endangered in the Congo now, and what kind of steps have to be taken to provide relief for these people under these conditions, and what can the government do about it?

**Ambassador Mitifu:** People who have died from gunshot wounds, or machetes, or by the armies of Rwanda, Burundi, and even Uganda, or through machetes due to ethnic rifts instigated by Uganda in the northern part of the country, the number has been estimated at around 300,000. That's a lot. Now, the rest have died mainly of diseases and of malnutrition. Why? Because they have been forced to run away from their areas; they have been forced into life in the forests and in the bushes, because they are running away from the killings war. The places that have been the most targetted by these invader armies are mainly rural areas. As you know, as someone who knows Africa very well, food comes from the rural areas. It's the rural areas that feed the urban areas. So, when

you have peasants running from the rural areas, it means that there is no food, and they are forced into life in the forest, where there is no food; there is no access to medical care; there is no access to school for children, etc.

This is what has been happening—these people are mostly displaced people, who have been dying of hunger, because they are not able to produce what they can eat. A representative from the World Food Program went to Kasika, which is in South Kivu. You will remember that Kasika was probably the very first victim of a massive, massive massacre of its population—1,000 people in Kasika, back in August 1998, were killed at the hands of soldiers from Rwanda. Members of the World Food Program went to Kasika recently, and what they found, was malnourished adults, but there were almost no children. And when they asked where the children were, most of the children had died. You can imagine such a situation: Kasika is a totally traumatized village, where 1,000 of its population was killed, including the chief of the village and his young wife. This is really the situation in the eastern Congo. Because war creates economic hardship, there is a lack of access to medical facilities, and a lack of access to medicine throughout the country, particularly in territories under occupation.

**EIR:** What plans does the government have, for the massive job of providing food, water, and health care for the country?

**Ambassador Mitifu:** Right now, the first step is to allow the humanitarian organizations to have access to these remote areas. But again, there is also a second problem that arises: Congo has had its independence since 1960, and since 1965, Congo was ruled by the kleptocratic regime of Mobutu, who never built any road infrastructure in the Congo. Even the little of infrastructure left by the Belgians, was totally destroyed. Mobutu didn't care about rebuilding the country. We have the problem of *access* to these remote areas, because of the lack of roads. These are some of the problems which these humanitarian groups are faced with: How do you access some of the remote areas, where there are no roads that lead to these areas? The first step is that the government is asking the international community to come to Congo's rescue, especially as far as the humanitarian situation is concerned. We have opened our doors to humanitarian groups; even in the occupied territory, humanitarian groups can, at least, start having access to the population.

The government wants the war to end so we can rebuild our country. Dialogue with Bretton Wood institutions is going relatively well, and so is the dialogue with other partners of the D.R.C.

**EIR:** Are the rebel groups allowing the humanitarian groups into those territories?

**Ambassador Mitifu:** Yes, I think so. It has been that the World Food Program went to Kasika, so I assume that they did allow them access to these people. The second thing—and this is not really second—the wish of my government:

There is no worse human rights abuse than the war itself. And we've asked for the international community, and the United States in particular, to put more pressure on these invading armies, so that they withdraw their troops from Congo. This will be, actually, the best and quickest way to remediate this humanitarian situation. And also, that will help us, actually, to start rebuilding our economy. We have made some reform at the economic level, such as liberalizing our currency, and so forth—these are just small steps, actually, to revamp our economy.

On the political front, we want all the Congolese to get together freely, without guns being pointed at their neck, so that they can control what will be said at the Inter-Congolese Dialogue. We want all the Congolese to come together and to discuss the fate of our country. We want all the Congolese to be reconciled. That is very, very important for us.

But we also want that every Congolese who comes there, come there to speak for the people of the Congo, but the Inter-Congolese Dialogue should not be a forum where individuals will position themselves as individuals; they have to come to speak for the people of the Congo. They have to have some kind of mandate from the people.

**EIR:** So this is a conference you are pulling together?

**Ambassador Mitifu:** There is a discussion process, a forum, which is called Inter-Congolese Dialogue. That is coming, but yet again, our wish is for the foreign invading armies to pull out of the Congo: Would the RCD come to speak for the Congolese people? They cannot . . . because they are totally unpopular in the area they occupied. So, would they come to push the Rwandan agenda at the Inter-Congolese Dialogue? That will be unacceptable, and I don't see them coming in to speak freely for Congo. And the same thing goes for the MLC.

**EIR:** Since the young Kabila has become President, there has been a lot of positive publicity and accolades for the new leader. Has there been any concrete assistance given by any governments to the Congo? And has anyone responded to the demand you just stated—especially those governments in the West who are giving support to Rwanda and Uganda—have they made any response toward enforcing the withdrawal of their two rebel forces? That would be a legitimate response.

**Ambassador Mitifu:** One of the concrete steps is that the European Union has just deployed \$106 million in aid to Congo. This was an assistance that was blocked back in the 1990s, when the international community was putting pressure on Mobutu, to democratize. So these funds have been released, and that's a very good, concrete step from the European Union, and it's welcome. We hope that this will open doors to other countries, such as the United States.

The United States, so far, has contributed, in terms of humanitarian assistance, mainly. We have got, so far, about \$13 million in humanitarian assistance from the U.S. this year. Unfortunately, this \$13 million is already finished. So now we are hoping we will be able to convince the Congress to be

more pro-active, and release more funds to what has been referred to as, probably, the worst humanitarian disaster in the history of the world. And we are hoping that the European Union step towards the Congo will be followed by the United States and the rest of the world, to help Congo get back to its feet.

**EIR:** And has there been any response to the request for pressure to get the invading countries to pull out?

**Ambassador Mitifu:** Obviously, everybody is supportive of the Lusaka Accord, and everybody feels that all must be done, within this framework. But, the Congolese people want these armies to leave now, today; because that, for them, is the only jump-start of economic recovery, and the only jump-start to put an end to the humanitarian disaster.

## Uganda, Rwanda Armies Must Leave Congo Now

by Lawrence K. Freeman

Since the Jan. 16 death of President Laurent Kabila and the “official peace” in the Democratic Republic of Congo (D.R.C.), two reports have been published which provide a public glimpse into the dimension of devastating *physical destruction* of that nation as a result of the years-long succession of wars perpetrated by Uganda, Rwanda, and Burundi.

One report, issued by the International Rescue Committee (IRC) in May, details the fantastic increase of mortalities as a result of the “protracted and violent conflict” that raged in the occupied eastern section of the D.R.C., which is the area the invading armies have militarily occupied since August 1998.

The second, 56 pages long, is the result of an investigation commissioned by United Nations Secretary General Kofi Annan in June 2000, and submitted to the Security Council on April 2, entitled, “Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo.”

### Slaughter and Looting of Wealth

The investigative panel appointed by Kofi Annan cited, in particular, Uganda and Rwanda, and their proxy armies, the MLC (Congolese Liberation Movement), and the RDC (Rally for Congolese Democracy). Here are only a few of the incidents contained in the UN report.

- RCD soldiers collected “taxes” at gunpoint from the areas they occupied, and stole between \$1 and \$8 million in Congolese francs from Kinshasa Central Bank.

- RCD and MLC forces took over commerce and trade by force when necessary, and established unprecedented con-

trol of the economy in eastern and northeastern D.R.C.

- Uganda, which produces virtually no gold at all, became a gold exporter of 11.45 tons in 1999 and 10.83 tons in 2000, as a result of shipping stolen gold across the border.

- Uganda increased its export of diamonds from 1,511 carats in 1997 to 11,303 carats in 1998, and more than 11,000 carats in 2000, also as result of stealing from the D.R.C.

- Rwanda increased its exports in diamonds from 166 carats in 1998 to 30,491 carats in 2000 by the same looting methods.

The Executive Summary of the IRC report, which covers the period from February 1999 to April 2001, estimates that as a result of the war, 2.5 million people died in excess of normal mortalities. Officials from the D.R.C. estimate that for the entire war period, it is closer to 4.5 million excess deaths, of whom more than 4 million died of diseases untreated due to the absence of health care in the fighting zones, and more than 300,000 in the combat. Even now, as the humanitarian disaster has been recognized, because of the non-existence of basic infrastructure, relief cannot reach the suffering population. It is estimated that 70-80% of the population—35-40 million people—is *presently* considered “endangered” due to these conditions.

In eastern D.R.C., where the invasions began, five of the seven areas visited showed fewer births than deaths, and four of seven showed 8% or more of the population dying over the two-year period. Before the war these areas had a population growth of approximately 3%. It is estimated that nationally one in eight households has experienced a violent death, and 40% of those deaths are women and children.

In Moba and Kalemie, the estimate is that 75% of children born during the war have died, or will die before their second birthday.

For the D.R.C. to reconstruct itself as a nation, the rest of the world, especially the West, must: 1) provide not only immediate humanitarian aid, but teams of workers and engineers to build roads and other infrastructure necessary for the delivery of food and medicine to the beleaguered population; 2) order the invading armies from Rwanda and Uganda out of the D.R.C. without any delay.

## Hearings Confirm EIR Congo Warning of 1997

by Suzanne Rose

The truth about the catastrophic genocide occurring in the Congo and Great Lakes region of Africa, and the British and American role in that genocide, began finally to emerge in Congressional hearings May 18. Congresswoman Cynthia McKinney (D-Ga.) convened a hearing of the Human Rights

Subcommittee of the House International Relations Committee, together with Subcommittee Chairwoman Ileana Ros-Lehtinen, (R-Fla.) to reveal what EIR News Service had repeatedly insisted, since Spring of 1997, was happening in Congo—a genocidal slaughter on the magnitude of millions of human beings.

This was Representative McKinney’s second hearing this year on this subject. The testimony was long past due. Readers of this news service will be familiar with the scenario presented, first reported on in *EIR* and *New Federalist* beginning June 1997. *EIR* warned that the invasions of the Democratic Republic of the Congo (D.R.C., formerly Zaire) in 1996 and 1998 by its neighbors, Uganda and Rwanda, were not carried out to liberate the country from tyrannical dictator Mobutu Sese Seko (the reason given in 1996), nor (as claimed in 1998) to protect Rwandan and Ugandan borders from worsening civil war conditions in the D.R.C. Rather, the armies of Uganda, Rwanda, and Burundi invaded to achieve the dismemberment of the country for the benefit of the mineral cartels which are now gobbling up the resources of the mineral-rich eastern part of Congo.

A similar fate is being prepared by neo-colonial circles in the West for another neighbor, Sudan, on the pretext that the Christian south of the country must be liberated from the the Islamic government in the north.

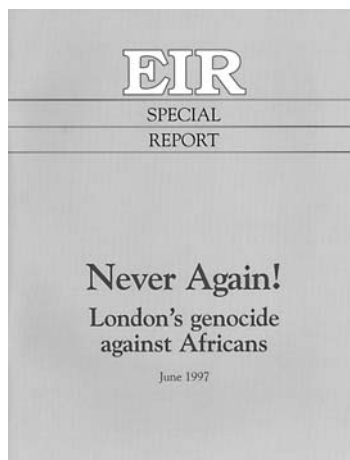
McKinney’s hearing, (“Suffering and Despair: Humanitarian Crisis in the Congo”), featured testimony from investigative reporter Wayne Madsen; Suliman Ali Baldo, Africa Division of Human Rights Watch; the Rev. Jean Bosco Bahala, Archdiocese of Bukavu, Congo; Anne Edgerton, Refugees International; and Les Roberts, International Rescue Committee.

The International Rescue Committee has released a “2001 Survey of the Death Toll in D.R.C.’s War,” which was available at the hearing and cited in testimony (see preceding article). Congresswoman McKinney compared the lack of response to this catastrophe to the response of the international community to other crisis spots, such as the Persian Gulf and the Balkans.

### **Diamond Looting, Drug Running**

Another important report cited in the hearings, was released by the UN on April 12 on the looting of eastern Congo of gold, timber, and vast mineral resources—looting which the occupying armies are protecting. Anne Edgerton of Refugees International confirmed that the scale of mineral exploitation going on in the areas occupied by the invaders is immense. Untold amounts are leaving the area by helicopter. She said rough diamonds from Kisangani are more worth more on the market than diamonds from Brussels. This is the place people go to get diamonds to launder drug money.

McKinney opened the hearing by stressing the importance of setting the record straight on what has happened in Congo over the past three years, telling the truth about what Rwanda and Uganda have done, which she described as—on



*Four years ago, warnings against the genocide ongoing in the Congo and the Great Lakes region more broadly, were published by EIR in a worldwide campaign against the Anglo-American support and instigation of that genocide. Now, detailed confirmation is being revealed at Congressional hearings.*

the pretext of protecting their security—having been to invade and occupy the country, and to protect the mineral cartels which are stealing the resources, including timber, cobalt, diamonds, and zinc. She referenced a report from the Catholic news agency MISNA, charging that the Rwandan Army is now setting up “concentration camps” in the Numbi area of South Kivu in order to have sufficient labor on hand to extract coltan and other precious minerals. She compared the savagery of the Rwandan occupying armies to the Nazis. She scored the West for its failure to respond.

Journalist Wayne Madsen, author of *Genocide and Covert Operations in Africa 1993-1999*, charged that U.S. military and intelligence services were involved in assisting the invasion and occupation of northern and eastern Congo. Madsen charged that the 1996 invasion against Mobutu Sese Seko, and the 1998 invasion, were covers for breaking up the country. Early U.S. support for rebel leader Laurent Kabila was to open up the Congo further for the mining companies.

Madsen reported U.S. spy satellites provided intelligence to the Rwandan Patriot Front (RPF) during the invasion, and that NASA had a communications intercept in Uganda. He said U.S. military aid programs, planned and administered by the U.S. Special Operations Command and the Defense Intelligence Agency, provided overt and covert assistance to the invading and occupying armies in 1996 and 1998. He also alleged that logistics and training were provided to Rwandan and Ugandan militaries by private military training firms and logistics support contractors. As an example, he cited Military Professional Resources, Inc., (MPRI) of Alexandria, Virginia, whose officers include a former director of the DIA. He says that MPRI was providing covert training assistance to Paul Kagame’s RPF troops, in preparation for combat in Zaire.

Madsen said sources in Africa’s Great Lakes region report the presence of a U.S.-built military base near Cyangugu, Rwanda, near the Congolese border, which was partly constructed by Brown and Root, a subsidiary of Halliburton, Vice President Dick Cheney’s former employer. The base is said to be involved with training Rwandan Patriotic Front forces

and providing logistics support to their troops in the D.R.C.

## British, Bush Connections

Madsen attacked the increasing reliance by the U.S. Defense Department on so-called “private military contractors,” and charged that these contractors have close links with some of the largest mining and oil companies involved in Africa. A March 2001 report issued by UN Special Rapporteur Enrique Ballesteros of Peru, concluded that mercenaries were linked to the illegal diamond and arms trade in Africa. “Military security companies and air cargo companies registered in Nevada, Channel Islands, South Africa, Zimbabwe, are engaged in the transport of troops, arms, munitions, and diamonds.”

The Rwandan-backed Goma faction of rebels in the east are seeking to restore mining concessions for the Bush-linked Barrick Gold, Madsen alleged. He said that currently Barrick and tens of other mining companies are stoking the flames of civil war in the D.R.C. “Each benefits by the de facto partition of the country into some four separate zones of political control. First the mineral exploiters from Rwanda and Uganda concentrated on pillaging gold and diamonds from the eastern Congo. Now, they have increasingly turned their attention to coltan.” As an example of the collaboration between the mining companies and mercenaries, he reports on the fact that America Mineral Fields bought 75% of the shares of IDAS Belgium, SA, a mercenary firm based in Curaçao and headquartered in Belgium. IDAS entered into an agreement with the Angola state mining company for diamond concessions along the Angolan-Congolese border.

Detailed as the Madsen testimony was, about the involvement of the U.S. military and private military services in the the destruction of the Congo, he omitted that the companies he cites as benefitting from the plunder, America Mineral Fields, and Barrick Gold, are *British Commonwealth* mineral companies, headquartered in Canada. Similarly, the International Monetary Fund is pressuring the successor of the slain President Laurent Kabila, his son Joseph, to sign over the mineral rights of the territory under his control in the Congo to such neo-colonial interests as Anglo American Corp., in return for alleviating pressure for so-called democratic reforms.

The fact is that the blame for the planning of the destruction of this region to the benefit of raw materials looters, must be placed at the doorstep of the former colonial powers, particularly the British Commonwealth and its puppet Ugandan President Yoweri Museveni. Museveni planned the war in the Great Lakes, beginning in 1990 with the first invasion of Rwanda by Uganda, together with Lady Lynda Chalker, Minister of Commonwealth Affairs in the John Major government. U.S. military and intelligence involvement should be attributed to the longstanding problem of Anglophile and neo-colonial circles in the U.S. State Department and military circles, who reject President Franklin D. Roosevelt’s commitment to ending colonialism and to developing Africa and the rest of the world’s underdeveloped sector.

# Düsseldorf Voters Defeat Privatization

by Our Special Correspondent

In a vote May 20, 2001, the citizens of Düsseldorf, Germany defeated, unexpectedly, the privatization of the city’s public utility. On Nov. 9, 2000, the city council had decided to sell the shares held by the city; the citizens have stopped this, in a shot against privatization being heard all over Europe. The votes of 97,702 citizens determined that the utility Stadtwerke AG, which supplies gas, water, and electricity, must remain a public enterprise, and this decision may not be altered for at least two years. Stadtwerke AG had been founded in 1865 by a city council decision, after the earlier, private, supplier of gas had misused its monopoly.

Already in September 2000, employees of the utility, who understood the consequences of the city council’s decision, joined to develop an efficient counter-strategy. The group—consisting of members of the public workers’ union, the union factory council, and the social caucuses of the Social Democratic Party (SPD) and Christian Democratic Union (CDU)—decided to use a clause of local law to organize a public referendum, which could nullify the city council’s decision. At least 13,200 petition signatures had to be collected from city residents. In November, the citizens’ initiative was founded, including several former Mayors; its spokesman was the former Düsseldorf chairman of the Metal Workers Union (IGM).

## Mayor Tried to Ignore the People

A unique mobilization followed and 63,000 signatures were collected, forcing the city council either to withdraw its own decision of Nov. 9, or have the citizens decide in a vote. At least 20% of the electorate must vote in favor of the citizens’ referendum initiative. This means, in the case of Düsseldorf, at least 88,000 “yes” votes had to be cast. During a session of the city council in March, some 5,000 citizens demonstrated outside city hall against privatization. The city council did not give in to the demands, and May 20 was set as a date for the public vote.

The city’s Mayor is supported by a city council coalition of the CDU and the liberal Free Democratic Party (FDP). Mayor Erwin presents himself as a neo-liberal, who wants to prepare the city for the world soccer championship in 2006, and a bid for the Olympics in 2012. To realize these “visions,” he wanted to “sell the silverware,” to fill the city treasury. Fully in tune with the world of stock market rule, he also engaged in highly risky leasing deals, supposedly to aid the treasury: for instance, by selling the sewage plant to a U.S. investor—aided by Deutsche Bank—to later lease it back,

even if this meant that American taxpayers had to foot the bill.

The mighty Deutsche Bank, together with its subsidiaries, became the partner of the Mayor, formerly a small local lawyer, now playing in international financial circles. Thus, he showed complete arrogance toward the citizens' motion, and never met with their representatives before May 20 of this year. There was also no public debate on energy policy, which the representatives of the citizens' motion demanded repeatedly. The Mayor even shut up his own CDU faction in the city council; the CDU members did not say a word on energy policy during the entirety of the citizens' mobilization.

After it became evident that the vote would take place, Erwin tried to use his Mayoral powers to sabotage it. The number of polling places was reduced, and a vote by mail, which would have enabled old and sick people to participate in the vote, was forbidden, allegedly "for cost reasons." A few days before the vote, the Mayor spoke before the city council, presenting his plans on how to use the revenue from the sale of the utility! Pride goes before a fall!

The citizens' motion's representatives organized caucuses in all districts of the city, using the infrastructure of big organizations, such as the trade unions and the SPD. Among the activists were representatives of the Bürgerrechtsewegung Solidarität (BüSo), associated with Lyndon and Helga LaRouche; representatives of the Green Party; the churches; members of clubs and associations; and employees of the utility.

### 'David against Goliath'

Hundreds of posters went up, saying "David against Goliath—on May 20, vote YES to keep the utility as a public enterprise." Two issues of a special newspaper, of 200,000 copies each, were distributed, information stands were organized, and a service installed to drive the elderly, ill, and disabled to the polling places. (The Mayor had refused to provide funds to have severely disabled people driven to the polling places.) The entire campaign for the referendum was financed by contributions. However, Mayor Erwin did distribute a "letter to all citizens," defending his position, paid for with public funds. The Mayor was publicly slandering the citizen activists; he also tried to sabotage the re-election of the utility's director, who opposed its privatization.

The BüSo party, which ran last in state elections in North Rhine-Westphalia, where Düsseldorf is located, under the slogan, "Globalization Is Piracy—Protect the Common Good," took part in the whole campaign, and very early on, brought in the news of the energy crisis in the United States, which reached a dramatic climax in March with the California blackouts. The picture of the U.S. which was being praised in Germany at the beginning of the campaign, as an economic wonderland, where fantastic profits rained from the heaven of stock markets, was corrected, through mailings to city council and other local politicians, from the BüSo, which included material from its newspaper *Neue Solidarität*, and also from *EIR*.



*LaRouche activists in Germany's Civil Rights Movement Solidarity (BüSo) preparing the Düsseldorf election victory against privatization of the city's utilities.*

Thus, in open debates and statements, the welfare of the citizens was more highly valued than the shareholder value society, which was pushing the United States, too, into a crisis. In addition, the Düsseldorf citizens had themselves gone through the experience of the neo-liberal paradigm, when the old, tradition-rich Mannesmann firm became the victim of a hostile takeover, by the British firm, Vodafone. Vodafone itself, since then, has been smashed to pieces.

### International Support

At the suggestion of the BüSo, local politicians considered, inviting an American state legislator, who is fighting for re-regulation of the energy sector, to Düsseldorf. An Armenian Member of Parliament, Hrant Khachatrian, who was in Germany to attend the Schiller Institute conference in Bad Schwalbach, took the time, together with a representative from the Armenian Ministry of Technology, to participate actively in the campaign. He was able to inform the Düsseldorf leaders about the victory of the Armenian Parliament, in having finally blocked the privatization of the energy sector in his country, after a long battle.

The BüSo's Karl-Michael Vitt, also active in the referendum, declared after the May 20 victory, that this victorious mobilization of committed citizens for the common good, could introduce a trend-shift in Germany. For the first time, people had stood up to the neo-liberals in the state, and won. In the nation at large, where politicians still see deregulation and privatization as a way of saving their jurisdictions from bankruptcy, this signal should be understood: The citizenry is not ready to give up historic achievements necessary for the general welfare. The Düsseldorf citizens' victory, moreover, has significance beyond the borders of Germany, in the fight against the ravages of globalization.



# Sharon's War Drive Fueled by Bush Team

by Muriel Mirak-Weissbach

Since the beginning of the renewed *Intifada* in the Middle East, sparked on Sept. 28, 2000, by Israeli Prime Minister Ariel Sharon's provocative intrusion onto the Muslim holy site of Al Haram al Sharif, in East Jerusalem, it has been reiterated by political figures in the region, that only a forceful intervention by the United States could stop Israeli aggression against the Palestinians, and reestablish the basis on which peace negotiations might begin again. This has been the plea issued by the Palestinians, as well as by Egyptian President Hosni Mubarak and Jordanian King Abdallah II, authors of a new peace initiative.

Not only has the hoped-for U.S. intervention not come, but the Bush Administration has redoubled its efforts to support Sharon in his war thrust, and to denounce Palestinian Authority (PA) Chairman Yasser Arafat as the cause of the problem. On May 18, the Israeli confrontationist course moved into high gear, with the deployment of F-16 fighter bombers against Palestinian sites, in retaliation for a Palestinian suicide bomber, who killed six in Netanya earlier that day. The deployment of the F-16s signalled military escalation, and a new phase in Israel's military-political strategy.

As the Israeli press has documented, the name of the game is the "final elimination" of the Palestinian problem. The F-16 deployment was highly symbolic, as it was the first time since 1967, that Israel had used them against Palestinians. But in 1967, it was war. Just days later, on May 20, Israeli Armed Forces bombed the home of Jibril Rajoub, the head of the Palestinian preventive security apparatus in the West Bank, a well-known moderate. As Israeli Lt. Col. Erez Weiner admitted in a radio interview on May 22, the attack was deliberate.

Sharon's strategy is straightforward: to escalate military aggression against the PA, killing as many of its leading figures—including Arafat—as possible. By decapitating the PA, and destroying its institutions (the police stations, the security apparatus known as Force 17, and administrative offices), Sharon hopes to throw its remaining leadership into chaos, whereby each would retrench to local positions. According to one scenario, reported on Israeli radio, Rajoub would control the West Bank, Mohammed Dahlan (who was wounded when his house in Ramallah was targeted two months ago) would control Gaza, and so forth. These Palestinian leaders, continually under fire, could also go into exile in Tunisia, or elsewhere, as was the case in the 1980s.

On May 22, Israeli daily *Ha'aretz* commentator Ekiva Eldar asserted that Sharon and Foreign Minister Shimon Peres are already preparing for the "post-Palestinian Authority era." To prepare the ground for the elimination of the PA, the Sharon-Peres government has started to define the PA as "the enemy." Peres has been "reciting Sharon's chorus that 'Arafat encourages terrorism.'" Furthermore, Eldar reports that Sharon "has started nurturing old established families and local leaders in the [occupied] territories, preparing them for the day when his self-fulfilling prophecy that the PA will collapse, comes true—with the generous help of Sharon," the Defense Minister, and the chief of staff. Eldar concludes: "There is evidence, say sources in the territories, that Sharon wants to carve up the territories into areas of influence, the way he did as a general in Gaza in the 1970s."

The next step, would be to broaden the war to the region. Again, it is from the pages of the Israeli press, that confirmation of this strategy comes. A senior Israeli military commentator, writing in *Ha'aretz* the same day, said that the only rationale for the use of F-16s against the Palestinians is that Sharon and the Israeli Defense Forces (IDF) are looking to start a wider war beyond the occupied territories. Reuven Pedatzur, a former military pilot, wrote that the use of jet-fighter aircraft "is a quantum leap and it is thus not surprising that Egyptian President Hosni Mubarak, who himself is a pilot and who is a former commander of the Egyptian Air Force, has warned that the use of fighter jets against Palestinian targets could push the entire Middle East beyond the point of no return." He explained: "When an F-16 carries out a bombing mission in the heart of Gaza City or Ramallah, this is a military action that significantly increases the probability of an all-out regional war breaking out. Another bombing raid, another two bombing raids, and the the inevitable will occur. A bomb will miss the structure that has been designated as a target and will hit an apartment building. Then, in the wake of the death of dozens of innocent Palestinians, the Arab leaders will have no choice but to retaliate. In that scenario, the descent of the entire region into war would be just around the corner." He added that either the IDF is incompetent, or "else the top brass of the IDF are trying to bring about a military escalation that will extend into other areas beyond the territories. . . . Those who authorized the launching of fighter jets into the skies over Nablus should not be surprised if they will be forced to launch them in the near future against targets beyond Israel's international borders as well."

The targets of an external attack have been identified as such by the Israelis themselves: Syria and Iran, on grounds they are supporting the Hezbollah guerrillas in southern Lebanon, and Iraq, the eternal enemy figure.

## Enter Colin Powell

Days later, in New York, the Mitchell Commission, chaired by former U.S. Sen. George Mitchell, which had investigated the causes of the renewed violence, officially pre-

sented its report in New York. The report, which had been endorsed by the PA, Jordan, Egypt, Russia, and the European Union, lays out the steps whereby the violence can be ended, and talks restarted. It puts special emphasis on the Israeli settlements as the main obstacle to peace, and reiterates the need to stop all settlement expansion, a matter already contained in the 1993 Oslo Accords.

It was hoped that the commission's findings would force the Bush Administration to take a stand in favor of the report. Although Bush paid lip service to the report, and the press hailed this as a sign of a new U.S. initiative, the statement by Secretary of State Colin Powell makes clear that Washington is fully backing Sharon.

Powell welcomed the Mitchell Commission report on May 21 with several crucial specifications: While calling "on both sides" to cease violence, Powell added, "In this context, we note the report's reference to the need for the Palestinians to make an all-out effort to enforce a complete cessation of violence." Then, while saying that addressing the settlements issue was "an essential confidence-building measure," Powell added, "It [a settlement freeze] is not linked to ending the violence." When pressed on whether the United States would exert pressure on the issue, after a cease-fire, he said he could not answer because that was "hypothetical." In response to demands for U.S. action, Powell indicated that the U.S. Ambassador to Jordan would serve as special assistant for the process, and would "make himself available to the parties." Powell specified that the United States was "not convening a meeting," as requested by the Palestinians and others. Furthermore, "shuttle diplomacy is not what we need right now."

Powell's words were music to Sharon's ears. As *Ha'aretz* reported on May 22, "There were celebrations in the Prime Minister's office when they saw Powell on TV. . . . He conceded to Ariel Sharon's demand not to hold negotiations under fire . . . [and] another treat for Sharon came when Powell announced that there was 'no link' between a cease-fire and a freeze of settlement activity." Powell also made clear that he had no intention of meeting with Arafat.

Thus, the celebrations in Sharon's office. "Much water will pass under the bridge until any serious discussion on halting settlement activity takes place and the Americans have accepted most of Israel's demands," *Ha'aretz* concluded.

The line put out by Powell on the PA is nothing new. Indeed, as recent revelations regarding talks on March 29 between the German and U.S. government have shown, Powell identified Arafat as the guilty party in the conflict. As the German magazine *Der Spiegel* reported, at the meeting were Chancellor Gerhard Schröder, President Bush, Powell, National Security Adviser Condoleezza Rice, Schröder adviser Michael Steiner and German Ambassador to Washington Jürgen Chrobog. On the Middle East, according to the leaked report: "President Bush referred to a recently conducted telephone conversation with Sharon, who wanted to answer ter-

rorism militarily. Arafat [he said] cannot be moved to become more reasonable. Secretary of State Powell informed the group for his part, about a telephone conversation of today with Arafat.

"He [Arafat] had completely lost contact with reality ('The guy is lost'). He places the blame on everyone else, but not on himself. [He says that] Israel, Iran, the U.S.A. are all responsible for the current situation. He is always asking about the American ideas about how the peace negotiations can be taken up again, and referred to the Arab Summit, which allegedly had spoken out for the continuation of the peace process.'

"Powell portrayed this reference as completely misguided. The language of this summit had been completely inappropriate ('outrageous'). He had given Arafat clearly to understand that there would be no American efforts. First of all an end to the violence is needed. But it is apparently impossible to make this understandable to Arafat. . . .

"President Bush stressed the American commitment to Israel, which America would stand by in the future as well."

## The War Continues

With this kind of unequivocal backing from Washington, Sharon has felt no need to budge. Following Powell's statements on the Mitchell Commission report, Sharon went on Israeli national television, to announce a cease-fire offer, of a special kind. "I call tonight for a total truce in the area," he said, "and I say again here that if the Palestinians accept this proposal to stop the fire, we will immediately stop the fire." He specified what he meant by a cease-fire: "Not a 100% effort, but a 100% cessation." Asked if he included stone-throwing, he answered, "A rock is also a weapon."

Sharon said that the PA is acting like a terrorist organization, and that Israel "must relate to it as a terror group" until it desists. This means continuing the "preventive assassination" policy against PA leaders, and the progressive elimination of the PA. Sharon also indicated his support for a bill in the U.S. Congress, to consider the Palestine Liberation Organization (PLO) a terrorist organization. Then, echoing Powell's views, Sharon said, "There is no link between the halt of violence and the subject of the settlements," i.e., that Israel will not agree to a settlements freeze.

Although Israeli Defense Minister Binyamin Ben-Eliezer followed up on Sharon's "cease-fire" proposal, with the announcement that he had ordered the Army to stop all firing except "when life is in danger," there was no let-up in the violence. On May 23, the Israeli Army conducted five raids, with tanks, into the PA-controlled area in the Gaza Strip. Shells were fired on several sites, including the Yebna refugee camp near the Egyptian border. At the same time, Israeli jets flew over the Lebanese capital Beirut, in a warning mission and on May 24, shot down a civilian plane coming from Lebanon.

## Bush-Cheney Energy Plan: Reliant Robbers Über Alles

by Marsha Freeman

On May 17, the Bush Administration released its National Energy Policy, centered on what is described as a “long-term” energy plan. The main feature of the report, promoting increased production of domestic oil, led House Minority Leader Rep. Dick Gephardt (D-Mo.) to remark that it “looks like an Exxon annual report.”

The major criticism of the policy, from Democrats spearheaded by California Gov. Gray Davis, is that it is largely pay-back to the oil and gas cartels for their financial support of George W. Bush’s election campaign (and his entire political career). Nowhere does the report provide remedy for the *actual* energy crisis that is threatening the health, safety, and economy of the United States—the destruction of a reliable, affordable supply of electricity, brought about by deregulation.

Two months ago, President Bush would not even mention California in public. Under political pressure from LaRouche Democrats, Congressmen and state legislators throughout the country, and organizations of senior citizens, low-income, and consumer groups, the third paragraph of the 163-page National Energy Policy bemoans the fact that California is facing blackouts, curtailed production, and higher prices.

But Vice President Dick Cheney, who oversaw the production of the administration’s energy policy, insists that California’s problems stem from a “flawed” deregulation plan, that “a fundamental imbalance between supply and demand defines our nation’s energy crisis,” and that the medicine is deregulation of the electric utility industry.

The corruption of the administration by Texas-based oil, gas, and electricity interests—such as Enron Corp. and Reliant Energy—is the centerpiece of the energy plan, giving billions of dollars of financial “incentives,” subsidies, and new areas of exploitation to oil and gas companies, at prices consumers will not be able to afford. But the real scandal of the National Energy Policy is that, for the benefit of those

same greedy oil and gas interests, it promotes the spread throughout the country of the very deregulation that is wrecking the state that produces one-sixth of our economic activity.

### The Reliant Rip-Off

Where has “competition” led in California? There have been suspicions for the last year, that wholesale suppliers have not been “competing,” but rather were “gaming the market,” to drive up the spot market price, by lowering the output of a plant, or taking it offline. California has found itself suffering blackouts, because a record-setting one-third of its power plants were down for “maintenance.”

The same day that Bush’s National Energy Policy was released, California Gov. Gray Davis began to name the names of the companies that are bankrupting his state. Houston-based Reliant Energy (see profile in accompanying article), which sold electricity to the state that week at a mind-boggling \$1,900 per megawatt-hour, was the only wholesale supplier to refuse to sell California electricity last Winter, when it was ordered to do so by then-Energy Secretary Bill Richardson.

Davis called Reliant “obstructionist,” and warned that actions by Reliant and other generators this Summer will determine whether or not he signs a windfall profits tax, and seizes the electricity they produce, or the plants themselves. “I reserve the right to do what is in the state’s best interest,” he told the *Los Angeles Times*.

The following day, on May 18, in an interview with California newspapers, Public Utilities Commission head Loretta Lynch revealed that the PUC has uncovered strong evidence that power companies drove up the price of electricity by gaming the market, and that the state finally had sufficient evidence to go to court. “There are instances where plants could have produced, and they chose not to,” Lynch told the *Times*.



Pennsylvania State Rep. Harold James addresses a May 22 rally led by LaRouche forces, who descended on legislators in the state capitol in Harrisburg. Two days later, Enron, Reliant, and “marketers” failed to get the latest 30% rate increase they wanted.

Lynch said PUC investigators found that when state operators declared a Stage 1 alert (low reserves), plants not needing repairs were suddenly taken offline. This aggravated the shortages, causing the price to soar. Then, other plants owned by the same companies sold their electricity on the spot market, and made a killing.

On May 19, during a hearing by the California Senate, and under oath, Lynch displayed charts that tracked electricity prices and power generation at three different plants on a single day last November. In the middle of the day, for no apparent reason, the plants reduced their output of electricity, which created a “shortfall” in supplies, leading to a spike in prices. Once prices spiked, the three plants suddenly increased their electricity production to nearly full capacity, selling power at the higher rates. Lynch would not reveal which companies own those particular plants, due to pending lawsuits.

### Smoking Gun Revealed

On May 20, the *San Francisco Chronicle* reported that its independent investigation revealed that Reliant Energy was a major manipulator of the California market. Operators of a Reliant-owned power plant told the *Chronicle*, on condition of anonymity, that last year they repeatedly received phone calls from the company’s headquarters in Houston, instructing them to change the output at the 1,046 MW Etiwanda plant, sometimes at ten-minute intervals. Each time they decreased output, the plant employees watched on a computer as the spot market price rose. Then, the phone call would come from Houston to ramp production at the plant back up. (A May 2000 report by the California Energy Commission cited Reliant’s plants, as some of the “major beneficiaries of

high real-time pricing” last Spring.)

Ramping power plants up and down increases the wear and tear on the equipment. Plant operators told the *Chronicle* that the acceptable period for bringing the unit from minimum to maximum levels when the Etiwanda plant was owned by Southern California Edison, was about 80 minutes, to avoid stressing the machinery. By increasing the fatigue at the unit through rapid ramping of equipment, Reliant was increasing the likelihood that real shutdowns for maintenance would be required.

Besides ramping output to game the market, according to the Independent System Operator (ISO), the total shutdown of plants has been the primary means for driving up prices. The *Chronicle* found that Reliant had the largest amount of capacity shut down, when nearly 15,000 MW were out of service. During one shutdown, the ISO had explicitly asked Reliant to keep the unit online.

One plant operator reported to the *Chronicle* that on one occasion, Reliant ordered a unit at Etiwanda shut down because the ISO would not meet the price of \$1,000 per MWh, while the legal price cap was \$750. The company’s response, according to this source, was, “It’s our unit. Shut it off.”

For months, the ISO has been warning that this Summer will bring rolling blackouts to California. According to the Summer 2001 assessment of the North American Electric Reliability Council (NERC), released on May 15, the situation in California will be considerably worse than the ISO has projected. The NERC calls many of the ISO’s assumptions “overly optimistic.”

- The ISO estimated a peak-demand shortfall this Summer of between 1,500-3,647 MW. The NERC believes the shortfall will be 4,500-5,500 MW. It takes 1,000 MW to ser-

vice about 1 million homes.

- The ISO estimates there could be 55 hours of blackouts this Summer. The NERC's *optimistic* number is 260, or 15 hours per week. The total could rise to 700 hours, under the worst conditions.

- The ISO projects that 43,841 MW of capacity will be available for peak demand this Summer. The NERC states that this does not include reduced supply "for financial reasons," if companies refuse to sell power, because of the state's credit problems, or withhold power for a higher price.

- The ISO's figures assume that 3,000 MW of new capacity will be available by the end of the Summer, compared to Gov. Davis' plan of 5,000 MW. The NERC can only certify that 1,500 MW will be available.

- The ISO assumes there will be only 2,500 MW of forced (unplanned) outages this Summer. The NERC estimates more than 4,500 MW of outages, judging by events this past Winter.

- The ISO assumes California will be able to import 3,500 MW of hydroelectric power this Summer from the Pacific Northwest, while the NERC believes it will be zero.

## The Fight for the General Welfare

Deregulation has driven California's largest utility into bankruptcy, if not the state itself, because President Bush's friends have been able to hold the state hostage for the highest prices they could extract for energy. Vice President Cheney claimed that California brought this upon itself, by not building enough power plants, due to strict environmental regulations, and opposition from the population. This is a myth.

When deregulation started, through an order of the Federal Energy Regulatory Commission (FERC) in 1992, regulated utilities stopped building new power plants, not knowing what deregulation would bring. Economist Severin Borenstein points out that "uncertainty about the rules of the new market," meant that between 1994 and 1998, no applications for major new plants were received.

Political leaders in California have had enough of deregulation. On May 22, state legislators brought suit against the FERC, stating that electricity blackouts and price hikes are a threat to the "public health, safety, and welfare of the state's 34 million residents," which has been "put in jeopardy due to the tragic consequences of rolling blackouts and punitive prices."

The FERC, the suit states, has provided no relief. The public officials allege that the FERC's refusal to enforce "just and reasonable" rates has created "a crisis of unprecedented dimensions." Were the FERC to enforce "just and reasonable" rates, there would be no incentive for power pirates to withhold power to create an artificial shortage, and hike spot market prices.

But while the Bush Administration and its energy industry cohorts may think they will be able to convince the nation to cut its own throat, the fight for re-regulation of the energy industry is gaining momentum.

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## California vs. Reliant

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# Beating the Bushes For Justice

by John Hoefle

When California Gov. Gray Davis (D) singled out Houston's Reliant Energy for "bleeding the state dry" through manipulation of electricity prices, he was stating a truth which should be obvious to anyone who views the catastrophe in California from the perspective of the General Welfare of the population.

To understand the nature of the beast that has seized California, one must look East, not just to Texas but beyond, to Wall Street and the City of London, the centers of the world energy and financial cartels. The savage looting of the U.S. population, of which California is merely the leading edge, is nothing new; poorer nations recognize the policy immediately. What is new, is that the global financial system has become so unstable, that the United States itself is now being subjected to the same sort of International Monetary Fund conditionalities long imposed on what is euphemistically called the Less-Developed Sector. The bubble is popping, and the oligarchs of Wall Street and beyond are visibly beginning to steal everything that isn't nailed down. Reliant—nasty, guilty Reliant—is an instrumentality of that theft.

## Morgan Lighting & Power

The company known today as Reliant Energy was formed in 1882 as Houston Electric Lighting and Power by a group which included local bankers and Mayor William Baker. In 1901, the utility was absorbed by J.P. Morgan's General Electric, through its United Electric Securities subsidiary. By 1922, then known as Houston Lighting & Power (HL&P), the company was a subsidiary of Morgan's Electric Bond & Share, a General Electric spin-off.

At the time of the election of President Franklin D. Roosevelt, the U.S. electricity industry was dominated by two men, banker J.P. Morgan and his one-time employee, Samuel Insull, whose empires consisted of layers of holding companies with wildly inflated asset values. The electricity-price and financial-asset manipulations of Morgan and Insull contributed significantly to the 1929 stock market crash and its aftermath, and the passage of FDR's Public Utility Holding Company Act of 1935 (PUHCA), which was designed to end such abuses and bring Morgan, Insull, and their crowd to heel. One crucial feature of PUHCA was to break up the giant holding companies by prohibiting them from owning unconnected utilities in separate states. As a result of PUHCA, Morgan was forced to divest HL&P in 1942. The ownership of the company changed, but the Morgan influence remained.

## Pennsylvania Rep. James Attacks Reliant, Enron

In Harrisburg, Pennsylvania, on May 22, a “Day of Action” and lobbying was held by 75 activists from around the state, associated with Democratic Presidential pre-candidate Lyndon H. LaRouche, Jr.’s 2004 campaign. Among the speakers at the kick-off rally under the capitol Rotunda, was Rep. Harold James (D-Philadelphia), who dramatically announced he had just sent e-mails to all fellow House members, asking for co-sponsors on a “New Bretton Woods” Resolution on the economic crisis, to be introduced in June. By the end of the day, two other state representatives had become co-sponsors. The resolution states that “American economist Lyndon H. LaRouche, Jr. has consistently warned of this crisis, and there is significant international support for a solution based on Mr. LaRouche’s ‘New Bretton Woods’ economic policy.”

James also spoke on deregulation:

“We were told that deregulation would mean more competition. But instead, we’ve seen mergers and acquisitions. For example, Philadelphia Electric [PECO] has merged with Unicom of Chicago, and May 24, the Pennsylvania Public Utility Commission will rule on a takeover of GPU by First Energy of Akron, Ohio.

“We were told that deregulation would mean lower prices, but the PUC [Public Utility Commission] will rule May 24 about breaking the rate caps for GPU, because of the increase in wholesale electricity prices. We were told that deregulation would mean ‘customer choice,’ but we

see ratepayers being switched from Philadelphia Electric Co. . . . 299,000 PECO customers were switched to New Power Co. in January, without their knowledge, and 50,000 more customers are supposed to be switched to Green Mountain this month, again without their knowledge. It sounds like Governor Ridge has invented a new concept: ‘mandatory choice.’

“But even more worrisome is the fact that both New Power Co. and Green Mountain, have close political and financial ties to George W. Bush. New Power Co. is made up of Enron Corp., IBM, and AOL. Enron’s CEO, Kenneth Lay, is an intimate adviser to the Bush Administration on energy policy. He just met with [Vice President] Dick Cheney last week. Enron is backing a current member of the Pennsylvania Public Utility Commission, Nora Mead Brownell, for a spot on the Federal Energy Regulatory Commission. What is going on here?

“Green Mountain, based in Austin, Texas, is run by Sam and Charles Wyly, who contributed over \$200,000 to Bush and the Republican Party for the 2000 campaign. . . .

“Now, I understand that Reliant Co., also of Houston, Texas, owns at least 16 electricity generating plants in Pennsylvania. Reliant has now become a force in Pennsylvania. Reliant Vice President W. Paul Ruwe is now Chairman of the Board of the Electric Power Generation Association, based here in Harrisburg, while Reliant’s mid-Atlantic headquarters is in Johnstown.

“I recognize that Lyndon LaRouche’s forecast about the economy and the financial crisis was accurate. I respect his idea when he proposes that public utilities should be re-regulated. I will look very closely at the law passed recently in Nevada, where electricity and natural gas deregulation was repealed on April 18.”

In 1976, the company restructured, creating Houston Industries as the holding company of which HL&P became a subsidiary. Between 1992 and 1998, Houston Industries began to expand into Ibero-America, buying interests in electric utilities in Argentina, Brazil, Colombia, and El Salvador. In 1997, it made a major U.S. acquisition when it bought natural gas company NorAm Energy.

In 1998, Houston Industries expanded into California with the purchase of five power plants from Edison International, parent of the Southern California Edison utility. Among those plants were the 1,613 megawatt Ormond Beach facility and the soon to be notorious 1,049 MW Etiwanda plant; the purchase gave the company 4,000 MW of generating capacity in the state, enough to supply—or extort—several million homes.

Reflecting its transformation from local utility to international pirate, Houston Industries changed its name to Reliant Energy in 1999. That same year, it bought control of Dutch

power generation firm UNA.

In May 2001, Reliant restructured again, spinning off its Reliant Resources merchant power division as a separate company. HL&P, the regulated utility, remained a part of Reliant Energy, but its 14,000 MW of generating capacity are slated to be transferred to the unregulated Reliant Resources, pending state approval. Once that occurs, HL&P will have to buy its electricity from Reliant Resources, and the customers of HL&P will be subject to the same predatory practices as the residents of California.

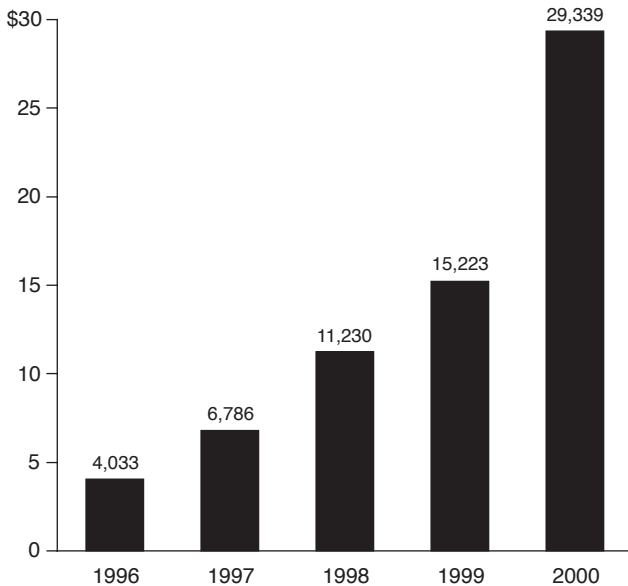
Reliant sits near the center of the apparatus *EIR* has described as Southern Strategy, Inc., an alliance of Wall Street and European financiers, steered by the oligarchic Schlumberger/Lazard financial and intelligence apparatus.

One of the chief figures in this apparatus is James A. Baker, III, the former Secretary of State, White House Chief of Staff, and consigliere to the Bush family. Baker is a dominant figure at Reliant, both through his seat on the company’s

FIGURE 10

**Reliant Energy Revenues**

(Billions \$)



Source: Reliant Energy.

board, and the role of his family law firm, Baker & Botts, as Reliant's attorneys. Reliant and its subsidiaries paid Baker & Botts, where Baker is a senior partner, \$15 million in legal fees in 1999. Baker & Botts gave \$113,621 to the Bush campaign during 1999-2000.

Both Reliant's current chairman, Steve Letbetter, and previous chairman Don Jordan, were members of President George W. Bush's "Pioneers Club" of major campaign contributors, and Letbetter gave \$100,000 to the Bush-Cheney Inaugural Committee. During the 1999-2000 political season, Reliant donated \$825 million to political candidates and parties, with \$635 million of that going to Republicans.

Baker & Botts has also been the main law firm of two companies founded by the first President Bush, who was one of the founders of Zapata, which became Pennzoil, and later headed Pennzoil spin-off Zapata Offshore. Lazard Frères, the French-British-American investment bank, was an early investor in these Bush companies. Another Baker & Botts client is Schlumberger (whose board has included Baker & Botts attorneys), also a business partner with Pennzoil.

Reliant is not the only Morgan-connected company active in the California energy market. El Paso Corp., the natural gas company accused of manipulating the natural gas supply in the state, thereby creating the pretext for the sharp rise in electricity prices, is a spin-off of Burlington Northern Santa Fe, a part of the old Morgan railroad empire. And, Atlanta's Southern Company and its Mirant Corp. spin-off are part of the old Morgan electricity cartel.

## Soros Smiling About Bush's Drug Policy?

by Jeffrey Steinberg and Art Ticknor

In a May 18 *Los Angeles Times* commentary by Ethan Nadelman, the director of George Soros's pro-drug legalization Lindesmith Center/Drug Policy Foundation, the dope lobby's top gun suggested that President George Bush could surprise the world and push through a major overhaul of America's drug policy—in synch with Soros's agenda. "Is there any chance that President Bush could pull a 'Nixon goes to China' on drug policy?" Nadelman asked. "Don't laugh, it's possible," he replied to his own question.

Nadelman's piece cited a growing number of Republican elected officials, including Connecticut Gov. John Rowland, New York Gov. George Pataki, and former Wisconsin Governor—now, Secretary of Health and Human Services—Tommy Thompson, who have recently abandoned their pro-drug enforcement stances and entertained various ideas of drug decriminalization. Among these, Nadelman heaped the most praise on New Mexico's Gov. Gary Johnson, who is a Soros/Cato Institute poster boy for dope legalization, and who will keynote the Lindesmith Center/Drug Policy Foundation annual conference in Albuquerque in June.

Nadelman also cited former Secretary of State George Shultz, who headed George W. Bush's Presidential exploratory committee policy team, as another "free market" Republican, who, like Milton Friedman and William F. Buckley, peddle full drug legalization. "The fact is," Nadelman wrote, "there's a libertarian streak that runs deep in the Republican Party that understands the futility of trying to prohibit what are essentially global commodity markets. Many of these libertarians recoil—just as do many Democrats—at the drug war's assault on personal freedoms. Look for some of them to speak their minds."

A week before the Nadelman hype of "Bush the drug reformer," the London *Economist*, a fervent propaganda organ for the legalization of drugs, editorialized, "*The Economist* has long argued that drugs should be decriminalized. Few politicians will go that far, but many have edged in that direction. Back in January, George Bush, who was once busted for drunk driving and has always danced around the question of whether he took drugs in his misspent youth, seemed to be one of them."

### Actions Louder than Words

While President Bush's appointment of John Walters, a former head of supply interdiction in the White House drug

czar's office under President Sir George Bush, has generated some protests among the drug legalizers. President Bush has taken at least one dramatic initiative that directly undercuts one of the pillars of any successful anti-drug policy. On May 11, the *Washington Post* reported that the Bush Administration has withdrawn its support for the Organization for Economic Cooperation and Development (OECD) initiative against offshore tax havens, claiming, preposterously, that the OECD has been secretly plotting to set up a single global tax code.

In fact, the OECD initiative had been an outgrowth of Clinton Administration Treasury Secretary Robert Rubin's efforts to establish a Western Hemispheric cooperative framework for combatting money laundering, tax evasion, and flight capital. In October 1995, President Clinton had signed a series of Executive Orders, defining drug-money laundering as a grave national security threat, and had authorized the Treasury Department, the National Security Agency, and a wide range of other Federal departments, to upgrade their efforts to stop the flow of criminal cash. Last year, the Senate Banking Committee's ranking Democrat, Carl Levin (Mich.), had issued a detailed report, exposing the role of Citibank and a string of offshore "correspondent banks" in laundering billions of dollars in illegal drug proceeds, flight capital, and other illicit funds.

A Bush White House official, asked to comment on the U.S. pullout from the OECD effort, bluntly admitted that the money-laundering crackdown did not sit well with Wall Street. "Basically," he said, "the U.S. has very little to gain, and it's a burden on our financial industry." Secretary of the Treasury Paul O'Neill was even more blunt: "In its current form, the project is too broad, and it is not in line with this administration's tax and economic priorities."

### **A Little Help for Bush's Friends**

The *Washington Post* highlighted the role of White House economic policy adviser Lawrence Lindsey, in the Bush Administration's wrecking of one of the few international protocols against offshore tax and criminal money havens. But *EIR* has learned from several well-placed Washington sources, that the action came as the result of intensive lobbying by two Texas allies of President Bush, Sen. Phil Gramm and House Majority Leader Dick Armey. While both Gramm and Armey are among the leading Congressional proponents of radical free trade and deregulation — frequently citing Milton Friedman and Friedrich von Hayek as their ideological gurus — the two Texas Republicans were motivated, in this case, by more than ideology, according to sources.

Behind the President's move to sink the anti-money-laundering effort, was one of Bush's and the Republican Party's financial angels, R. Allen Stanford, head of a Houston-based \$7 billion financial services conglomerate, the Stanford Financial Group. Stanford contributed to Bush's Presidential campaign, and helped finance the inauguration and the Re-

publican National Committee.

While Stanford Financial Group maintains a posh Houston address, the bulk of its banking activities takes place offshore, particularly in Antigua, where Stanford is a top policy adviser and re-election campaign financier of Prime Minister Lester Bird, and owns the island's largest newspaper, its largest bank, and a large amount of high-end real estate.

Two years ago, the *Wall Street Journal* had reported that Stanford was at the center of a policy brawl between the United States and Antigua, over recent laws that the Bird government had enacted — at the recommendation of a special commission headed by Stanford — overhauling the island's banking laws. The U.S. Treasury Department had protested then that Stanford's new Antigua law made it a felony to provide foreign law enforcement agencies with information about confidential bank accounts. On April 7, 1999, Treasury's Financial Crimes Enforcement Network ("Fincen") took the highly unusual step of issuing an alert that all banking transactions involving Stanford's Bank of Antigua Ltd. should be carefully scrutinized. A year earlier, U.S. Drug Enforcement Administration investigators had found that \$3 million in proceeds from Mexico's Amado Carrillo Fuentes drug cartel had been laundered through the Stanford International Bank. In a followup letter to Prime Minister Bird, a senior Treasury Department official had complained that the Antiguan actions had "weakened its anti-money-laundering laws to the point they are now significantly below international standards, making Antigua more vulnerable to money laundering."

### **The Walters Nomination**

In the context of the Bush Administration's take-down of one of the vital components of any effective anti-drug strategy — the crackdown on money laundering — the appointment of John Walters poses no contradiction. Despite Walters' stint as an assistant to William Bennett in the drug czar's office under Sir George Bush, he is no career "drug warrior," but, rather, a cog in the Conservative Revolution think-tank apparatus, who is perfectly at home with Milton Friedman and even George Soros. For years, Walters headed the Philanthropic Roundtable, a clearinghouse for the flow of tax-exempt funds into the Gingrich revolution. The latest bimonthly issue of the Roundtable's magazine prominently featured an article by the director of George Soros's Open Society Institute "Project on Death in America," which advocates legalized euthanasia.

Several years ago, Walters co-authored a book with White House "faith-based initiative" chief John DiIulio and Bennett, advocating a "lock 'em up and throw away the key" approach to street-level drug traffickers. But Nadelman claimed in his commentary that DiIulio has now joined the ranks of those who have defected from the law enforcement camp.



# Death Toll Rises in Washington, As Medical Treatment Is Denied

by Edward Spannaus

Dramatic additional evidence, that people are being killed and maimed by the privatization of health care in the District of Columbia and the shutdown of D.C. General Hospital, was presented at a May 23 town meeting held by the Coalition to Save D.C. General Hospital.

As the reports multiply concerning the emergency-care crisis in D.C., a worldwide mobilization is under way, to compel the U.S. Congress to reverse the unlawful action of the unelected D.C. Financial Control Board, in handing over the District's public health-care system to a band of corrupt privateers—a crew which obviously has no intention of replicating the high quality of medical care, and the access to health care for the poor and the uninsured, which has traditionally been the hallmark of D.C. General as a full-service public hospital.

*EIR* has previously documented two deaths attributable to the shutdown of D.C. General, and two more, on May 10 and 15, have been reported by emergency medical personnel.

At the town meeting, Charlene Gordon, RN, with 18 years' seniority at D.C. General, reported that there has been at least one additional death, as well as a number of instances of delayed treatment which has caused permanent damage to patients. This means that the rates of mortality and morbidity are both rising, as a result of the policy pushed by KKK-Katie Graham's *Washington Post*, and implemented by the Financial Control Board on April 30, when it executed its illegal and popularly rejected contract under heavy police protection.

The additional death reported, was that of a man whose wife attempted to drive him to D.C. General, only a few blocks away, because of the unavailability of an ambulance. The man died in the car, whereas if he had been promptly treated by Emergency Medical Technicians (EMTs), his life could have been saved. "Her husband is dead," Gordon said. "We lost a life."

Nurse Gordon also reported that while D.C. General has stopped admitting inpatients, Greater Southeast Community Hospital, which has taken over D.C. General under the privatization contract, is not admitting any new patients either. As a matter of policy, Greater Southeast will not accept homeless patients, or HIV-positive patients, or jail inmates—all of whom were treated by D.C. General; and, at the moment,

Greater Southeast is not accepting *any* new patients, because it is filled to capacity.

When staff at D.C. General attempted to send a homeless patient to Greater Southeast, they were told by an official there, "I can't give you a bed for this man, he has no fixed address. How can I charge him?"

## Treatment Delayed

In one case, a man came to D.C. General with spinal-cord compression, a condition which must be treated within about six hours. He could not be transferred to Greater Southeast for days, and was not treated until two and one-half days later, by which time his condition had reached the point where he is likely paralyzed.

In another case, a man almost lost his foot. He came in on Friday, with his foot cold and pulseless, needing emergency surgery. D.C. General could not do the surgery, and Greater Southeast was full, so he did not receive treatment until Monday.

Gordon also reported, as have others, on the overcrowding and long delays in emergency rooms. On the weekend of May 19-20, D.C. General had nine patients waiting for a bed at Greater Southeast, and Greater Southeast had 12 patients in its emergency room waiting for a bed. By Monday, May 21, there were nine patients sleeping on stretchers at D.C. General, because no inpatient admissions are allowed there without the personal authorization of the District's Health Director, Dr. Ivan Walks.

There are supposed to be two ambulances stationed at D.C. General, prepared for an emergency to take patients to other hospitals. On the afternoon of May 22, there was no ambulance, and a woman came in with labor pains. D.C. General can no longer deliver a baby, because of the shutdown of its top-flight Pediatrics and Obstetrics unit, and so the woman had to wait 50 minutes for an ambulance to take her to another hospital. If she had undergone a "precipitous delivery," the baby's life would have been in jeopardy, Gordon reported.

Rev. Mildred King, a leader of the Coalition who conducted a hunger strike outside the Mayor's and Control Board's offices, to protest the closing of D.C. General, told the meeting what had happened to her, after she collapsed on

May 18 from dehydration and effects of her fast. Ambulance drivers first tried Howard University Hospital's emergency room, which was full, and then they took her to Providence Hospital, which was also full. Finally, the ambulance went to Washington Hospital Center, where six other ambulances were already lined up, waiting to drop off patients.

The incident with Reverend King was reported in the May 23 *Washington Times*, which also described the growing emergency-room crisis in the city — which Katie Graham's *Washington Post* has refused to report. The *Times* said that the "premature closure of D.C. General Hospital's trauma center and some of its services, despite pledges for a gradual phase-out, has physicians and paramedics scrambling to provide health-care services to their patients."

"This is being felt all over," an emergency physician at D.C. General told the *Times*. While the Health Department claimed not to know why emergency rooms are all so busy, the *Times* noted that "anecdotal information shows the closure has overwhelmed hospital capacity around the city, and put the health needs of patients at risk."

After D.C. General stopped accepting ambulances, and new pediatrics and obstetrics cases, Washington Hospital Center, Howard, and Providence had their busiest weeks ever. Walk-ins at Providence rose 17%, according to Providence's emergency room director, who said: "Right now, I have 30-something names on my board. Every bed, stretcher, and chair is full. Two ambulances are waiting outside to unload patients."

The rate of uninsured patients has risen to 50% at Providence from a previous 30%-40%, an indication of the spillover effect of the closure of the District's only public hospital.

The *Times* article also notes that response times for ambulances is increasing, as ambulances are rerouted. When all the emergency beds are full, ambulances have to wait for two to four hours, said Kenneth Lyons, the head of American Federation of Government Employees (AFGE) Local 3721 for paramedics and EMTs. "This policy is a virus, and it's killing everything it touches," Lyons said.

Yet, despite all this, Mayor Anthony Williams told the U.S. House Appropriations subcommittee on May 23, that "the transition is proceeding in a safe and orderly fashion . . . while maintaining access to quality health services."

## **Congress Must Act Soon**

The citizens' mobilization is demanding that the Congress take two steps to roll back the Control Board's action and to reestablish D.C. General as a full-service, fully funded public hospital.

First, Congress must reverse the Control Board's actions, by adopting a joint resolution disapproving the legislation enacted by the Control Board on April 30. On that date, the Congressionally created Financial Control Board arbitrarily and illegally signed a five-year contract, and enacted legislation that privatized the District's public-health system. The Control Board's legislation also repealed previous legislation

enacted by the City Council, which had established the Public Benefit Corp., which operated D.C. General and six Community Health Clinics. As part of the contract, the only remaining public hospital in the District, D.C. General, was turned over to Greater Southeast Community Hospital, a private hospital run by a group of financiers who have already been sued in various locations for looting hospitals and health-care facilities.

The Control Board's legislation included both emergency legislation, and permanent legislation. The permanent legislation is subject to a 30-day review period by the Congress; if at any time during the period of 30 legislative days, a joint resolution disapproving it is passed by Congress, the legislation is nullified. It is estimated that the 30-day period will expire around June 22.

Secondly, it was stated at a hearing of the House Appropriations D.C. subcommittee on May 23, that the \$21.5 million appropriation — which was authorized by the D.C. City Council, then vetoed by the Mayor, and the veto overridden unaminously by the Council — is in the Supplemental Budget submitted by the District to the Congress. This is contrary to the representations made by the District's obstructionist non-voting Delegate, Eleanor Holmes Norton, and other sources. Thus, Congress should approve this \$21.5 million appropriation, which would fund the Public Benefit Corp. and D.C. General until Sept. 30 — the end of the fiscal year, when the Control Board itself is scheduled to go out of existence.

## **Federal Court Challenge**

Two members of the D.C. Council, Kevin Chavous (D) and David Catania (R), are challenging the Control Board's action in Federal court, on the grounds that the Control Board acted *ultra vires* (beyond its authority) when it privatized the health-care system, vastly exceeding its authority as granted by Congress. They are also charging that their own Constitutional rights were violated, when the Control Board ordered them to adopt the privatization scheme, then overrode the Council's rejection of the scheme, and usurped the legislative authority of the elected City Council. The court rejected the Councilmen's application for a temporary restraining order (TRO), at an emergency hearing on April 30.

In their motion for summary judgment, filed on May 14, they show that, as a result of the denial of the TRO to prevent the Control Board's contract and decrees from taking place, "the alarming and tragic consequences of these actions are being afflicted on District residents."

"Residents are dying due to the closing of D.C. General's emergency room to ambulances and because of the inability of Greater Southeast to accept trauma patients despite its contractual obligations," they argue. "This increasing health-care disaster . . . violates the standards of human decency in a civilized society."

Arguments on the motion for summary judgment, and on the Control Board's motion to dismiss the Councilmen's lawsuit, will be heard on June 8 in Federal court.

## Tax Bill Buried Under Blizzard of Amendments

On May 17, the Senate began debate on the \$1.35 trillion tax cut bill which the Senate Finance Committee had passed on May 15. The bill came out as a reconciliation bill, however, subject to special budgetary rules, which, among other things, prevent the bill from being filibustered. Robert F. Byrd (D-W.V.) charged that these rules mean that “the most important feature of the budget resolution for the Republican leadership was the provision that allows the leadership to muzzle debate on a bill that will change the fiscal landscape of this nation for a generation and, by so doing, to thwart the will of the minority in this Senate.”

Democrats are still attempting to, if not kill the bill, at least slow it down, to deny President Bush’s demand that it be passed before the Memorial Day recess. The strategy has been to offer an avalanche of amendments. As of May 22, the Senate had debated 48 amendments requiring roll call votes, 44 of them by Democrats, and all of them defeated.

Most of the amendments have centered on reducing the tax breaks for upper-income brackets and expanding those for the lower-income brackets. There were several attacks, including one led by John McCain (R-Ariz.), on President Bush’s proposal to lower the top tax rate from 39% to 33%. The McCain amendment would have limited that reduction to 38%. Other amendments would have increased the income subject to the lowest tax bracket, and retained the estate tax in some modified form.

On May 22, Minority Leader Tom Daschle (D-S.D.) explained to reporters that the amendment strategy was to ensure that Democrats concerns about the tax cuts be heard. These include

earmarking a “fair share” of the budget surplus toward debt reduction, providing sufficient resources for “America’s priorities,” such as a Medicare prescription drug benefit, and spreading more of the tax cut benefits to the lower 90% of taxpayers.

## Senator Lott Rebuked on Campaign Finance Reform

In a highly unusual move, the Senate voted 61-36 on May 15, in favor of a resolution calling on Majority Leader Trent Lott (R-Miss.) to send the McCain-Feingold campaign finance reform bill, which passed the Senate 59-41 on April 2, to the House for its consideration. The move followed Lott’s announcement the previous week, that he had no intention of doing so. Normally, when one House passes a bill, it is formally sent over to the other House for its consideration within 30 days.

John McCain (R-Ariz.), who introduced the resolution, called the holding of the bill “arbitrary and unfair.” He said, “The Senate recognizes in its rule that once a majority reaches a certain threshold, it can prevail and move forward. What we are seeing here is a minority of one stopping the will of this body.”

Before the vote, Lott indicated that he was in no hurry to send the bill over. But, the practical implications of his delaying action seem minimal, because the House can decide to take up its own version of campaign finance reform, an action which seems likely, in any case.

McCain has continued to push Lott to send the bill to the House. During an appearance on ABC News’ “This Week” on May 20, McCain said that Lott’s action “is very disturbing be-

cause it could set a very dangerous precedent” for the legislative process as a whole. He did not rule out that he and Russ Feingold (D-Wisc.) may take some sort of parliamentary action to force Lott to send the bill.

On NBC News’ Meet the Press later the same morning, Lott said, “There’s no need to send it over there if the House is in the process of acting” on the bill. He added that he has already directed the bill to be sent over and “they should have it next week.”

## O’Neill Grilled on Debt Forgiveness

On May 22, Treasury Secretary Paul O’Neill made his first appearance before the House Financial Services Committee to report on the status of reforms at the International Monetary Fund and on the condition of the international financial system. The hearing was the result of a mandate in the 1999 Foreign Operations appropriations bill which provided for an increase of \$18 billion in funding to the IMF in response to the growing international financial crisis.

O’Neill asserted that the crises in Argentina, Turkey, and Indonesia don’t have anything to do with each other. Otherwise, he said very little about the current international financial crisis. He was, instead, questioned at length on debt forgiveness for the world’s poorest countries. O’Neill claimed that he knew of no single case “where a country was forced to take money from these institutions,” and that while the existing program should be allowed to work, “I think if we are really going to entertain the possibility of writing off everything, we need to face up to how many billions of dollars that is.”

The most critical evaluation of the IMF came from Bernie Sanders (I-Vt.), who noted the IMF policy failures in Asia and as a result of its debt reduction program, and its forcing of countries to export everything they produce to the United States. "The IMF's misguided policies in recent decades," he said, "are largely responsible for the lack of per-capita economic growth in Latin America, plummeting per-capita income in Africa, skyrocketing trade deficits in the United States, and a decline in real wages for American workers." Sanders was among those calling for complete debt cancellation for the poorest nations.

## House Backs School Testing

On May 17, the House began debate on its version of President Bush's education plan. According to Education and the Workforce Committee Chairman John Boehner (R-Ohio), the bill "challenges states to set high standards for public schools, demanding accountability for results. It provides unprecedented flexibility to local districts, letting them make spending decisions." George Miller (D-Calif.) said that the bill "truly represents what members on both sides of the aisle have been saying they want with respect to the Federal role in education and to what the President has said that he wants."

While the bill has wide support in the House, the provision dealing with testing generated some debate. On May 22, Peter Hoekstra (R-Mich.) introduced an amendment to repeal the testing requirement for grades three through eight. Hoekstra argued that the testing mandate that was passed into law in 1994 should be allowed to

work before additional mandates are imposed on the states. He added that the argument is about "the Federal government deciding that every school has to test students." Wayne Gilchrist (R-Md.) warned that "teaching to the test" will be an unintended consequence if testing is added to the system.

Opponents of the Hoekstra amendment, both Democrats and Republicans, warned that if it were to pass, it would cut the heart out of the bill. Michael Castle (R-Del.) said, "We do need to have the standards and the assessments, and part of the assessments is the testing." Tim Roemer (R-Ind.) said that properly done testing is a "diagnostic tool" that helps "to determine whether or not that child goes to the next grade or graduates." Hoekstra's amendment went down to defeat by a vote of 255-173.

## Olson's False Testimony Is Being Probed

Following a deadlocked vote on May 17, the Senate Judiciary Committee has authorized a limited investigation of the responses given by the Bush Administration's nominee for U.S. Solicitor General, Theodore Olson.

Democrats on the Committee have charged that Olson was less than truthful in testimony about his involvement in the "Arkansas Project," which sought to dig up dirt on Bill and Hillary Clinton from 1994 through 1997. With carefully chosen words, Olson has denied knowledge of the project before 1997—despite substantial evidence to the contrary.

The Arkansas Project was financed by \$2.4 million from the foundations run by Richard Mellon Scaife; it was run through the *American Spec-*

*tator* magazine, and the tax-exempt American Spectator Educational Foundation. It was reportedly organized at a meeting in Olson's law office in late 1993 or early 1994. One source familiar with these events told the online *Salon* magazine: "Olson is somebody Scaife would trust to see that nothing went wrong and that his money would not be wasted."

By that time, Olson was already representing David Hale, the corrupt former Little Rock municipal judge who was indicted in September 1993, and was later squeezed to become the star witness against Clinton, by Independent Counsel Kenneth Starr.

In truth, Olson's role was much, much greater than anything he has let on. Olson was a key player in cooking up both the so-called Whitewater scandal against Clinton, and the sex scandals which started with Paula Jones and led into the Monica Lewinsky case and the impeachment.

Olson was a former law partner of Starr from the 1970s, and remains one of Starr's closest friends. They joined the Justice Department together in 1981, when another partner, William French Smith, became Attorney General.

Starr and Olson are both activists in the misnamed Federalist Society, founded in 1982 under the direction of now-Supreme Court Justice Antonin Scalia.

Olson and his wife Barbara hosted a weekly "Get Clinton" salon at their secluded Great Falls, Virginia home, where journalists and others plotted how to bring down Clinton—especially after Clinton was elected to a second term. Among regular attendees were the *American Spectator's* Emmett Tyrrell and the *Wall Street Journal's* Robert Bartley; according to some reports, Starr was also a regular participant.

### *A Damning Admission, Late in the Game*

Columnist Robert J. Samuelson, in his *Washington Post* column of May 16, finally admitted that the popular brands of what is mislabelled “economic forecasting,” are nothing but consumer fraud. He wrote, “The economy’s slide has one familiar feature: Few, if any, economists predicted it. We should not be surprised. Economists routinely miss the turning points of business cycles and, indeed, have missed most of the major economic transformations of the past half-century, whether for good or ill.”

Why the failure? Because their computer models are really predicting the past, not the future. “The idea is that present behavior reflects past behavior, as reflected in various economic statistics. . . . We call this exercise forecasting, but of course it isn’t. It’s telling people what they already know or might know by examining the available information. It creates an illusion of understanding. The trouble is that there are times when radical and dramatic changes do happen, and at these moments economists are almost as clueless as everyone else. . . .”

But Samuelson commits another fraud himself, by omitting *EIR* founding editor Lyndon LaRouche from the equation: His indictment of the trend-line forecasting approach points precisely towards LaRouche’s method, which relies on the non-linear axiomatic shifts in man’s relations to nature, and in the beliefs which govern his activity. Where Samuelson admits that the “Brand X” forecasts are now proven failures, all the forecasts which LaRouche has made have proven truthful.

Look, for instance, at the Year 2000 Presidential election campaigns. Compare what Presidential pre-candidate LaRouche was saying throughout the 1999-2000 campaign, with what dummies Gore and Bush said. LaRouche had forecast the recent hyperinflationary spiral, not only in energy prices, since 1998, and continued to do so. Neither Gore nor Bush said anything about it. LaRouche forecast the doom of the “information society,” while Gore was claiming to have invented the Internet. On Sept. 8, 2000, LaRouche wrote in *EIR*, “The U.S. economy is lurching at the

brink of the worst systemic, global financial collapse which European culture has experienced during recent centuries.” At about the same time, Alan Greenspan was making the case for a “soft landing,” and the Republican Party, in its platform, was taking credit for “today’s prosperity and surpluses [and] the origin of what is now called the New Economy: the longest economic boom in the 20th century.” Gore said on Sept. 30, “We’ve gone from a triple-dip recession during the previous 12 years, to a tripling of the stock market.”

What about LaRouche’s forecast that Alan Greenspan would self-destruct in Year 2001? He is now self-destructing as LaRouche forecast. And remember LaRouche’s forecast, as soon as Bush was made President by an unconstitutional intervention of the Supreme Court, that the Bush Presidency would self-destruct, if it clung to its core beliefs, as it has done? What else does it mean, when that administration lost its control of the Senate after only four months in office, through Vermont Senator Jeffords’ quitting the Republican Party?

A few days after Samuelson’s column, on May 22, Treasury Secretary Paul O’Neill predicted that the combination of interest-rate cuts by the Federal Reserve, with the Bush tax cut plan, would begin to turn the U.S. economy around within days. “By the end of the week,” he said, “we will have created the conditions that have very bright prospects for returning to a very high rate of growth in the very near future. I’m very confident that the ingredients are there to provide a significant amount of near-term cash flow, or a refund, to the American people. . . . The combination of the money that will flow immediately and the impact that future flow anticipation will have on people’s decisions, will be very constructive and supportive of a new burst of growth in the U.S. economy.”

This is the madness and self-destruction of a once relatively sane man, after he became a Bush Cabinet officer! How long will this Presidency last? There’s no time to wait until 2004; LaRouche and his recovery program must be supported now.





# What's behind all the hysteria against China?

China wants to buy *trillions of dollars* worth of U.S. capital goods, for the great infrastructure project of the 21st century, the Eurasian Land-Bridge. But the British-led financier oligarchy, determined to prevent such collaboration at any cost, has unleashed its mad dogs in Congress, to wreck President Clinton's efforts to forge a mutually beneficial partnership with China.

## The Eurasian Land-Bridge

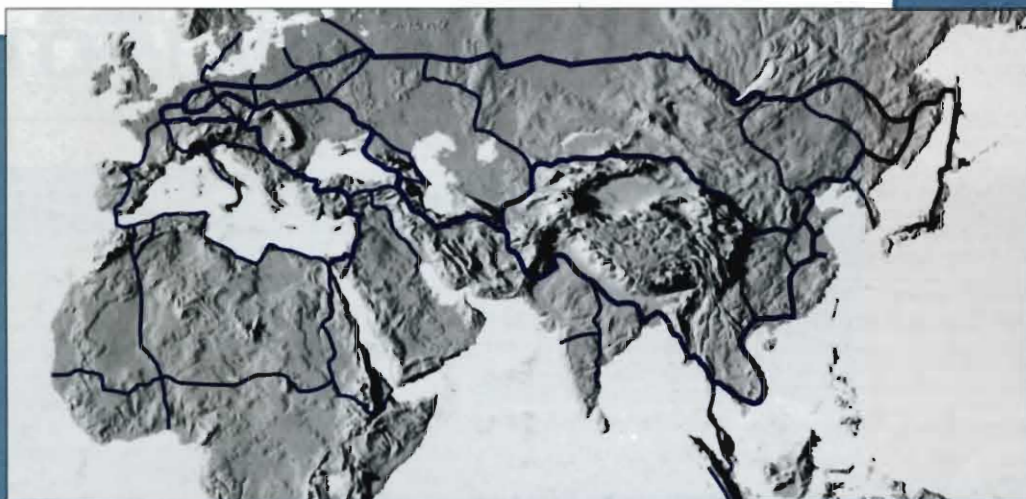
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- The Eurasian Land-Bridge and the economic reconstruction of the United States



EIRNS  
Helga Zepp-LaRouche (right), known as "the Silk Road Lady," has played a major role in organizing worldwide support for the Eurasian Land-Bridge. She is shown here with Schiller Institute associates at Lianyungang Port in China, October 1998.



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